

Online Shopping & Consumer Protection

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Abstract— The Indians are buying online never before and the trend seems to be catching on. The online retail market in India which has been valued at around \$3.5 billion (Rs 21,000 crores) is expected to witness over 7-fold growth by 2019. E-commerce is sweeping the world today, and our country is no exception. The greatest benefit of e-commerce is the time saved, and the fact that the consumer is able to complete his transaction with a single click of the mouse. Product information is more extensive and price / product comparisons are also possible, enabling consumers to make informed choices. Despite all the advantages online shopping is always vulnerable to substandard products, false deliveries and other frauds. Attractive sales, influencing and misleading advertisements and social media posts, attract thousands of buyers every day. There are countless cases of online fraud reported in India, where the online buyers are being fooled by the online sellers. This has made it necessary to offer some kind of security and protection to the online buyers. In this paper the emphasis will be to discuss benefits of online shopping and various challenges that online shoppers face, further this paper will also discuss that whether provisions of consumer protection act are of any help for online shoppers and what needs to be done in this regard.

Key words: E-commerce, Online Shopping, Frauds, Security, Consumer Protection

I. INTRODUCTION

Recent technological advances have created a new digital era. Widespread use of the internet and other powerful new technologies are having a dramatic impact on markets and buyers. With the creation of World Wide Web and web Browser in 1990's the internet was transformed from a mere communication tool to a certifiably revolutionary technology. The growth of internet and its user base globally in recent years has been truly phenomenal. (Kotler, Armstrong 2005) India in the recent years has been experiencing an exponential growth in e-commerce and there are new companies springing up at a rapid rate. E-commerce is sweeping the world today, and our country is no exception. The greatest benefit of e-commerce is the time saved, and the fact that the consumer is able to complete his transaction with a single click of the mouse. Product information is more extensive and price / product comparisons are also possible, enabling consumers to make informed choices. Before going further it is necessary to understand the meaning of e-commerce. Ecommerce is a term for any type of business, or commercial transaction that involves the transfer of information across the Internet. It covers a range of different types of businesses, from consumer based retail sites, through auction or music sites, to business exchanges trading goods and services between corporations. It is currently one of the most important aspects of the Internet to emerge. E-Commerce allows consumers to electronically exchange goods and services

with no barriers of time or distance. The Indians are buying online never before and the trend seems to be catching on. The online retail market in India which has been valued at around \$3.5 billion (Rs. 21,000 crore) is expected to witness over 7-fold growth by 2019. (Mahajan, 2014) Despite the positive aspects, on-line shopping also presents several risks that need to be dealt with. Thanks to higher exposure of credit cards, there are grave theft and fraud issues, besides the frustrating problem of information misuse for marketing. There are also issues of wrong, damaged or delayed delivery.

II. BENEFITS OF ONLINE SHOPPING

The e-business is one of the biggest things that have taken the Indian business by storm. It is creating an entire new economy, which has a huge potential and is fundamentally changing the way businesses are done. It has advantages for both buyers as well as sellers and this win-win situation is at the core of its phenomenal rise. Rising incomes and a greater variety of goods and services that can be bought over the internet is making buying online more attractive and convenient for consumers all over the country (Malhotra, 2014). Following are the various benefits that have made online shopping all the more attractive:

- 1) Convenience
- 2) Price Comparisons
- 3) Infinite Choice
- 4) Availability of customers reviews
- 5) Round the clock shopping
- 6) Flexible mode of payment

III. CHALLENGES OF ONLINE SHOPPING

Today's advancement in internet implies the change in consumer behavior. Shopping online has now become a common form for the purchase of goods. Though internet shopping is convenient with no restriction of time and space, it also possess hidden risks in comparison with the traditional way of shopping through solid shops. (Zuliu, 2010) The major challenges being faced by the consumers in case of online shopping are as below:

- 1) Uncertainty of trade parties
- 2) Privacy
- 3) Uncertainty about the place of the trade
- 4) Fair trading
- 5) Hidden costs
- 6) Doubts regarding returns/refunds
- 7) Fake sites

IV. STEPS FOR SECURE ONLINE SHOPPING

By just clicking a mouse or touching a screen shoppers can buy nearly any product online. The word of ecommerce enables consumers to shop at thousands of online stores and pay for their purchases without leaving the comfort of their home. However, the same thing can go wrong along with its innumerable benefits there is darker side to internet buying.

Just as shoppers should be alert while purchasing from brick-and-mortar stores, online shoppers also need to be cautious while purchasing online. Following are the guidelines to make online shopping experience enjoyable and safe.

