

## A STUDY ON THE IMPORTANCE OF CONSUMER PROTECTION TOWARDS E-COMMERCE PLATFORMS

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### ***Abstract***

*Electronic commerce is one of the most important aspects of the Internet and allows people to buy instant. Fast and easy development of e-commerce has led to the necessity of consumer protection in cyberspace, where trade takes place, so as to ensure consumer safety and security matters. The main purpose of this study is to provide an overview of the need and importance of consumer protection towards online shopping. The study also aims to understand the significance of consumers rights and responsibilities while shopping online. The study is descriptive in nature, and is conducted through a well-structured questionnaire. The source of data includes both primary as well as secondary sources. Simple random sampling was used to select the sample size of eighty-six respondents. Pie charts was used as tools of analysis.*

**Keywords:** *Consumer Awareness, Consumer Protection, E-commerce, Redressal Mechanisms.*

### ***Introduction***

E-commerce has become increasingly important in our daily lives. An impressive large number of consumer transactions are occurring online these days. It is changing the way people do business all across the world. Today, crores of consumers buy crores of rupees worth of goods online, and the numbers continue to grow. E-commerce has changed dramatically throughout the years. The world of commerce has changed dramatically in the last couple of decades. Before the advent of the internet and electronic commerce, transactions were carried out face to face and in close proximity, and in some cases by post. However, the internet has brought with it a faster, and in some instances more efficient way of doing business, now businesses can offer their products and services to individuals in locations which they would have been unable to. Although online shopping has provided a new international landscape to conduct business, the use of this medium and the absence of face-to-face interactions has presented the law with numerous challenges in terms of the scope of consumer protection. Ensuring consumer protection in the web space particularly in terms of security and consumer safety are of utmost importance.

### **1.1 Who is a consumer?**

A consumer, as defined by the Consumer Protection Act of 1986, is a person who buys products and/or services for personal use rather than for resale or for manufacture.

### **1.2 Consumer Protection**

Consumer protection is a term used to describe a process in which we must protect consumers from unfair practices by informing them of their rights and obligations and resolving their complaints.

### **1.3 Consumer Awareness**

The practice of making an individual aware of their rights and duties “while buying products and services” is known as Consumer Awareness. In other words, Consumer Awareness is an act of making sure the buyer or consumer is aware of the information about goods, services, and consumers rights. Consumer awareness is important so that the buyer can take the right decision and make the right choice.

### **1.4 Consumer Rights**

- **Right to Safety**

This is the first and most crucial of the Consumer rights. They should be shielded against products that endanger their safety. Any product that may be harmful to their health — mental, physical, or a variety of other elements – must be protected. Before making a purchase, consumers should demand both product quality and service assurances. They should buy ISI, AGMARK, and other quality-marked goods wherever possible.

- **Right to be informed**

Consumers have a right to be informed regarding the quality, quantity, potency, purity, standard, and price of goods in order to avoid unfair business activities. Customers should insist on getting all available information about the product or service before making a choice or a decision.

- **Right to Choose**

A consumer must be convinced of the thing he is going to purchase and make his own decision. This also implies that the consumer should have a choice of options. A basic tenet of social justice is ensuring that all people have equal access to a wide variety of goods and services at an affordable price whenever possible

- **Right to be Heard**

In this context, the term 'consumer interests' means that consumer interests will be taken into consideration in appropriate forums. It also includes the right of consumers to be represented in various forums established to serve their interests. Consumers should be represented in committees that deal with consumer issues because they belong to a range of non-political and non-commercial consumer groups.

- **Right to seek Redressal**

It guarantees the right to receive fair and just treatment, particularly in regard to business practices and consumer abuse. Resolving consumer concerns also includes having the right to a fair resolution. Every consumer has the right to complain if they believe they have been victimized. Their concern is very small, but if it is widely shared, it might be important. In addition, they may use consumer groups to seek redress of their grievances.

- **Right to Consumer Education**

Everyone should have the right to learn the latest news and shopping tips so they may be knowledgeable consumers for life. Since rural consumers don't understand the value of marketing to them, it is mostly their fault if they are exploited.

