



ONLINE SHOPPING PROBLEMS AND LEGAL ISSUES – A STUDY

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ABSTRACT

The e-commerce business in India has multiplied in the past few years and changed the way consumers shop. However, with increase in number of e-commerce websites and with more consumers purchasing from these portals, the problems faced by consumers in e-commerce in purchasing their favourite watch, or latest phone has also increased. There are various legal issues associated with e-commerce businesses as well. And if these issues are not taken care of in time, they can lead to serious problems. Hence in the present write-up an attempt is made to describe and understand the problems and legal issues in online shopping.

The study has been carried out on the basis of primary and secondary data. The collected data are arranged and analysed. On the basis of the analysis, the suggestions are presented.

INTRODUCTION

The e-commerce business in India has multiplied in the past few years and changed the way consumers shop. People are relying more on the online discount sales and schemes, with major companies launching their products exclusively on online shopping websites like Amazon, Flip kart, *etc.* However, with increase in number of e-commerce websites and with

more consumers purchasing from these portals, the problems faced by consumers in e-commerce in purchasing their favourite watch, or latest phone has also increased. There are various legal issues associated with e-commerce businesses as well. And if these issues are not taken care of in time, they can lead to serious problems. Hence in the present write-up an attempt is made to describe

and understand the problems and legal issues in online shopping.

OBJECTIVES

The objectives of the study are:

- To discuss about online shopping and problems faced by online shopping customers.
- To state the Legislations and its provisions relating to online shopping.
- To give suggestions for improvement of online shopping on basis of findings of the study.

METHODOLOGY

The study has been carried out on the basis of primary and secondary data. Primary data has been collected from 160 respondents in Virudhunagar by using convenience sampling method. Secondary data has been collected from various books, newspapers and websites. The collected data are arranged and analysed with the help of statistical tools such as percentage analysis and weighted ranking. On the basis of the analysis, the suggestions are presented.

ONLINE SHOPPING

Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet. Consumers find a product by visiting the website of the retailer directly or by

searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office.

PROBLEMS FACED BY ONLINE SHOPPING CUSTOMERS

The main problems faced by the online shopping customers are non-availability of cash on delivery, product quality, delay in delivery, hidden charges, lack of discount, fraud, high cost and after sale service

CONSUMER PROTECTION ACT, 1986

This statute is regarded as the 'Magna Carta' in the field of consumer protection for checking the unfair trade practices and 'defect in goods' and 'deficiencies in services'. It led to the establishment of a widespread network of consumer forums and appellate courts all over India. This Act gives protection to the online customers also.

Objectives of the Consumer Protection Act

- Better protection of the interest of consumers.
- Protection of rights of consumers.
- Consumer protection councils.

- Quasi-judicial machinery for speedy redressal of consumer disputes.
- District consumer disputes redressal forum
- State consumer disputes redressal commission
- National consumer disputes redressal commission

Complaint

Any consumer or consumer organisation may file a complaint under section 12 of the Act. The complaints are inquired by the following courts.

- District Forum – value of goods and services and compensation claimed does not exceed ₹ 20 lakhs
- State Commission – value of goods and services and compensation claimed exceed ₹ 20 lakhs does not exceed ₹ 1 crore
- National Commission – value of goods and services and compensation claimed exceed ₹ 1 crore

INFORMATION TECHNOLOGY ACT, 2000

Information Technology Act, 2000 is helpful to promote business with the help of internet. It contains set of rules and regulations which apply on any electronic business transaction. The Act is to facilitate electronic filing of documents

with the Government agencies and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the Bankers' Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto.

The act shall apply for processing of personal data or partly by automatic means, and other processing of personal data which form part of or are intended to form part of personal data filing system.

Objectives Information Technology Act

- ✓ To give legal recognition to any transaction done through electronic way.
- ✓ To give legal recognition to digital signature for accepting any agreement via computer.
- ✓ To provide facility of filling documents online relating to school admission or registration in employment exchange.
- ✓ To store their data in electronic storage by any company.
- ✓ To stop computer crime and protect privacy of internet users.
- ✓ To give more power to IPO, RBI and Indian Evidence Act for restricting electronic crime.
- ✓ To give legal recognition for keeping books of accounts by bankers and other companies in electronic form.

