



CONSUMERS IN DIGITAL ERA

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ABSTRACT- This paper aims to provide the quintessence of consumers in digital economy. It will analyse the pros and cons of e-commerce on consumers. It will discuss the provisions for electronic commerce in the contemporaneous Consumer Protection Act, 1986 and the necessity to reform the persistent regulatory framework in order to maintain an equilibrium and pace with the current business environment. It will deal with the effects of virtual space on e-consumers by highlighting the recurring cybercrimes such as online identity theft, phishing and online frauds. It will illumine that in order to maintain long-lasting customer base, the business entities must carry out the best practices so as to win the credence of the e-consumers. “For e-commerce firms, the three most important infrastructure items are information flow, cash flow and delivery.” – Jack Ma

Key Words- [E-commerce, e-consumers, artificial intelligence, online shopping, cybercrimes, online jurisdiction, The Consumer Protection Act, 1986.]

1. INTRODUCTION

The progression in technologies has not only transfigured the business world but has also delivered equanimity to the consumers. Gone are those days when customers used to queue for their turn to be served by the sales personnels. The medium of communication between the purveyors and customers have now become digitized. E-commerce has eased the life of the customers by giving them the autonomy to control what/when/how they want to buy. Also, the advent of artificial intelligence and chatbots have ensured that the customer relationships function smoothly with minimal human intercession. There has been transfiguration from “live person” customer service to amore comprehensive online self-service. The customers can now get their queries, issues and concerns addressed quickly by using the online support applications such as Zendesk. As “Consumer is the King” of the

market, hence, it becomes imperative for the sellers to conduct detailed market research and offer the best services to win over the well-informed consumers and digital-savvy prospects. The modern days consumers have profuse digital platforms where they can share their experiences and provide reviews and ask for recommendations. Hence, these user-generated content plays a pivotal role in marketers’ online promotion and success. Therefore, to maintain their online stature, the marketers’ must have a depth understanding with regards to their social presence. They must maintain a methodical pace with the technological developments.

2. PROS AND CONS OF E-COMMERCETO CONSUMERS:

2.1. Advantages of E-Commerce:

Due to rapid progression of technology, the business firms have switched over to

electronic method of vending the goods and services from the conventional mode of selling. These business organizations make use of the internet as a chief medium to carry mercantile transactions which has not only proven to be beneficial for these organizations themselves but also provided expediency to the customers. The benefits of e-commerce to the customers are as follows:

2.2. Provides exhaustive range of products and services

The advent of digital economy has enabled the consumers to choose goods or services of their choice from any vendor around the globe and hence ameliorated the issues posed by geographical constraints. E-commerce application proffers the users with more alternatives to juxtapose and choose a better and economical option. It also provides alternatives for virtual auctions. The e-commerce websites provide readily obtainable information to the users within seconds.

2.3. Convenience and easiness of online shopping

It has provided expediency to the customers to purchase goods or services without causing any physical restraints. The customers can purchase goods and services from anywhere at any time without moving away from their home. Bad weather generally averts people to go out for shopping. Shopping is thus made much facile and convenient for customers through the internet. Because of its convenience, the buyers can preserve their time and money by searching the products easily and making the purchase online.

2.4. Time- Saving

Indeed, online shopping saves time and money of the consumers. The time taken for the selection, purchase and making payment for an online product do not consume much of the time and the goods are delivered to consumers' door steps within a week time. Also, the buyers are not required to stand in long queues in cash counters to make the payment of the products. Purchasers can buy the goods and services from the comfort of

their own home or work place which saves their journey time.

2.5. Saves money

To entice the consumers and increase the online customer base, the marketers offer great value of discounts on their products and services. In case of physical stores, the cost incurred on the intermediary falls on the customer. Online transactions eliminate the role of the middlemen and hence the shoppers do not endure these additional costs. Due to elimination of real-estate cost, maintenance, personnel, inventory management and operational costs, the stockists can sell their products online with an appealing discount rate.

