# EVALUATION OF PRODUCT TRUST IN THE AGE OF E-COMMERCE

E-COMMERCE

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**CUTS Institute for Regulation & Competition**

Flat No. 5, House No. 658, Khasra No. 258, Lane No. 4, Westend Marg,

Saidulajaib, New Delhi-110030, India

Email: circ@circ.in

*Authors*

Garima Sodhi, Consultant, CIRC

Bhaavi Agrawal, Research Associate, CIRC

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# Acknowledgement

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# Executive Summary

E-commerce sector has been growing by leaps and bounds in the country. The growth of the sector shows the increasing adoption of online mode of shopping by people. This is not possible without consumers trusting this mode of shopping to get the right product. Given that a buyer's purchase decision is influenced by different factors in online mode as compared to offline mode, it is critical for sellers to understand the factors that build and enhance consumer trust in their products so that they can build consumer loyalty and grow their business.

Previous studies have established a link between online trust and website characteristics, perceived risk, and quality-related attributes such as reputation. However, there is little literature on how consumers come to trust products, and what factors contribute to building consumer trust on products purchased from e-commerce websites. There are limited insights on the subject to guide e-commerce platforms, sellers and policymakers to make a favourable e-commerce ecosystem for all the stakeholders.

The objective of this study is to understand the relevance of product trust for consumers, the factors that contribute to building this trust and what sellers and e-commerce platforms should do to build and enhance product trust among consumers. The scope of this study is limited to offline and online retail. To achieve this, the study has employed both primary and secondary research methods. The primary research includes a consumer survey to understand their notion of product trust and the factors that contribute to building their trust on products, both offline and online. Based on insights from the consumer survey, secondary research is conducted to assess if sellers and e-commerce platforms meet consumer expectation of product trust and identify the areas that they need to work on to enhance consumer trust.

Respondents were asked about the factors that enhance their trust while shopping in online and offline mode. It turned out that 77.8% respondents believe that online shopping is as safe as offline shopping and 11.5% respondents believe that online shopping is safer than offline shopping. Only 10.7% respondents believe that online shopping is not as safe as offline shopping. This shows that the majority of consumers trust online shopping. Pricing, product quality assurance, customer

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service, delivery and customer reviews appeared to be the top five factors that online shoppers consider most important when deciding whether they should trust an online retailer. When asked to name the e-commerce platforms that meet their definition of trust, Amazon and Flipkart were reported to be the top two. The top three reasons selected by online shoppers for the product not meeting their expectations are receiving a fake/counterfeit product, receiving a damaged product, receiving an expired product. As many as 41% of the respondents believe that upon receiving a damaged, bad or wrong product, both the e-commerce platform and the seller should be held liable while 34.9% believe that only e-commerce platform should be held liable. From this, it appears that due to the involvement of two parties i.e., the seller and the e-commerce platform, consumers are mostly unaware of who is responsible for such instances. All the shoppers, online as well as offline, were asked to list the measures online platforms could take to earn their trust and make them more confident in shopping online. **Quality assurance, fast delivery, more discount, less price and customer review** came out to be the top five factors.

After receiving these insights, the top five factors that affect the trust of consumers while shopping online were studied. Various e-commerce platforms were assessed on their trustworthiness on the basis of these factors.

India is an extremely price-conscious market. The pricing of a product is the first indicator in the mind of a customer of whether the product would fulfill their expectations or not. Online sellers are often able to offer discounts on the price of the products due to the reduced operating cost online and high competition. The price of a product must, however, correspond to the actual selling price of the branded product in offline mode or the brand website and for other generic products, the price must be comparable to other sellers. There are some websites that sell the products at unrealistically low prices which can create a doubt in the mind of a consumer about the authenticity of the product. Reputed websites such as Amazon facilitate sellers to offer products at a price that corresponds to the actual selling price of the products with discounts and offers clearly mentioned while the e-commerce sites offering inventory-based products may not have the same display due to the policies that govern them. The research showed that certain websites offered the same products at such an unbelievably low price that it could create a doubt in the mind of the consumer about the authenticity of the product. This resonates with our findings of the consumer survey that pricing plays a key role in establishing product trust.

The quality of a product is the collection of features and brand product characteristics that have contributed to the ability to fulfill specified demand. While purchasing from a brick and mortar store, the consumer can see and touch the product, even get a demonstration in some cases, which helps them in ascertaining its quality and making an informed buying decision. However, in online shopping, the 'see and touch' aspect is absent. The more information provided about the product on the website, the easier it is for the consumer to be able to evaluate its quality and trust the product. In our study, we found that platforms that are considered most trustworthy by consumers (Amazon and Flipkart) are also the ones that provide very detailed descriptions and specifications of the product. Amazon's efforts to educate the seller on product trust to drive revenue is also reflected in the listing of the products.

