

DISPUTE RESOLUTION OF ONLINE SHOPPER'S IN INDIA

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ABSTRACT

Although the Internet is a convenient platform to conduct commercial transactions, consumers are disadvantaged in the online marketplace due to insufficient information about goods and services as well as business and transaction process, lack of access to redress and several other problems. The number of complaints regarding online transactions increased in India and the number of Internet-fraud related complaints reported to Consumer Coordination Council, Consumer-Court and Consumer Redressal Forum under Consumer Protection Act 1986 were also increased. This, in turn, has undermined consumer trust and impeded the growth of e-retailing as well as added to the fear among e-consumers of falling prey to online fraud. In spite of this, the nature and effectiveness of e-consumer protection has not been adequately studied, notwithstanding extensive research into other aspects of e-retailing. This article examines (i) the level of awareness of the respondents in India of the current policy framework for addressing consumer protection about online shopping; and (ii) the behaviour of the two groups of respondents in this survey who have and have not encountered problems with online purchases. The findings suggest that nearly half of the respondents are not aware of the following issues, namely (i) which organizations are involved in e-consumer protection; (ii) government regulations and guidelines; (iii) industry codes of conduct; (iv) self-regulatory approaches adopted by business; and (v) the activities of consumer associations to protect consumers in the online marketplace. The findings also show that most respondents would seek redress if they were unhappy with their online purchases and if they knew how to proceed and that most of them would settle disputes directly with e-retailers. Also, online shoppers who had encountered problems were more likely to continue purchasing via internet. This suggests that respondents find that the benefits offered by e-retailing outweigh the risks associated with it.

Keywords: Consumer Protection, Dispute Resolution, E-consumer/E-shopper, E-retailing.

INTRODUCTION

Internet is rapidly becoming the main tool for communication and business convenience. With a growing number of households turning towards the Internet and the world of e-commerce to shop, invest, make payments, and do online banking, new technological advancements will have to come about to make these transactions secure. In India, Internet has primarily been used for enabling communications between individuals through various modes such as e-mailing, messaging or even social networking. However, a digital interactive media is only successful if it fails to pervade every single activity an individual indulges in, his/her daily life. According to India online landscape study (Juxt, 2010), the number of active Internet users in India stands at 65 million, recording a 28 per cent rise from 51 million last year. The study also revealed that India has 61 million 'regular' users with 46 million urban and 16 million rural users. Four out of five Internet users 'shop' online, translating into a 50 million strong online consumer base. About 17 million of these 'online shoppers' (or 29 per cent of all Internet users) also 'buy'

online, recording a growth of 70 per cent from 10 million last year. Online buyers of '*non-travel*' products stand at 13.5 million, outnumbering 8.6 million travel buyers, the study quoted. The prospect of online marketing is growing in India, with the increasing internet literacy. The customers indulging in online shopping consider many benefits. The trend of online shopping is increasing especially in the young generation. They prefer their shopping at home and get benefits of discounts, saving of fuel, time and energy. There will be a better scope in growth of online shopping in coming years. So, companies will plan or make some new marketing strategies especially for the online shopping customers. The trend of enlargement in online shopping is also increasing in the metropolitan and big cities. It has been also very successful in the various foreign countries. According to The Economic Times, when you buy a product or a service over the internet, instead of going to a traditional brick-and-mortar store, it is called online shopping. Globally, an increasing number of people are buying over the Internet because it is more convenient. Online shopping is also very convenient and time saving way of shopping for customers. These days, the choice of products and brands is increasing at online shopping with market span of the companies at global level. The social media and advertisement on internet will also increase the number of customers for online shopping. The exclusive benefit of online shopping customers is, it provides the 24 hours in a day shopping facility and it also provides anywhere shopping facility like home, office, etc with the help of internet facility. The discovery of their favourite brands and products is also easy on web compare to any store, shopping mall and exclusive showrooms. Now a days, the more involvement of companies in online shopping mode provides the various benefits to the customers like less cost, more discounts, fast delivery, better quality, combo offers, replacement facility, guarantee and warranty of products, discount coupons on next purchase and many more. Online Shopping in India It is a fact that a great online shopping revolution is expected in India in the coming years. There is a huge purchasing power in the youth of India. If we observe the number of internet users will be increasing at very high speed. In the coming years, the number of internet users will be increasing at double speed with the effect, easy availability of personal computers, laptop, low cost of maintenance, less charges of internet usage. The main factor of increasing online shopping in India is the increasing cyber café facility, increasing number of computer operators and easy availability of internet and wifi facility to the population of India. The spending power of customers is also growing with the time especially middle class population has great spending powers. Many of them have started to depend on online shopping. So, Indians always prove that they can beat the world, when it comes to the figures of online shopping. More and more Indian customers are going for the online shopping and the frequency of online shopping customers is crossing the overall global averages. E-stores offer shoppers certain benefits that cannot be offered by brick-and-mortar (physical) stores, and these attract a growing number of consumers to online shopping from all over the world. These benefits are well documented in the extant literature. For example, prior studies have indicated that e-stores offer online shoppers more diverse product choices, individualized (customized) products, service information, shopping convenience, 24/7 shopping, time saving, competitive pricing and privacy (Katole, 2011; Kaufman-Scarborough & Lindquist, 2002; Margherio, 1998; Monsuwe, et al., 2004; Shang, et al., 2005).

