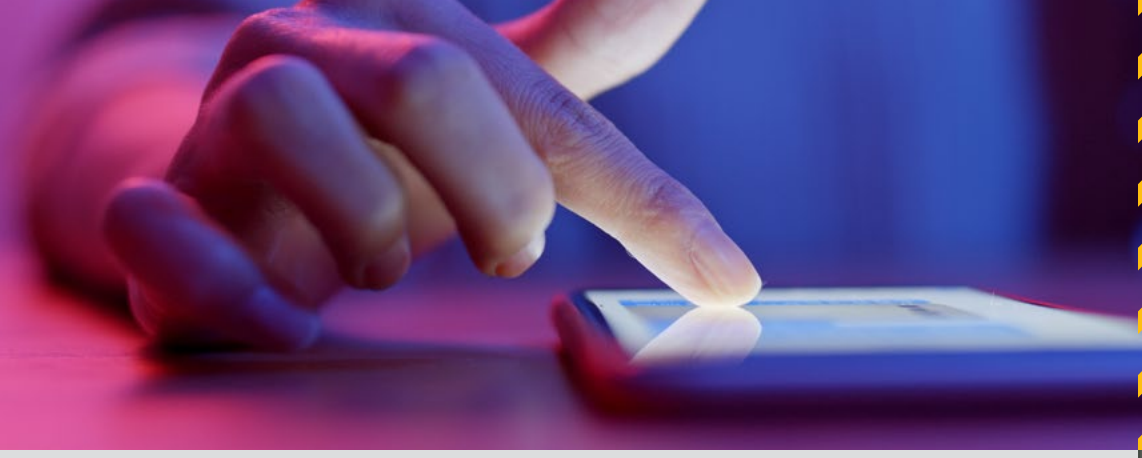
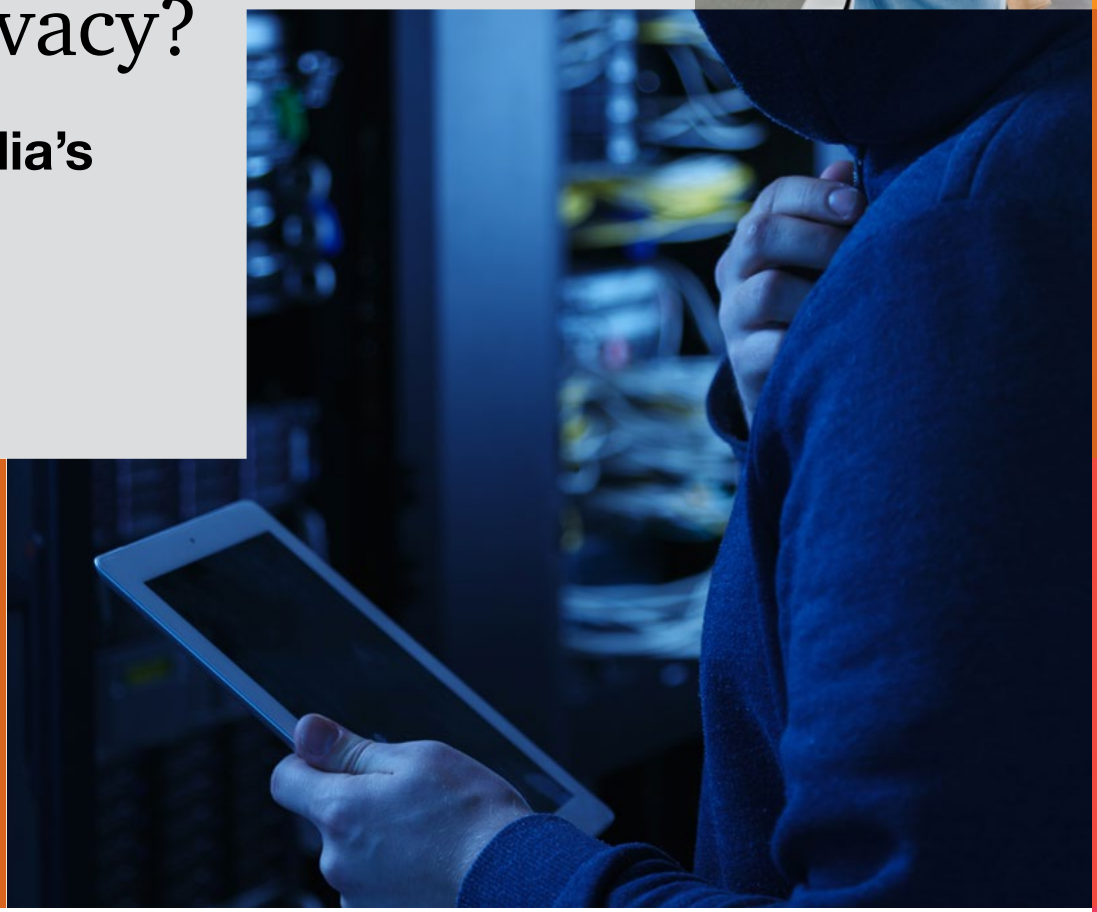


How aware and prepared are Indian consumers and businesses to navigate the new era of digital privacy?

A survey of India's data privacy landscape



pwc

Foreword

Sivarama Krishnan
Partner and Leader,
Risk Consulting,
PwC India and APAC
Cybersecurity and
Privacy Leader

Data is an asset that consistently delivers multidimensional value to enterprises, facilitating better decision making, a finer understanding of customers, greater efficiencies, and the ability to identify trends and stay ahead of the curve. It plays a critical role in driving innovation, steering proactive risk management and building financially resilient organisations. For something as valuable as data, protection and privacy are of paramount importance. Only then can businesses harness this asset optimally. Only then would this asset continue to be an asset.

This need becomes even more pronounced in the context of India's current development paradigm, as it transitions into a high-growth digital economy.

The Digital Personal Data Protection (DPDP) Act, 2023, has been introduced in the country at this critical juncture. As the first-of-its-kind pioneering legislation in India, the act seeks to empower individuals or data principals, by strengthening their rights to control personal data while simultaneously enhancing accountability for businesses and institutions handling such data. This legislation will have a bearing on every business and thereby on the overall economy. And it will equally impact each of us – as citizens, consumers, employees, business leaders or owners. Such a formal and legal data governance mechanism is not only much needed but also critical for a future that will be increasingly technology and data driven.

While the introduction of the law is a welcome move and mirrors in many ways the strong precedents set by the US and the member countries of the European Union with their own set of data privacy related legislations, the on-ground reality of India is more complex and diverse in many ways. And this is not only owing to challenges around population, geographical expanse, linguistic, education and demographic divides, but also the digital divide – despite the increased proliferation of internet users, digital literacy continues to be an area of concern.

This aspect of digital literacy is closely intertwined with the aspect of privacy literacy.

With this premise, we at PwC India set out to understand the 'privacy pulse' of consumers and organisations in India through this survey report. Our objective was to gauge where India truly stands in relation to privacy literacy, the obstacles that lie in the way of building a culture of privacy first in the country, and how can these gaps be bridged. This understanding is pivotal if the purpose and essence of legislations like the DPDP Act are to be truly realised. It is also critical for the realisation of India's digital dreams and to enhance the country's competitiveness in an increasingly privacy conscious global digital business ecosystem.

Our engagement with over 3,000 consumers across the country, from different regions, age groups and educational profiles, and with around 200 corporates in India reveals a gap in the understanding of the basic tenets of privacy among all. From a consumer standpoint, while lack of awareness about certain privacy-related processes, protocols, rights or responsibilities may not come as a surprise, there is an overall lack of trust in business. On the other hand, there is no clear or unanimous articulation of intent to invest in privacy-related consumer rights education by organisations. We also find that with concerted efforts, these awareness gaps can be bridged smoothly – people with specially abled, for instance, are found to be more aware of their rights, ostensibly due to focused education among this cohort on their overall rights.

The DPDP Act brings in many new opportunities for organisations to reorient their businesses, rethink risks associated with data and enhance consumer trust. Understanding the current pulse of the end user will be critical in this journey.