## **1.5 Consumer Responsibilities**

- **Responsibility To Be Aware (Doctrine of Caveat Emptor)**

Caveat Emptor is a Latin word which mean “let the buyer beware”. The Doctrine of Caveat Emptor means that the responsibility lies on the buyer of goods and he must perform due diligence before the purchase of the goods. This principle states that the buyer alone is responsible for checking the quality and suitability of goods before a purchase is made.

- **Responsibility to think independently**

Consumers should be concerned about what they want and need, and make their own decisions as a result.

- **Responsibility to speak out**

Buyer should be fearless to speak out their grievances and tell traders what they exactly want.

- **Responsibility to complain**

It's consumer responsibility to express and file a complaint about their dissatisfaction with goods or services in a sincere and fair manner.

- **Responsibility to be an Ethical Consumer**

They should be fair and not engage themselves with any deceptive practice.

## **1.6 Consumer Protection Act 1986**

Some of the important features of the Consumer Protection Act of 1986 are as follows:

- This Act applies to all kinds of goods, services and unfair trade practices unless there is specific exemption made by the central government.
- All the sector whether they are private, public or cooperative is covered under this Act.
- This Act gives consumer three tiers redressal system. There are redressal forums at center, state and District levels for providing justice to the victim consumer.
- The three tiers redressal system are as follows:
  - (a) **National Commission:** (Section 20 to 27A) This Act talks about the composition of the commission, applications of the complaint, procedures, appeal etc. These sections says that the national commission should be formed which consists of the president and four members. The complaint must exceed amount of one core. The goods if found defective after testing are asked for replacement or compensation for that defect. If any party is dissatisfied by the order of national Commission, then can file an appeal to supreme Court within thirty days.
  - (b) **State Commission:** (Section 16-19A) State commission is formed by each state which consist of two members and president. The complaint should be at least amount of 20 lakh and not exceed more than one core. If the goods are found defective after testing then assured party are asked for

replacement and compensation. If anyone is not satisfied with the decision, then can appeal in front of national commission within thirty days.

(c) **District Forum:** (Section 9-15) This forum is set up by the state at District level which consists of two members and a president. Among these members one should be woman and is appointed by the state government. The complaint should not be entertained if amount exceed twenty lakhs. After testing if the goods are found to be defective then the accused party should compensate and an appeal to state commission within thirty days is any dissatisfaction is there.

- This Act is an umbrella of legislation covering goods and services but excluding all the transactions undertaken by the person not coming under the ambit of section 2(1)(d).
- The legislative intention of consumer protection Act, 1986 was to provide inexpensive, simple and timely redressal of all consumer complaints.
- This Act also talks about setting up of the consumer protection Council at Central, state and District level. Which act as advisory bodies to protect and promote the right of the consumer. Section 4 to 8 deals about consumer protection Councils.
- Thus, it is clear from the above-mentioned features that the consumer protection Act, 1986 aims to promote and protect the right of consumer by providing safeguards against different types of exploitation faced by the consumers.

### ***Literature Review***

V. Pleskach, In the modern world, buying goods via the Internet is developing intensively, and thousands of people become customers of online stores every day. Accordingly, the problem of protecting the rights of consumers who purchase goods via the Internet is becoming more acute. Therefore, in the doctrine, national and foreign scientists dealt with issues related to consumer protection when purchasing goods on the Internet is becoming more acute.

K Prashanth, This study helps in understanding the Consumer Protection Act 1986 and its salient features. In the field of consumer awareness and protection, India plays a pioneering role in the Consumer Protection Act (CPA). It is considered as path-breaking legislation and enacted in 1986. The study talks about the importance of Consumer Protection and consumer awareness. It also emphasis on the three-tier redressal mechanism of the Consumer Protection Act. The main objective of the study is to analyze the influence of

consumer redressal agencies on consumer awareness and education. The data collected for this study is purely from the secondary source.

### ***Statement of Problem***

E-commerce has become increasingly important in our daily lives. It is changing the way people do business all across the world. However, the internet has brought with it a faster, and in some instances more efficient way of doing business, now businesses can offer their products and services to individuals in locations which they would have been unable to. Although online shopping has provided a new international landscape to conduct business, the use of this medium and the absence of face-to-face interactions has presented the law with numerous challenges in terms of the scope of consumer protection. This research has been conducted with a view to understand importance of consumer protection while shopping online and to also study the rights and responsibilities of consumers.

