

# RETAILERS NOT ALLOWED TO COLLATE CONTACT DETAILS FROM CUSTOMERS



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- AMRG & Associates



Ministry of Corporate Affairs advises against the collection of customer mobile numbers for bills in an attempt to protect consumer privacy and enhance security for customers.

*“ Union consumer affairs secretary Rohit Kumar Singh recently said that the Centre is issuing the advisory following several complaints and said any seller insisting on the contact number of the customer falls under “unfair trade practice”. He also said that “Sellers say they cannot generate the bill until personal contact details are provided. This is an unfair and restrictive trade practice under the Consumer Protection Act and there is no rationality behind collecting the information. They should not take the number unless there is an express consent,”*

Implications for Retail industry:

- **Data Collection and Marketing** - Restaurants and hotels often collect mobile numbers for various purposes, including marketing campaigns, loyalty programs, and customer feedback. The advisory may impact their ability to gather this data directly at the point of bill generation. Companies may need to explore alternative methods for acquiring customer contact information or rely on other channels for marketing initiatives.
- **Communication Channels**- Without the reliance on mobile numbers, restaurants and hotels may need to explore other communication channels to engage with their customers effectively. This can involve leveraging email, in-app messaging, social media platforms or requests for feedback.
- **Loyalty Programs and Personalization**- Mobile numbers are commonly used to link customers to loyalty programs or enable personalized services. The advisory may require restaurants and hotels to reassess their loyalty program strategies and find alternative ways to offer personalized experiences or targeted promotions. This could involve using customer email addresses or implementing digital loyalty cards.

- **Reservation and Contact Information (Hotel/Restaurants /F&B outlets)-** Mobile numbers are often collected during the reservation process to confirm bookings or reach out to customers for any changes or updates. The new advisory may require restaurants and hotels to revise their reservation systems and explore other means of securing contact information, such as email addresses or online booking platforms.
- **Compliance and Operational Adjustments-** Implementing the new advisory may require restaurants and hotels to update their internal processes, systems, and staff training to ensure compliance. This may involve modifying billing software, training staff on the new guidelines, and aligning operational practices with the revised requirements.

It's essential for companies to review the specific details and implications of the advisory in their jurisdiction to ensure compliance and make any necessary adjustments to their operations and customer engagement strategies.

Please feel free to reach us for any further support/ clarification.

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