

Chapter 5: Conclusion & Recommendation

5.1 Conclusion

The results of this study show that regulators and retailers have much work still to do before the Internet can offer a reliable environment in which consumers can shop with confidence. Merchants need to take steps to improve the quality of information they provide on key issues such as delivery charges, order progress, and their own policies on privacy, returns and redress. In many cases, the consumer is offered no information at all on these aspects at present.

Web pages that contain these information shall be considered to have complied to the basic web page design standards. These web pages shall be audited and if they are found to be really complying with standards, then a digital approval shall be issued to them. Consumers, upon seeing the digital approval on any web page shall be convinced about the quality of information in the web page and shall be willing to make transactions.

The aim of this research was to identify what consumers feel should be made available on the commercial Internet Web pages. Identifying this plus proper approval or standardization of web pages might lead to increased consumer confidence to do on-line business.

This report makes a number of recommend-actions that will focus the energies of policy-makers, providing evidence that there are certain key consumer specific issues that must be addressed.

Many specific recommendations arise from the detailed research findings. These are summarized below. In addition to these specific recommendations, more general recommendations that require international consideration and implementation are also specified.

5.2 *General Recommendation*

If consumers are to take full advantage of the global shopping mall theoretically offered by the Internet, they must feel confident of receiving a consistent standard of consumer protection wherever they shop. In order to make this possible, a coordinated international approach is needed to the formulation of guidelines governing electronic commerce. National governments should be encouraged to adopt best practice guidelines developed at international level by internationally recognized association/organization.

Because adherence to many aspects of best practice guidelines is voluntary, consumers need a way of recognizing Internet shops which offer high standards of consumer protection with ease, wherever in the world those shops are based. The development of an internationally recognized certification or labeling scheme, which indicates that shops meet agreed minimum standards on a range of key issues, would go a long way to offering this international reassurance.

As online consumers experience many types of problem, such as non-delivery of goods or obstruction in obtaining refunds, there is a need for a third-party involvement that offers a further channel to consumers as a trusted way of making payments and as a trusted agent to award the recognized certification to web pages. The involvement of the third party is merely as a path to enable consumers to make payment to someone whom they do not know via someone whom they know and to audit the contents of the web page for certification. The involvement of the third party as a payment channel could be removed on a later stage as consumers gain sufficient confidence about e-commerce, but their role as an agent of recognition is still required.

5.3 *Specific Recommendation - Web Page Approval*

The first recommendation is on how to differentiate a web page that is reliable to do on-line business from other web pages. Approval or ranking of a web page has been selected as a preferred way of selecting a web page to do on-line business. By

approving a web page as 'fit to do on-line business', the web page is expected to comply to international standards.

Approving a web page to do business does not mean approval to set up a web page. Rather it means a way of differentiating a web page that has been audited and found to comply with international standards. A digital certificate should be issued to sites that have been approved. This digital certificate shall be the key differentiation between an approved and non-approved web page. The concept of how a web page should be audited or how a web page should be approved is beyond the scope of this study and thus no immediate recommendations shall be made with respect to that. However, as a first step towards the process of standardization of web pages, and as a guide for auditing the contents of a web page, the recommendations in section 6.3 has been discussed in detail.

Thus, when consumers visit a approved web page, they can be assured that the site shall have all relevant information and the chances of them completing a transaction successfully is high.

5.4 *Specific Recommendation - Web Page Design*

These recommendations are based on the result of the survey where consumers identify the importance of specific details on a scale of one to five.

Information about Merchant

Consumers must be provided with details of the retailer's identity and physical location (country). Consumers should be made aware of the full name of the company they are dealing with, as this may not always be the same as the web address. Neither the financial performance of the firm nor the business capacity of the firm is required, but however the firms international venture (if any) could be provided as an additional feature. Business references (for example, the firm's existing customers or traders) should preferably be made available for consumers to refer to. For a firm that has international ventures, there should be business reference for each location.

Contact Details about Merchant

The Consumers must at least be provided with the retailer's geographic address, the country the company is registered in, a phone number, and an e-mail address. Where applicable, the consumers should also be given the fax number and a Web page query form (merchants create a web page for consumers to key in their questions/issues and merchants shall contact consumers later). The importance given to various forms of communication clearly shows that consumers wish to be able to reach merchants at all times.

Product Information

High importance is given to product information. Consumers are basically looking for any kind of information about their required products. Full details including key attributes of the product should be described. Description of substitute products and compliment products are additional details that could be used by consumers as a source of comparability. Description of components out of which the required product is built of does not appear to be as important but however could be utilized by consumers as another source of comparability. The availability status of the product should be clearly mentioned on the web page. This includes details like the availability of the product in stock and the time frame of how long consumers may have to wait (if the product is not available in hand).

Information Currency

The information on how new the description available on a web page is very important. Lacking of this information could lead to consumers loosing confidence about the contents of a web page. Merchants should also provide details of how long the specific information is valid for. For example, if a site promotes a certain product by giving special discounts to that product, then, the site should clearly explain the validity period of the promotion. If possible, the merchant should remove all outdated details from the web page.

