

PRIVACY AND PROGRESS: PILLARS OF DIGITAL BHARAT

MARCH, 2024

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FOREWORD

DIGITAL ADS POWER THE INTERNET

The internet has been a massive force for progress for almost three decades. It isn't the first engine of economic growth and development the world has ever seen. But it is the most powerful – and the most universally available – because of digital advertising.

It democratizes access to information for billions of people, no matter what they believe, where they live or how much they earn. It helps consumers worldwide find the products, goods and services they want. It lowers the barriers to entry for even the smallest businesses to connect with the customers they need to grow and thrive. And it funds the creation of global content from news, blogs and creative pursuits on nearly any topic you can imagine.

However, the internet was built before a modern understanding of digital privacy had been developed, and now there is the opportunity to improve on that.

Consumers have come to expect the personalised experience that digital ads enable, but today they're concerned about how their data is collected and used. They don't want to be tracked across the internet. They want more transparency and control.

It's time for ads that preserve privacy for people as well as drive performance for businesses. A healthy balance between user privacy and utility is imperative. Trust is the connective tissue without which businesses cannot succeed. Through the speed of innovation and good governance, the industry has an opportunity to charter a digital future that will support both a privacy-first and progress-forward opportunity.



People should be able to go online without sacrificing their privacy. And advertisers whose advertising funds the internet should have the ability to efficiently reach relevant audiences.

Small- and medium-sized advertisers say that without digital ads that allowed them to reach people interested in their product or service, they would not have been able to launch or sustain their business. Consumers' wish to access information and media at low to no cost is also largely powered by an ad-driven model that sustains the media and entertainment industries.

That's why it is important to have advertising products and solutions that minimise the amount of data collected, are private by design and put users in control of their information. For example, giving people more control over their ad experience, where people can choose what types of activity are used for ad personalisation, or turn off ad personalisation completely.

But these are industry-wide challenges.

It's the responsibility of everyone in the digital industry to get privacy rights, and we need solutions that work for everyone. While the past 20 years has witnessed the economic impact the digital economy and an ads-based model can provide, we have to ensure the benefits of those solutions are shared with everyone. For example, working with industry partners to develop a set of privacy-preserving alternatives that respect users' fundamental right to privacy yet continue to give businesses the insights and tools they rely on to grow and thrive.

We all need to contribute to an internet that users trust, governments respect and helps businesses grow, small and large.



CONTRIBUTIONS OF THE DIGITAL ECONOMY

INDIA'S DIGITAL REVOLUTION: A 20% GDP BOOST BY 2026

India, the world's fifth-largest economy, has experienced remarkable growth, driven in part by its Digital Public Infrastructure, fostering financial inclusion and economic advantages. With a projected 20% contribution to GDP by 2026, digitalisation promises transformative economic growth.

The 'Digital Decade' sees India poised to achieve a \$1 trillion internet economy by 2030, driven by shifting consumer and merchant behaviours and strong investor confidence. With over 700 million internet users, including 350 million digital payment users and 220 million online shoppers, digital services have become integral to daily life. This digital landscape blurs the lines between online and offline experiences, fueling economic activity across the country. From traditional bazaars to tech hubs, digital services drive growth and innovation, enhancing convenience and accessibility.

Central to this transformation is robust internet infrastructure, facilitating seamless connectivity and reducing the digital divide. The proliferation of broadband, smartphone adoption and affordable data plans has democratised digital access.

Consumer behaviour has evolved, with digital platforms reshaping expectations and preferences. Online shopping, travel booking and entertainment streaming have become commonplace, empowering consumers with information and choice. This shift benefits not only consumers but also merchants and entrepreneurs, as the internet creates a level playing field for businesses of all sizes. Social media and e-commerce platforms serve as launchpads for startups, connecting them with a global audience.

Beyond commerce, digital services address societal challenges in healthcare, education and financial inclusion. Telemedicine and e-learning platforms expand access, while digital payment systems promote financial inclusion and reduce reliance on cash.

As India embarks on its Digital Decade, it embraces new possibilities that will reshape commerce, communication and community-building in the world's largest democracy.

Data sources:

1. Google, Temasek and Bain, India e-Conomy Report 2023
2. Economic Impact Report: Accelerating India's Digital Leadership with Google -- by Access Partnership, October 2023

Underpinning many of the products, services and content we enjoy daily is a digital advertising ecosystem that plays a pivotal role in supporting users' access to information, economic growth and creating opportunities for businesses of all sizes, particularly small businesses.

The consumer economy

Online advertising benefits consumers by providing free access to diverse content and global connections through platforms like search engines, social networks and news sites. It funds this ecosystem, removing subscription barriers and allowing consumers of all income levels to learn, connect and be entertained without direct cost. Ads also help discover new products and services, offering competitive deals and detailed information to make informed purchase decisions. Personalisation enhances relevance reducing irrelevant ads and improving the browsing experience. This model shapes the modern digital economy.