According to a new report, India saw a 128 per cent growth in interest from consumers as compared to that of 2011 (Deepali, 2013). The buying behavior of a consumer while making an electronic purchase of a deal and discount coupon, their preferences towards mode of payment and tendency to repurchase the same (Sharma & Khattri, 2013). On-line shopping in India is

significantly affected by various Demographic factors like age, gender, marital status, family size and income (Nagra & Gopal, 2013). The increasing use of Internet by the younger generation in India provides an emerging prospect for online retailers (Haq, 2012). The importance and growth of online shopping market in coming years and it also studies the impact of demographic factors of consumers on online shopping pattern (Richa, 2012). Due to technological advancement, the concept of competitive advantage is eluding day by day. Every company is having almost the same technology and this has generated a herd of standardized products with difference on only one front i.e. the brand name. Growth of online market is increasing very rapidly due to various factors that affects the consumer towards online shopping. Some popular websites of online shopping Amazon.in, Flipkart.com, Snapdeal.com, Paytm.com, ebay.in, Jabong.com, Myntra.com, Shopclues.com, Pepperfry.com, Homeshop18.com, Groupon, Zovi.com, Infibeam.com, Firstcry.com, Shopping.indiatimes.com, Tradus.com, Futurebazaar.com, Koovs.com, Bestylish.com, Zoomin.com etc.

Growing Trends of Online Shopping in India

According to the Boston Consultancy Group report, digital influence study 2013-14, online shopping is expected to rise to 14 per cent by 2016 from 6 per cent in 2013. Online shopping by urban consumers will be more than double over the next two years in the country to 14 per cent from 6 per cent last year. It also said already 25 per cent of travel and tourism-related sales are digitally driven in the country currently. Digital influence is rapidly expanding to small urban towns and rural areas, as the number of mobile users have increased. More than 34 per cent of total internet users in the country are from small towns, while 25 per cent are from rural areas. Of the total urban Internet users, around 57 percent are of 25 and above, and 45 per cent use only their mobile devices to access the Internet. The study also said by 2016, the urban Internet user base would rise to 47 per cent from 28 per cent in 2013. According to the report, discounts are not the only driving force for people to switch to online shopping, as was previously thought, but factors like convenience and access to wider assortment is also largely influencing shopping decisions. Another study shows that online shopping has risen by a massive 85 percent in 2013 as compared to last year's figure of \$8.5 billion on increasing Internet penetration, rising fuel prices and wider choices in the comfort of one's home. "*Online shopping-Review & Outlook in 2013,*" released by industry chamber Assocham showed that India's e-commerce market rose from about \$2.5 billion in 2009 to \$6.3 billion in 2011, \$8.5 billion in 2012 and further to \$16 billion in 2013. It is expected to touch \$56 billion by 2023 - 6.5 percent of the total retail market. According to DNA analysis, a survey was conducted in 2013, over 3,500 traders and organized retailers in Delhi, Mumbai, Chennai, Bangalore, Ahmadabad and Kolkata were interviewed for the survey. Mumbai was ranked first in online shopping followed by Delhi and Kolkata as those living in metros are attracted by factors like home delivery which saves time as well as 24*7 shopping. According to Muralikrishnan B, country manager, eBay India, metros contribute to 51 per cent of transactions while Tier 2&3 cities contribute about 41 per cent of transactions and rural India contribute to 9 per cent of transactions on eBay India. E-retailing has not only generated many benefits to users, but also posed several threats and risks (Lokken et al., 2003). These threats and risks are the same as those in traditional commerce. However, they are presented in new forms given the 'relative anonymity of e-commerce' which poses new challenges to address them (Goldstein & O'Connor, 2000).