Privacy Policy

All sites should have a privacy policy that is easy to understand and clearly signposted. The ideal privacy policy should include the following details. Compulsory data collection

should be limited to information that is necessary and reasonable for the transaction. The consumer must be told what information is being collected and why, and how it will be used. The consumer should also be informed who gets access to the details keyed in. The consumer must have the right to refuse further communication from the company or associated companies, and must be clearly told how to exercise that right. Consent to passing of data to third parties should be actively sought from the consumer, rather than being a negative default. Permission from consumers should be obtained if merchants wish to send updates of products to them.

Delivery Options

Sites should make it clear to the consumer which countries they deliver to, before the order process is embarked upon. Delivery costs (if any) should be mentioned clearly as well. This is because, some products may need additional delivery cost, where else some products (like software) may not. In addition to that, the delivery cost may be different based on the delivery location. Thus merchants should put up a table which provides details of delivery costs for different locations. Retailers should display clear target times for dispatch and delivery of goods, so that customers know what to expect. Consumers should be informed when goods have been dispatched, so that they know to expect their goods shortly, and are thus made aware of any delivery problems. Merchants should provide a clear procedure for customers to follow if goods fail to arrive within the specified time, and customers should be clearly informed of their rights if the goods take an unreasonable time to arrive. Information on which dispatch service shall be used and amount of back-order at the merchant's place are not required.

Support Information

Sites must include clear information on their support procedure, explaining to consumers how to go about requesting for support and who to contact. Sites should outline their policy for providing support, including any time-frames for responding to specific queries. If there exists any charges for the support, then consumers should be clearly notified about it. Details of who is eligible to request for support should be provided. For example, is the support applicable to anyone who has bought products from them, or is it only to those who have bought products from them in a recent time-frame should be mentioned as well.

Warranty Details

High importance has been given to details pertaining warranty of products they purchase over the net. Merchants should provide a policy on returns which makes the process as simple as possible. The policy should be made easily accessible by linking it to the order page and providing information to accompany the goods. Merchants should clarify within the policy what costs the consumer will incur if they return a product. Merchants should also process requests for refunds quickly and give targets for when consumers will receive their money.

Order Cancellation Procedure

Consumers should have the right to cancel an order, within a specified time limit, without having to give a reason. All sites should have a clear policy on returning goods, which is clearly signposted before goods are ordered. Information on how to return goods should be displayed on the site, and included with the goods when delivered. This policy should include information about any costs to be incurred by the consumer. Details of when consumers may receive their refund back should also be mentioned clearly.

Security Information

Sites should offer information about security issues. This information should be accurate and easy to understand. It should be clear to the consumer when they are giving any personal information whether they are in a secure environment. Consumers should also be provided with information about their legal rights and liability for any losses should a fraudulent transaction occur. To be more precise, consumers should be informed about the effectiveness of the security that is being used in the site. If the security protocol has obtained any international approval, then it should be mentioned in the site as well. For example, "The security implemented in this site has been approved by IEEE". The actual name of the security protocol being deployed may not be necessary as it may not have much meaning for consumers.

Reliability of the site

Mentioning the firm's registration number on the web page appears to be the most preferred way of assessing a firm's reliability. The web page should also be audited and approved or ranked by an international organization. The approval 'certificate' should be displayed on the web page. The concept of web page approval has been described in greater detail under section 6.2.

Merchant Responsiveness

When consumers communicate with merchants, consumers should know how long they may have to wait before merchants shall get back to them with the required response. This time period should be mentioned in the web page. However, if there were a situation where the response depends on the type of query, then merchants should response back immediately to the consumers and inform them a the required time frame.

Status of Order

Merchants should improve the information they provide to the consumer at every stage of the order process. This should include a confirmation that the order has been successfully received, notification that the goods have been dispatched, and of when the consumer should expect them to arrive. The most preferred way to this is by allowing consumers access the merchant's web page and look for the status of the order by themselves. If merchant's are worried about possible security impact on giving access to consumers, then they could send regular updates (via e-mail for example) with the status of the consumers' order status. Either way, consumers should be updated on the status of the order regularly.

Payment Mechanism

Consumers prefer to enter their authentication details at a third party's web page rather than the merchant's web page from where they are making a purchase. The third party should preferably be the consumer's bank of choice or some other neutral party.

However, if the web page has been approved or guaranteed then consumers do not mind to key in their authentication particulars on that web page.

Applicable Law

Merchants should stipulate within the contract which country's law they would like to apply. If a merchant specifies that the law governing transactions on its site is that of the merchant's own country, rather than the consumer's country of residence, that condition must be highlighted to the consumer in a clear and unambiguous manner. Alternatively, if the merchant is flexible of which country's law would be applicable, then he should also mention this very clearly on the web page.

5.5 Recommendations for Further Research

The research has identified a number of important aspects that has to be published on commercial web pages. The research also recommended that web pages that comply to specific standards should be audited and approved. The research did not cover on how the web pages should be audited. In other words, how would the compliance of web page be measured was not covered. The importance of accurate measurement of e-commerce and, more broadly, the digital economy is widely recognized. But the absence of international guidelines and measurement standards has resulted in widely varying estimates of the size and impact of e-commerce. These estimates lack international comparability. The problem is compounded by the lack of consensus on what constitutes e-commerce. Thus a research could be conducted to analyze the various aspects of e-commerce and thus develop a proper measure/rate for electronic commerce.

The impact of e-commerce on existing business should also be explored. E-commerce has been selected as 'the' way of future business. Most merchants have taken this as a fact. There are many consulting firms out there helping thousands of firms to set up e-commerce sites.