

## Data Monetisation by E-commerce Companies: A Need for a Regulatory Framework in India

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**Abstract :** This paper examines the process of data monetisation by e-commerce companies operating in India. Data monetisation is collecting, storing, and analysing consumers' data to use further the data that is generated for profits, revenue, etc. Data monetisation enables e-commerce companies to get better business opportunities, innovative products and services, a competitive edge over others to the consumers, and generate millions of revenues. This paper analyses the issues and challenges that are faced due to the process of data monetisation. Some of the issues highlighted in the paper pertain to the right to privacy, protection of data of e-commerce consumers. At the same time, data monetisation cannot be prohibited, but it can be regulated and monitored by stringent laws and regulations. The right to privacy is a fundamental right guaranteed to the citizens of India through Article 21 of The Constitution of India. The Supreme Court of India recognized the Right to Privacy as a fundamental right in the landmark judgment of Justice K.S. Puttaswamy (Retd) and Another v. Union of India. This paper highlights the legal issue of how e-commerce businesses violate individuals' right to privacy by using the data collected, stored by them for economic gains and monetisation and protection of data. The researcher has mainly focused on e-commerce companies like online shopping websites to analyse the legal issue of data monetisation. In the Internet of Things and the digital age, people have shifted to online shopping as it is convenient, easy, flexible, comfortable, time-consuming, etc. But at the same time, the e-commerce companies store the data of their consumers and use it by selling to the third party or generating more data from the data stored with them. This violates individuals' right to privacy because the consumers do not know anything while giving their data online. Many times, data is collected without the consent of individuals also. Data can be structured, unstructured, etc., that is used by analytics to monetise. The Indian legislation like The Information Technology Act, 2000, etc., does not effectively protect the e-consumers concerning their data and how it is used by e-commerce businesses to monetise and generate revenues from that data. The paper also examines the draft Data Protection Bill, 2021, pending in the Parliament of India, and how this Bill can make a huge impact on data monetisation. This paper also aims to study the European Union General Data Protection Regulation and how this legislation can be helpful in the Indian scenario concerning e-commerce businesses with respect to data monetisation.

**Keywords :** data monetization, e-commerce companies, regulatory framework, GDPR

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