The publisher's economy

In the dynamic landscape of India's digital ecosystem, online advertisements also play a pivotal role in sustaining the financial foundation of numerous online publishers, encompassing newspapers, blogs and app developers. By harnessing the potential of online ads, these platforms can offer their diverse content and invaluable services free of charge, ensuring widespread accessibility to a plethora of information and entertainment sources. However, without the vital stream of revenue generated by these advertisements, many of these platforms would struggle to remain viable, ultimately restricting public access to a wealth of knowledge and enjoyable experiences.

The creator economy

The increasing opportunity to create interesting formats and vernacular content is making the youth adopt the strategy of being prosumers, i.e., both content producers and consumers. Brands and advertising tap into the audiences built by this ecosystem. This is actively transforming several millions of people into active contributors to the economy by starting their own blogs, and channels as well as exploring careers in the creator economy.



The MSME economy

Online ads are crucial for local businesses to reach customers. In India, Micro, Small and Medium Enterprises (MSMEs) play a vital role, with 60 million operating nationwide, employing 120 million people, and forming 40% of the non-agricultural workforce. However, 95% are micro-firms, facing challenges in market reach and efficiency, with lower operating margins compared to their larger counterparts.



Digital channels and online advertising offer solutions. Already, six million Indian MSMEs engage in online trading domestically. Digital platforms help overcome geographical constraints, targeting specific demographics, and providing insights into consumer behaviour. By embracing digital channels, MSMEs can expand their customer base and tailor their offerings, enhancing their contribution to the economy. Stakeholders must collaborate to support MSMEs in this digital transformation.

The startup economy

In India's startup ecosystem, growth is fueled by supportive regulations and increasing demand for digital products and services. The Startup India Initiative, a suite of national programmes, is pivotal in fostering this thriving environment.

A standout initiative is the Fund of Funds for Startups, led by DPIIT under the Ministry of Commerce and Industry, committing \$1 billion to around 100 alternative investment funds for startup investments.

These initiatives have spurred exponential startup growth nationwide, with nearly 1,00,000 startups emerging, extending beyond major cities. Platforms like Startup School connect aspiring entrepreneurs with experienced founders, fostering a supportive community and aiding learning. Cities like Indore, Madurai and Gorakhpur have flourished as startup hubs, showcasing India's inclusive ecosystem.

India's rank as the third-largest unicorn hub and the creation of 2,69,000 jobs in startups highlight the sector's economic impact, growing consistently by 30% annually since 2016.



Despite the support, startups often face resource constraints. Efficient resource allocation is crucial, with online presence crucial for brand establishment and audience reach, especially with limited budgets. Online advertising provides startups with cost-effective ways to reach and engage target audiences, offering valuable analytics for informed decision-making.

Online advertising also fosters fair competition, enabling startups and MSMEs to compete with larger corporations on a level playing field, thereby encouraging entrepreneurship and diversifying the business landscape for consumer benefit.

Online advertising is integral to India's digital realm, driving revenue generation, economic growth, job creation and innovation. It shapes the nation's digital landscape, enhancing overall economic prosperity.

Data sources:

1. Google, Temasek and Bain, India e-Conomy Report 2023
2. Economic Impact Report: Accelerating India's Digital Leadership with Google -- by Access Partnership, October 2023

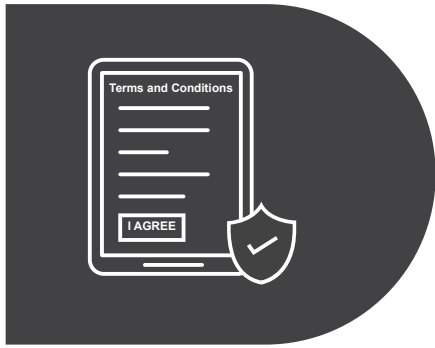


CONSUMER PRIVACY CONCERNS

Indian consumers are increasingly embracing the opportunities provided by the online world. The advantages of personal and professional connections, validation and expression on social media platforms are being discovered. The virtual landscape has not only democratised access to information but has also made it more inclusive through non-text features. The ease of use and intuitive nature of online platforms, from social media to e-commerce sites, have become synonymous with the digital age. The convenience of one-click solutions and personalised interactions has become a staple in the lives of consumers. The allure of the digital realm lies in its ability to offer unprecedented access to a myriad of online services and personalised recommendations, creating an ecosystem that caters to individual preferences seamlessly.