Offences

The following are the offences specified in Information Technology Act with latest amendments.

Offences	Punishable under Sections	Offences	Punishable under Sections
Unauthorized access & Hacking Virus and Worm attack E-mail & IRC related crimes	43(c) & 43(e) read with 66	Pornography Pedophiles	67B
Cyber Stalking Confidentiality	354 D of IPC	Identity Theft	66-C
IPR Violations	43 & 43(a)	Data diddling	43,65 &66
Cyber Terrorism	66 F	Theft of Internet Hours	
Banking/Credit card Related crimes	73&72 A	Theft of computer system (Hardware)	
E-commerce/ Investment Frauds	67D	Physically damaging a computer system	
Sale of illegal articles	67& 67 A, 294 of IPC	Breach of Privacy and Confidentiality Privacy	66 E
		Online gambling	66(F)

RESULTS AND DISCUSSION

The socio economic variables of the respondents like gender, age, educational qualification, occupation, marital status, income, type of family, number of family members and are studied and tabulated in Table 1.

Table 1**Socio-economic variables**

Socio-economic variables		Number of Respondents	Percentage
Gender	Male	70	43.8
	Female	90	56.3
Age (in years)	Less than 20	60	37.5
	20 – 30	30	18.8
	30 – 40	55	34.4
	40 – 50	10	6.3
	50 – 60	5	3
Occupation	Government	20	12.5
	Private	55	34.4
	Business	25	15.6
	Students	60	37.5
Marital Status	Married	50	31.3
	Unmarried	110	68.7
Educational Qualification	HSC	68	42.5
	Undergraduate	52	32.5
	Postgraduate	40	25
Monthly Income (in ₹)	10,000 – 20,000	40	25
	20,000 – 30,000	25	15.7
	30,000 – 40,000	23	14.3
	Above 40,000	12	7.5
	Not applicable	60	37.5
Type of family	Joint family	42	26.3
	Nuclear family	118	73.7
No of members in the family	2	5	3.1
	2-4	130	81.3
	4-6	20	12.5
	Above 6	5	3.1

Source: Primary data

From Table 1 it is noted that, majority (56.3%) of the respondents are female. Nearly 37.5 per cent of the respondents are from the age group of less than 20 years. Online shopping are mostly used (37.5%) by the students so the monthly income (37.5%) of the respondents belong to Not applicable. (68.7%) of the respondents are unmarried. Online shopping is used by the respondents who have the qualification as HSC which is comparatively higher (42.5%) than others. Majority of the respondents (73.7%) were belonging to nuclear family and the number of members (81.3%) were falling under 2-4 category.

Table 2
Spending limit for shopping (per month)

Spending limit (per month) (Rs)	No of Respondents	Percentage
Less than 2,000	125	78.1
2,000 -3,000	30	18.8
Above 5,000	5	3.1
Total	160	100

Source: Primary data

Table 2 shows that, 78.1 per cent of the respondents spend less than ₹2,000 per month.

Table 3
Frequently used Websites

Websites	No of Respondents	Percentage
Amazon	135	78.1
Flipcart	75	46.9
Snapdeal	50	31.3
Jobang	40	25
Myntra	60	37.5
Others	20	12.5
Total	380	100

Source: Primary data

Table 3 exhibits that, Amazon website was used by most (78.1%) of the respondents.

Table 4
Visiting online shopping app (per month)

Visiting online shopping app (per month)	No. of Respondents	Percentage
Less than 10	120	75
10 – 20	20	12.5
20 – 30	20	12.5
Total	160	100

Source: Primary data

From Table 4, it is noted that 75 per cent of the respondents visited the online shopping app less than 10 times per month.

Table 5
Times of purchase (per month)

Times of purchase (per month)	No. of Respondents	Percentage
Less than 2	34	21.3
2– 4	46	28.8
4– 6	48	30
6– 8	22	13.8
8– 10	10	6.3
Total	160	100

Source: Primary data

It is cleared from the above table that, 28.8% of the respondents purchase the products through online for 2-4 times per month.

Table 6
Online shopping for

Online shopping for	No of Respondents	Percentage
Self	125	37.9
Family	40	12.1
Relatives	55	16.7
Friends	110	33.3
Total	330	100

Source: Primary data

Table 6 confirms that, 37.9% of the respondents purchase the products for themselves through online.

