

Digital Platform Services Inquiry March 2024 report on data brokers

Experian feedback on Issues Paper published 10
July 2023

21 August 2023

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Executive summary

Experian Australia welcomes the opportunity to work with the Australian Competition and Consumer Commission (ACCC) to provide additional insight into the Data Brokering industry and a better understanding of our business. Experian shares the ACCC's commitment to consumer transparency and, as such, looks forward to working with the ACCC throughout its review of the Data Broker industry as part of the Digital Platforms Inquiry. Consumer trust and effective stewardship of information are vital to our company, the industry, and the economy's continued success.

Experian Australia has several different and separate business units. Given the level of difference between these business units, these are run separately with each of their own supporting functions. We believe the Experian Marketing Services (EMS) business unit provides the products and services related to the issues paper, which represent less than 15% of the overall revenue generated in Australia. As such, our submission will largely focus on the EMS business unit in greater detail. However, to provide a complete overview of our organisation, the separate business units and core business activities that make up Experian Australia are as follows:

Experian Credit Services	<ul style="list-style-type: none">• Experian Australia Credit Services Pty Ltd is one of Australia's three credit bureaus, who maintain credit history data to assist lenders in making responsible lending decisions and consumers in managing their credit profile.
Experian Decision Analytics	<ul style="list-style-type: none">• The Experian PowerCurve decision management platform helps organisations to manage and grow their business by improving the way they use information to make decisions.• PowerCurve is a software engine that processes our clients' data for the purpose of making risk-based decisions to enable responsible lending - where consumers access the most appropriate lending for their circumstances.
Experian Digital	<ul style="list-style-type: none">• Experian Digital provides clients with merchant transaction enrichment and categorisation so that consumers can more easily identify transactions on their bank statements, either online or in the banking apps, also benefiting from in-app financial wellbeing solutions.• Our clients achieve reduced call centre traffic where a consumer is unable to remember a transaction, as well as enhanced affordability assessments.
Experian Data Quality	<ul style="list-style-type: none">• Experian Data Quality is a software business with a comprehensive suite of data quality solutions to help our clients manage their entire data quality life cycle.• Organisations benefit from high quality data for efficient business operations and decision-making, whilst consumers benefit from simplified and enhanced customer experiences.
Experian Marketing Services	<ul style="list-style-type: none">• As mentioned earlier, our EMS business unit provides the services as relevant to this ACCC inquiry, and, as such, a detailed description is provided on the following page.

Experian Marketing Services

EMS represents one type of data service provider among a variety of different business models. A complete view of the industry and competitive landscape would benefit from considering all business models, including first- and second-party data businesses who monetise their data for marketing, advertising, and insights services. This would provide a more complete picture of the resulting benefits to consumers and the economy from the products and services provided that are derived from consumer data. Facilitating competition in the market and supporting small businesses are fundamental to a robust economy. Better customer experiences, lower cost or free services, and more relevant communications and product offerings are some of the many consumer benefits also realised.

EMS operates under a core set of Global Data Principles¹. The principles guide how we manage and use data, build products, and conduct our business. They also reflect our commitments to individuals, businesses, clients, and the public.

EMS helps organisations better understand potential preferences of customers and prospective customers, based on characteristics of different geographies. Much of our data is modelled information that infers preferences at various geographic levels, based on a variety of factors. Our data is used by clients to enable them to make more informed decisions backed by data.

In terms of marketing, EMS does not execute any marketing campaigns – instead, we support our clients to make marketing and advertising decisions, which they then execute through a variety of marketing channels. The users of our data represent the most trusted brands in nearly every industry, including financial services, media, automotive, travel and leisure, healthcare, retail, and non-profits. They use our data for the purpose of creating a more relevant experience for customers and prospective customers and, in doing so, enhance the return on their marketing investments.

It's important to note that our marketing data services are not a 'look up' service for organisations or individuals to search for specific consumers. Organisations are interested in cost-efficient marketing by identifying groups, or audiences, of customers that may have similar interests or preferences. Although marketing techniques have evolved over time, this is the same goal that has driven marketing efforts for decades.

Data enables organisations to better understand either their customers or prospects which, in turn, better enables them to make more informed decisions about key business metrics such as retention, acquisition, or customer development. Small businesses may not have the independent capacity to utilise or manage as much information as large businesses. EMS data and services help level the playing field between small businesses or start-ups and more established businesses that may have millions of existing customers.