While consumers revel in the mostly free access to digital services, their access is largely paid for by the advertisement-based economy. The underlying business models involve intricate processes of data collection, processing and sharing.

Consumers today find themselves inundated with requests for consent to share data, without a full understanding of the implications. This is true in both the online and offline worlds. **The asymmetry of information and power creates an implicit coerciveness that pressures individuals to say yes without fully understanding the implications.** Consumers are usually unaware of the limits of those permissions. It may also be confusing to a lay consumer when some of these permissions may not fully seem logical to them; for example, a music site might ask for permission to access photos or contacts. The boundaries on what is being asked appear not to be evident. Beyond the digital realm, this is true of documents like credit card agreements and house purchase contracts, where consumers often feel they have little power to negotiate.



Companies, bound by legal scrutiny, tend to present consumers with intricate clauses in terms and conditions and data policies, leaving them to decipher the fine print. The impatience and almost necessity to get on to what lies beyond consent usually make consumers click the 'I agree' button without reading through heavy-duty legalese. Therefore, while 'informed consent' is obtained, one could question whether this needs to give way to 'meaningful consent' that acknowledges the inherent asymmetry of power. **The shift from informed consent to meaningful consent requires clear explanations of why certain data is requested in a way that is not overwhelming for consumers.**

The proliferation of IoT devices introduces an additional layer to the ongoing trade-off between security and convenience. Smart home devices, wearables and connected appliances enhance daily life but also pose potential vulnerabilities, raising privacy concerns. As consumers continue to adopt these technologies, the line between discretionary data sharing and privacy breaches could blur.

The notion of privacy is transforming too, as greater individualisation makes consumers draw sharper boundaries around themselves. **In India, there is also a growing anxiety about personal data security on account of the numerous cases of fraud and scams that seem to be occurring with alarming regularity.** As this experience increases, the idea of safeguarding personal data takes root. However, the online protection space, rife with complexities such as passwords, OTPs and subtle changes in URLs, becomes a potential blind spot, exploited by scamsters who prey on consumers.

As the law attempts to address these complexities, questions arise about whether it can fully provide the desired protection for consumers. The evolving landscape of technology often outpaces legal developments, leading to concerns about the true efficacy of legal frameworks in safeguarding individual privacy. While the law must strive to provide meaningful protection that aligns with consumer expectations and fosters a balanced and fair digital ecosystem, the more robust solutions may well lie in a 'privacy by design' approach. This would need the cooperation and collaboration of multiple stakeholders and a clear intent to make the system a fair one.





WHAT IS THE DPDPA?

INTRODUCTION TO THE DIGITAL PERSONAL DATA PROTECTION ACT (DPDPA)

The DPDPA establishes a comprehensive framework for protecting individuals' digital personal data. At the very outset, we need to understand the background of this legislation. It was the Supreme Court of India that held in the Puttaswamy judgement, that: ***"Informational privacy is a facet of the right to privacy. The dangers to privacy in an age of information can originate not only from the state but from non-state actors as well. We commend to the Union Government the need to examine and put into place a robust regime for data protection. The creation of such a regime requires a careful and sensitive balance between individual interests and legitimate concerns of the state."*** A committee headed by Justice B.N. Srikrishna was formed. Based on the reports of the committee, a draft enactment was created, which was revised multiple times. Finally, the Digital Personal Data Protection Act 2023 (DPDPA) was passed by both houses of the parliament in 2023. The Act applies to the processing of digital or digitised personal data within the territories of India and the processing of personal data outside India in cases where there is an offering of goods and services within India. The Act prohibits the processing of personal data unless informed consent has been obtained or for certain legitimate use.

Core principles of the DPDPA Act

- The principle of consented, lawful and transparent use of personal data.
- The principle of purpose limitation (use of personal data only for the purpose specified at the time of obtaining the consent of the data principal).
- The principle of data minimisation (collection of only as much personal data as is necessary to serve the specified purpose).
- The principle of data accuracy (ensuring data is correct and updated).
- The principle of storage limitation (storing data only till it is needed for the specified purpose).
- The principle of reasonable security safeguards.
- The principle of accountability (through adjudication of data breaches and breaches of the provisions of the Act and imposition of penalties for the breaches).

While the impact of these provisions will remain to be seen in the days and years to come, there is a possibility that they may curtail the traditional 'data-driven' approach to advertising, which often involved extensive profiling and micro-targeting based on personal information.

DPDPA's impact on advertising practices

The implications of the DPDPA across various aspects of advertising

Targeted advertising towards children

The act completely forbids advertisers to track, and monitor the behaviour of children or conduct targeted advertising towards children. This directly impacts many advertisers who deal with products consumed by children.