The insights from this survey can help in identifying the gaps that need to be bridged so that the objectives of the DPDP Act may be achieved by all stakeholders, for all stakeholders – regulators, businesses and individuals.

About the survey

Through our extensive survey, conducted from June to August 2024, on key privacy themes related to data privacy, we gathered insights from a diverse range of consumers and organisations across various sectors:

1. The consumer survey aimed to assess the awareness, understanding and sentiment regarding privacy among different demographic groups. Specifically, it evaluated data principals' (consumers') knowledge of their rights, their reactions and behaviours in response to data breaches, and their attitudes toward sharing personal data. Additionally, the survey explored consumers' willingness to continue using services from companies that have experienced data breaches.

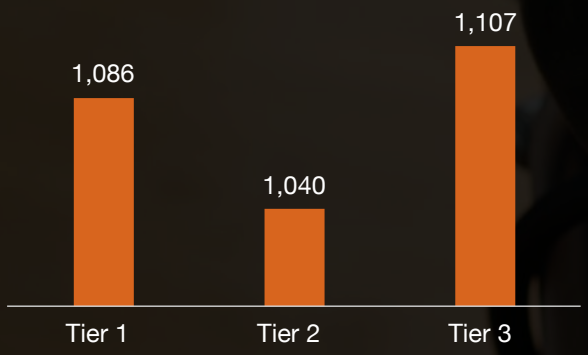
2. To get a well-rounded view of awareness and challenges around data privacy, we also assessed the understanding of organisations with respect to their responsibilities related to data privacy, gaining insights into their perceptions and implementation strategies across various sectors such as real estate, education, telecom, media and technology (TMT), e-commerce, and banking, financial services and insurance (BFSI). This evaluation highlighted diverse views on data protection responsibilities and examined the plans and strategies fiduciaries have developed.

The survey provides critical insights into consumer attitudes and organisational responsibilities which are essential for developing effective data privacy practices and policies in India.

Our respondents

3,233 consumers

City tier distribution

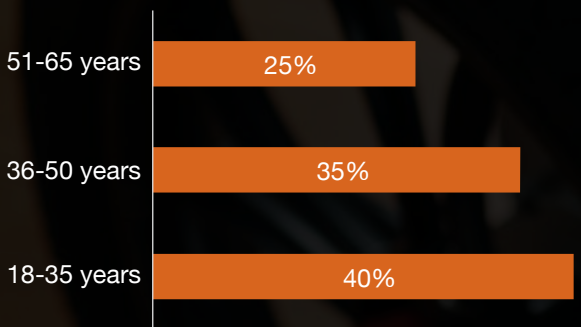


Gender distribution

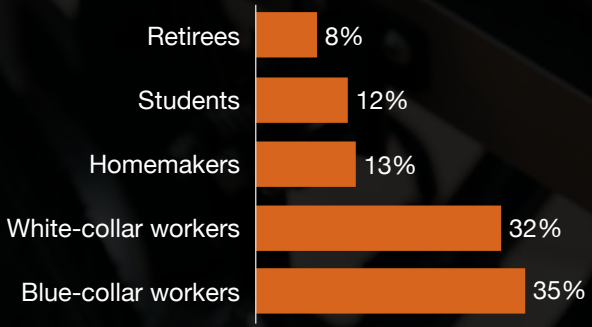
Specially abled

6.31%

Age distribution

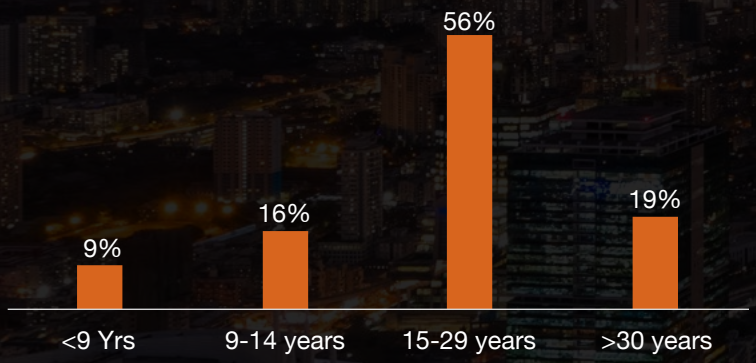


Occupational profile

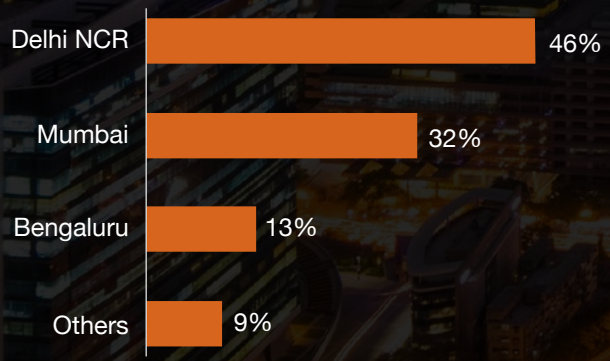


186 Respondents representing organisations

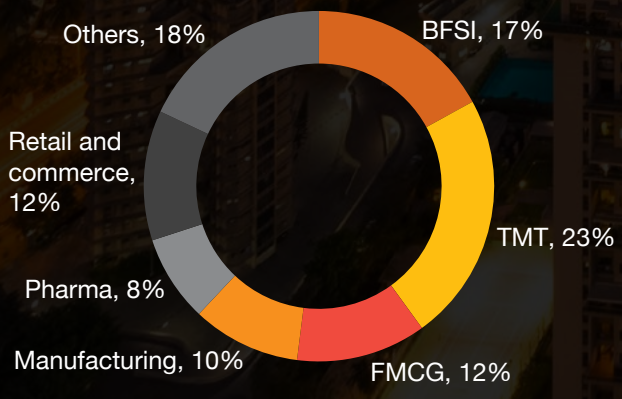
Work experience distribution



City distribution



Industry distribution



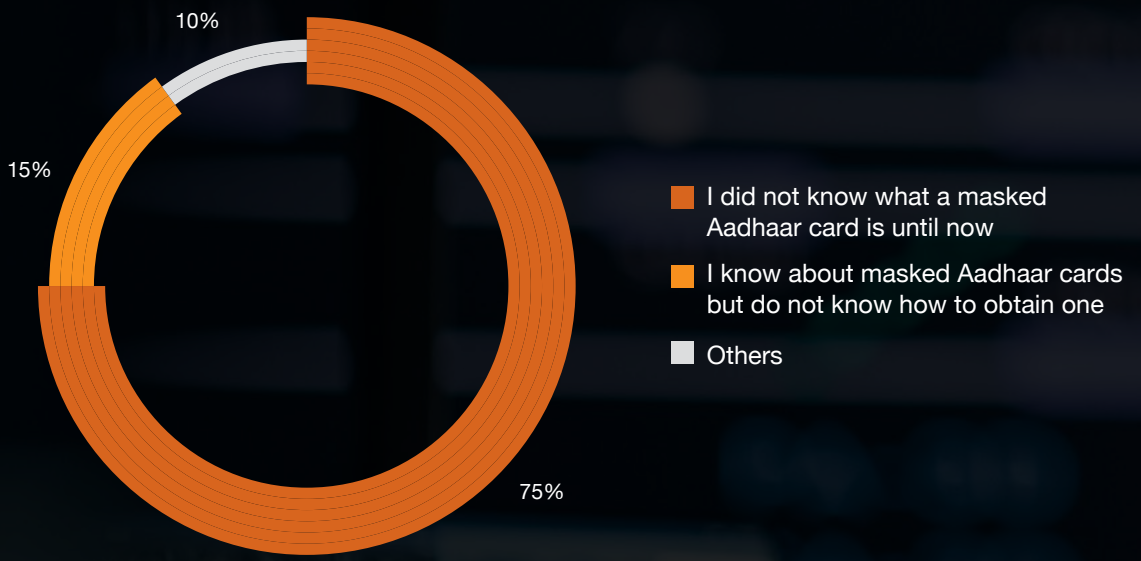
Voice of the consumer: Do not trust and do not care?