Moreover, even large companies rely on third-party data sources such as EMS to make their marketing insights and advertising campaigns more effective. This is particularly true when trying to reach new, prospective customers. Ultimately access to third party data provides alternative local sources of information for business that disrupt their reliance on large global digital platforms.

As mentioned in the ACCC's Issues Paper in relation to the role of Data Brokers and the role of data in the economic environment, the 2019 McKinsey Global Survey highlighted that organisations that leverage data and analytics receive

¹ <https://www.experianplc.com/responsibility/treating-data-with-respect/>

a significant boost from these activities, especially in terms of competition and financial performance². Third-party data facilitates the entire market to benefit, rather than just those who have large amounts of first-party data.

Consumers also benefit directly from data-driven marketing, including through the access they gain to the low- or no-cost online content that often flows from advertising revenue. For many types of online content, advertising is the primary source of revenue as an alternative to a subscription model. It has funded the expansion of the free Internet, including news, blogs, maps, social media, video and music content. It is also a key factor in the innovation and diversity of online services, by reducing barriers to entry. Studies have found that limiting access to data about audience interests and demographics reduces revenue for online content providers by 50 to 70 percent, and revenue losses will threaten the financial foundation of free services that have been estimated to be worth \$30,000 per year to the typical consumer³. In calendar year 2022, online advertising accounted for \$14.2 billion in Australia⁴. Due to responsible data sharing, companies can reach the groups of consumers who are most likely to need and enjoy their offerings. This puts more information in the hands of consumers and promotes competition, which ultimately drives down prices.

EMS provides all Australian consumers the ability to (i) access the data that EMS maintains about them; (ii) opt-out from having their data provided to or used by EMS; (iii) delete the data that EMS maintains about them; and (iv) correct or delete any inaccuracies in the data EMS maintains about them.

EMS adheres to industry best practices and self-regulatory guidelines defined through various trade groups and alliances. These include the Australian Direct Marketing Association (ADMA), and the Interactive Advertising Bureau (IAB). Further, EMS provides consumers transparency and privacy rights through our consumer information portal and posted privacy and data use policies.

The rest of this submission provides responses to the relevant questions posed by the ACCC.

² <https://www.mckinsey.com/capabilities/quantumblack/our-insights/catch-them-if-you-can-how-leaders-in-data-and-analytics-have-pulled-ahead#interactive>

³ See J. Howard Beales & Andrew Stivers, *An Information Economy Without Data*, at ii (Nov. 2022), <https://www.privacyforamerica.com/wp-content/uploads/2022/11/Study-221115-Beales-and-Stivers-Information-Economy-Without-Data-Nov22-final.pdf>

⁴ <https://m.iabastralia.com.au/asset/405:iab-oaer---december-2022-finalpdf>

Response to Questions

Question 1

Who are the data brokers operating in Australia that predominantly collect information from other sources (i.e., not directly from consumers)?

As mentioned in our above statement, EMS represents one type of data service provider among a variety of different business models. A complete view of the industry and competitive landscape would benefit from considering all business models, including first- and second-party data businesses who monetise their data for marketing, advertising, and insights services. The data broking and holistic data monetisation industry is a highly competitive environment with more than thirty Australian businesses including those named in the ACCC Issues Paper - CoreLogic, Equifax, Illion, LiveRamp, Nielsen, Oracle, and PropTrack.

Question 2

How do data brokers compete? What factors do data brokers differentiate themselves on (e.g., price, range of data, specific types of data, analysis undertaken, additional services offered)?

The key areas of competition and differentiation are as follows:

- Price
- The category/type of data being offered
- Quality, volume, and breadth of information
- Source of information
- Analytics expertise
- Ease of use/implementation
- Accompanying platforms for data visualisation
- Partnerships
- Additional services offered by the organisation

Question 3

How difficult is it for new data brokers to enter the Australian market? What are their entry strategies (e.g., expansion of overseas data brokers into Australia, expansion of other businesses into data broking, new entrants)? Does this differ depending on the types of data products or services provided?

In EMS's opinion, the considerations to enter the Australian market are as follows:

- The type of data and demand for that data a broker is looking to monetise
- The expertise of the people within a new organisation
- The access to technology/infrastructure to process the information
- The partnerships that new entrants have or can make

In terms of the difficulty to enter the Australian market, if a new Data Broker is interested in monetising email addresses and some demographic information, then this can be relatively easily collected via online surveys or competitions. However, if a new Data Broker wants to monetise a unique data asset that may be large or requires a level of collaboration with other organisations, then this will be more difficult to establish.