Approachable and prompt customer care helps a consumer in building trust in the products as it gives a sense of reliability and security. E-commerce platforms have been able to leverage the use of technology to better connect to consumers, thereby enhancing their online shopping experience. E-commerce platforms have added a lot of features to smoothen the customer service experience before a product is bought, while it is being bought and after it is delivered. There are now options to directly connect with sellers to understand the products better, raise questions and receive answers from past buyers of the same products along with easy refunds and returns in case the product fails to meet consumer expectations. These innovations are helping consumers to trust e-commerce platforms more as the risk is minimised and there is assurance that any unpleasant experience of shopping online can be resolved through efficient customer care services on the platforms.

Customer reviews and feedback of the products sold on online platforms can influence a consumer's buying decision as they compensate for the absence of 'see and touch' aspect which is part of the offline shopping experience. The positive feedback of previous users of a product evokes product trust in new buyers, just like in offline retail the 'word of mouth' strategy helps to establish goodwill of products in the market. Most platforms are seen to have this feature now. The format of reviews on the website have also evolved over a period of time -- from simple star ratings to text-based reviews; now consumers can also share pictures and videos of the products. Nowadays the e-commerce platforms also provide filter options that allow a consumer to view only those products that have a certain rating. The online reviews also help the sellers on e-

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commerce market platforms to understand what is working for a consumer and what is not. Sellers are also enabled to respond to the reviews of consumers on the websites. Responses of sellers to consumer reviews, whether good or bad, signify the determination to win the trust of consumers in their products.

Return, refund and replacement policies also play a key role in building product trust. When the product arrives and the buyer feels that the product is wrong/defective/damaged, not the correct size, not serving the intended purpose or not of the expected quality, a customer friendly return, refund and replacement policy can provide an option to the buyer to return or replace it. If the consumer has this option, they will not hesitate in buying the product. Lenient return policies have been found to encourage the intention of consumers to purchase. The reputed platforms have consumer driven return and refund policies. Further their safety, compliance and grievance redressal mechanism are also strong.

To build and nurture trust in consumers to foster the growth of e-commerce, it is also important for sellers and e-commerce platforms to continuously understand their consumers' needs to meet their expectations, build innovative and advanced features to improve consumer experience online and reduce information asymmetry. There is also a need for greater collaboration between all the stakeholders – e-commerce players, trade bodies, consumer consortia and policy makers – to arrive at a stable and predictable policy framework that proves mutually beneficial to all and streamline grievance redressal mechanisms to strengthen consumer protection.

# Chapter 1. Introduction

The growth of e-commerce sector has been aided by high internet and smartphone penetration following the 'Digital India' programme. The digital population in India has doubled to 76.5 crore users over the past five years with a massive 6.5 times growth in 4G data traffic. (*The Times of India*, March 2022) According to the projection by India Brand Equity Foundation (IBEF, February 2022) India's e-commerce market is expected to reach $200 billion by 2026 and $350 billion by 2030. The growth of the sector shows the growing adoption of online mode of shopping by people and this is not possible without the consumers trusting the online mode of shopping to get the product they are looking for.

Any relationship, whether personal or commercial, cannot be sustained without the element of trust; more so in a commercial activity where the relationship is purely transactional. A customer will buy a product from the seller if she trusts that she will receive what she is paying for and that she would not be duped.

In today's world, we have offline as well as online modes of shopping. We can either visit a physical store to buy a product or order it online and receive it at our doorstep. How a buyer makes the buying decision is based on different factors in the two modes of shopping. In an offline shopping mode, the buyer visits the physical store, sees the product and understands its specifications, speaks to the seller, and makes the payment after making her choice. There is 'see and feel' at play. Offline modes involve personal interaction, and trust is usually nourished through repeat experience. Moreover, other than purchases during travel, offline shopping is mostly from our local geography, which gives us greater comfort.

On the other hand, in an online shopping mode, we neither see the seller nor the product until it is delivered to us. We see the display pictures of the product, read the description of its features and quality, sometimes read the reviews and rating, and make our purchase decision. In an online shopping mode, we generally don't know where the product would come from and make purchases even from distant sellers, including those abroad. Unlike offline shopping, we are also required to

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share other personal details like name, mobile number and address. Many of us opt for online payment at the time of the purchase, sharing credit card or bank details.