Consent requirements

DPDPA introduced stringent consent requirements for the processing of personal data. Advertisers are now potentially required to obtain explicit and informed consent from users before collecting and processing their personal information for targeted advertising. If trends in other regions such as the EU post GDPR is anything to go by, there is a likelihood of this leading to the widespread use of cookie banners and consent pop-ups on websites, giving users the option to opt in or out of data processing.

Purpose limitation

Advertisers must adhere to the principles of data minimisation and purpose limitation. This means that they should only collect the data necessary for a specific purpose and not retain it for longer than necessary. This has implications for ad targeting and profiling practices, as advertisers need to be transparent about the data they collect and justify its relevance to the advertising process.



Data principals rights

DPDPA grants individuals/data principals greater control over their personal data. Data principals have the right to access their data, correct inaccuracies and even request the deletion of their information. Advertisers must accommodate these rights and provide mechanisms for users to exercise them, which can impact data-driven advertising strategies.

Cross-border data transfers

DPDPA places restrictions on the transfer of personal data to certain notified countries. This can affect global ad campaigns involving the transfer of user data across borders.



Data transfer to third parties

Advertisers also must bring in controls to ensure compliance of third parties and data processors. This might impact digital and social media advertisements, especially with influencers.

The advertisers' viewpoint

In round tables leading up to this white paper, advertisers from different sectors and types of businesses point to four key areas of impact and challenges vis-a-vis the DPDP.

1. Organisational readiness

Legal/regulatory teams from advertisers feel that the law in its current form has ambiguities and the rules will need to be quite specific to understand what needs to change on the ground. For global companies that have to align with the GDPR, some work has already started, leveraging on learnings from the EU to suit what is to/may come in the Indian context.



Building a culture of privacy is a key focus area. This includes the training and education of internal employees and external partners. While efforts are already being made to instill this culture internally, extending this to third-party vendors will be a tough challenge for most.

Building a culture of compliance alongside privacy is paramount for organisations. This task is especially significant for startups and companies unfamiliar with data protection frameworks. Collaborative efforts, including investment in technology and training programmes, are crucial for mutual industry support.

2. Impact on marketing communications

Moving forward, advertising and marketing must undergo a paradigm shift, requiring close collaboration between marketing, data protection, compliance and IT teams to ensure responsible data usage.

Some organisations have implemented privacy assessment questionnaires for marketing campaigns to identify risks early on. However, the challenge remains in ensuring compliance across all stakeholders. Strengthening vendor onboarding processes from a cybersecurity and privacy perspective is crucial.

Targeted and behavioural marketing, prevalent in social media and online shopping, relies on user interests, demographics and online behaviour. With the advent of DPDP, companies must assess data processing activities for legal compliance.

Balancing consumer privacy and targeted marketing requires:



Prioritising privacy by design, minimising data collection and educating consumers on sharing first-party and zero-party data



Offering transparency and control, allowing users to access, correct and delete their data



Employing meaningful data segmentation to address genuine consumer needs rather than indiscriminate targeting

3. Managing consumer expectations

The digital age has made access to various services quicker and easier, raising consumer expectations for seamless experiences. Consumers anticipate personalised suggestions and selections based on their previous preferences. However, they may not always be fully aware of the data collected, sometimes granting bulk approval without understanding the extent. This can result in frustration with excessive targeted marketing despite consent.

As the need for consented data grows, consumers seeking curated content may face consent fatigue if bombarded with too many requests. Organisations need to strike a balance, ensuring they respect consumer boundaries while delivering tailored experiences.

4. Enforcement concerns

Enforcement timelines are critical for a smooth transition. While some progress has been made, more is needed. A longer runway, akin to GDPR's two-year period, is essential for stakeholder alignment and readiness. Implementation should avoid notice fatigue and include low-friction mechanisms, such as a digital KYC/CKYC system for the industry. Compliance costs and penalties are currently high, highlighting the urgency for collaborative efforts supported by Data Protection Boards to foster a culture of compliance rather than solely relying on enforcement and penalties.



Strategies to adapt to the new landscape

To adapt to the new landscape, advertisers may find the following strategies useful:

Conduct a data audit

Advertisers would need to assess their current methods and understand where they may possibly be in contravention of the new law. They should assess data collection and usage practices and try to delete any additional data collected.

Conduct comprehensive training and sensitisation programmes

Advertisers should conduct training and sensitisation programmes. They should extend the programmes not only to their marketing and business teams but also to third parties that they generally engage in for digital marketing and advertising. The training programmes should include dos and don'ts, considering the DPDPA and the advertising guidelines.

Create/modify their data privacy policies

The advertisers would need to create or modify their existing data privacy policies in line with the DPDPA. They should set controls for every area where data is being collected and possibly introduce the collection of data through opt-in mechanisms.