Culturally, the attitude towards personal information and how it is shared and used has been somewhat casual in India. There has been 'no' to 'minimal' guidance around such information sharing and access. Things changed in 2017 when the government passed a landmark judgement on the right to privacy – one of the first formal and serious efforts towards safeguarding the sanctity of personal information. This was followed by the passing of the DPDP Act in 2023, acknowledged to be a need of the hour, with increased adoption of digital platforms and enhanced appreciation of concerns about the collection and use of data by organisations.

We surveyed consumers and organisations to assess prevailing perceptions about privacy, trust and concerns about free data sharing and its potential misuse by many organisations.

Q: How much thought do you give when providing personal data or information like your email ID, Aadhaar or mobile number to online shopping apps, mobile data companies, banks, government offices, etc.?

Q: Are you aware that a masked Aadhaar card that does not reveal your complete 12-digit Aadhaar number is an accepted proof of identity?



There is a significant need for awareness amongst the populace about privacy in general and the DPDP Act in particular.

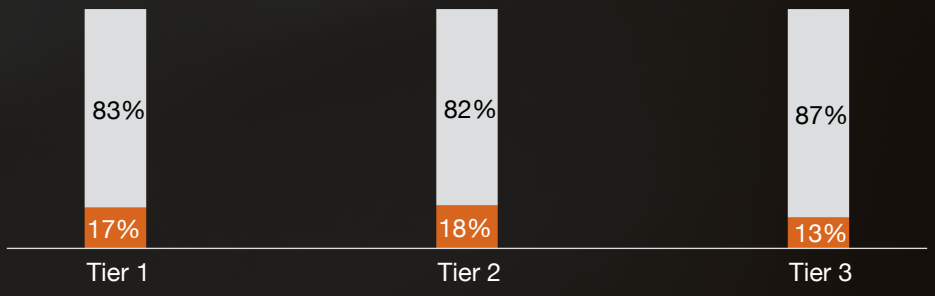
Organisations will have to invest time, effort and money in building awareness amongst their customers and identify initiatives to bridge this gap with consumers.

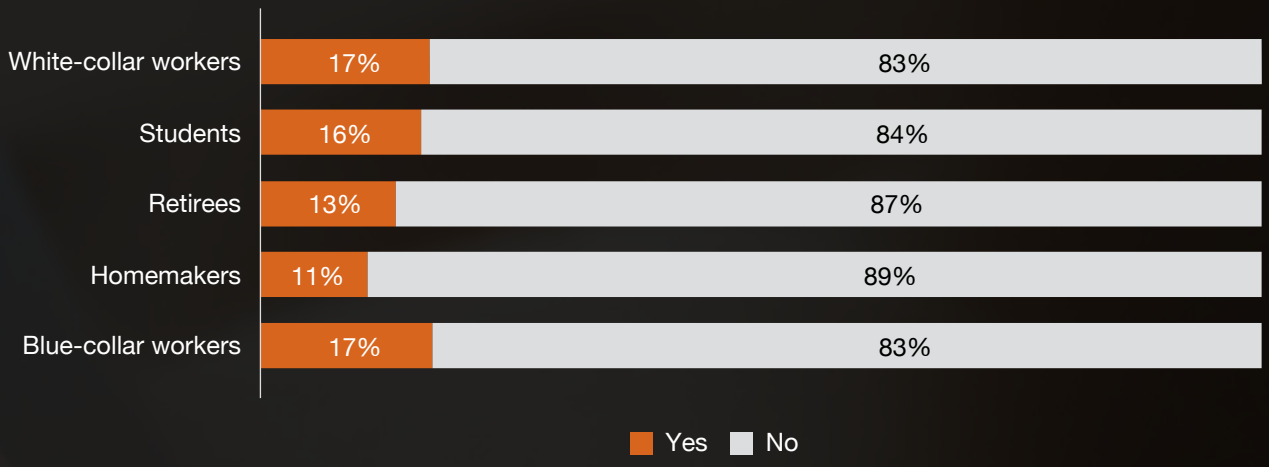

Fashionshop
Search our store
NEW IN DRESSES TOPS CLOTHING OCCASION SHOES SALE
30% OFF DRESSES...
Selected lines only. Excludes sale. Online only.
SHOP NOW
SHOP JACKETS
SHOP ACCESSORIES
SHOP SALE NOW!
SHOP NOW

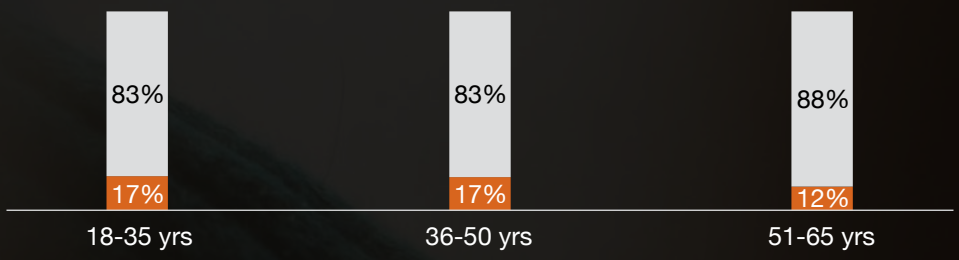
Major awareness gap: Less than one-fifth of consumers are aware of the DPDP Act – a finding that is consistent across cities, professional profiles and age groups.

Only **16%** of consumers are aware about the DPDP Act across diverse geographies, age groups, occupational backgrounds and urban-rural divides.

Q: Have you heard of the DPDP Act?





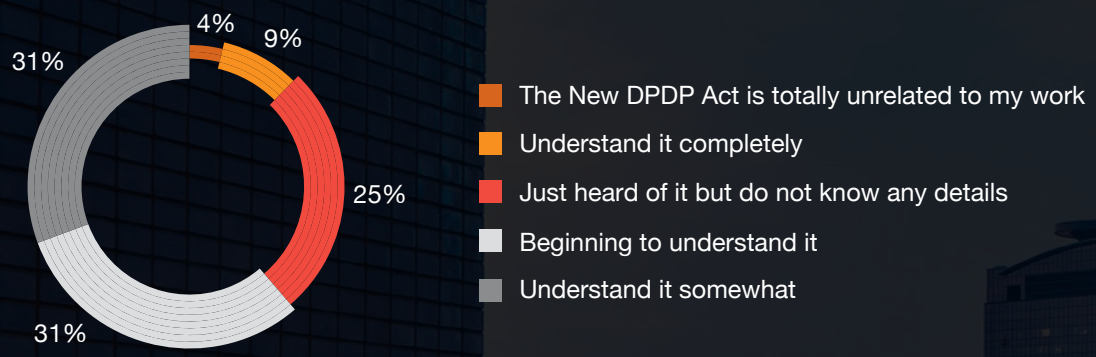


> Name and email id are not personal data as they are shared on social media. My phone number and address are personal data. However, I don't think Aadhaar, PAN and driving licence are personal data as those are documents."
>
> – **A 23-year-old white-collar professional from a Tier-1 city**

A significant awareness gap exists among not only consumers but also organisations.

