



E-COMMERCE – NEED TOWARDS CONSUMER PROTECTION

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Abstract: Trade activities throughout the world has been steadily evolving with the evolution of humanity itself. Trade, which was initially barter in nature, changed phenomenally after the advent of money and banking system. The invention of the internet has in fact swept the whole commercial and trading activities to an inexplicable extent. Furthermore, the invention and the advancements in the telecommunication industry, has given a facelift to the trading activities throughout the world. The geographical barriers involved in trading has been totally banished. But these advancements are parallelly accompanied by many disadvantages also. Like, sale of sub-standard products, delivering the products that has not been chosen, absence of after sales service, breakage or pilferage during transport, fraudulent banking practices, etc. This article focusses on the meaning and pros and cons of e-commerce, and e-commerce led mobile – commerce (m-commerce), and the need for consumer protection.

Keywords: Barter, money and banking, internet, geographical barriers, e-commerce, m-commerce.

1. INTRODUCTION :

Electronic commerce, (e-commerce) is also known as internet commerce. It refers to trading of goods and services through the internet. In most cases, transfer of money is also done through the internet. Trading of both physical goods and services are dealt with, with respect to e-commerce. E-business on the other hand refers to all the aspects of business.

2. INCEPTION OF E-COMMERCE :

The first ever sale on the internet happened on August 11th, 1994 on the website NETMARKET, a retail platform in USA. The product sold was a Compact Disc(CD). This was perhaps the first business that occurred through the internet. This was indeed just beginning for the e-commerce trade to go for a head start. It has proved itself to be an effective and an efficient platform to showcase existing products and even to launch new products. In fact, beginners to business, free lancers and small retailers have been immensely benefitted through e-commerce as it does not require the physical infra structural requirements like renting/leasing/buying of shop space, expenses incurred in setting up of the shop (or interior décor in case of established organizations), employment of sales force, etc. E-commerce has enabled the sale of goods and services in such large scale which would have been impossible for the traditional method of business. The retail ecommerce sales at the global level are projected to reach \$27 trillion by the end of 2023

3. E-COMMERCE MODELS-TYPES :

E-commerce models are of four types:

- Business to Consumer (B2C)
- Business to Business (B2B)
- Consumer to Consumer (C2C)
- Consumer to Business (C2B)

BUSINESS TO CONSUMER (B2C)

In this type, the business sells its good or service to the customers. For example, a consumer buying a pair of glasses or shoes online.

BUSINESS TO BUSINESS (B2B)

In this type of business, a business house sells its own products to another business to facilitate transactions. For example, buying of accounting software from a business firm for business computations.



CONSUMER TO CONSUMER (C2C)

This type of business has been becoming famous in recent times. That is one consumer sells his good or service to another consumer. Consumers selling their old furniture's or unused things online can be seen in recent times and also has been gaining popularity. Example: OLX

CONSUMER TO BUSINESS (C2B)

It is a kind of business where the consumer trades his service to business houses. A chartered Accountant trading his services to different corporates is in popular practice now a days.

4. ADVANTAGES OF E-COMMERCE:

- **SIZE OF THE MARKET**

E-commerce allows the business organization to reach the consumers over a large geographical area. It is a very tedious for the businessmen to establish physical stores all over the country. But in case of e-commerce, it becomes very simple for the businesses to reach the consumers all over the globe

- **TRACKING CONSUMER TRENDS AND MARKET DEMAND**

The market trends are likely to get altered by the time the physical markets are established. This problem is effectively combatted in case of trading via e-commerce as it is very easy to gauge the changes that occur in the market.

- **COST ISSUES**

Establishing physical markets even in one particular geographical area could be mighty expensive, especially for start-ups or beginners. Moreover, not all the business establishments may be financially capable to establish such stores at different places. This problem is effectively bypassed in case of e-commerce. No physical space is required to set up an e-commerce business. Consequently, the huge investment required to set them up is also not necessitated.

- **MORE SELLING OPPORTUNITIES**

Physical markets require a well-informed sales force to effectively promote sales. The customer may not be inclined to purchase the product if the salesmen are unable to provide the necessary information about the product. But in case of e-commerce all the information about the product, reviews, demo videos, etc. can be viewed before purchasing the product.

- **INSTANT PURCHASES**

The delivery of digital products is almost made instantaneously if the purchases are made online. Minutes after the payment is made, the digital goods are delivered in the customer's account. The marketing of such products are done with utmost simplicity and speed.

5. DISADVANTAGES OF E-COMMERCE:

- **LACKS BUYING EXPERIENCE**

To most of the people, shopping is a personal experience. Touching the product, feeling it, etc. are often required by the people before buying them. All these things are not present in case of online shopping.

- **INTERNET ACCESS**

Online activities require continuous internet connection. The activities get hindered if the internet connection is not continuous. This is a major problem in case of developing countries where the networking technologies have not sufficiently developed.

- **FRUADS IN MONEY PAYMENT**

While making online payment, the customer's bank and financial details are exposed to the unknown people. This makes them vulnerable to lose money through online transactions. In fact, there are a lot of sites that are operational just with the motive of committing frauds through credit cards and other methods of online payment.



6. DIGITAL GOODS

In this digital age, some of the products could be digital instead of being physical. For example, products like eBooks (e.g. Kindle eBooks from Amazon), music (Apple Music) or Digital subscriptions of magazines or multimedia (Hotstar, Netflix, etc.). in case of digital goods, the consumer needs to explicitly know if they own a product or is leasing a product. Also, the equality of the products should be communicated explicitly to avoid disappointments later. Also, the returns in the domain of digital goods are not yet defined well.

7. CONSUMER PROTECTION:

The companies and the Government must adhere to a set of rules specific set of rules and regulations in order to protect the rights of the consumers who have been extensively using ecommerce as a reliable platform. This becomes extremely important as the consumer's resort to shopping without physically handling the goods and in most cases the payment is made in advance. This call for proper regulation of the virtual outlets and handling of goods traded this way. Products like expensive laptops, jewellery, mobile phones, etc. are also traded online hence, calling for proper consumer protection becomes extremely important.

8. CONCLUSION:

E-commerce has become inseparable from the tangible business. With the advent and rapid advancement of mobile technology, e-commerce has been much used by the public at large. The use of online retailing was done only by the computer literates at the beginning era of e-commerce as people lacked the basic skill sets to use them and the fear of revealing banking details to the retailers. But now a days, transactions have become user friendly and financial fraudulent practices have reduced to a greater extent. Still, the consumer protection has to be increased manifold times so as to increase the trade volume through e-commerce.

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