The Online Shopping Phenomenon

According to Goldsmith & Goldsmith (2002), the number of online buyers and the '*value of their purchases*' have steadily increased. Francis (2005) comments that online shoppers form '*a relative new and growing population of consumers*'. More than 627 million people worldwide shopped via the Internet in 2005 and e-retailing is predicted to become an increasingly important means of conducting commercial transactions (Cowles, 2001; Howarth, 2001; Chang et al., 2003; Ha H. & Coghill K, 2008). Smith (2004) argues that the volume of e-commerce will '*grow exponentially*' when consumer confidence in online transactions gathers '*momentum*', while the OECD (2006) predicts that online shopping will become common and pervasive in the next 10 years. India is experiencing a robust growth in its e-commerce sector which is expected to be worth more than \$16 billion. Therefore, more consumers will engage in shopping via the Internet, and online shopping will become a daily activity of many consumers.

Complaints Regarding Online Shopping

The growing number of Internet shoppers has also created an increasing number of complaints related to online transactions (James & Murray, 2003; Nasir, 2004). Internationally, 32.7 per cent of the total cases reported to the European Consumer Centre Dublin in 2004 were e-commerce-related complaints (Hilliard & Nordquist, 2005). The number of Internet-related fraud complaints reported to Consumer Sentinel (USA) increased from 176 754 cases in 2003 to 204 881 cases in 2006 (an increase of 15.9 per cent) [Consumer Sentinel (USA), 2006; 2007]. According to consumerredressal.com, in India even though the separate law is not for online shopping, but because of number of complaints consumer court and consumer redressal forum take active charge and help consumer to launch their complaints online. In India, the Consumer Protection Act, 1986 "*Act*" is one of the important legislation enacted by the Parliament, in order to safeguard and enforce the rights of '*consumers*'. The Act provides for provisions relating to jurisdiction, which primarily encapsulates pecuniary jurisdiction and territorial jurisdiction. Jagtap & Devadhar (2014), A complaint, inter alia, can be filed before the District Forum, State Commission and/or National Commissioner per their respective pecuniary jurisdiction. The Act also provides that that in case of any complaint before the District Forum and State Commission, the same can also be filed within the local limits of whose jurisdiction the opposite party or any of the opposite parties actually and voluntarily resides or carries on business or has a branch office or personally works for gain or the place where the cause of action arises, wholly or in part (Sections 11 and 17 of the Act). However, nothing in the said Act specifically refers to e-commerce consumers. Another widely used legislation is the Civil Procedure Code "*CPC*" which governs the functioning and procedures relating to a civil court. A civil court has inherent jurisdiction to try all types of civil disputes unless its jurisdiction is barred expressly or by necessary implication, by any statutory provision and conferred on any other tribunal or authority (Section 9 of CPC). Subject to the laws of limitation, every suit shall be instituted in a court within the local limits of whose jurisdiction the defendant(s) resides or cause of action, wholly or in part arises. (Section 20 of CPC) Simply stated, the expression '*jurisdiction*', would inter alia mean the power conferred by statute upon a court or authority to look into and decide on matters, depending on (i) the place where the issue / dispute has arisen; or (ii) depending on the location of the place of business; or (iii) pecuniary jurisdiction i.e. based on the value of the goods or services and compensation, if any, claimed in the complaint.