2.6. Apposite Information

As internet is the primary medium to carry online transactions, it helps the users to search for the product information, collate prices and assess its benefits before making an actual purchase. Internet also helps the users to get their inquiries clarified and track the delivery status of their purchased items. E-commerce websites provide prodigious information to the customers which is not possible in case of physical store as it is quite challenging to equip workers to respond to every single customer who are looking for detailed information on different product lines.

2.7. No persuasion on shopping and no human error while dealing with the consumers

Some customers dread walking into a brick and mortar store as they are compelled to interface with the store's employees. Generally, in physical stores, the sales representative tries to persuade the customers to purchase the products that are not much convincing. The recurrent pitch of the seller makes the customer bewildered and hence, they prefer to shop online as it is less invasive. The customers are not pressurized by the vendors in any way in online stores. Also, in e-commerce, the buyer never faces any human error as every article is updated with details on the website which makes facile for the

consumer to have more visibility over the commodities. Relatively, the physical stores are way more difficult due to paucity of descriptions, alternatives and comparisons of the products.

2.8. Availability of online shop

The physical stores have a time limit as they are not operated 24x7 whereas the virtual stores are open 365x24x7. Hence, the time does not act as a barricade for the customers in case on online shopping. E-commerce is one of the rostrums that provide pliability to the customers to purchase the products any time and from any place.

3. DISADVANTAGES OF E-COMMERCE TO CONSUMERS:

Certainly, the number of e-consumers has increased over a period and simultaneously the risk to which they are exposed has also elevated which calls for timely protection measures and mechanisms. Although, e-Commerce has outstandingly led to pro-consumer development, but it has certain limitations attached with it.

3.1. Online Identity Theft and Phishing

The internet permits netizens to impersonate lawful business more convincingly, reach out the prospective victims effectively, dodge detection by sustaining anonymity and thwart the enforcement administrators by situating or relocating when detected in faraway jurisdictions that have no severe enforcement or no pertinent law. Many business firms have become victim to such practices of malevolent hackers who have stolen customers' data from their database. This has not only lead to legal and financial implications but has also diminish the trust of the customers in these firms.

3.2. Online Jurisdiction

As the internet is borderless and without geographical boundaries, it poses several issues with regards to the jurisdiction. The consumer protection legislations are principally based on domestic and local boundaries. In order to be safeguarded under

the existing consumer law at the time of electronic shopping, the first thing that the e-consumer requires to ensure is that all the participants included in the transactions are located within national frontiers where his local consumer protection laws apply. As E-commerce regards no borders, coordination and cooperation in the international law enforcement, use of national consumer legislations for the protection of consumers often becomes inopportune.

3.3. Privacy and Security Concerns

Many users are still cautious about giving out their personal information especially credit and debit cards information to online sources as there is an increase in online fraud cases. The customers do not trust the website being an undisclosed faceless vendor. Such wariness makes it arduous to persuade the traditional customers to switch to virtual stores from physical stores. The internet and its ability to muster and categorize extensive information without the knowledge of the online consumer is a novel and formidable menace to conventional privacy values.

4. INSECURITY

When making an online purchase, the customer is required to provide his personal information: credit card information and mailing address. In many cases, electronic commerce websites can gather other information about customer's online behaviour and proclivity which could often lead to identity theft, credit card fraud or other e-crimes. It is apposite for the customers to note that not all the online transactions can be 100% secure. There is always a level of risk involved in using the internet for purchasing the goods. Thus, it requires a user-friendly and stern law to offer security not only at the time of shopping, but to safeguard the interest of the e-consumer post their e-transactions.

4.1. Delay in delivery of goods and services

The delivery of goods often takes a longer duration and it cannot be readily available when the customer makes the payment. When a buyer shops in person, he can take the product with himself home right away. But in

case of online shopping, most customers receive their products in a week or more. Even with express shipping, the earliest the customer gets the product is usually 'the next day' except for some Amazon services. But in case of emergency where the customer needs something urgent, he cannot buy it off via e-commerce website. The customer has to wait for the delivery person who can come any time regardless of the fact you are busy, or you have to wait for some extra time. Sometimes defiled or wrong product is delivered to the customer then the issue of returning and getting money back becomes a difficult process.