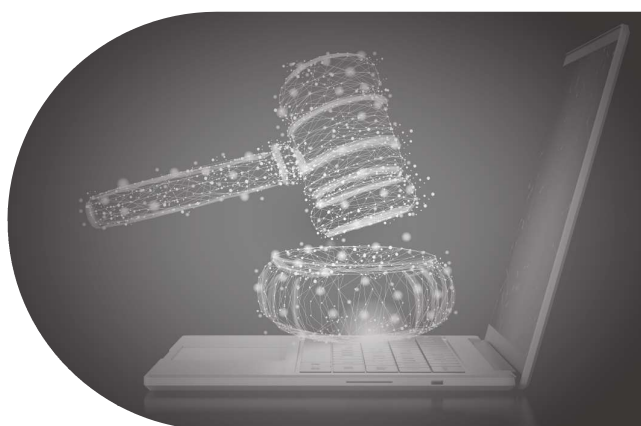
Consent managers

Engage consent managers and ensure that requests from data principals to edit, correct and withdraw consents are performed correctly.

Contractual clauses

The advertisers need to ensure that they have well-drafted clauses in their agreements where they are engaging third parties as processors of their data. These would include advertising agencies or organisations that conduct data-driven campaigns for their organisations.

The Digital Personal Data Protection Act 2023 is a significant turning point for the Indian advertising industry. The law will open an opportunity to reimagine advertising that is respectful of user privacy, contextually relevant and creatively engaging. Although the rules are not yet drafted, advertisers should initiate their efforts to be compliant with the law and adapt to the enormous change the law is about to introduce.



Areas of professional legal expertise related to DPDPA



Identifying personal data

Understand the type of digital or digitised individual data that the advertiser holds – employee data, vendor data, etc.



Mapping data flows

Review the modes of collection of individual data. Also map how personal data flows into, within and out of the organisation.



Assessing the purpose of processing

The data needs to be reviewed against the purpose of processing. Data that is not required for the purpose needs to be identified.



Assessing data processing activities

Evaluate the data processing activities carried out by the organisation. This includes data collection, storage, usage, sharing and disposal practices.



Reviewing data protection policies and consents

Review their internal processes regarding the handling of data even with third parties and contractors. We need to review the existing consents obtained.



Reviewing data processing agreements

Review the agreements and data privacy provisions.



Reviewing data breach response plan

Review the Data Breach response plan of the organisation.



THE OPEN INTERNET, DIGITAL MARKETING AND THE PATH TO PRIVACY

BALANCING USER PRIVACY WITH DIGITAL EXPERIENCES AND COMMERCE

The future of the open internet hinges on balancing user privacy with digital experiences and commerce. It serves as a hub for innovation, education and economic growth, providing democratic access to information and opportunities. In India, it fosters diverse perspectives, empowers individuals and levels the playing field for education and business.

India's transition into its 'Digital Decade' aims for a \$1 trillion internet economy by 2030, with digital services integral to the lives of its 700 million internet users. As household consumption doubles, digital commerce will further embed itself in daily routines.

To support India's digital ambitions, the internet must remain conducive for publishers, developers and businesses to flourish equally, even as it works to protect consumer data. A vital element of this ecosystem is targeted advertising, which creates personalised and tailored experiences for consumers and generates revenue to support free platforms, services and applications. India's users widely accept being receivers of personalised digital experiences to consume, share and transact without restrictions. However, even as users are becoming increasingly aware of how their data is being collected and utilised, consent fatigue is real as users navigate an ever-expanding barrage of pop-up consent banners.

Privacy by Design (PbD) is a proactive approach to building privacy protections directly into the planning and development of digital products, services, and internet business practices. It emphasises that privacy should be a core consideration from the start, rather than an afterthought.

Modern data protection laws, including the DPDPA, are integrating the concepts of PbD. This means that when collecting and processing personal data, data protection legal requirements must be considered and addressed from inception.

Data sources:

1. Google, Temasek and Bain, India e-Conomy Report 2023

2. Economic Impact Report: Accelerating India's Digital Leadership with Google -- by Access Partnership, October 2023

The following are its key principles:

Proactive, not reactive

PbD anticipates potential privacy risks and implements measures to mitigate them before they become problems.



Privacy as the default

With PbD, the most privacy-protective settings are the default. Users shouldn't have to take extra steps to safeguard their data.

Embedded design

Privacy is woven into the entire design process of a system or service, not just added superficially.



Full functionality (positive-sum)

PbD rejects the idea that strong privacy and robust functionality have to be at odds. It seeks solutions that protect data while still delivering the intended user experience.

End-to-end security

PbD considers data security across its entire lifecycle, from collection to storage to disposal.



Visibility and transparency

Users should clearly understand how their data is used and should have easy access to their privacy settings.