E-commerce Under CPA Act, 1986

In perspective of the new models of business in e-trade, it is vital to remember consumer security issues. In India the Consumer Protection Act 1986 (CPA) administers the relationship in the middle of consumer and administration/merchandise suppliers. There is no different purchaser assurance law that is particular to and manages online exchanges. Risk under the CPA emerges when there is "*inadequacy in administration*" or "*imperfection in merchandise*" or event of "*unfair exchange practices*". The CPA particularly prohibits from its ambit the rendering of any administration that is complimentary. If an online platform is not charging the users, the CPA may not apply. If actual sales are taking place on the online platform, the users will be considered '*consumers*' under the CPA and its provision will apply to the sale of products by the online platform. The utilization of such on-line contracts obliges consideration of the extent to which such conduct by an applicant can legally constitute "*acceptance*" and of various writing and signature or mark requirements applicable to certain relevant types of transactions. Major consumer issues raised by Internet transaction systems includes security, privacy, terms and conditions, access, dispute resolution, fees and charges, fraud, Jurisdiction issue is most important issue in E-commerce. Depending upon who is actually selling the goods or rendering services the liability may trigger. The distributor of goods also comes within the purview of the CPA. There is a special adjudicating forum (with appellate forums) which is constituted under the CPA. Some of the various sanctions which may be imposed under the CPA are removal of defects / deficiencies, replacement of goods, return of price paid. Pay compensation as may be awarded, and discontinue the unfair trade practice or the restrictive trade practice or not to repeat them. (<http://theresolveguru.com/E-Commerce-and-Consumer-Protection>)

Competent Forum

One of the most important barrier faced by a consumer whilst having his grievance redressed, and which also forms the basis of any legal recourse to be adopted by the consumer, is to choose the correct forum which has the '*jurisdiction*' to hear and try the matter at hand. Unless the complaint of an online consumer is filed before a competent forum, the complaint is *prima facie* liable to be rejected on ground that the forum has no jurisdiction to try, hear and decide on the matter. The Meghalaya State Commission vide its ruling dated 7 December 2013, has taken a liberal view on the aspect of jurisdiction, thereby, strengthening the recourse available to the new age '*online consumers*' for the purpose of having their grievance addressed before a Competent Forum. The said order has dealt in depth with the aspect of determining jurisdiction, considering various landmark rulings of the Courts of India in respect of the issue of jurisdiction and by referring to international conventions with respect thereto. The other competent forums for online shoppers in India are consumer court and consumer redressal forum.

Consumer-Court

Consumer can write complaint online through there link (<http://www.consumer-court.in/index.php?action=submit>) and customer track their complaint until it resolved. Consumer court enables consumers to submit their complaints and suggestion regarding any product, company, bank, business, company, government or non-government organization in India or abroad.

Consumer Redressal Forum

A Right Based Approach Society (Regd.) is a non-profit, non-governmental organization registered under Societies Registration Act, 1860 and is a voluntary organization working for the rights of the people, not only in National Capital Territory of Delhi but at the National and International level as well. It believes in establishing an implicit, explicit and forward looking vision of the '*Rights Based Approach*' programmes, with inbuilt centralized advocacy and research component that would advocate about specific issues related to general public. We commit to create awareness, sensitization and advocate about people's rights with striving towards initiating public discourse on issues related to violation of rights and to act as a consultancy with respect to other organizations' working in the field of rights based issues. Several complaints launch by the consumers who shop online. Following like provides information about it.

The recent study titled as Consumer Rights in the New Economy: Amending the Consumer Protection Act, 1986 conducted by Professor Akhileshwar Pathak of IIM-A also highlighted the problems faced by consumers in E-Commerce. "*In E-commerce, numerous problems arise due to the buyer and seller being at a distance. The buyer is not able to inspect or sample the goods or services. The buyer necessarily pays through a card. This brings in the problem of fraudulence in card payment,*" it said. The study has reviewed the proposed amendments in the Consumer Protection Act, 1986, proposed by the union ministry of consumer affairs. The Union Cabinet had approved the new bill as Consumer Protection Bill, 2015 and Consumer Affairs Minister Mr. Ramvilas Paswan had tabled it in Lok Sabha as well. The new bill seeks to replace the 29-year-old law and proposes to set up a Consumer Protection Authority which will also have the power to initiate class suit against defaulting companies. The new bill came against the backdrop of emergence of complex products and services in the era of growing e-commerce business in India that has rendered consumers vulnerable to new forms of unfair trade and unethical business practices.

