

A STUDY ON CHALLENGES FACED BY THE CONSUMERS OF E-COMMERCE SITES –WITH SPECIAL REFERENCE TO BANGALORE CITY

Ms.Jipsy Johny & Ms. Reethu Rachel Raj

Prof. Jaffer Mohammed

Indian Academy Degree College Autonomous Bangalore

ABSTRACT

The growth of science and technology has influenced the life of human beings in various different ways. The advancement in the field of science and technology has always been beyond the expectations of the individual and life became much easier through such advancements. They do have a numerous advantages and disadvantages. One such advantage is the introduction of e-commerce.

The concept of e-commerce has always been a boom to the individuals but at the same time there are a number of disadvantages that keeps coming up every new day. The challenges that are coming up due to the unethical activities of these e-commerce sites are increasing at a greater speed.

Challenges can be in terms of its privacy issues, security issues, the practices of CRM and many more. No business exist without the motive of earning higher profit, but in the process of increasing the profit level one should not reach to the level of being unethical.

This study is aimed at bringing out the challenges faced by the consumers on e-commerce websites due to their various unethical activities.

KEY WORDS

E-commerce, Ethics, security and privacy

1) INTRODUCTION

E-commerce is the process of dealing with the exchange of goods, service, information and payments with the use of internet. The global commerce had its beginning in the 16th century and by the 20th century the trading expanded from small shops to super market, discount stores and shopping malls.

Without any much delay the commerce activities that were before conducted under brick and mortar system has transformed to brick and click system. The further new innovation has brought in an entire new version called e-commerce.

E-commerce was started in the year 1991 when the internet was open for commercial use. From then the transformation that took place in e-commerce sites were beyond the expectation. From being just as a process of execution of commercial activities to developing the security protocol and finally by the end of 2000 e-commerce has changed its meaning as, the process of purchasing goods and services over internet.

Ethics is a branch of knowledge that governs a persons or organizations behavior in the public. The purpose of ethics is to understand how an organization is dealing with its environment especially its customers. Every company should have a code of ethics and at present ethics is having a hard time in the world of internet technology.

When security is taken in to consideration, it is the guarantee that an organization can provide to its consumers with regards to its surety and freedom from danger.

Legal and security practices of the e-commerce sites are having higher attention in the present internet world.

Privacy is the ability to control who can see your information and privacy is given a greater importance by each and every individual. Lack of privacy can create more challenges to the e-commerce sites.

2) REVIEW OF LITERATURE

1. Sung t.k (2004): sung investigated on various factors like the customer relationship, privacy issues, e-commerce strategy, payment securities etc.
2. Jackie Gilbert Bette Ann Stead (2001) gave a report on the growth of e-commerce and the ethical issues of it including the security concerns, spamming etc were discussed.
3. James Christopher (2004) explained in the research that people does not guarantee that they will visit or remain loyal to such sites on decreasing the customer satisfaction level.
4. Bush et al. (2000) researched the ethical concerns like the security transactions, illegal activities, privacy, honesty etc on the ecommerce sites.
5. Belanger, F. Hittler (2002) researched on trustworthiness in e-commerce, the role of privacy, security and site attributes, journal of strategic information system.

4) RESEARCH DESIGN

4.1) PROBLEM FORMULATION

The study is focused on the significance of e-commerce challenges to the consumers when considering the security, privacy and legal aspects.

4.2) OBJECTIVES

- ❖ To understand the present situation of e-commerce
- ❖ To identify the unethical practices of e-commerce sites
- ❖ To identify the threats in e-commerce
- ❖ To describe the future of e-commerce

4.3) RESEARCH METHODOLOGY

A convenient random sampling method is adopted in order to arrive at a conclusion. Due to resource constrain with the use of available technological tools Google forms are used for data collection.

The sources of data are primary information by the help of questionnaire method.

4.4) TYPE OF RESEARCH CARRIED OUT IN THE STUDY

Descriptive study

4.5) SAMPLING

A convenient random sampling method is adopted from the population of those who are making use of e commerce sites for buying and selling of goods.

20 questions were designed on the basis of the security and privacy aspects in e commerce sites and distributed among a population of 300 people.

The respondents were to give the opinion in 4 point scale and open ended questions.

4.6) SAMPLE FRAME

It consists of respondents belonging to the age group of 20-25, 25-30, 30-35 and above 35 years of age.

4.7) SAMPLE SIZE

The study covers the sample of 300 respondents based on their opinion about the security and privacy aspects of e-commerce sites.

4.8) LIMITATIONS

- ❖ The research is specifically on e-commerce sites as it is the new trend in the economy.
- ❖ The study is limited to less number of respondents due to the shortage of time.