- 1) **SHOP FROM SECURE WEBSITES:** Customers should always make online shopping from secure websites. These websites use encryption technology to guard personal information like Credit Card Number etc. Consumers can always check the security of the website by looking at the sign of https://. That is displayed indicates that the website is secure. (Niranjan Murthy et.al 2013).
- 2) **CHECK THE CREDIBILITY OF THE WEBSITE:** It is always advisable to shop from the sites, which one already knows. If the site or the company is unfamiliar, a consumer should verify the validity and credibility of the company. By checking the website address one can make sure that they are dealing with the correct company.
- 3) **CHECK THE WEBSITES PRIVACY AND SECURITY POLICIES:** The customers should look into the privacy and security policies of the website and make sure that the personal data they are sharing on the website is not being shared with third parties or affiliate companies.
- 4) **DISCLOSE ONLY THE NECESSARY FACTS:** While placing an order it is advisable to provide only the necessary information. The sites may ask the consumers about their lifestyles, financial status and choices and preferences to target for marketing purposes. The golden rule is not to answer any question they feel is required to process their order.
- 5) **SECURE PASSWORD:** The password used for the website should be secure and should not be shared with any one and should be frequently changed. Different passwords for different websites should be used and a single password should never be used. Password with combination of alpha numeric keys and special characters should be used.
- 6) **KEEP A HARD COPY OF YOUR ORDER:** It is always advisable to save and to get a print out of the copies of the order placed online for your record and this record should be preserved till the warranty period of the product.
- 7) **CHECK FOR CANCELLATION, RETURN AND COMPLAINT HANDLING POLICY:** Be sure to check the facts about the time limit for the return or cancellation, refund of money and the conditions when one can exercise their warranty rights. Also verify from the manufacturer that whether Warranty is applicable on the products sold from that website.
- 8) **BE CAUTIOUS WITH ATTRACTIVE OFFERS:** Sometimes to allure the customers companies post so many attractive offers that consumers find hard to resist. It is better to verify the authenticity of these offers and hidden terms and conditions which might not be clearly mentioned.

V. ONLINE SHOPPING AND CONSUMER PROTECTION

Online shopping has made the people aware of the existence of the World Wide Market place that is always merely a click away. The internet has started a new era of twenty four hour access to goods and services, instant purchases and online shopping. The only things accelerating faster than the use of the internet are the new risks that are associated with the medium's commercial applications. Although internet transaction have increased efficiency in transactions and increased accessibility for consumers, there exist many flaws that have not yet been satisfactorily dealt with. While growth in the e-commerce industry is sweeping across the country, there appears to be inadequate supervision (both governmental and non-governmental) and laws dealing with quality control for these new companies and this are what makes the rapid growth alarming.(Virk, 2014) Online shopping is always vulnerable to substandard products, false deliveries and other frauds. Attractive sales, influencing and misleading advertisements and social media posts, attract thousands of buyers every day. There are countless cases of online fraud reported in India, where the online buyers are being fooled by the online sellers. In 2013, there was a case about a Flipkart buyer who was delivered two stones instead of an iPod costing Rs20,000. After that, there was a furor when a Snapdeal buyer was sent two coconuts instead of the Slazenger shoes he had ordered for himself. The most recent incident involving Laxminarayan Krishnamurthy from Mumbai took an altogether different turn when he posted pictures of the Vim barhe had received instead of the Samsung Galaxy phone he had ordered over Snapdeal on Facebook (Sikarwar, 2014). These kinds of incidents have made it necessary to offer some kind of security and protection to the online buyers. In general the rights of Consumers as provided by domestic legislations like Section 6 of Consumer Protection Act, 1986 are also available to electronic consumers. The Rights of physical and online consumers are equal in theory but different in operations due to difference in the nature and place of business or medium of business(Nair et.al 2015). The Consumer Protection Act, 1986 was enacted with the purpose of empowering consumers to take on the might of large corporations and preventing unscrupulous businessmen from taking undue advantage of the weak position which consumers are inherently placed in under the archaic Indian judicial system. It set up special tribunals, simpler procedures and enacted special provisions to help consumers get a better bargaining position vis-à-vis manufacturers and retailers, etc. However, since this law was enacted more than a quarter a century ago, it is not well equipped towards protection of consumer's rights in the digital era. It is difficult to use the Consumer Protection Act, 1986, to resolve online shopping complaints, given the need for documentary evidence (in online purchasing, the availability of documentary evidence is restricted). The Information Technology Act, 2000, last amended in 2008, reflects the growing importance of the Internet in an average Indian's life. The main issues that are looked into include hacking, privacy, regulating authority and punishments for wrongdoers. However, this law does not focus on the interest of online shoppers, and is, therefore, of

limited use to consumers who face problems while shopping online (Saroja, 2015). All this has made changes in the existing Consumer Laws to ensure online consumer's protection in India all the most important. To help online customers, the government is planning to revamp the Consumer Protection Act. The ministry of consumer affairs is working on this revamp to safeguard interest of consumers in a world where shopping is not constrained by geography. The existing law, which came into being in 1986, cannot effectively deal with challenges posed by new economic, business and technological developments(Sikarwar, 2014). These amendments will lead to the formation of the National Consumers Protection Authority, a regulatory body to protect Indian consumers from false and unfair trade practices. Once this proposal gets the approval, consumers located in any part of the country will be able to approach their local consumer court anytime against any service provider or goods. Consumer Protection Laws will also cover online sales and will provide protection to online buyers. This initiative will help the government to keep a check on E-tailers and will ensure customer protection in online sales. These amendments to Consumer Protection Laws are supposed to make remarkable changes in online selling and will serve higher level of protection to the buyers.

VI. CONCLUSION

The e-commerce market in India has grown by 34 percent in the last seven years, was about USD 600million in 2011-12 and is expected to touch USD 10 billion by 2018 and USD 70 billion by 2020(Malhotra,2014). Shopping online has now become a common form for the purchase of goods. Though internet shopping is convenient with no restriction of time and space, it also possesses hidden risks in comparison with the traditional way of shopping through solid shops. Online retailers and telemarketers have been allowed to get away with irregularities and fraudulent practices for a long time because of the absence of any regulatory body to look into such matters. Various necessary amendments in the current Consumer Protection Act, 1986 will help to bring online buying and selling in the country more user friendly so that the customers can be assured of good and prompt delivery of goods or services ordered over the plethora of sites that keep popping up every day.

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