Research Questions

This research project aimed to examine: (i) the level of awareness of Indian online shoppers of the policy framework for redress in e-retailing and whether there is a difference in this level of awareness between online shoppers who have previously encountered problems (Group 1) and those who have not (Group 2); and (ii) the behaviour adopted by online shoppers to deal with problems with online shopping and whether there is a difference between the behaviour of online shoppers who have previously encountered some problems and those who have not. (Ha H. & Coghill K, 2008)

Significance of Research

This study is significant for the some reasons. First, the number of Internet shoppers has steadily increased in India and worldwide, and although several measures are available to address issues associated with online shopping, the number of Internet-related complaints in India has significantly increased. Consumers in different countries have different levels of awareness of what is available to them to settle disputes (OECD, 2006), but very few studies have been conducted in India regarding consumer behaviour. Thus, findings from this study provide a better insight into how e-consumers deal with problems with online transactions.

Second, although many reported studies have examined problems associated with information disclosure, security and privacy (Crampton, 2002; Horvitz, 2002; Yianakos, 2002; Farrell, 2003; Jackson, 2003; Lozusic, 2003; Moghe, 2003; Martin, 2004; Quo, 2004; Ha H. & Coghill K, 2008), few have focussed on e-consumer redress issues. Also, although there are several ways consumers can seek redress in India and other countries, little research has been reported on e-consumers' knowledge of their options. Uninformed consumers cannot seek help from different organizations if they do not know they are available to help. In addition, the OECD (2006) acknowledges that

'Little has been done so far to measure the impact of these initiatives (different channels for consumers to seek redress) on consumer behaviour in the e-market'.

Therefore, this research provides a better understanding of which available channels of redress are popular with e-consumers, so that relevant organizations could tailor their services to suit e-consumers. Finally, there have been several studies of Internet shopping in other countries such as Singapore, New Zealand, the USA and the UK (Lokken et al., 2003; Swinyard & Smith, 2003; Kolsaker et al., 2004; Levin et al., 2005; Shergill & Chen, 2005; Sorce et al., 2005; Hui & Wan, 2007), but little similar research in India. Also, because Indian e-shoppers account for a significant proportion of global e-shoppers, findings from research in India may be generalizable to e-shoppers worldwide. Overall, this study contributes to the literature relating to online shopping and provides practical implications in terms of how consumers deal with problems with online shopping, using India as a case study.

RESEARCH METHODOLOGY

Data Collection

An online survey was conducted in India to collect primary data. A web-based survey was suitable for this study because it could reach a wide audience anytime and anywhere (Neuman, 2004). It was 'the most efficient method of data collection considering their time and constraints', because it had minimal financial impact and could collect store responses more accurately (Lokken et al., 2003). Also, participants did not reveal their identity when completing the questionnaires. The anonymity of respondents improves the reliability of data collected (Mehta & Sivadas, 1995; Kent & Lee, 1999; Gunn, 2002; Ilieva et al., 2002; Archer, 2003; Parker et al., 2004).

The Questionnaire

For this study, a four-section set of questions was used. Section one included questions relating to demography. Other sections asked about the experience, behaviour and attitudes of respondents regarding online shopping and e-consumer protection (Ha H. & Coghill K, 2008). The web-based survey required each respondent to answer each compulsory question before proceeding to the next to complete the questionnaire. Therefore, there were no missing data in this study (Saunders et al., 2003; Veal, 2005). Also, all the requirements for chi-square tests were met. Furthermore, the website enabled the responses to be automatically stored in a format feeding into SPSS software. Using SPSS to process the data, any possible errors in the preparation of data for analysis were reduced.

DATA ANALYSIS

Statistical Tests

Descriptive statistics, including frequencies and percentage frequencies, were used to analyse the data. Also, differences between the two variables were analysed using inferential statistical methods, including cross-tabulations and chi-square tests. Only these two statistical tools were used because both dependent and independent variables in this research were treated as nominal data. Hence, the use of other types of correlations was inappropriate (Sheskin, 1997; Hosmer & Lemeshow, 2000; Pallant, 2005; O'Connell, 2006; Tabachnick & Fidell, 2007; Ha H. & Coghill K, 2008).

FINDINGS AND DISCUSSION

The following section discusses and analyses demography, the online activities of the respondents, and the differences between the two groups of respondents in this survey, those who had and had not encountered problems with online shopping, regarding their awareness of e-consumer protection, and their behaviour in handling problems with online shopping.

Demography

The demography of the respondents is shown in Table 1. One thousand eight hundred sixty eight valid responses were received. 52.46 per cent of respondents were male and 47.53 per cent of the respondents were female.