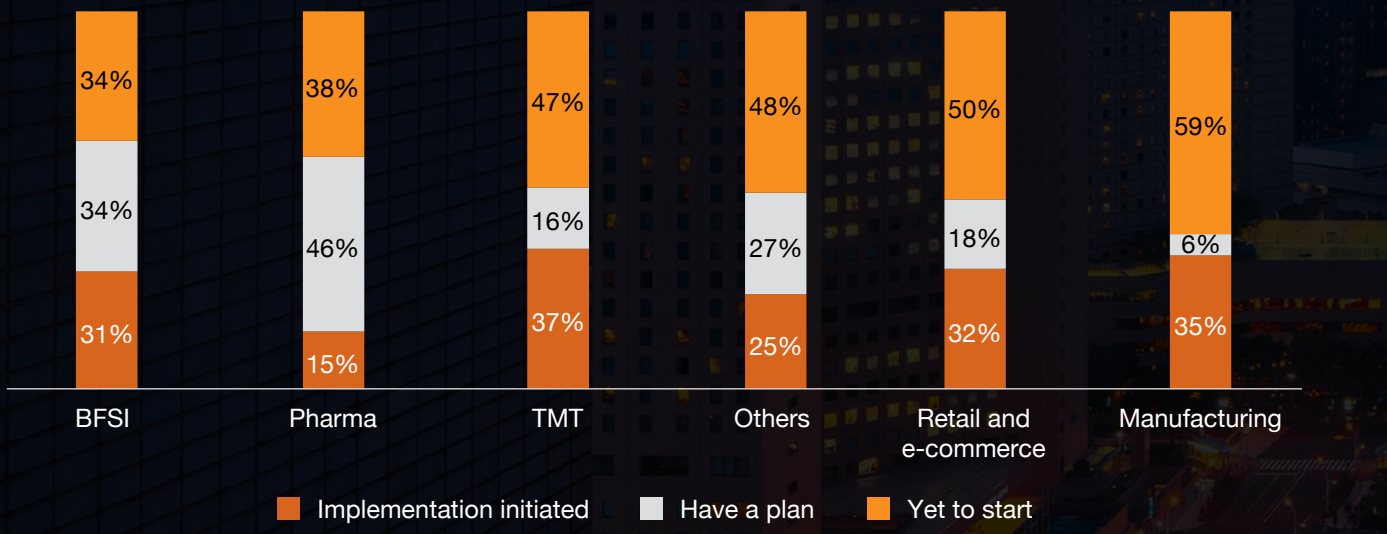
Only **40%** of organisations claim to understand the act. Only 9% of these organisations reported a comprehensive understanding.

Q: How well do you know and understand the DPDP Act?



While organisations are stepping up, nearly half of those surveyed are yet to start implementation of the DPDP Act.

Q: In your company, at what level is the implementation of the DPDP Act?



"The biggest challenge right now is lack of awareness. While the law is in place, much groundwork is still required to make people understand why it's important to protect their personal information. There's a significant gap between the passing of the law and its actual implementation. Both the government and organisations need to work together to bridge this gap."

- Satyavat Mishra, Head - Corporate IT and Group CISO, Godrej Industries

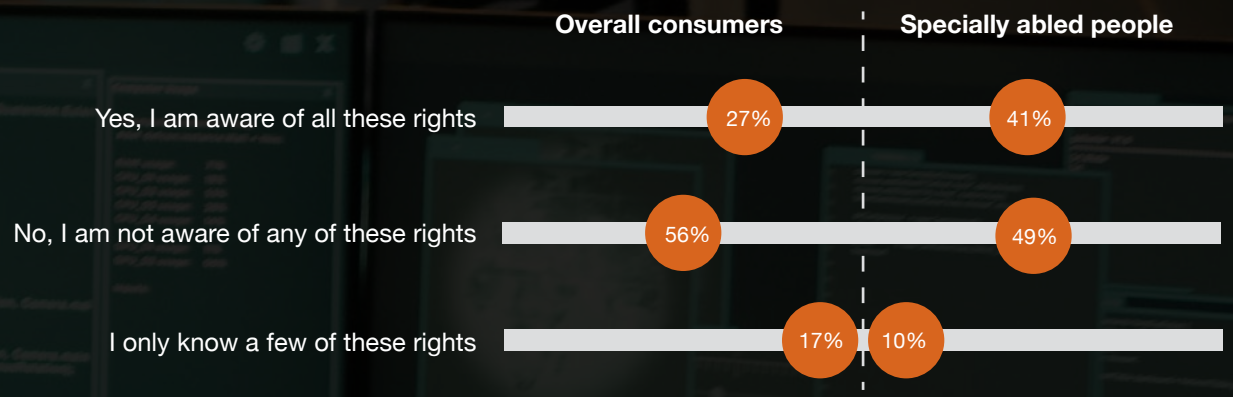
There is a need for creating greater awareness about the rights and duties of individuals with regard to their personal information. Currently, consumers are significantly unaware of the privileges given to them by the act.

The act focuses on the rights of specially abled people. Just as regulators are focusing on these groups, organisations too will have to invest efforts towards increasing awareness among specially abled consumers and employees, and enable processes centred around them.

More than 50% of the consumers we surveyed are not aware of their rights, including the right to give or withdraw consent regarding use of personal data.

56% of consumers not aware of their rights related to personal data.

Q: Do you know that once you have shared your personal data, you have a right to obtain a summary and request for deletion of that data if desired?

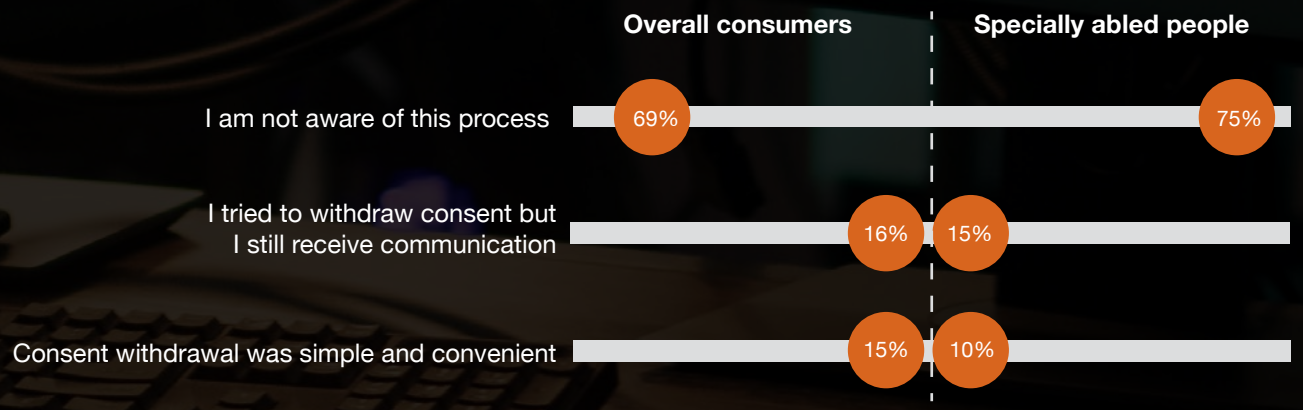


69% of consumers not aware of their rights to take back their consent

Minor's personal data involved?

72% are not aware that handling minor's personal data requires a parent's/guardian's consent.

Q: If you wish to withdraw your consent, are you aware of the process and were you able to withdraw your consent easily?



"I didn't even know I could contact someone about my data concerns. It's not something we are told when we use the services."

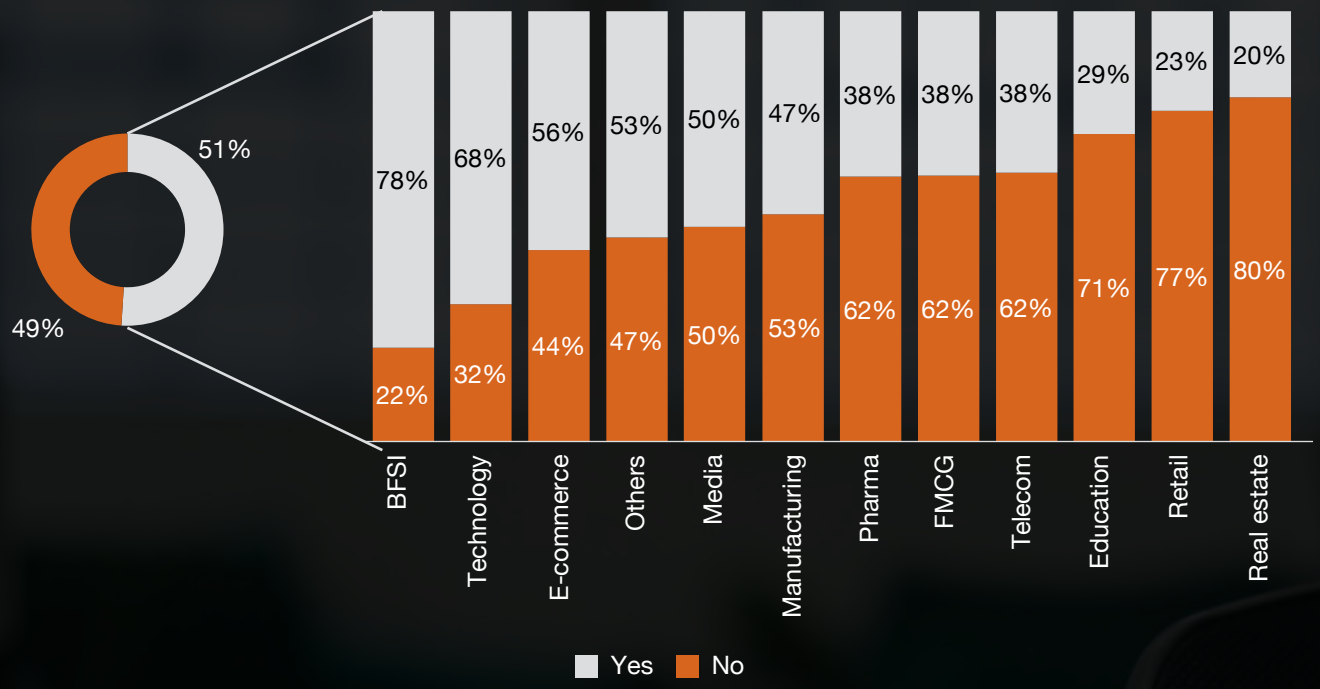
– A respondent from a Tier-2 city

Are privacy notices comprehensible?

