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Customer reward and loyalty programs are commonplace in the grocery industry. But these programs do more than just providing benefits to our customers. Consumer data allows grocers to better manage inventory, react to pricing changes and shopping trends, and allow independent grocery to best serve our communities. In a high volume, low margin industry like grocery, independents face competition from every angle. Independent grocery is built on the relationships we have with our communities and our customers. It is in our best interest to maintain that relationship by treating customer data with the utmost care and protection.

Background:

Our members have no higher priority than relationships with their customers. One key aspect of those relationships is respecting the personal information that customers share with businesses. Virtually every industry sector – whether consumer-facing or business-to-business – handles significant volumes of consumer information. To comprehensively protect Americans, any federal data privacy legislation should apply to all industry sectors, and not contain any loopholes that leave consumers unprotected when their personal data is handled by a business. All of the companies involved in handling that chain of data should have legal obligations to properly guard it under privacy law, and the law should not solely rely on private contracts to create those legal obligations.

Position:

NGA strongly supports legislation that would create a federal standard for consumer data privacy. Currently, the United States has only a patchwork of sector-specific laws that fail to adequately protect consumers. Congress should create a single legislative data-protection mandate to protect individuals' privacy.

Here are the key principles NGA supports in federal privacy legislation that would establish a uniform, nationwide and consumer-centric data privacy law:

- **Comprehensive and Uniform Federal Standard.** There should be a comprehensive federal law on data privacy that protects consumers in a nationwide, uniform and consistent way.
- **Transparency for Consumers.** Consumers should be informed of the categories of personal data that businesses collect and how that data is used by them.
- **Preserve Customer Services and Benefits.** A federal data privacy law should preserve the ability of consumers and businesses to voluntarily establish mutually beneficial business-customer relationships, including rewards and loyalty programs.
- **Responsibility for Own Conduct.** Any privacy law should make all businesses responsible for their own conduct. It should not expose them to liability for privacy violations by their business partners, including contractors, franchises and other businesses.
- **Statutory Obligations for All.** Small businesses should not be forced to hold other businesses to privacy standards through contracts. All businesses that handle consumers' personal information should have direct privacy obligations under the law.
- **No Exemptions.** Every industry sector that handles consumers' personal information should have equivalent legal obligations to protect consumers' privacy under the law.

