

Finding the pocket: Surfing the wave of digital platform regulation risks and opportunities



Digital platforms are under increased consumer and regulatory pressure around competition, ecosystem equity, trust, and safety. What's more, the systemic impact of these trends is transcending "Big Tech." To contain risks and explore opportunities, over 250 bills have been proposed or enacted globally since 2019—and yet standards and regulations continue to proliferate. Explore our five insights and five actions to learn what you can do today to address these regulatory changes.

5 insights you should know

RESPONDING TO REGULATIONS. The regulatory environment is evolving and transforming how digital platform companies operate and engage in the complex interplay of trust, safety, and open competition—elevating risk and compliance to the core agenda. Failing to respond to new regulations could have significant strategic, financial, reputational, legal, and operational impacts.

THE RESPONSIBILITY QUOTIENT. Business identity, purpose, and role are becoming increasingly important. In a recent survey, 99% of respondents believe being a responsible business is a higher or similar priority as last year.¹ Trends indicate that organizations will increasingly work to address global environmental, social, and governance (ESG) risks and issues.

EXPANSION AND ENTROPY. Ecosystem and platform interoperability has accelerated during the pandemic. The increased demand for entertainment, interpersonal connection, communication, and other virtual services accelerated innovation and expanded the ecosystems of digital platform companies. The ecosystem rapidly redefined the platform—introducing more diversity and complexity.

THE ETHICS QUESTION. Digital ethics, and the responsible use of data and digital technology help organizations earn the confidence of consumers and users. In a recent survey, less than half of consumers think that businesses follow digitally ethical practices—in sharp contrast with the similar views of business leaders (more than 78%).²

THE WORLD IS WATCHING. While platform and business reinvention are commonplace activities for digital platform companies, how they compete, grow, and innovate are in the public eye. Competition, innovation, and public perception and sentiment are at play in the digital economy.

5 actions you can take

1 REALIZING POTENTIAL. Develop your capability framework and understand how emerging regulations impact your business around topics such as content moderation, data privacy, and innovation in payments and personalization. Plot your potential impact scale—from regulations requiring minimal compliance changes to those having a large strategic impact—both for your organization and others across the ecosystem.

2 RISK INTELLIGENCE. How do you achieve your purpose, drive business value and be resilient? Your culture is where security, safety, and sustainability are prioritized—without impeding innovation. Understand new capabilities and capacity needed, and clearly define roles and responsibilities, policies, procedures, and agreements.

3 A CALL FOR CONSISTENCY. Look beyond the four walls of your organization and create a seamless and consistent ecosystem. Eliminate areas where unaccounted risk may be created—using a comprehensive third-party risk management program. Consider processes or procedures for a fair economic arrangement and incentivization, while aligning them to your purpose and brand promise.

4 ANSWER WITH TRUST. Digital platform companies must increase trust with users—whether it's privacy, data-sharing, responsiveness, transparency, fairness, or sustainability. Build relationships by clearly defining processes, and establish safeguards for online user interactions and transactions. Implement user consent processes, monitor user interactions, and create communication channels to inform stakeholders of policy changes.

5 SHARE YOUR VISION. With the potential for regulatory changes and the need to proactively address societal issues, digital platform companies can harness the trends. They can regularly assess their portfolio and business activities and models, and consider how each might require a revision.

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1. Deloitte, [Gaining ground: A digital path to third-party oversight](#), 2021, p. 24.
2. Deloitte, [See the Unseen: Global Digital Risk Survey 2022](#), 2022, p. 6.

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