Table 1
DEMOGRAPHICS OF THE SAMPLE

Predictor(s)	% (n = 1868)
Gender	
Male	52.46
Female	47.53
Age (years)	
18–24	36.24
25–34	35.01
35–44	15.04
44–54	8.94
55 and above	4.76
Highest level of education	
Secondary school	13.38
Certificate	7.86
Diploma/advance diploma	17.50
Bachelor degree and above	61.24
Frequent use of the Internet	
Every day	77.08
At least 3 times a week	22.53
Number of times online shopping (in the last 2 years)	
More than 10 times	36.45
6–10 times	22.85

2–5 times	23.28
1 time	8.29
Cannot remember	5.51
Never	3.47
Having problems with online purchases	
Yes	42.07
No	57.92

Source: survey data

Table 1 show that 36.24 per cent of the respondents were between 18-24 years old, followed by 35.01 per cent belonging to the 25-34 age groups. The majority of the respondents were within the age range of 18–54 years old. This indicates that the respondents were mature enough to make independent decisions about purchasing items online and to have some knowledge about issues and policies associated with e-retailing. Data in Table 1 reveal that 61.24 per cent of the respondents had a bachelor degree or above. An explanation of the high proportion of respondents with a bachelor degree or above is that the working population included staff and students of a university. In addition, some undergraduate students who were still studying for their degree might have selected the option of '*Bachelor degree or above*'.

Online Activities

Data in Table 1 also show that 77.08 per cent of the respondents accessed the Internet every day. This demonstrates that the respondents would have no problem using a computer and searching the Internet. About 90.87 per cent of them had purchased goods and services online at least once. The implication was, therefore, that the majority of the respondents had experience in the online marketplace. Thus, their responses would be highly reliable. Among all respondents, 42.07 per cent had encountered some problems with online shopping. This is consistent with the results of the US National Consumers League 2001 Online Shopping Survey that reported that nearly one-third of e-consumers experienced a problem associated with online security (Centeno, 2002).

Level of awareness of the current policy framework for consumer protection in e-retailing

Table 2 RESULTS OF CHI-SQUARE TESTS FOR DIFFERENCES BETWEEN THE TWO GROUPS REGARDING THE LEVEL OF AWARENESS OF THE CURRENT POLICY FRAMEWORK FOR CONSUMER PROTECTION IN RETAILING						
Sr. No.	Please indicate your awareness of the current state of consumer protection in retailing: I am aware of _____	Total (% Agreed)	Having problems (Group 1) (% Agreed)	Having no problems (Group 2) (% Agreed)	χ^2 value	P- value
1	I am aware of Government agencies, industry associations & consumer associations involved in consumer protection (Consumer Protection Act-1986, Consumer Coordination Council, Consumer Redressal Forum)	54.38	24.46	29.92	7.704	0.006
2	I am aware of Government regulations relating to consumer protection	55.62	24.46	31.15	3.495	0.062
3	I am aware of Government guidelines	47.00	19.59	27.40	0.104	0.747

	which guide traders to best practice in doing business					
4	I am aware of Industry codes of practice relating to consumer protection	45.02	19.32	25.69	0.451	0.502
5	I am aware of Self-regulatory approaches by businesses to protect consumers	49.89	21.78	28.10	1.935	0.164
6	I am aware of Activities of consumer associations to protect consumers	53.15	22.53	30.62	0.089	0.766

Source: survey data

Data in Table 2 show that only 49.89 per cent of respondents knew about self-regulation. Consumers might not know much about self-regulatory mechanisms because these might not be their concern. They probably expected to have a safe and secure online environment so that they could be more confident to shop online without bothering to know which protection approaches to implement. Table 2 also reveals that only 55.62 per cent of respondents knew about government regulations regarding consumer protection in retailing. Moreover, 47 per cent of all respondents agreed that they knew about government guidelines, 45.02 per cent respondents are aware about industry codes of practice and 49.89 per cent respondents are aware about self-regulatory approaches adopted by businesses. The proportion of respondents who were aware of activities of consumer associations to protect consumers was 53.15 per cent.