### ***Scope of the Study***

The scope of the study is limited to a finite number of respondents i.e., 86 who shop online through various e-commerce platforms. This study basically tries to understand the need and importance of consumer protection while shopping online and also emphasis on the rights that an individual should be aware of as a consumer. Therefore, the findings of this study may provide the required knowledge towards the rights of a consumer while shopping online.

### ***Objectives***

- To analyze the need and importance of consumer protection while shopping online.
- To understand the significance of consumer rights and responsibilities.
- To study the various redressal mechanisms under Consumer Protection Act 1986.

## ***1.5 Research Design***

### ***Nature of Study***

The study on the importance of consumer protection towards E-commerce platforms is descriptive as well as analytical in nature.

### ***Nature of Data***

The study is based on both primary and secondary data.

### ***Sources of Data***

**Primary data:** To study importance of consumer protection towards E-commerce platforms a questionnaire was prepared and the data was collected from the respondents who shopped online.

**Secondary data:** The secondary data was collected with the help of online articles and internet search.

### ***1.6 Sample Design***

#### ***Nature of population***

The population selected for the study are the consumers who shopped online through various E-commerce platforms. The nature is finite i.e., 86 respondents.

#### ***Sample unit***

Sample unit is the consumers who shopped online through various E-commerce platforms.

#### ***Method of sampling***

Simple random sampling method is adopted for the study with a sample size of 86 respondents among consumers who shopped online.

#### ***Tools for Analysis***

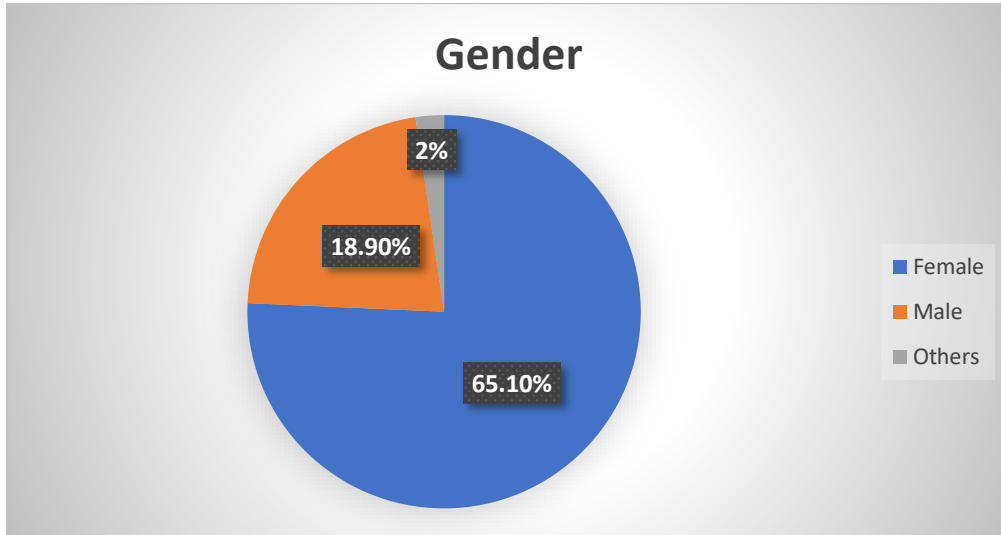
Statistical tools used for the analysis are mean average, percentage, table & graph.

### ***1.8 Limitations of the Study***

The sample size was insufficient this was because of the time constrain.

### Analysis and Interpretation

**Chart 1: Chart showing the Gender of Respondents.**



**Result:** From the above diagram, out of 86 respondents, female respondents recorded the highest number with 65.1% responses, male respondents recorded up to 18.9% response and 2% did not prefer to say their gender.

**Chart 2: Chart showing the frequency of shopping.**



**Result:** From the above diagram, out of 86 respondents, majority of the respondents that is 42.2% of them shop quarter yearly, followed by 28.2% of the respondents who shop regularly. It is evident that 9.3% of the respondents shop half yearly and 4.3% of the respondents shop once in a year.

