



21 August 2023

Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

By email: digitalmonitoring@accc.gov.au

Dear Commissioners

The Quantum Group (Quantium) submission to the Digital Platform Services Inquiry – March 2024 issues paper on data brokers

Quantium welcomes the opportunity to comment on the important matters raised in the ACCC's Digital Platform Services Inquiry (**Inquiry**) issues paper on data brokers (**Issues Paper**). Quantum has reviewed the Issues Paper and appreciates that the ACCC is interested in better understanding the role of data brokers in the economy, including the sharing of personal information. Quantum supports the ACCC's focus on consumer issues in its Inquiry and in particular the ways in which personal information is shared.

Quantium is a data analytics firm with deep artificial intelligence, data science and data engineering skills built up over almost 21 years. Its core business involves the application of these skills to assist its clients by analysing, understanding and deriving insights based on the client's own data, and providing those insights to that client as consulting services and/or products. Importantly, **while Quantum provides its clients in Australia with data-driven insights, it does not operate as a data broker. In particular, it does not share or sell personal information or any other information on persons to third parties.** Quantum has strict protocols restricting the use and sharing of any client data it receives.

Quantium is headquartered in Australia with offices and operations internationally, including across New Zealand, the United States, the United Kingdom, South Africa, and India. Quantum was co-founded by Greg Schneider and Adam Driussi, who are shareholders of, and continue to actively participate in, its business. Woolworths Group Limited (**Woolworths**) is the majority shareholder in Quantum.

1. Quantum's business activities in Australia

- 1.1. In an increasingly data-driven economy, there is growing demand for analytical capability and expertise by corporate clients who wish to better understand their businesses and make decisions informed by insights derived from their own business data. Where businesses do not possess this capability in-house, they may choose to draw upon the significant resources and leading expertise that Quantum provides to clients to help fill this gap. Quantum helps its clients use their data to inform better buying, pricing and resource allocation decisions and improve operational efficiency, to better service their respective customers.
- 1.2. Clients value, and in fact Quantum's business depends upon, demonstrably reliable security, data privacy and business confidentiality. In assisting its clients, as described above, Quantum's core

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business involves the application of its expertise to the client's own data to generate insights for that client. Consistent with its high standards of security and data privacy, Quantum primarily works with clients' data within their own IT environment so that there is no risk of disclosure to third parties, and to the extent Quantum receives any client data into its own IT environment, it does so in a highly controlled and safeguarded manner.

2. Details of Quantum's products and services

2.1. Quantum provides both data analytics products and bespoke analytical services to its client base.

2.2. A core focus of Quantum's business in Australia is providing bespoke analytic consulting services and products to clients (including to Woolworths) based on the client's own data. For many of these services, clients will require Quantum to undertake its data analysis activities in the clients' own systems and environment, such that Quantum does not receive the data in its own systems. Quantum products typically involve the provision of access to established data analytical platforms that have been developed by Quantum. Often clients will seek both services and products.

2.3. Quantum provides its data analytics products in Australia to clients in the retail and banking industries.¹ Products supplied to third parties include:

- **Q.Scan:** Quantum makes available to Woolworths and its suppliers, insights from Woolworths' 'scan data'. 'Scan data' is transactional data at the point of sale, capturing what products are purchased, how many, and at what price. 'Scan data' is product-level data only, does not use or involve any personal information or information about persons, and involves only the provision of aggregated metrics such as sales value and sales volumes which can be reported at product level, or at other levels of aggregation (such as brand). Q.Scan helps retailers and suppliers understand the volume of products sold and identify product sales trends, and primarily helps suppliers set their pricing and promotional strategy. No personal information or information on persons is shared.
- **Q.Checkout:** Quantum makes available to Woolworths, its suppliers and to one other Australian client, access to the Q.Checkout product. This shows key metrics to provide insights into sales for products and product categories including likely customer segment purchasing behaviours, likely product switching and product loyalty. It is primarily used to inform category management. No personal information or information on persons is shared.
- **Q.Promotions:** Q.Promotions enables Woolworths and its suppliers to better understand the category sales and profit impact generated from each of their sales promotions (based on sales transaction data) using predictive modelling. No personal information or information on persons is shared.
- **Q.Shelf:** Q.Shelf is used to enable better retail ranging decisions and to help Woolworths and its suppliers to understand their product range, likely substitutes and customer segments that might

¹ Quantum notes that its website also refers to products which are not currently available in Australia, including Q.Check Up, Q.Dose, Q.Audience, Q.Credit and Q.Shopper (currently being decommissioned).

be interested in a product. No personal information or information on persons is shared.

- **Q.Supply:** Q.Supply is used to assist Woolworths suppliers to reduce waste in the supply chain. It provides suppliers with a report containing insights into how to improve their performance by identifying, at an aggregated level, where sales opportunities are being lost due to availability and how to improve profit and product availability through focusing on high priority areas to ensure on-shelf availability. The lost sales opportunity insights are based on statistical analysis of past product transactional and sales data. No personal information or information on persons is shared.
- **Q.Refinery:** Q.Refinery is used by clients in the banking industry to analyse their own first party data for brands, industries and transaction locations to produce insights and trends on their customers' interactions with the client's products. No personal information or information on persons is shared to third parties.

2.4. As evident from the product descriptions above, Quantum's business is focused on analysing our client's data and sharing insights derived from that data with the client.

2.5. As the descriptions above highlight, Quantum does not operate as a Data Broker, either within the meaning of the Ministerial Direction or according to any common meaning. Nor does it share personal information or other information on persons. Rather, Quantum is a data analytics firm that provides bespoke data-driven insights to clients to assist them to make more informed decisions.

Quantum appreciates the opportunity to provide this submission.

Yours faithfully,



Adam Driussi
Chief Executive Officer