70% of consumers find privacy policies difficult to understand.

Despite the gap, many organisations do not plan to invest in creating consumer rights awareness.

Q: Have you or your company initiated or made plans to make customers aware of this act and their rights within the act through frequent communications?



"For large companies like ours, compliance won't be too difficult. However, smaller organisations will need support to navigate these new regulations, and I hope industry bodies play an active role in that."

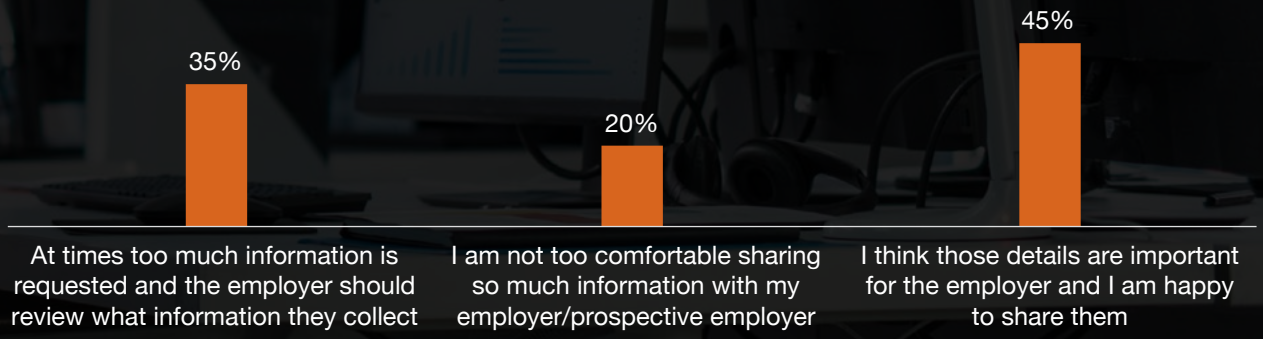
- Dileep R, Head - Global Privacy, TCS

Nearly half of the consumers think that it is either inappropriate for employers to request for personal details or that the amount of information shared with employers should be limited.

Q: How appropriate do you feel is it for companies hiring employees to collect all their personal information such as PAN, Aadhaar, address, family details, contact numbers, and details of previous employment?

35% of employees think that too much information is being requested from employees.

Q: How comfortable are you sharing your personal information with your employer or prospective employer (your PAN, Aadhaar, address, family details, contact numbers, details of previous employment, etc.)?



> I never realised how much of my data these companies had till I got a fraud alert on my bank account. It's scary to think that companies hold so much of our information, and we don't even know what's being done with it."
>
> **– A respondent from Mumbai**

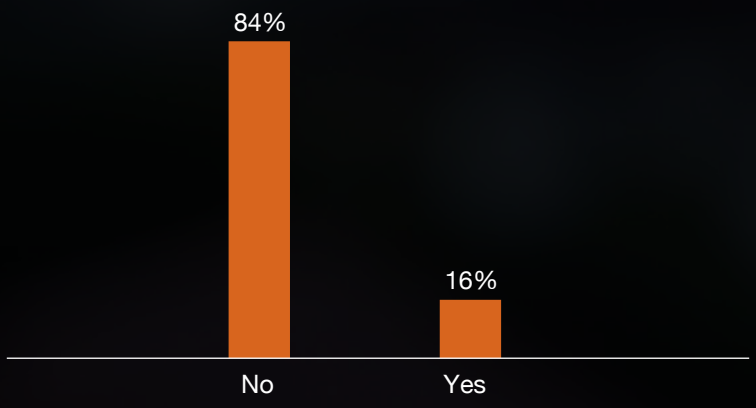
In spite of this, companies have not initiated employee-specific programmes to develop trust.

Only **36%** of companies have initiated measures to to reassure employees about protection of their personal data

Q: Are there any measures being planned to reassure employees and contractors about their personal data and its use by the organisation?

However, most of the companies are yet to initiate employee interaction for contract revisions.

Q: Has your company initiated interactions with the employees to revise employment contracts?



"For privacy regulations to succeed in India, it's not just about the companies – it's a collective effort involving the government, social institutions and society. Awareness around privacy are still low in smaller towns, and it will take time for people to realise the value of protecting their personal data. It's a cultural shift, but one that will eventually catch on, much like the concept of securing financial assets."

- **Amit Bhasin**, Chief Legal Officer, Marico

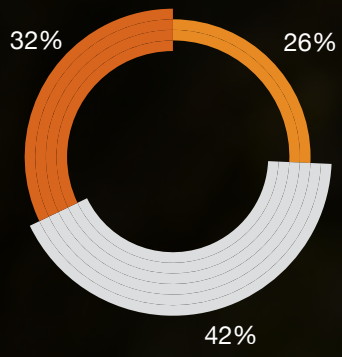
In an era where consumers don't 'trust' companies with the safety of their data, companies – in particular, consumer-facing ones – should evaluate how they need to re-position themselves in the era of DPDP Act to gain and enhance customer confidence.

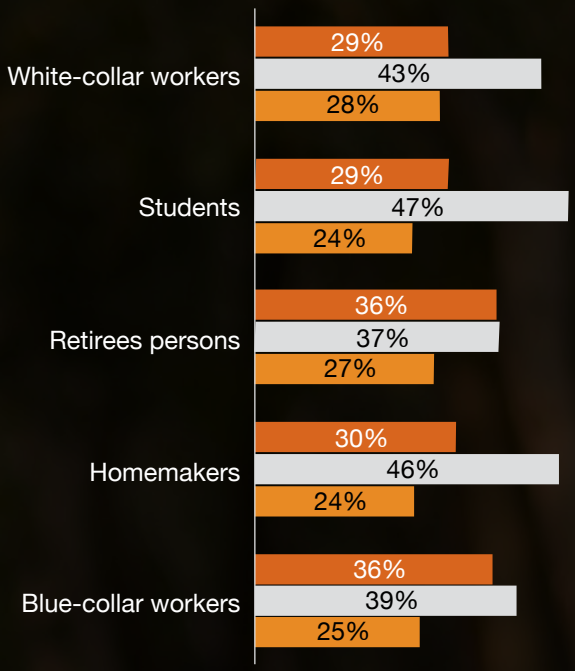
This trust deficit can be addressed by embedding privacy by design in every part of their activity.

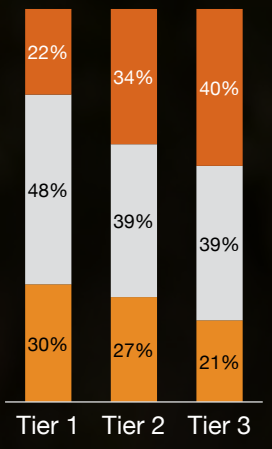
Are companies even serious about privacy or consent?

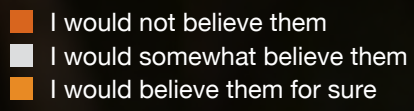
32% of consumers do not think organisations treat consent-related clauses with seriousness.

