

MARKETING

As CCPA approaches, are luxury brands prepared?

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The California Consumer Privacy Act, or CCPA for short, is scheduled to officially go into regulation Jan. 1. The act empowers Californian consumers with the right to know and access all personal data collected about them by certain businesses.

As the deadline looms, it begs the question, are luxury brands prepared?

What CCPA legislates

Once CCPA is in effect, Californians will be able to identify what categories of data are collected about them including email address, phone number, mailing address, device ID, IP address and browser cookies, why data is being acquired, what is being done with the data, whether the data is being sold and to whom its being sold.

The legislation will also empower consumers to take action.

If their data is being sold, they can opt out of the sale of that information. They can also request their personal information be deleted.

How CCPA compares to GDPR

Global luxury brands will likely already have gone through similar compliance exercises during the rollout of GDPR in 2018.

Brands that are GDPR-compliant should be able to easily meet CCPA compliance. However, they must account for some ambiguities, as CCPA is opt-out and not opt-in like GDPR, and CCPA governs the sale of data versus the collection of data.

As a best practice, luxury brands should consider their approach to data privacy and collection overall, preparing for the future outside of CCPA and GDPR specifically.

How CCPA will impact luxury brands

In the United States, CCPA is a harbinger of the future and not unique: 26 other states and U.S. territories are

advocating for similar privacy laws, creating a legislative patchwork that will require brands and advertisers to juggle vastly different regulations and rework the way they collect, manage and use data across the larger digital economy.

Whether a luxury brand has a presence in California or not, I would recommend they view CCPA compliance as a step towards the future of brands operating in a world in which cookies are less prevalent and used on an opt-in basis.

Luxury brands should not just prepare for CCPA's roll out on Jan. 1, they should prepare for what happens a few years in the future, when brands will leverage first-party data to market to consumers.

Luckily, luxury brands have a unique advantage compared to other brands in that they serve very niche audiences and generally deliver a tailored, 1:1 experience for each customer.

As such, luxury brands will need to account for the following in preparation for CCPA:

- Understand privacy and data clarity: What can each brand collect or not collect under CCPA? What should be the methods of collecting and managing data?
- Encouraging a 1:1 relationship digitally: Creating a curated and customized experience will encourage customers to willingly give up relevant information or opt in to targeting, helping luxury brands comply directly with CCPA through a value-based perspective.

How luxury brands can develop digital strategies that comply

When it comes to updating a digital marketing strategy, luxury brands will need to adjust how they approach user targeting and user data collection strategies.

The best approach is for a brand to diversify its digital marketing and advertising mix so that it is not overly reliant on one form of consent.

Brands should implement tactics that allow them to own all, or at least a subset of, their data instead of relying entirely on other digital platforms for consumer insights.

Owning data decreases ambiguity of where the data came from and who owns it, empowering brands to provide specific insight into data usage when called into question by consumers.

Additionally, brands should supplement their owned data with data managed by other platforms.

For example, leveraging Facebook's data to power Facebook-based ads and leveraging Google to power Google-based ads will help brands diversify their user base, while being able to easily answer who owns what data should it be called into question.

Develop new strategies of data ownership

In the past year both GDPR and CCPA have transformed the ways in which brands can advertise to consumers across channels.

No longer will we be able to solely rely on cookies or non-consensual targeting to develop tailored experiences.

IT IS ESSENTIAL for luxury brands to develop new strategies of data ownership today to continue to offer the personalized experiences consumers have gotten used to and crave.

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