The results of the chi-square tests in Table 2 show that there was no significant difference between the two groups (those who had encountered problems and those who had not) regarding their awareness of any of the variables, namely (i) government guidelines; (ii) industry codes of practice; (iii) self-regulatory measures; and (iv) activities of consumer associations. Also the results of the chi-square tests in Table 2 show that there was significant difference between the two groups (those who had encountered problems and those who had not) regarding their awareness of any of the variables, namely (i) which organizations are involved in the protection of consumers in e-retailing; (ii) government regulations.

Behaviour to deal with problems in online shopping

Table 3 RESULTS OF CHI-SQUARE TESTS FOR THE DIFFERENCE IN THE ONLINE SHOPPING EXPERIENCE AND TAKING ACTION TO DEAL WITH PROBLEMS						
Sr. no.	When you had/have problems with online purchases (for example, the quality of goods or services is unacceptable goods are not delivered, etc.), you would/will	Total (% Agree d)	Having problems (Group 1) (% Agreed)	Having no problems (Group 2) (% Agreed)	χ^2 value	P-value
1	you would/will Not do anything since you do not know what to do	35.38	16.16	19.21	5.474	0.019
2	Not bother to do anything (know what to do but did not want to do anything)	38.43	19.32	19.11	32.188	0.000
3	Lodge a complaint directly to the sellers	69.70	28.74	40.95	1.223	0.269
4	Not purchase online anymore	22.64	12.09	10.54	28.907	0.000

Source: survey data

Data in Table 3 indicate that 35.38 per cent of the respondents agreed that they would not do anything if they encountered a problem online because they did not know what to do. This

might be explained by a lack of information about redress that weakened consumers' ability to seek remedies. The finding was that many consumers were not aware of current measures to address e-consumer protection. This suggests that the majority of the respondents would be unlikely to seek redress if they did not know about the available channels of dispute resolution. Only 38.43 per cent of the total respondents indicated that even if they knew what to do they would not bother to do anything to settle their problems. About 19.32 per cent of the respondents who had encountered problems did not bother to do anything. Perhaps respondents found it too troublesome to ask for an exchange or a refund or were discouraged by negative experiences in resolving disputes with e-retailers.

Table 3 shows that when having problems with online purchases, 69.70 per cent of respondents would complain directly to the seller. This suggests that if e-retailers have policies and systems to handle customer complaints internally and effectively, they may be able to rebuild consumer confidence in their business (Ong, 2005b), and consumers may not need to engage services provided by a third party to resolve their disputes. Finally, 22.64 per cent said that they would not purchase online any more if they had a problem. This means nearly 77 per cent would continue to shop online.

The results of the chi-square tests in Table 3 show a significant difference in the behaviour of the two groups regarding action taken of any of the variable namely (i) not do anything since they don't know what to do, (ii) not bother to do anything, (iii) not purchase online anymore. However, the results of the chi-square tests in Table 3 show that there was no significant difference between the two groups regarding their behaviour in lodging a complaint directly to sellers.

Table 4 presents the data on the variables with a significant chi-square result. Data in Table 4 also reveal that (28.75 per cent) respondents who had encountered problem with shopping online (Group 1) might not purchase online any more. Nearly 81.80 per cent of those who had encountered no problems online (Group 2) would continue to shop online if they had a problem.

Table 4 FREQUENCY AND PERCENTAGE FREQUENCY DISTRIBUTIONS OF THE TWO GROUPS REGARDING ONLINE SHOPPING EXPERIENCE AND THEIR BEHAVIOUR IN DEALING WITH PROBLEMS			
When you had/have problems with online purchases (for example, the quality of goods or services is unacceptable, goods are not delivered, etc.) you would/will	Online shopping experience	% Online shoppers encountered problems (Group 1)	% Online shoppers encountered no problems (Group 2)
Not purchase online anymore	Agree	28.75	18.20
	Disagree	71.25	81.80
Total		100	100

Source: survey data

The findings were consistent with a study by Holloway et al. (2005), which reported that Internet shoppers with '*more cumulative online purchasing experience*' were '*more likely to return to*' the e-retailers if their problems were satisfactorily handled by the e-retailers. These findings were also consistent with research by Centeno (2002), which reported that despite a number of risks associated with e-retailing, many consumers still continued to engage in shopping via the Internet. This suggests that benefits generated from online transactions outweigh the problems. In addition, it might suggest that the problems the respondents

encountered were easily rectified or their complaints were satisfactorily handled either by e-retailers.