Sellers recognise that with increasing digital transition, it is becoming essential for them to be present online. These days many sellers operate both offline and online, many are transitioning and many new ones are starting their business online directly, considering the low capital investment and operating cost in an online channel. Given how a buyer's decision to buy a product is influenced by different factors in online mode as compared to offline mode, it is critical for sellers to understand the factors that build and enhance consumer trust in their products so that they can build consumer loyalty and grow their business.

Previous studies have established a link between online trust and website characteristics, perceived risk, and quality-related attributes such as reputation. However, there is limited literature on how consumers perceive trust on products, what factors contribute to building consumer trust on products purchased from e-commerce websites, and what e-commerce platforms and sellers on such platforms can do to foster consumer trust on products. Furthermore, e-commerce is constantly evolving, with platforms and sellers developing new features to enhance the consumer experience, and with it the policy framework to address the concerns arising from e-commerce. Thus, the previous literature provides limited insights on the subject to guide e-commerce platforms, sellers and policymakers to make a favourable e-commerce ecosystem for all the stakeholders.

The objective of this study is to understand the notion of product trust in consumers, the factors that contribute to building this trust and what sellers and e-commerce platforms do to build and enhance product trust in consumers. The scope of this study is limited to offline and online retail. To achieve this, the study has employed both primary and secondary research methods. The primary research includes a consumer survey to understand their notion of product trust and the factors that contribute to building trust. Based on insights from the consumer survey, secondary research is conducted to assess if the sellers and e-commerce platforms meet the consumer expectation of product trust and identify the areas they need to work on to enhance such trust.

This research report is divided into five sections. The following chapter reviews the present literature on the subject. Chapter 3 provides the consumer survey methodology and findings. Chapter 4 presents the insights from the secondary research on online sellers and e-commerce

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platforms to assess how they perform on the trust factors revealed by the consumer survey. The last chapter discusses how consumers can be made more aware of the responsibilities of the actors in the e-commerce value chain towards building and maintaining product trust and what sellers and e-commerce platforms can do to enhance product trust in consumers.

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# Chapter 2. Literature Review

Trust forms the basis for any form of social or economic interaction. (Kumar *et al,* 2020) However, the feeling is abstract and subjective. The factors and the degree which contribute to evoking trust in someone may vary from person to person. The literature provides various definitions of trust. According to Doney and Cannon (1997), development of trust relies on the formation of a trustor's expectations about the motives and behaviour of a trustee. Mayer, Davis, and Schoorman (1995) defined trust as "the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party". In the context of e-commerce, Kim *et al* (2008), defines trust as a subjective belief that the online seller will fulfill its transactional obligations, as those obligations are understood by the consumer. According to Pavlou (2003), trust is the belief that renders consumers vulnerable to the good faith of online sellers after learning of their characteristics.

Trust plays a very important role in trade-related activities. In any commerce conducted, the seller needs to trust the buyer to pay and the buyer needs to trust the seller that adequate product or service would be provided against the money. It is trust that leads to repeat purchases by customers. Whether online or offline, to run their business, it is important for sellers to gain and maintain consumers' trust in them and their products. When we talk of trust in a transaction, it could be trust vested in the seller, e-commerce marketplace, product or the whole institutional mechanism. The focus of this study, however, is product trust and the literature well demonstrates the importance of product trust for consumers.

The quality of the product and the delivery services that include product variety, quality, safety, reliable delivery, availability, package safety and delivery time have a direct influence on e-trust and e-satisfaction (Ziaullah *et al,* 2014). Lee (2002) studied the behavioural factors of Internet users when making an online purchase which revealed that a good product description is on top priority for consumers when purchasing online. This helps the consumers in evaluating the quality of the product and building trust.

Several studies have shown the importance of product trust in increasing the purchase intention of the consumers in the food market where quality and safety matter to consumers. Buaprommee and Polyorat (2016) examined the antecedents of purchase intention of meat with traceability including health consciousness, quality consciousness, product diagnosticity, perceived quality and product trust and found that product trust plays a vital role in the purchase intention of the consumer of meat in Thailand. Trust is established using the traceability system to know where the meat is coming from and how it is processed, which helps the consumers in evaluating the quality of the meat and ensuring that the product is safe for their consumption. Benson *et al* (2020) also studied consumer trust in the food items and observed that it depends on six different factors: interpersonal trust, organisation trust, food chain trust, product trust, interpersonal distrust, and organisation distrust. The data showed that the more a consumer trusts a product, the higher are the chances of their buying that product.

Ani *et al*. (2019) studied the online travel booking market of Jakarta and showed that the purchase intention is heavily influenced by product trust. They referred to the definition of product trust by Pavlou & Gefen (2004) as a psychological mechanism that reflects the consumers' perspective on the openness and integrity of the seller to reduce the perceived risk and increase their intention to transact in online marketplaces.

