

LEGAL AND PRIVACY

Luxury marketers no longer in control of consumer data

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The E.U. and California are at the forefront of protecting consumer data. Image credit: Lord & Taylor

By SARAH RAMIREZ

NEW YORK – Luxury brands need their marketing and legal teams to work closely together to protect their brand reputations and avoid pitfalls in a rapidly-changing climate.

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With the advent of new privacy laws and social media standards, brands need to stay vigilant to avoid legal repercussions. Speaking at Luxury Marketing Forum on Sept. 26, a business attorney encouraged marketers to approach editorial efforts and user-generated content with caution.

"We [consumers] are taking control of our own data," said Rania V. Sedhom, managing partner at [Sedhom Law Group](#). "[Luxury brands] need to take reasonable measures to stop using their information and to stop sharing it."

Luxury Marketing Forum was organized by Luxury Daily, with venue sponsor UBS

Shopper data

Use of consumer data is one of the biggest legal and privacy issues facing luxury marketers today, according to Ms. Sedhom. This goes beyond shoppers' names and financial information to include browsing history and similar information.

The E.U.'s General Data Protection Regulation, which came into effect in May, is one of the most stringent data regulations in the world.



Data regulations are becoming more commonplace. Image credit: Facebook

In July, California passed its own stringent data protections with a law called the California Consumer Privacy Act. Ms. Sedhom expects other states, including New York, will soon follow with their own data laws.

Under the new law, customers can request to see exactly what data has been collected from them by companies and to whom it has been sold. Additionally, consumers will be able to request that their data be removed from data sets ([see story](#)).



Retailers rely on shopping data to enhance ecommerce experiences. Image credit: Neiman Marcus

The restricted use of consumer data will handicap marketers who rely on this information to reach shoppers with personalized recommendations and other information.

Consumer identity is a highly advanced form of customer service, which means luxury brands will need to invest heavily in this field to stay competitive.

However, the high number of brands who are interested in integrating this technology might not be able to do so within the near future.

Only 15 percent said they can identify shoppers “accurately and consistently,” and 69 percent said they could only partially do so, according to a survey by the Association of National Advertisers ([see story](#)).

Usage issues

With the advent of user-generated content, protection of intellectual property has become more important.

For instance, celebrities and influencers, including model Gigi Hadid, have faced legal consequences for sharing photographs of themselves on social media without attribution and obtaining usage rights from a photographer or brand.

Luxury brands can be the target or the subject of copyright complaints as well.

French fashion company Balenciaga is being sued by a New York-based souvenir company for allegedly copying a tote bag design.

The lawsuit was brought by City Merchandise, Inc, a company that makes souvenir tote bags commonly seen in shops across New York. Balenciaga’s designer Demna Gvasalia has been accused of similar acts of design theft in the past, giving the accusation some extra weight ([see story](#)).

"Be vigilant," Ms. Sedhom said. "The key is to work with an attorney on a regular basis.

"We are not firemen," she said. "If you've already broken all these rules and someone already is going to sue you, we can mitigate some of the damage, but wouldn't it be better if we spoke beforehand?"

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