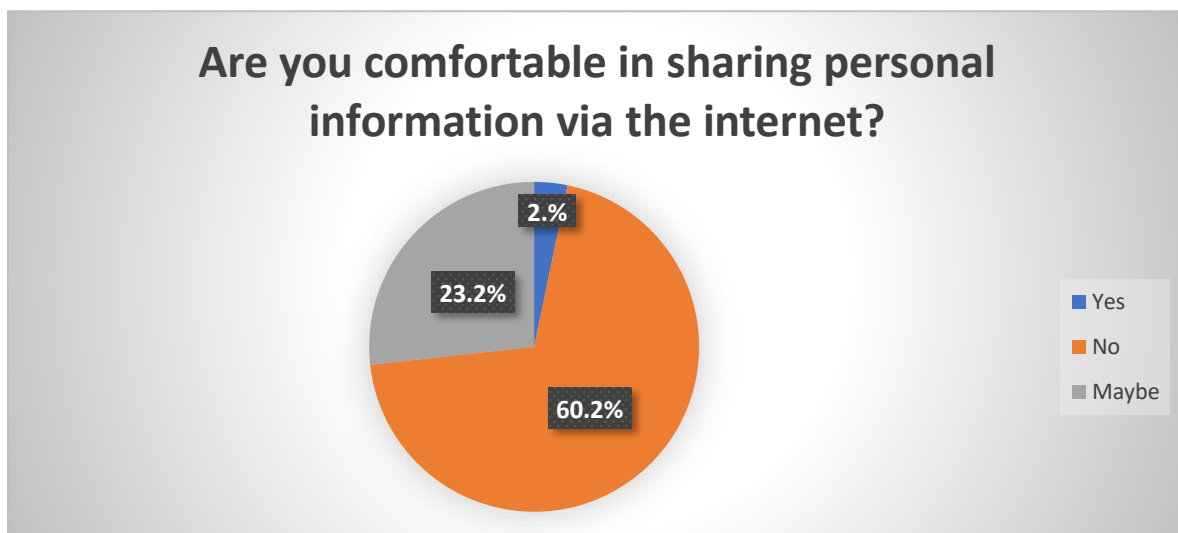


**Chart 3: Chart showing the factors considered while shopping online.**



**Result:** From the above diagram, 55% of the respondents consider discounts and offers to be major factor while shopping online, followed by 18% of the respondents who consider convenience, and 8% of the respondents consider wide variety of choices and lastly, 5% of the respondents consider less time consuming as a factor while shopping online.

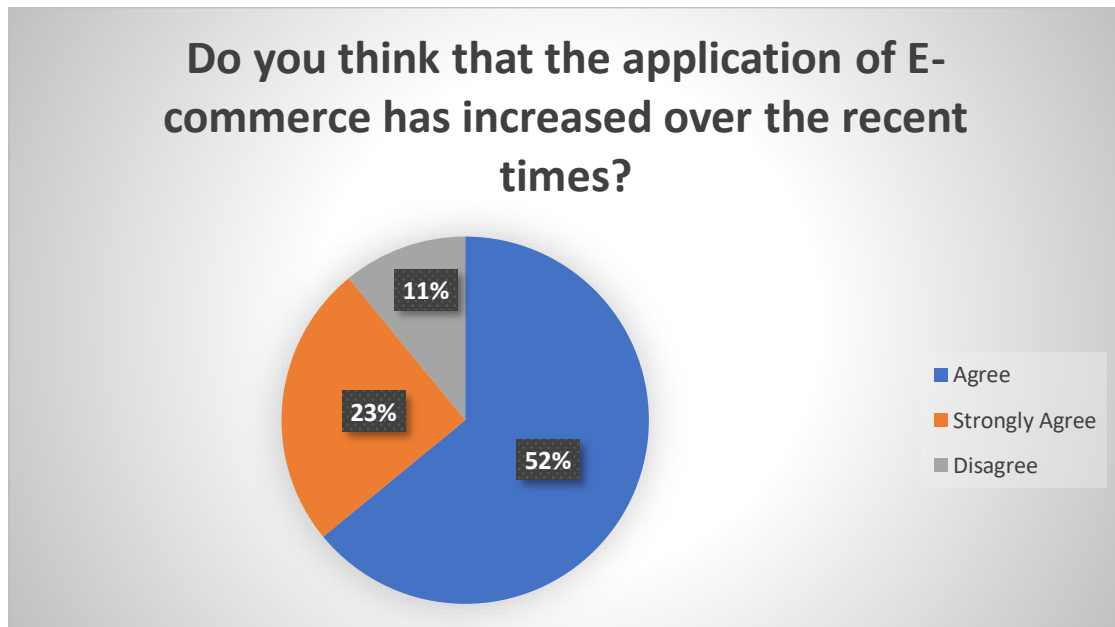
**Chart 4: Chart showing the respondent's opinion on online shopping.**



