

## **Data Privacy and Consumer Welfare in India** *Consumer Perception Analysis*

### **Background**

The expansion of Digital Economy (DE) is blurring the lines between the real and virtual world as well as between private and public space. Consumers spend a lot of time online to access various services through digital platforms, thereby generating large amount of valuable consumer data. This data is known to be important for digital technology platforms to enhance their competitiveness. On the one hand, these digital platforms have provided ease and comfort to consumers whereas on the other hand, the concerns regarding privacy and data protection have also emerged.

However, data mining does not only take place through digital platforms, but also through offline means by both: the government, as well as private players. Few examples of these would be: registration for the *Aadhaar* card, or subtly while purchasing goods, participation in exhibitions or under the guise of feedback surveys, etc.

The issue of securing the privacy of such data has assumed centre stage in light of the recent landmark judgement of the Supreme Court (SC) that establishes 'right to privacy' as a fundamental right, and has also laid an obligation on the state to safeguard citizen's right to privacy.

Unlike other developed countries, India does not have a separate data protection law, the need for which has become extremely important in the wake of recent cyber challenges, and data leakages through the websites of central and state government departments. Consequently, the government has constituted a 10-member Committee, headed by retired Justice B N Srikrishna to make specific suggestions for consideration of the central government on principles to be considered for data protection in India, and suggest a draft Data Protection Bill.

However, it remains to be checked whether consumers are unaware about their privacy intrusion or are wilfully, negligently or forcefully trading this intrusion to gain easy access to goods and services; do they find it difficult to protect their data privacy, and whether they are forced to allow such intrusion in pursuance of any national objective.

Moreover, the current capacity of consumers in protecting their data/information privacy needs to be gauged to identify the need to undertake consumer empowerment measures by the government to successfully navigate Indian consumers into the new data-driven world.

Accordingly, the project: 'Data Privacy and Consumer Welfare in India: Consumer Perception Analysis', is being undertaken by Insight Development Consulting Group (IDCG), which will be implemented in partnership with Consumer Unity and Trust Society (CUTS International) with the below mentioned objectives:

## Key Objectives

The study is envisaged to engage with consumer groups/consumers at a pan India level (i.e. urban, peri-urban and rural areas) regarding data and privacy protection on both online as well as offline platforms keeping the following objectives in mind:

- The role of digital technologies in the daily lives of users and the level of knowledge with regard to potential privacy risks
- The strategies deployed by consumers to protect or control their data privacy, and the balance between privacy and benefits
- Assess user perception about use of personal data by traditional economy companies and the government apart from digital technology platforms

## Methodology

This study will encompass desk research and primary stakeholder interactions based on the methodology given below:

### Desk Research

Extensive review of the existing literature would be undertaken to gather evidence/information on the baseline scenario. Important research reports and previous studies will be referred to assess the practices adopted by consumers for securing their data privacy.

### Primary Research

Primary research would be the focus area of the project. Consumer perception surveys via online means and in person interviews etc. would be conducted to gather primary information regarding the following aspects:

- Current experiences and perceptions of consumers regarding data protection and privacy risks in sharing their data with the government and private players
- Current practices used by consumers to protect their online and offline data privacy

- Current practices used by service providers to allow consumers protect their data and privacy
- Judging the notion of consumers feeling more secure in sharing their data with the government as opposed to private players
- Perceived proportional relationship between higher education levels and higher degree of awareness pertaining to data privacy would also be checked through this
- Checking the capacity of consumers in deploying various measures for protecting their data privacy

Information as to the age, education level, geographic location and gender of the respondents, among other details would be required, to examine the divide in sensitivity towards data privacy across geographic locations, between different genders, age groups, etc.

## Expected Outputs

Keeping in mind objectives of the study, findings of the research as per the above methodology will be compiled into a research report.

## Expected Outcomes

- Form a better understanding of the diverse consumer's perception and capacity regarding their information/data privacy, *viz-a-viz* the government and private players, in the digital as well as traditional economy
- Submit the findings of the study to appropriate government departments and ministries

## Project Duration

The project is scheduled for four months i.e. December 2017-March 2018.