Q: Would you believe in a brand or company that claims that it values privacy and manages your personal information without it being used, processed, stored or shared without your consent?



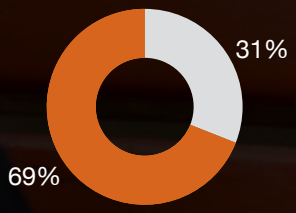


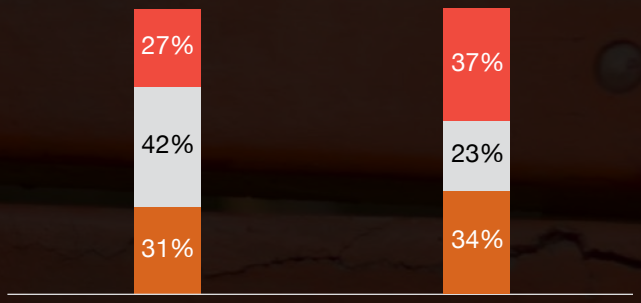


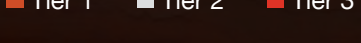


69% of consumers feel that their data may not be safe with companies. Of these, 37% of respondents are from Tier-3 cities.

Q: Do you feel your personal information is safe with the company?







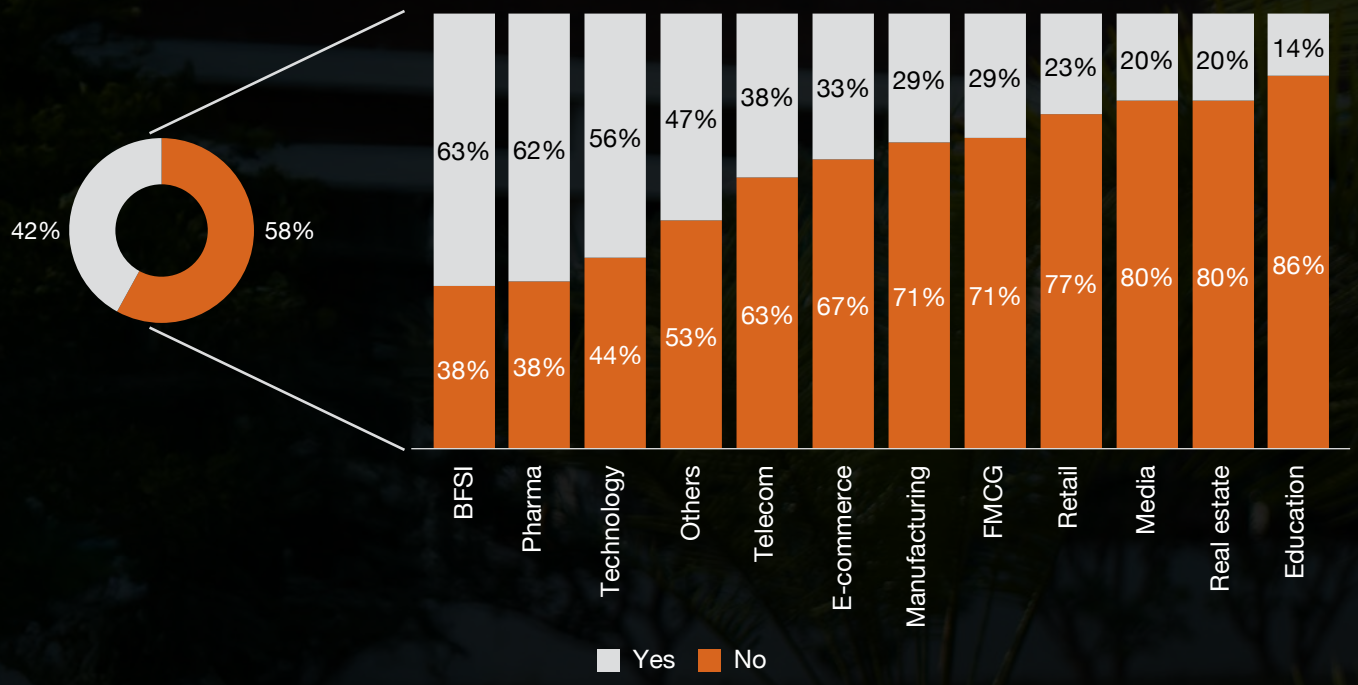
I do not trust these big companies. They ask for my phone number, Aadhaar and so much more. I never see anyone explain how they will protect this information. Why should I trust them?"

- Homemaker from a Tier-3 City

Yet, organisations are not prioritising the need to invest in building trust and are not cognisant of the opportunities for greater success enabled by such efforts in enhancing privacy programmes and engaging with consumers.

Only **42%** of ogranisations say they understand/appreciate that compliance with the DPDP Act is an opportunity to build and enhance consumer trust.

Q: Does your company plan to use compliance with the DPDP Act as a marketing strategy or as a means to establish trust with customers/relevant stakeholders and to gain a competitive advantage?

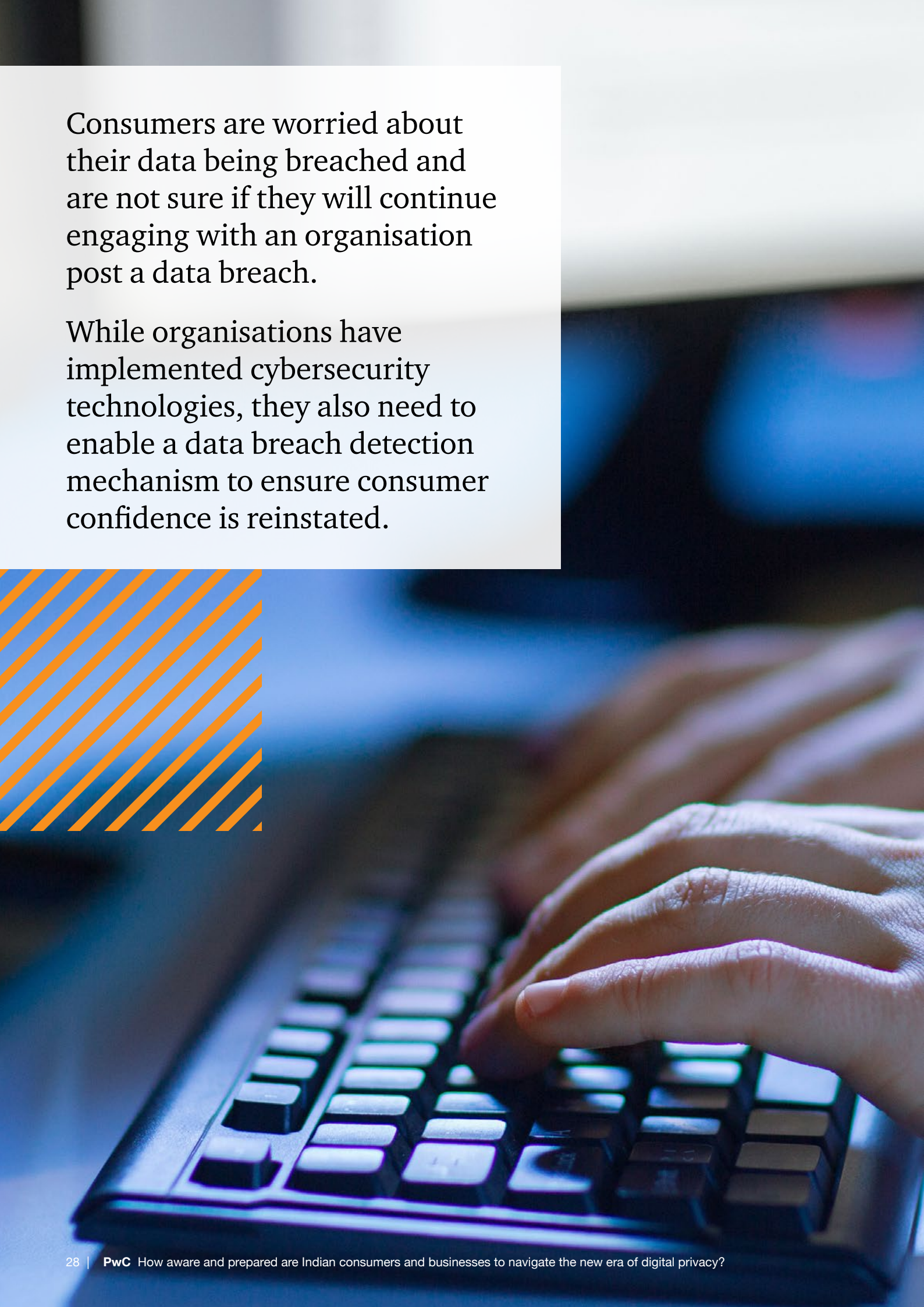


"The DPDP Act may significantly change the way business is conducted in the real estate sector. We believe that the sector relies heavily on collecting and processing customer information, so adapting to these regulations may require re-engineering our processes to ensure compliance without losing business agility."