4.2. It does not allow customers to experience the product before the purchase

Electronic commerce lacks personal touch. The buyers cannot try or test the product before making an actual purchase. There is a lack of tactile experience as the consumers cannot have a sense of touch, taste, smell and sound through the two-dimensionality of a screen. For example: the customer cannot check how the shoes fit him or feel on foot, touch the fabric of the garment and test the scent of the perfume. One is required to physically verify the product before making an actual purchase. The online shoppers do not have much chance to inspect the product physically and divest their capacity to negotiate the price and payment terms. It can happen in cases where a customer finds an image of the product very captivating but when he receives the same product, it does not match with the image he viewed on the website.

4.3. Unsure about the quality

One of the biggest challenges for the customer while purchasing goods online is that he will have no guarantee with regards to the quality of the product. Other customers' reviews and recommendations are not always reliable and meticulous research will not always assure you about the quality of the goods. The vendors sometimes delude their customers to increase their sales. The customers must know sometimes defective and faulty products are being sold online too.

4.4. Internet access and Site crash issues

The internet is still not accessible, cheaper and convenient to be used by many potential customers who live in the remote areas. The customers who are not digitally literate are incapable of purchasing the products online. Site crash issue is also one of the biggest problems where the customers have to reckon the service to get online again. E-commerce stores face issue with servers which causes a lot of problems on their sales. When the website goes down the entire services won't be available, and the customer will have to wait for hours to get the store online again which consumes a lot of time and frustrate the customers.

5. REGULATORY FRAMEWORK

Electronic commerce operations are incorporated under the Consumer Protection Act, 1986 which protects and safeguards the interest of the digital consumers. The Consumer Protection Act, 1986 was adopted with an objective of empowering the consumers from the might of big corporations and averting unscrupulous business class from taking immoderate advantage of the weak position of the consumers. Since this consumer legislation was enacted more than a quarter of a century ago, it is not fully geared towards protecting the rights of the consumers in the digital era. For any transaction to come under the scope of this consumer legislation must fulfil these three essential requirements: there should be a 'good' or 'service', there must be a 'sale', there should be a 'defect' in the good or 'deficiency' in the service. Hence, if the e-commerce transactions fulfil the above-mentioned requirements then they are compliant to the jurisdiction of Consumer Protection Act. In practice, the rights of the consumers as listed in domestic legislations like Section- 6 of the Consumer Protection Act, 1986 are also applicable to electronic consumers as no special condition has been stipulated in the consumer law regarding applicability or non-applicability of electronic transactions. The rights of the physical consumers and electronic consumers are same in theory but slightly different in practice as

there is dissimilarity in the nature, place and medium of business. Some idiosyncratic practical issues such as place of business, jurisdictional issues and non-availability of common dispute resolution system etc, certainly require special attention as they are not provided in the current consumer legislation.

CONCLUSION

E-commerce has become one of the most evolving and thriving sectors in our economy which has increased the number of e-consumers at an accelerated rate. The interest of the e-consumers must be safeguarded from the malicious and unfair practices of the business organizations. There is a need for the consumer protection regulations to follow the changes in the business environment and maintain an equilibrium. Due to opening of economies, the consumer issues have become an international issue. Online transactions and cross border trade have resulted in a global customer base for many business organizations. Hence, international cooperation in the issues relating to consumer's protection has gained prime importance. In order to ensure that consumers' interest is safeguarded in the rapidly changing business environment, regular and effective interventions by the policy makers is required. The regulations and their implementation must go in line with the advancements in the marketplace. Beside the government's duty to safeguard the interest of the e-consumers, the e-consumers and internet users must be aware of their rights & duties and must collectively put forward their efforts to ensure that the e-business to be more reliable in the future.

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