Table 7
Type of goods

Type of goods	No. of Respondents	Percentage
Food	5	1.4
Grocery	30	8.1
Clothes & Footwear	115	31.1
Fashionable products	130	35.1
Electronic items	90	24.3
Total	370	100

Source: Primary data

It is noted from the above table that, 35.1% of the respondents purchase fashionable products.

Table 8
Problems

Problems	Rank 1		Rank 2		Rank 3		Rank 4		Rank 5		Rank 6		Rank 7		Rank 8		Total		Rank
	No	Wt	No	Wt	No	Wt	No	Wt	No	Wt	No	Wt	No	Wt	No	Wt	No	Wt	
Non-availability of cash on delivery	50	400	30	210	15	90	15	75	25	100	5	15	5	10	15	15	160	915	II
Product quality	70	560	50	350	10	60	5	25	10	40	5	15	5	10	5	5	160	1065	I
Delay in delivery	5	40	40	280	45	270	25	125	10	40	5	15	10	20	20	20	160	810	III
Hidden charges	5	40	40	280	45	270	15	75	10	40	10	30	15	30	20	20	160	785	IV
Lack of discount	10	80	5	35	15	90	15	75	20	80	30	90	35	70	30	30	160	550	VII
Fraud	5	40	10	70	15	90	20	100	30	120	20	60	25	50	35	35	160	565	V
High cost	15	120	5	35	20	120	15	75	10	40	20	60	26	52	49	49	160	551	VI
After sale service	5	40	10	70	10	60	15	75	40	160	20	60	20	40	40	40	160	545	VIII

Source: Primary data

Table 8 shows that Product quality gets first rank and followed by Non-availability of cash on delivery, Delay in delivery and Hidden charges second, third and fourth rank respectively. The last rank (VIII) is secured by After sale service.

Table 9
Awareness about Acts

Acts	No. of Respondents	Percentage
Consumer Protection Act	80	43.3
Information Technology Act	30	16.2
No idea	75	40.5
Total	185	100

Source: Primary data

Table 9 depicts that nearly 59.5 % of the respondents aware about the Acts.

Table 10
Provisions of Consumer Protection Act

Provisions	No. of Respondents	Percentage
Consumer rights	45	31
Consumer Protection Council	20	13.8
Filing Complaint	25	17.2
Consumer Court	55	37.9
Total	145	100

Source: Primary data

Table 10 displays that 37.9% of the respondents were aware of the consumer court.

Table 11
Offences

Offences	No. of Respondents	Percentage
Hacking computer resources	40	19.5
Sending malware software/apps	40	19.5
Sending offensive messages	35	17.2
Copying resources without knowledge	43	20.9
Knowing password illegally	47	22.9
Total	205	100

Source: Primary data

Table 11 display that 22.9% of the respondents were aware only about the Knowing password illegally is an offence.

SUGGESTIONS

On the basis of the results, the following suggestions are presented.

- ❖ Amazon website was used by most of the respondents. The main reason for this is varieties of products are available at low cost

in Amazon only. Other websites also provide the variety of products to the customers.

- ❖ Most of the respondents are students, so it is the duty of the government to educate the forthcoming generation about the

provisions and procedure to file a complaint under Consumer Protection Act in the school education itself.

- ❖ Awareness is to be created among the public about the existence of Information Technology Act and its applicability for online shopping. The Act itself have provisions for cyber cell (Complaint exclusively for cyber crime), National Nodal Agency u/s 70A and Indian Computer Emergency Response Team u/s70 B.
- ❖ In order to attract more customers, all online sellers introduce different types of products just like Amazon.
- ❖ The online consumers have right to seek redressal against unfair trade practices or restrictive practices or unscrupulous exploitation at appropriate forums established under Consumer

Protection Act and Information Technology Act. It is the duty of the consumers to execute their rights and receive due consideration.

CONCLUSION

Now-a-days we can't do anything without internet and smart phones. While surfing the internet and using smart phone people face so many problems. The cyber crime rate is also in hike and they don't have knowledge about the complaining authorities and its procedures. Without adequate legal knowledge it is impossible for the online consumers to taste the fruits of online shopping in future.

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