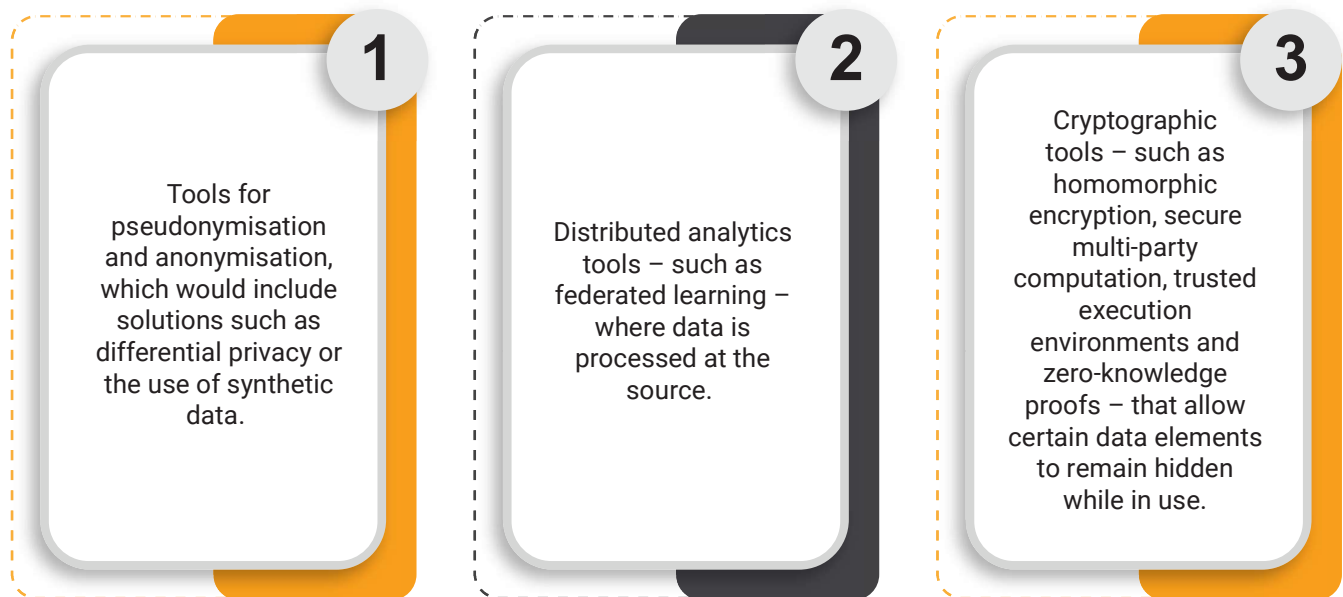
User-centric focus

PbD always prioritises the needs, rights and expectations of the individual user.



PbD is the vision of advancing the internet, and its leading enablers are technological innovations called Privacy-Enhancing Technologies (PETs) and Privacy-Preserving Technologies (PPTs). PETs and PPTs are innovations that facilitate the processing and use of data in a way that preserves the privacy of individuals whose data is being used. These technologies not only enhance privacy protections but also maintain the informational value of data to varying degrees.

While there is no unified definition denoting a technology as a PET, there are several technologies generally understood to qualify. For the purpose of this white paper, PETs are separated into three categories:



This is where PETs offer a promising path. PETs encompass a range of methods, such as differential privacy and homomorphic encryption, allowing valuable insights to be extracted from datasets without revealing the identity of specific individuals. No single PET constitutes a silver bullet; each has its own strengths and weaknesses and can be and are often used in combinations for higher efficacy.