- Saugata Basu, Group Chief Digital and Information Officer, Kalpataru

Consumers are worried about their data being breached and are not sure if they will continue engaging with an organisation post a data breach.

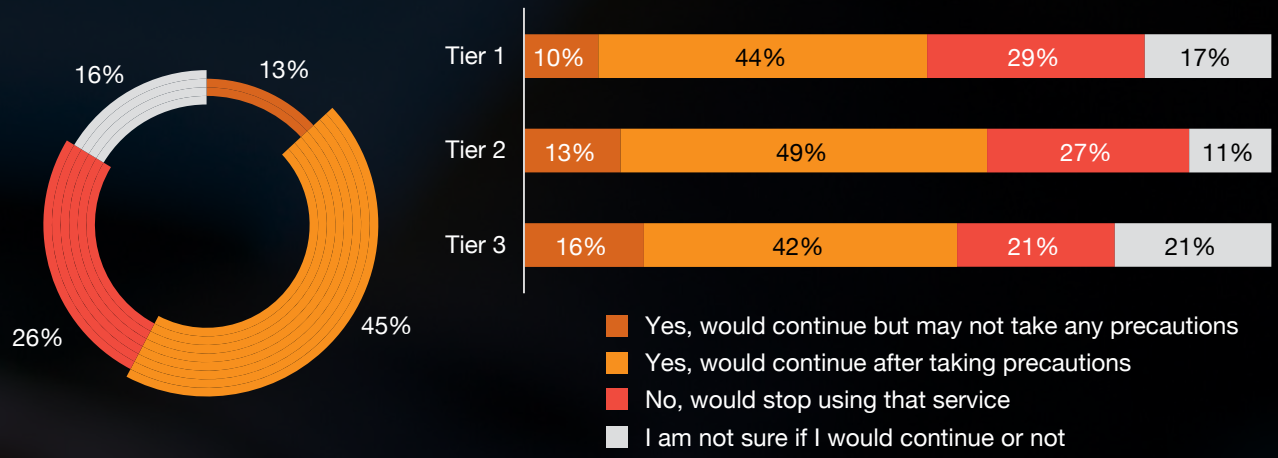
While organisations have implemented cybersecurity technologies, they also need to enable a data breach detection mechanism to ensure consumer confidence is reinstated.



Protect my data at all costs? Consumers are worried about data breaches, and many are willing to pay a higher price for such services if their data is protected.

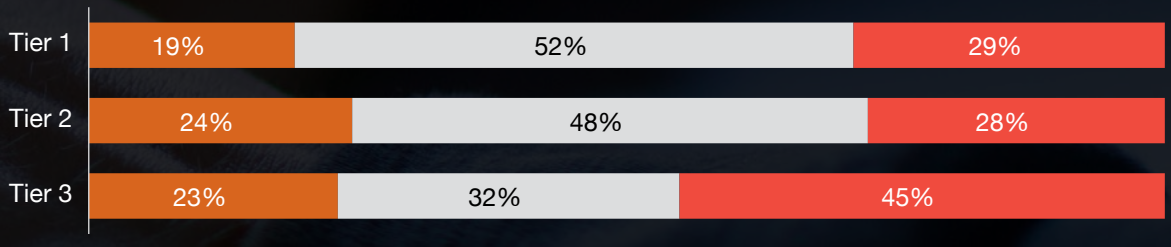
42% of consumers are not sure if they will continue using the services of a company post a data breach. This rate is higher in Tier-1 cities at 46%.

Q: In case of a breach where your personal data is compromised and you are informed by the company and asked to take necessary precautions, would you continue using their services?



This message resonates with the fact that 52% of people in Tier-1 cities are happy to pay a high price for a commodity if the company assures them of the security of their data.

Q: Would you use a less expensive company or a slightly pricier one with better data protection for the same product?

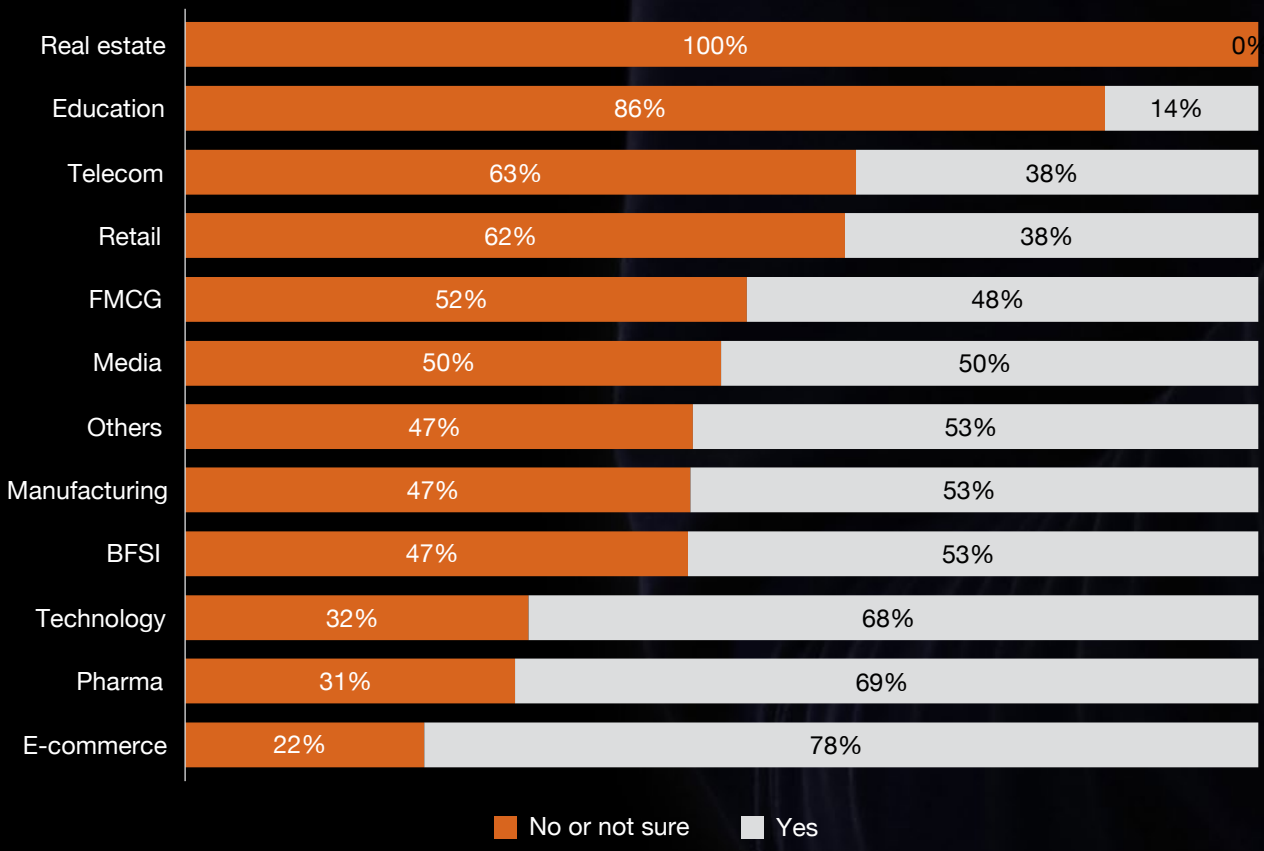


‘I know breaches happen, and no system is 100% safe. But if a company tells me upfront and helps me protect myself, I’d stick with it. It’s when they try to hide the breach that I lose trust’.