**Result:** From the above diagram, 60.2% of the respondents are not comfortable in sharing personal information via the internet whereas, 23.2% of the respondents may share their personal information via

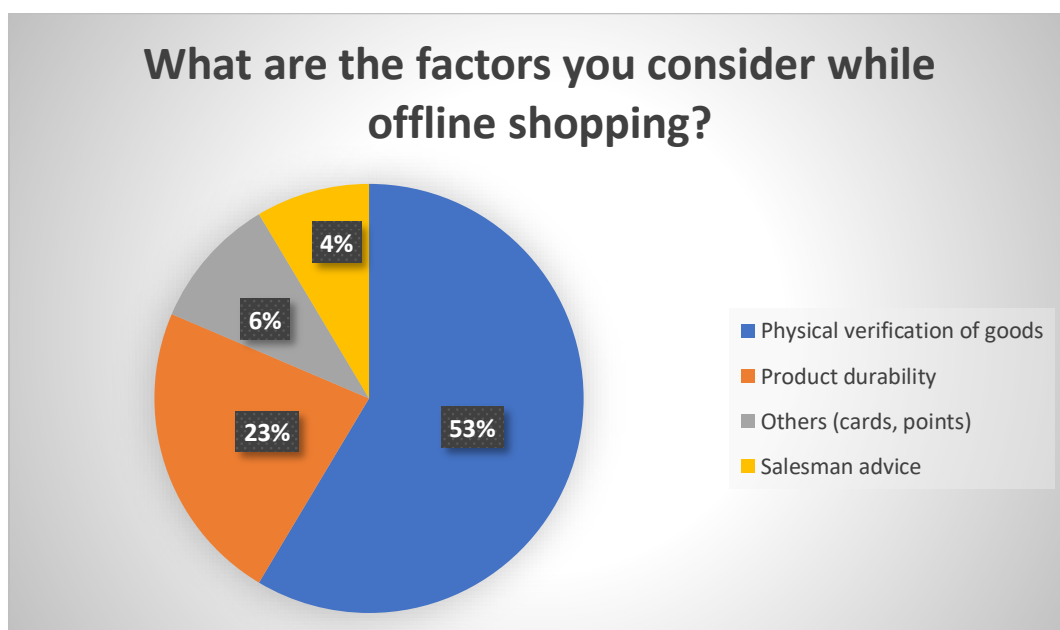
the internet and followed by 2% of the respondents who are willing to share personal information via the internet.