Question 4

What are the benefits of data brokers? Who do they benefit? Does this vary by data broker? If so, how?

As mentioned earlier in the submission, there are significant benefits of having an economy that enables responsible sharing of first-, second-, and third-party data. These benefits are not just for consumers but enable Australian businesses to be able to compete against their larger global competitors.

Specifically for EMS, the types of benefits we provide to organisations and consumers include (but are not limited to) the following use cases:

Providing relevant and personalised communication	When our clients know more about their consumers or prospects, they can offer products and services that are relevant and personalised. This affords our clients the opportunity to communicate with their consumers at the right time, through the right channel, on the right device, and with a relevant message. For example, a consumer can receive offers to help them save money on the things that they buy frequently, or they can receive recommendations to encourage them to try something new. Online customers who share their personal information can enjoy highly personalised product suggestions, faster checkouts, and membership reward programmes. This also means that consumers no longer must be bombarded by marketing communications that are irrelevant to them, which can cause unnecessary frustration.
Fair pricing	Consumers all want to pay the right price for the right product. Effective data-driven marketing creates healthy competition amongst brands, resulting in fair pricing of products and services.
Keeping content free	Consumers consume huge amounts of content online, from news and entertainment to social media. Advertising and marketing allow these online content providers to generate revenue and provide these services for free, which a consumer would otherwise have to pay for.
Creating choice and meeting demand	Relevant marketing and product/service development helps organisations meet their customers' demands as well as fuels innovation and technological advances. This is one of the key roles that second- and third-party data play. Specifically, enhancing understanding of the cohorts that an organisation wants to communicate to or develop more products/services for. The resulting efficiencies and product benefits help smaller organisations grow, creating a healthy competitive environment which benefits consumers and society overall through its economic impact.
Better experiences	Organisations use data to better understand consumers to ensure the relevant information is delivered to the right people. Customer experience is significantly enhanced when the customer journeys can be tailored and personalised through the use of data.
Giving consumers local services	Third-party data helps retail, leisure, and public sector organisations offer relevant products and services that reflect the preferences of the local community.

<p>Enabling smaller digital publishers</p>	<p>By providing smaller digital publishers access to additional data, they are more easily able to sell advertising to ensure that their content remains free. This is an important part of their business model as it enables them to effectively compete with, as well as provide an alternative to, larger digital platforms and publishers.</p>
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Question 6

What information do data brokers collect?

Much of our data is obtained from aggregated publicly available information like the Australian Bureau of Statistics Census data. We also collect data from data suppliers that collect information from original sources such as property information and geospatial points of interest data, as well as self-reported information from consumers who voluntarily participate in surveys or panel studies, and consumer permissioned data.

The data sets EMS DOES NOT collect:

EMS sets strict limitations on the types of data we collect. EMS does not knowingly collect information related to the following: Sexual orientation, genetic or biometric data, citizen/immigration status, narcotics, financial services/insurance account information, adult entertainment, cannabis, information from children/individuals under 18, or clinical diagnoses data. We also do not collect itemised transaction data at a specific consumer level, web or mobile browsing behaviours, nor any information relating to a consumer’s phone calls or contacts.

Question 6a

How this information is collected, including details of any technologies used (e.g., tracking scripts, web-based plugins, tracking pixels, or SDKs in apps).

EMS collects all information from data suppliers and from publicly available sources, such as the Australian Bureau of Statistics. We understand our data suppliers collect information via the following methods and sources including:

- Consumer competitions
- Consumer research groups
- Sources of public records from Government departments
- Mobile apps (based on user permissions)
- Software Development Kits (based on user permissions)
- Pixels (based on user permissions)

Question 6b

Where or from whom this information is collected.

- Data suppliers that have a value exchange with consumers e.g., competitions or surveys
- Publicly available information

- Government sources such as the Australian Bureau of Statistics

Question 6c

The terms and conditions under which the data is collected.

EMS contractually requires its data suppliers to provide consumers with proper disclosures, comply with all applicable laws, apply all consumer opt-outs and other privacy choices, and obtain necessary consent. Contracts also include mutual data security obligations. EMS discloses the purpose of data usage to our data suppliers who, in turn, ensure these use cases are included in their consumer facing privacy policies.