- A millennial from Bengaluru

Organisations are planning additional security controls, but will that be enough?

Q: Does your company plan to implement additional security controls around personal data processing, considering the DPDP Act?



"Technology alone won't solve the compliance issue. It's a combination of technology, people skills and processes that will ensure organisations meet the requirements of the DPDP Act."

- Dr Durga Prasad Dube, Global CISO, Reliance Industries Limited

Key takeaways from the survey

1.

Privacy awareness in India is at a sub-optimal level. However, in the context of India's population and diversity in terms of spread, demographics, access, education and employment, it is a good start.

2.

Regulated sectors and direct-to-consumer sectors are slightly mature in terms of privacy mechanisms and a culture of data privacy, but they are also more concerned about the law, its implementation and its implications.

3.

There is a trust deficit among consumers on how organisations collect and store their data. Hence, there is a need for organisations to invest in narrowing this trust deficit.

4.

There is a need for a cultural shift towards prioritising data privacy and responsible behaviour. Both organisations and consumers should actively engage in fostering a privacy-conscious environment.

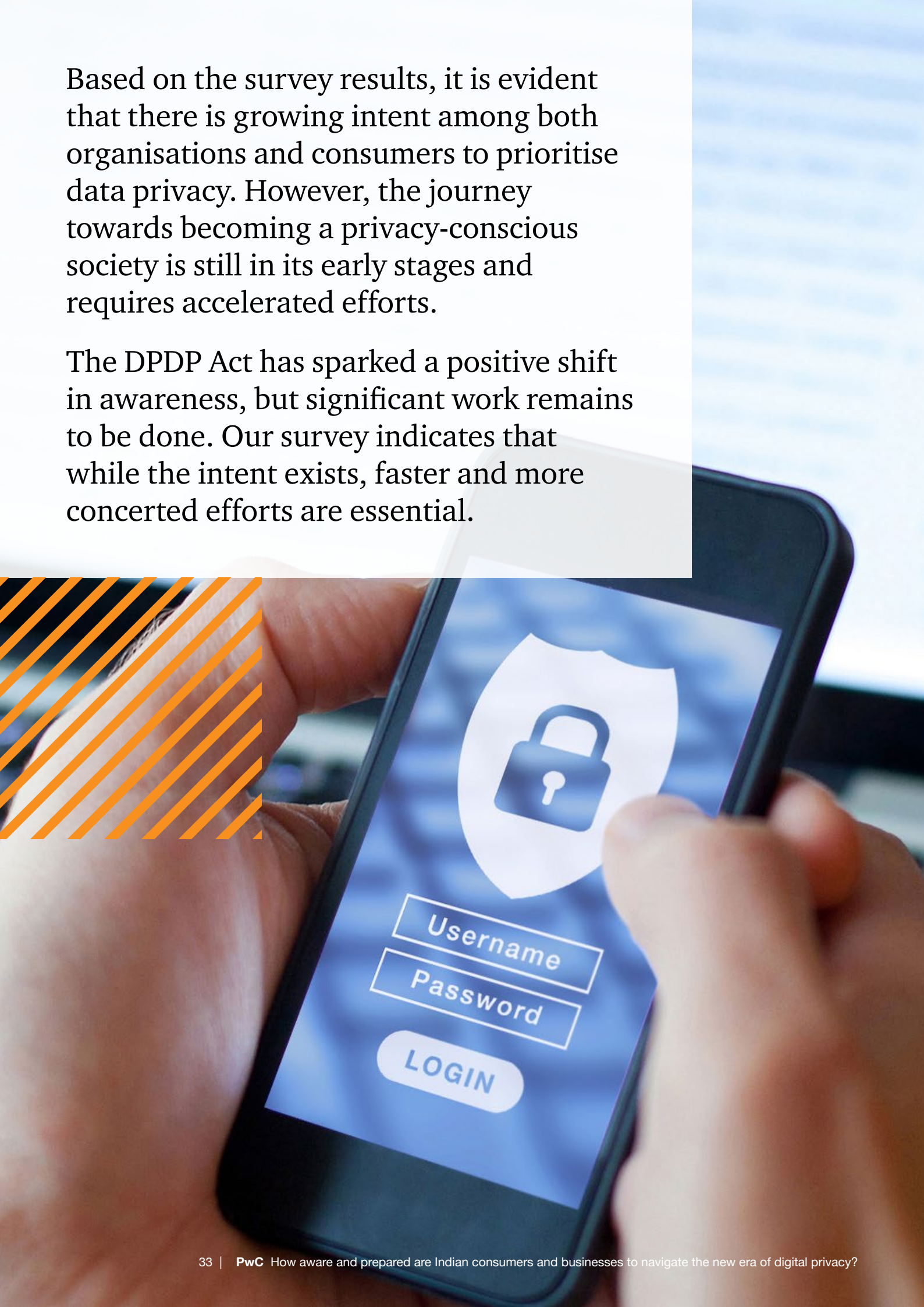
5.

Blue-collar workers, retired persons and homemakers are the most vulnerable segments. They are unaware about both the data privacy law and their rights as well as data breaches and their implications.

	Consumers	Companies	Regulators
1.	There is a need for a cultural shift towards prioritising data privacy and responsible behaviour. Consumers should actively engage in fostering a privacy-conscious environment.	There is a trust deficit among consumers with respect to how organisations collect and store their data. Organisations need to invest in narrowing this trust deficit.	Regulators could prioritise public education and awareness campaigns to inform individuals about their data protection rights and how they can exercise them.
2.	Consumers should become aware of applicable data privacy laws so that they are able to exercise their rights to safeguard their privacy.	Businesses have to ensure that data protection measures are inclusive and considerate of all consumer segments, including vulnerable groups such as blue-collar workers, retired individuals and residents of Tier-3 cities. In addition, they would need to identify and embed privacy awareness among their target consumers.	While the Data Protection Board will focus on organisational DPDP compliance, it will also be helpful to roll out and standardise the implementation framework by creating sector-specific templates. This will also make the implementation quick for sectors.
3.	They should demand that the amount of personal information sharing is limited to only what is absolutely necessary, and that organisations are transparent about how their data is collected, processed and stored.	Organisations must leverage data privacy as a competitive advantage by taking proactive steps to educate and engage with consumers and implement robust data protection measures.	Regulators should encourage corporate responsibility by promoting best practices in data privacy and incentivising organisations to invest in consumer education.

Based on the survey results, it is evident that there is growing intent among both organisations and consumers to prioritise data privacy. However, the journey towards becoming a privacy-conscious society is still in its early stages and requires accelerated efforts.

The DPDP Act has sparked a positive shift in awareness, but significant work remains to be done. Our survey indicates that while the intent exists, faster and more concerted efforts are essential.



Notes

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 151 countries with over 360,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

Contacts:

Vivek Prasad
Partner and Markets Leader, India
E: vivek.prasad@pwc.com

Sivarama Krishnan
Partner and Leader – Risk Consulting
E: sivarama.krishnan@pwc.com

Siddharth Vishwanath
Partner and Leader – Advisory Markets
E: siddharth.vishwanath@pwc.com

Anirban Sengupta
Partner and Leader - Business and Technology Risk Consulting
E: anirban.sengupta@pwc.com

Manu Dwivedi
Partner and Leader – Cybersecurity
E: manu.dwivedi@pwc.com

Sundareshwar Krishnamurthy
Partner and Leader – Cybersecurity
E: sundareshwar.krishnamurthy@pwc.com

Heena Vazirani
Partner – Business and Technology Risk Consulting
E: heena.vazirani@pwc.com

S Dinesh
Partner – Business and Technology Risk Consulting
E: s.dinesh@pwc.com

Editorial support:
Dion D'Souza

Design:
Harshpal Singh

Authors:
Heena Vazirani, Faizan Sarwar

Marketing:
Mamata Borthakur, Mousumi Ghosh, Tanvir Biswas

pwc.in

HS/October 2024 - M&C 41559