5) ANALYSIS AND INTERPRETATION

- ❖ It was analyzed that 66% of the respondents does not completely trust the e-commerce sites.
- ❖ When considering security factor 61% of the respondents are of the opinion that e-commerce is either less secured or not secured at all.
- ❖ When taking ethics in to consideration 56% of the respondents do not agree that e-commerce is ethical.
- ❖ It is even analyzed that 68% of the respondents find that e-commerce using cookies is not at all secured.
- ❖ From the analysis it was observed that 56% of the respondents is of the opinion that e-commerce sited does not have a clear website policy.
- ❖ It is observed that 69% of the respondents are of the opinion that the concept of hidden cost is unethical when taking e-commerce in to consideration.
- ❖ It is also observed that 60% of the respondents are of the opinion that the description shown on such sites does not match with that actual product when they get.
- ❖ It is analyzed that 53% of the respondents feel that e-commerce sites uses misleading information in order to convince the customers.
- ❖ It is analyzed that 53% of the respondents does not agree that the dispute settlement of the e-commerce sites are good and 41% somewhat agree to this.
- ❖ It was observed that 52% of the respondents is of the opinion that the terms and conditions mentioned in the site is unacceptable and again 44% feel it is not completely acceptable.

6) ABSTRACT OF FINDINGS OF THE RESEARCH

- ❖ From the study it is analyzed that 66% of the respondents does not trust e-commerce sites. This may be due to various observations like the security, ethics, website policies, hidden cost where the difference in the opinion is higher.
- ❖ When considering ethics of such sites 68% of the respondents feel it is not ethical and again 41% of the respondents feel it is somewhat ethical. This shows that the percentage of people who believes that e-commerce is completely ethical will be less than even 5%. Again this can be due to various observations like its terms and conditions, return policies, description that do not be the same and even the dispute settling policies of such sites.
- ❖ When taking the security aspect in to consideration 61% of the respondents feel that e-commerce is not secured, might be because of the factors like cookies, dispute settlement, website policies, hidden cost and even the CRM software of tracking customer's activities.
- ❖ When analyzing the privacy policy of such e-commerce sites the usage of cookies and CRM software plays a major role wherein the percentage of people who feel the privacy is less will be higher.

7) CONCLUSIONS AND RECOMMENDATIONS

To conclude with, the overall observation in this site shows that most of the policies and practices of the e-commerce sites are to certain extend against the consumers. At the same time it cannot be understood that the e-commerce sites are completely unethical too.

The usage of various software can be a threat to the consumers security, privacy etc. For instance the usage of CRM can be against the privacy of a consumer and can create a fear in the minds of the consumers as to get hacked and tracking your activities might not sound great. At the same time the cookies used in such sites can create major problems like they allow malicious web masters to gain access to users email, password etc.

The rapid growth of e-commerce has brought in various challenges like the privacy and security threats in e-commerce. When taking in to consideration the core aspects like the security, privacy and ethical issues of e-commerce the growth of threats are slightly higher. This might be due to the various steps that they take up in order to get more access as well as for the growth of themselves. Many of the legal questions that arise in e-commerce sites are not settled due to the lack of specific laws or legal guidelines.

It should not be neglected that when out of the entire respondents 89% of the population are making use of the e-commerce sites, it is necessary for it to provide higher level of security, privacy and ethics to its consumers. At the same time from the analysis it can be understood that respondents belonging to the age group from 20-30 is very large in number and the future of e-commerce is in the hands of that set of people. If the declining ratio continue to increase at a higher level it might become difficult for them to sustain in the market.

It is recommended to provide certain practices so that e-commerce sites can be better.

- ❖ It is recommended to provide better quality products to the consumers
- ❖ The e-commerce sites should be more reliable to the consumers
- ❖ It is recommended to provide more privacy to the consumers activities
- ❖ The security factor should be largely taken care of and necessary steps should be adopted
- ❖ The unethical practices like hidden cost, website policies etc should be taken in to consideration.
- ❖ Proper legal practices need to be brought in, in order to make e-commerce more effective.

8) BIBLIOGRAPHY

- a) Vakul Sharma(2017)information technology law and practice relating to e-commerce, Universal law publishing
- b) Michael Vag and Paulraj Arunachalam(2016)E-commerce, Manan Prakashan publishers
- c) P.T.Joseph,(2015)e-commerce: an Indian perspective, Prentice hall of India pvt ltd publishing
- d) Khanka S.S(2014),business ethics and corporate governance, S Chand and company publishers
- e) Boatright(2011)ethics and the conduct of business, Pearson publishing
- f) Elias M. Awad(2007)electronic commerce from vision to fulfillment, Prentice hall of India pvt ltd publishing

9) WEBLIOGRAPHY

- ❖ <https://issuu.com>
- ❖ <http://thescipub.com>
- ❖ <https://www.theseus.com>
- ❖ <http://www.ecommercefuel.com>
- ❖ <http://yourbusiness.azcentral.com/ethics-contribute-customer-satisfaction-17572.html>
- ❖ <https://ecommerce.wordpress.com/2008/06/11/the-history-evolution-of-e-commerce/>
- ❖ www.icmrindia.org
- ❖ <http://www.rigelnetworks.com>
- ❖ www.iacis.org