

# Why CMOs Are Agonizing Over Data Breaches

Reddit joins a host of others who have been hacked

**ARTICLE** | **AUGUST 02, 2018**

**Ross Benes**

**O**n August 1, Reddit announced that **hackers stole some of its user data** from 2007.

If you feel like you've heard this story before, it is because you probably have. Since March, it became public that Under Armour, Timehop and MyHeritage each **experienced data breaches**. And before them, it was Yahoo, Equifax and Target. Data breaches are proliferating at a time when marketers are becoming increasingly reliant on user data, and this has left many CMOs in agony.

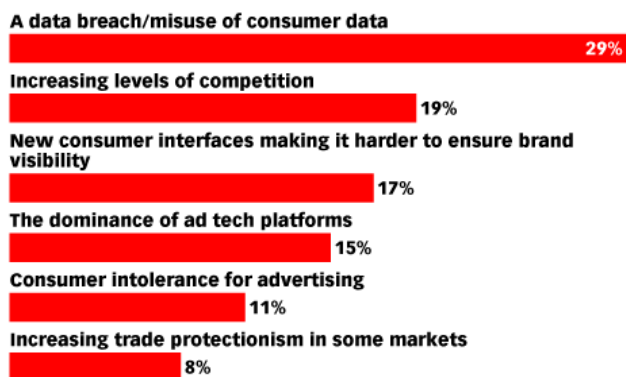
In a May survey of 1,000 senior-level marketers and CMOs worldwide conducted by **Dentsu Aegis Network**, about three in 10 respondents said that a data breach was the strategic risk that they'll worry about the most over the next few years. The surveyed CMOs worried more about misuse of consumer data than they did about increasing competition and the dominance of tech platforms.

---

## Strategic Risk that Worries Marketing Executives Worldwide the Most, May 2018

% of respondents

---



*Note: over the next 2-3 years; numbers may not add up to 100% due to rounding*  
*Source: Dentsu Aegis Network, "CMO Survey 2018: How Brands Win in the Digital Economy," July 31, 2018*

240100

www.eMarketer.com

Big data breaches like the ones that Yahoo and Target had can spell the end of a CMO's career, according to Warren Zenna, founder of Zenna Consulting Group.

"Data used to be something that people associated with CTOs or IT departments," Zenna said. "Data is now the currency of marketing. It's like the brand's bank. And the CMO must guard it with his or her life or career."

Marketers may also have heightened concerns about user data misuse because of a few sensational stories about data breaches that remain ever present in the trade press.

Facebook, Google and Twitter have been called to Capitol Hill for questioning after their platforms were used by Russian entities to influence US politics. Their hearings were theatrical and laced with entertaining questions from Congressmen who **were clearly confused** about how digital ad platforms make money. On top of this, there's Facebook's ongoing saga with Cambridge Analytica, which accessed more user data than it was supposed to.

Another phenomena making marketers fret about data security is the European Union's General Protection Data Regulation (GDPR), which went live in May and stipulates that a user's data can be used only if that individual gives a company explicit permission. Anxiety over

potentially getting fined for violating the GDPR led several marketing tech firms to **pull out of Europe and change their business models**.

Some tech vendors are capitalizing on marketers' uneasiness about data security. Customer data platforms (CDPs) **are surging** because they deal exclusively with first-party data, which some marketers believe could protect them from GDPR fines. And data protection companies are likely having a field day too, according to Zenna.

*Want to learn more about how marketers are using data? Look for our "Making the Most of Marketing Data" report that comes out August 9.*