Question 10

What are the business models used by data brokers? How do they monetise their services?

EMS offers the following services to Australian organisations:

- Licensing data attributes
- Providing analytical services based on an agreed upon statement of work
- Delivering data solutions for digital marketing based on a CPM model

Question 11

What types of data products and services are offered by data brokers?

EMS works with organisations to support them in gaining a better understanding of their customers, prospects, and geographies through enhancing the information that they already hold about consumers i.e., data they have directly collected from their customers. Based on this enriched view, EMS's clients are better enabled to engage with both their customers and prospects in a more effective manner. This is achieved via:

Segmentation	This is a way of describing a large set of people, households, and areas by dividing them into smaller groups that have similar or related characteristics – while maximising the difference between these groups. Nearly every organisation (small and large) uses segmentation techniques in some form or other, allowing them to communicate with individual groups more appropriately. Increasingly, we use data to help our clients define segments for digital marketing, where brands are looking to place relevant advertising and marketing communications with publishers who sell advertising space online.
Digital campaigns	EMS offers a variety of solutions to help organisations deliver effective and sophisticated digital advertising campaigns, including Standard Audiences, Custom Audiences, and first-party data on-boarding. We have powered successful campaigns for clients of different sizes, from start-ups to large multi-national businesses. A thorough understanding of data, and an expert knowledge of the unique characteristics of the digital media space, enable us to deliver consistent performance at scale for a broad variety of clients.

Question 11a

Who acquires these?

Our client sectors include:

Automotive	We work with car and motorcycle manufacturers and their dealer and retailer networks (new and used vehicles). Our clients also include tyre and exhaust manufacturers, and retailers and automotive maintenance services.
Charity	We work with a range of charities who offer their services in Australia. These organisations are involved in areas such as health related research and support, children's welfare, elderly welfare, general aid and disaster relief, animal welfare, and other organisations that rely on donations to undertake their work for the benefit of consumers and society.
Education	We work with educational establishments such as private and public schools, universities, and educational institutions.
Entertainment and leisure	This sector contains many of the organisations and brands that we interact with in our leisure time: Cinemas, theatres, concert organisers and arts, theme parks, spectator sports such as football clubs, museums, and other visitor attractions and venues. This sector also includes organisations that provide services, facilities or goods that are related to our hobbies, and organisations which provide ticketing and promotional services for entertainment and leisure events.
Financial services	Separate from Experian's work in our credit referencing business, we offer marketing services to financial organisations such as well-known banks and building societies alongside new entrants to the banking marketplace, and comparison sites, who offer a range of financial services to consumers (which include loans, mortgage, and savings products).
Insurance	We work with organisations offering insurance products across areas such as vehicle and breakdown, home, pet, life, health/illness, and travel. We also work with insurance aggregators and comparison sites.
Public sector	EMS works with several public sector organisations: national and local government and associated support services; emergency services such as the police, fire, and ambulance; public health bodies; and public service initiatives, support, and awareness groups.
Publishing and media	Our clients here range from national TV and satellite broadcasters, national and local radio broadcasters, national and local newspapers, magazine publishers, and poster site owners and content providers.
Retail	Clients here include many well-known brands selling goods from shops (in the high street and in retail parks), as well as established online retailers.
Telco	The primary function of these organisations is the provision of telephone and mobile phone services, although many operators also provide additional services to consumers such as broadband or digital TV packages. Organisations that focus on security to help protect our communication devices from viruses also fall into this category.
Travel	Clients here include organisations offering holidays (short and long stay); travel booking sites; transport (air, road, rail, and sea) and associated services; and hotel chains. Some of these

	clients have high street locations but increasingly provide their services through a website or app.
Utilities	We work with organisations offering utility services such as water, gas, electricity, and other power sources.
Third party partners, advertising and media agencies, business service providers	We also work with carefully selected partners and advertising, marketing, and media agencies who use our marketing data to help their clients and brands engage more relevantly with consumers.

Question 11b

How and for what purposes are these used?

Our clients use EMS data and services for a range of reasons, including:

- Location planning to ensure existing store/service networks are in optimal locations and deciding where new sites are to be located.
- Finding new customers similar to their organisation’s existing customer base.
- Exploring and finding new customer groups (prospects) to enable organisations to expand into new markets.
- Acquiring customers and prospects by creating and communicating relevant offers to these key groups and activating campaigns through their preferred mediums.
- Managing their existing customer groups to develop/grow key customer groups or to prevent key customer groups from churning.