Implications

Level of awareness of the current policy framework

This research found that half of the respondents had awareness of the current policy framework for consumer protection in India. Consumers' level of awareness of Consumer Coordination Council (CCC), Consumer Redressal Forum, The Consumer Protection Act, 1986 for consumer protection suggests that information regarding government regulations, guidelines, codes of practice and self-regulation is adequately circulated to the public. Research found that more than half of the respondents had awareness about government regulations relating to consumer protection which shows the level of literacy amongst Indian consumer. Also, Patel & Lindley (2001) and Kutin (2005) claim that different organizations, including industry, government agencies have a significant role to play in the protection of consumers. Therefore, more information about what to do, who to contact and how to proceed to seek redress would benefit shoppers. This does not mean that consumers will have fewer problems with shopping, but they would probably handle such problems more effectively. In addition, although there is a lot of information available to the public on the websites of the relevant agencies, not all consumers are able to filter the information needed, given the huge amount of information on the Internet (Cochrane, 2003). Thus, how information should be made available to consumers when they need and want is an issue that needs to be addressed by the relevant organizations. Marlowe & Santibanez (2000) and Brennan & Gallagher (2002) argue that well-educated consumers (in terms of consumer rights and information) are able to resolve problems more effectively.

Consumer behaviour to deal with problems with online shopping

This study showed similarity between consumers who had encountered problems and those who had not regarding their behaviour in dealing with problems. The research found that consumers did seek redress if they were unhappy with online purchases. Because the majority of consumers would initially seek to settle disputes with e-retailers, effective internal redress policies to handle consumer complaints would enhance consumer confidence and increase the business reputation. Consumers expect e-retailers to exercise their social responsibility and adopt a self-regulatory approach by providing information about internal complaint handling mechanisms. Many customers may voluntarily promote the goods and services of a company via their own network if they are satisfied with the services, including recovery services provided by such company (Reichheld, 2003; Krauss, 2006). This research also found that, even though online shoppers encounter problems with online transactions, continued purchase likelihood is still very high. This supports the view that consumers prefer shopping online to traditional shopping (Monsuwé et al., 2004).

CONCLUSION

The fast pace of development of the e-business industry in India is not just characteristic of the expanding responsiveness of general society yet has likewise conveyed to the fore the issues that the legitimate arrangement of the nation has been confronted with. According to

consumerredressal.com, in India even though the separate law is not for online shopping, but because of number of complaints consumer court and consumer redressal forum under consumer protection act 1986 take active charge and help consumer to launch their complaints online. The Union Cabinet had approved the new bill as 'Consumer Protection Bill, 2015' and had tabled it in Lok Sabha as well. The new bill seeks to replace the 29-year-old law and proposes to set up a Consumer Protection Authority which will also have the power to initiate class suit against defaulting companies. The new bill came against the backdrop of emergence of complex products and services in the era of growing e-commerce business in India that has rendered consumers vulnerable to new forms of unfair trade and unethical business practices. Although there are few channels of redress in e-consumer protection in India, the findings of this study demonstrate that the level of awareness of such channels is moderately high. Most respondents were aware of which organizations were involved in e-consumer protection, which government regulations and guidelines were applicable to consumer protection, the activities of industry associations, self-regulatory approaches adopted by e-retailers and the activities of consumer associations to protect consumers in the online marketplace. If consumers know about internal and external dispute resolution services, they will be able to seek fair and just redress. The findings of this research indicate that the majority of the respondents would seek redress when they encountered problems with online transactions, and that most respondents would settle disputes with the e-retailers first. As discussed previously, the first stage of dispute resolution cannot operate successfully without e-retailers' commitment to adopt a self-regulatory approach to handle consumers' complaints. It is reasonable to suggest that e-retailers play a very important role in providing protection to e-consumers. The provision of sufficient information about internal and external mechanisms of dispute resolution would not only help e-retailers comply with the existing regulations and guidelines, but would also help them gain competitive advantage. This, in turn, could enhance their image and reputation as well as rebuild their relationships with customers after unsatisfactory transactions. Finally, the perceived benefits of e-retailing are evident because most online shoppers who had encountered problems were likely to continue purchasing online. Therefore, creating an improved enabling online environment and providing satisfactory solutions and better information on addressing customers' problems would facilitate online shopping even more.

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