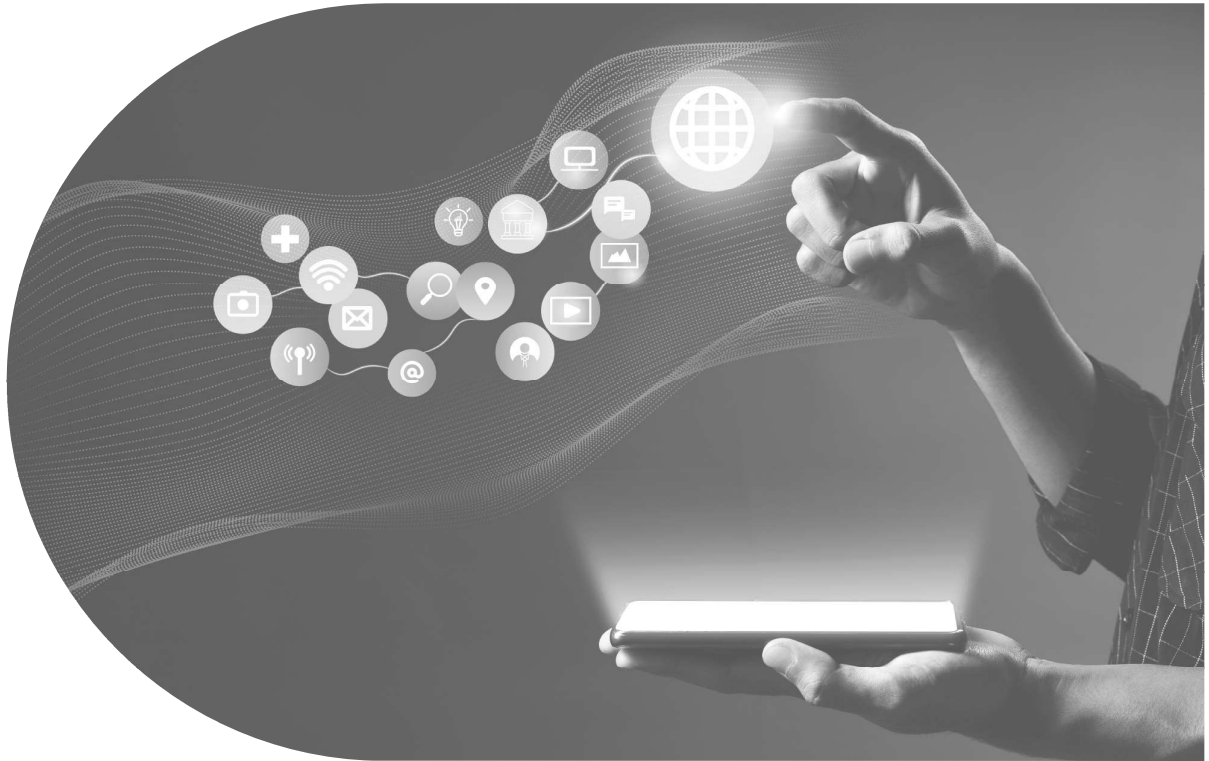
PETs have the potential to reshape the ad ecosystem and the open internet, fostering personalisation while protecting sensitive user data by default. It has the potential to rebuild user trust, ensure compliance with regulatory requirements and user expectations, and act as a catalyst for sustainable commercial growth.

Building a more holistic technological approach, with privacy by design as its first-principle, is vital to maintaining a robust internet that puts users back in control.



In the ever-evolving landscape of digital advertising, change is not just inevitable; it's an opportunity for growth and innovation. This opportunity becomes increasingly apparent as we build a more private internet and move the industry beyond outdated methods for reaching consumers, monetising content and measuring impact.

So, while the fundamental marketing goals of driving awareness, attention, intent and sales aren't changing, the ways marketers achieve these goals will continue to evolve and innovate.



The road to widespread PET adoption won't be without obstacles. There are concerns about computational overhead and potential performance impacts. But the rewards are substantial. Imagine a world where targeted advertising aligns with, rather than exploits, user interests. A world where businesses innovate on data usage within a framework of trust and transparency.

The stakes are high. The future of the open internet depends on finding a balance between the benefits of digital and personalised advertising and the fundamental right to privacy. PETs are not a magic bullet, but they are a key piece of the puzzle. Accelerated investment in their development, paired with constructive regulations, will usher in a new age where consumers and businesses alike can prosper in a digital environment that puts privacy at the forefront.



PRIVACY AND PROGRESS AS TWIN PILLARS OF THE DIGITAL ECONOMY

INDIA AIMS FOR \$1 TRILLION INTERNET ECONOMY BY 2030

India's internet economy is poised for monumental growth, targeting a \$1 trillion valuation by 2030, comprising 12%–13% of GDP. This surge is fueled by shifting consumer and merchant behaviours and robust investor confidence. As India embraces its 'Digital Decade,' the rapid adoption of digital services among its 700 million internet users underscores the nation's digital evolution.

Digital payments, embraced by approximately 350 million Indians, and e-commerce activities engaging 220 million individuals, highlight the integral role of digital commerce in daily life. As household consumption is projected to double by 2030, digital commerce will further entrench itself in Indian society.

India's digital adoption surpasses that of many major economies, propelled by affordable smartphones, accessible data plans and a thriving e-commerce ecosystem. This transformation is reshaping industries like retail, entertainment, banking and education, offering new avenues for growth and innovation.

The internet economy showcases positive growth across sectors, with business-to-consumer (B2C) e-commerce contributing significantly. Driven by increased penetration in smaller cities and towns, B2C e-commerce's gross merchandise value (GMV) is forecasted to reach \$380 billion by 2030. Other sectors, like online travel and ride-hailing, are expected to witness similar growth trajectories.