Question 16

What benefits do data broker products and services provide to consumers and small businesses?

As referenced throughout our response, an economy where there is a level of safe data sharing benefits consumers and small businesses by:

- Directing relevant information rather than generic advertising and communications to consumers.
- Driving down prices for consumers (through increased competition in the market).
- Providing consumers access to free/low-cost online services.
- Enabling small businesses to compete and be successful by enhancing their data capabilities to level the playing field with businesses that have vast amounts of first-party data and large analytics teams at their disposal.
- Enabling publishers who do not have the same level of data about their visitors as ‘walled gardens’ to compete.

Question 18

What consumer harms may arise from the use of data products and services sold or provided by data brokers? Which consumers are most likely to be harmed and why?

EMS marketing data is used for marketing purposes in a probabilistic manner. This means that it is used to estimate the likelihood that a particular group of people will be interested in a product or service. This is done by analysing a variety of factors. As the data is used in a probabilistic manner, there is always the potential for inaccuracies. However, the impact of these inaccuracies is greatly diminished by the fact that the data is used to estimate likelihood, rather than certainty. For example, if the data indicates that there is a 60% chance that a particular household will be interested in a product, then there is still a 40% chance that they will not be interested. Thus, if a data set has inaccuracies, the likelihood that a household will respond will be reduced, but it will not impact a specific consumer, other than receiving less interesting and relevant marketing material.

Question 19

What processes and controls do data brokers have in place to protect consumers? This may include efforts around the de-identification and aggregation of data, data verification processes to ensure data is accurate, or measures to protect stored data.

EMS adopts global Experian data security standards, designed and built for our global credit bureaus to ensure information is always kept secure. EMS holds and utilises data in accordance with legal and regulatory obligations. EMS also has appropriate policies and procedures in place to ensure that protection of consumer information is always front of mind. De-identification and aggregation of data are key elements of our processes and methodologies. Subscribing to industry marketing suppression lists helps to ensure consumers' preferences are adhered to. Data quality checks are also standard within our processes.

Question 20

To what extent are consumers aware that their data is being collected and used by data brokers? How are they made aware?

EMS does not collect data directly from consumers. Our data suppliers warrant that they have collected the data in accordance with Australian laws and have obtained the relevant consent for the use of the data described in the permitted purposes as part of the agreement. Consumers are made aware of how their information will be collected and used via:

- Privacy policies
- Consent collection statements
- Disclosure notices
- Education sections of industry bodies' websites

Question 21

What steps can consumers currently take to inspect and/or remove the data that is held about them or to otherwise raise a complaint with data brokers?

EMS provides all Australian consumers the ability to (i) access the data that EMS maintains about them; (ii) opt out of having their data provided to or used by EMS, (iii) delete the data that EMS maintains about them; and (iv) correct or delete any inaccuracies in the data EMS maintains about them. This can be achieved by filling in the opt-out form on our website or contacting the Experian contact centre.

Question 22

What bodies or resources exist to assist and support consumers in their dealings with data brokers? What more could be done to better educate and empower consumers?

Proactive dialogue with greater balance regarding the role of data brokers and the resulting benefits to consumers and organisations from the safe use of data is essential to achieve transparency and a complete understanding. Consumers would then be empowered to make fully informed decisions about the value exchange when providing their data for use. Bodies include:

- Australian Direct Marketing Association (ADMA)
- Interactive Advertising Bureau (IAB)
- Australian Competition and Consumer Commission (ACCC)
- Office of the Australian Information Commissioner (OAIC)

Further discussion



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Experian appreciates the opportunity to provide inputs and recommendations on the Digital Platform Services Inquiry – March 2024 report on data brokers. We welcome the opportunity to constructively participate in further consultations and we look forward to further and ongoing engagement.

Please contact me if you would like to discuss this submission further.

About Experian

Experian is the world's leading global information services company. During life's big moments – from buying a home or a car, to sending a child to college, to growing a business by connecting with new customers – we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organisations to prevent identity fraud and crime.

We have 22,000 people operating across 32 countries and every day we're investing in new technologies, talented people, and innovation to help all our clients maximise every opportunity. With corporate headquarters in Dublin, Ireland, we are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

Learn more at experianplc.com or visit our global content hub at our [global news blog](#) for the latest news and insights from the Group.