**Chart 5: Chart showing the respondents opinion on application of E-commerce.**



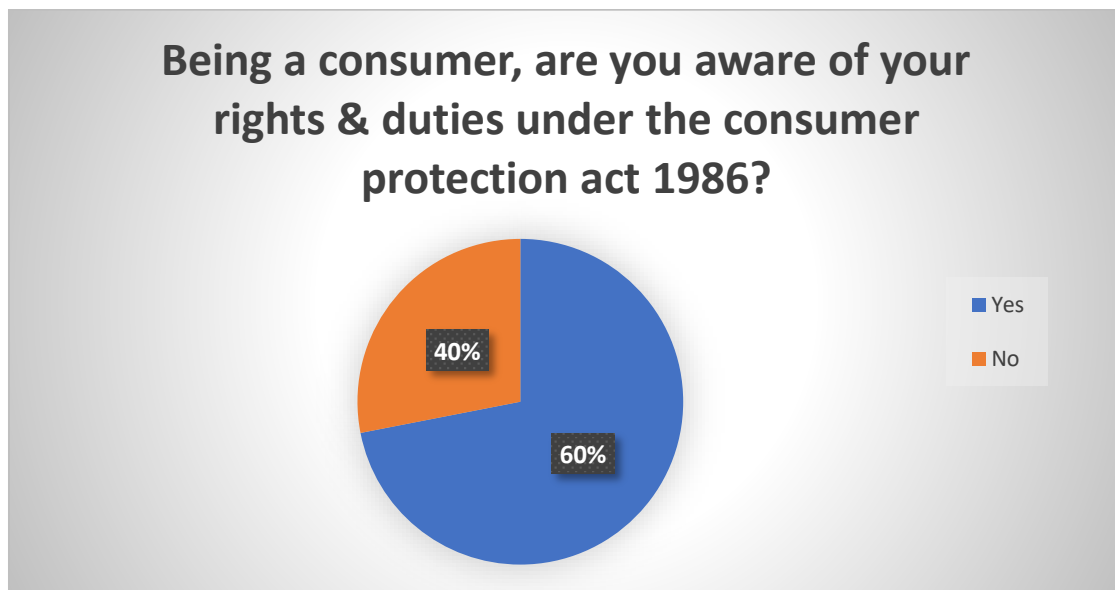
**Result:** From the above diagram, 52% of the respondents agree to the fact that application of E-commerce has increased over the recent times. 23% of the respondents strongly agree that E-commerce has grown over the recent times. Only 11% of the respondents disagree to the fact that the application of E-commerce has increased over the recent times.

**Chart 6: Chart showing the factors considered while shopping offline.**



**Result:** From the above diagram, majority of the respondents (53%) consider physical verification of goods while shopping offline. 23% of the respondents consider product durability while shopping offline. 6% of the respondents consider other factors like cards, points, etc and 4% of the respondents consider salesman advice while shopping offline.

**Chart 7: Chart showing consumer awareness about consumer protection act 1986.**



**Result:** From the above diagram, 60% of the respondents are aware of their rights & duties under the consumer protection act 1986 whereas, the remaining 40% of the respondents are not aware of their rights & duties under the consumer protection act 1986.

**Chart 8: Chart showing respondent opinion on online shopping.**

**Result:** From the above diagram, it is evident that majority of the respondents (58%) trust online shopping whereas, 28% of the respondents do not trust online shopping.

### *Findings*

- The study shows that majority of the consumers are female who shop quarter yearly often.
- The two main factors considered by consumers while shopping online are discounts and convenience.
- It is evident that 60.2% of the respondents are not comfortable in sharing their personal information while shopping online.
- The study shows that 52% of the respondents agree to the fact that the application of E-commerce has development in recent times.
- The main factor considered by consumers while shopping offline are the physical verification of goods which is not possible in online shopping.
- The study reveals that majority of the respondents trust online shopping.
- The study also reveals that the consumers are aware of their rights and duties as per the Consumer Protection act of 1986.

### *Suggestions*

- E-commerce platforms must work on and ensure consumer data protection.

- Since, the study shows majority of female online consumers, online vendors must ensure to attract male consumers.
- Online vendors should try to have stock of all the items that the consume demands.
- The consumers need to be more aware of product information while making purchasing decisions.
- Online vendors should come up with more promotional offers to increase their sales and attract customers.
- The consumers need to ensure that they have sufficient knowledge of their rights and responsibilities as per the Consumer Protection Act 1986.

### ***Conclusion***

Consumer Buying Behavior and Consumer Protection has been studied over the years, and marketing experts have demonstrated a strong interest in this field, recognizing the significance of consumer protection in e-commerce platforms. Notably, technology has grown in value or importance in everyday lives of both consumers and companies. This study, on the importance of consumer protection towards E-commerce platforms aimed at studying the rights and responsibilities of consumers and thereby, understanding the need and importance of consumer protection towards E-commerce platforms. Ultimately, E-commerce platforms should understand the need for consumer protection and adopt necessary strategies for its survival and growth.

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