Data sources:

1. Google, Temasek and Bain, India e-Economy Report 2023
2. Economic Impact Report: Accelerating India's Digital Leadership with Google -- by Access Partnership, October 2023



Moreover, the growing acceptance of digital tools and solutions by consumers and merchants signals promising growth prospects for digital financial services. With compound annual growth rates (CAGR) ranging from 8% to 13% between 2022 and 2030, sectors like payments, lending, investments and insurance are poised for substantial expansion.

Inspired by success stories in software-as-a-service (SaaS), education technology (EdTech) and B2B e-commerce, Indian businesses aspire to establish a global presence. Factors like a skilled talent base, domestic market insights and regulatory support are instrumental in unlocking export opportunities.

Government initiatives such as 'Digital India' and 'Make in India' foster an environment conducive to digital business growth. The India Stack, comprising Aadhar, UPI and Digilocker, facilitates access to public goods and services, driving digital expansion. Open networks like ONDC, OCEN and UHI offer new avenues for growth, attracting investments and nurturing entrepreneurial ecosystems.

India's T2+ cities, home to over a billion people, play a crucial role in unlocking the internet economy's potential. The rapid adoption of digital technologies beyond metropolitan areas indicates a widening digital footprint. Rural internet users, projected to reach 480 million by 2025, contribute significantly to digital growth.



Data sources:

1. Google, Temasek and Bain, *India e-Economy Report 2023*
2. *Economic Impact Report: Accelerating India's Digital Leadership with Google -- by Access Partnership, October 2023*



However, this digital evolution necessitates a delicate balance between personalisation and data privacy. Innovation and governance now allow for both privacy and progress to be twin pillars of growth; no longer should it be seen as a compromise between them. Organisations must navigate complexities to foster trust, security and responsibility in the digital landscape. Collaboration among stakeholders – government, businesses, academia and civil society – is crucial in orchestrating digital success in a way that addresses the asymmetry of power and includes the idea of meaningful consent at its very core.

The government's role in creating a conducive policy environment and promoting digital literacy, coupled with strategic investments by businesses in technology, will drive the digital future. Academia's focus on research and workforce development, alongside civil society's advocacy for inclusivity and fairness, will ensure a digitally inclusive society.

By seizing the opportunities presented by the internet economy, India can usher in a transformative era of unprecedented economic prosperity and inclusive technological advancement in a way that is fair to all stakeholders.



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Data presented in this white paper is referenced from the sources below:

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- Report: [India Economy Report, 2023](#)
- Report: [Economic Impact Report: Accelerating India's Digital Leadership with Google, 2023](#)
- Forbes: [Social Media Statistics](#)
- Statista: [India Social Commerce Market Size](#)

Disclaimer

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ACKNOWLEDGEMENTS

We would like to extend our gratitude to the individuals and organisations whose support helped us put together this critical white paper for our stakeholders.

Inputs from contributors such as HUL, Google, Dream11, Pepsico, MakeMyTrip, White Rivers Media, Pidilite, UB and Leadsquared helped us better understand the on-ground and practical challenges and opportunities around the internet and data privacy, and in putting together this white paper from the perspectives of multiple stakeholders.



About the Advertising Standards Council of India (ASCI)

The Advertising Standards Council of India (ASCI), established in 1985, is committed to the cause of self-regulation in advertising, ensuring the protection of consumer interests. ASCI seeks to ensure that advertisements conform to its Code for Self-Regulation, which requires advertisements to be legal, decent, honest and truthful and not hazardous or harmful while observing fairness in competition. ASCI looks into complaints across ALL MEDIA, such as print, TV, radio, hoardings, SMS, emailers, the internet/website, product packaging, brochures, promotional material, point-of-sale material, etc. ASCI has collaboratively worked with various government bodies, including the Department of Consumer Affairs (DoCA), the Food Safety and Standards Authority of India (FSSAI), the Ministry of AYUSH, as well as the Ministry of Information and Broadcasting (MIB).

In August 2023, the ASCI Academy, a flagship programme of ASCI, was launched to build the capacity of all stakeholders to create responsible and progressive advertising. ASCI Academy aims to raise standards of advertising content through training, education, outreach and research on the preventive aspects of advertising self-regulation.

About Lexplosion Solutions

Lexplosion Solutions is a leading LegalTech company providing legal risk management solutions in areas of compliance, audits, contract lifecycle, litigation and corporate governance. Headquartered in Kolkata, India, Lexplosion's vision and goal are to make the law more accessible and inclusive to businesses of all natures, scales and sizes. Keeping in mind the growing need for simple, yet effective solutions for the various legal processes and portfolios, Lexplosion merges disruptive technology with legal domain expertise to create solutions that have increased efficiency and reduced costs.



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