The importance of product trust can also be seen from the negative image that China has earned by producing counterfeit products over the years. From gadgets to clothes to food items, counterfeiting is widespread in China (*The Epoch Times,* 2015). One of the biggest food scandals in China involves baby formula which compelled many Chinese to travel to Hong Kong in search for safe baby formula (*The New York Times,* 2013). In a 2015 survey regarding the e-commerce usage of mothers in China, product safety and product quality came out to be the major concerns in online shopping (*China Internet Watch*, 2015) Clemons *et al* (2016) highlighted how such scandals have demolished the consumers' trust in the quality of products in China due to the sale of defective, dangerous and counterfeit products, making it difficult for genuine sellers to build consumer trust in their products without going above and beyond. But once an online seller is able to build a reputation for good quality and safety of their products, the Chinese consumers exhibited the same shopping behaviour with those merchants as the American and German shoppers with their favourite online sellers.

Previous studies show that the customer review system is one of the important features in e-commerce that influences the purchasing decision of the buyers. As consumers rely only on the information provided about the product, reviews help them in evaluating the quality of the product better. High product ratings and good reviews by other consumers help in evoking trust in the new buyers. Jiang & Guo (2015) observed that these days some online platforms do not just seek overall product rating, but also additional reviews on specific product attributes for some products which could be more helpful for the new buyers to determine if the product really fits their preferences. They believe that the reviews on specific attributes help in providing more information to the consumers and compensate for the lack of 'see and touch' experience in online shopping. Their study shows when the consumer misfit cost is high, the sellers are advised to design a granular review report mechanism to reduce consumer uncertainty on product fit.

The importance of product trust to consumers is shown by the literature; however, there is no research on how consumers perceive product trust in retail and what factors contribute to building it. Thus, this study attempts to fill this gap in the literature. The next chapter provides insights from a consumer survey conducted to investigate product trust in Indian consumers.

# Chapter 3. Consumer Survey

To study consumers' perception of product trust and the factors that contribute to building consumer's trust on products, a survey was conducted.

## Methodology

A. <u>Sampling Design:</u> A total of 504 respondents were surveyed across Indian cities using the Quota Sampling Method. A census like wider sampling was not possible due to cost and time constraints of the study. However, to ensure a good mix of representative sample of the universe, the sample was stratified by geography, gender and mode of shopping.

1. **Geography**
Equal representation 126 consumers each was sought of the four broad zones of India: West India, North India, South India and East India.

- India has a vast territory and is broadly divided into four zones. Each zone has its own unique cultural and psychological flavour which contribute to distinct consumer behaviour trends.

- An equal mix of 168 consumers each from Tier 1, 2, and 3 cities across India were included.

- The classification of Indian cities into the three tiers is a ranking system used by the Government of India to allocate House Rent Allowance to public servants employed in cities in India. Under this, cities are classified on the basis of their population, as recommended by the Sixth Central Pay Finance Commission.

- Consumers across the three tiers were selected on the basis of a pre-designed screener fitting the requirements of the quotas defined as a requirement for the study. They were sampled randomly and each respondent screened had an equal chance of being selected for the survey.

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**Tier 1 - Mumbai, Delhi, Chennai, Kolkata**

These four cities are the traditional metropolises of India and represent consumers who have predominantly urban roots, are educated (tertiary and professional level), have a high disposable income and have the maximum (highest) exposure to technology and digital platforms.

**Tier 2 - Jaipur, Vijaywada, Ahmedabad, Bhubaneshwar**

These four cities selected represent consumers who are urban, are educated (post graduate level), are considered highly aspirational with their disposable income and have a high exposure to technology and digital platforms.

**Tier 3 - Jaunpur, Coimbatore, Palghar, Muzzaffarpur**

These four cities are representative of a semi-urban consumer set (may have roots in rural India), are aspirational with a fairly good purchasing power, and have moderate exposure to technology and digital platforms.

Note: Though for Tier 2 and Tier 3 cities there could be other cities falling into the consideration set looking into their viability (as defined above for each and as per the HRA ranking), the specified cities were a part of the sampling consideration due to time and cost constraints. Keeping in mind that pandemic restrictions still apply to large parts of India, an ethical call on behalf of the researchers and the participants was taken and the most accessible centres were chosen.

2. **Gender**

An equal mix of gender: A total of 252 male consumers and 252 female consumers were surveyed

Past research (in academia or business) has reflected how differently males and females shop. The motivators and methods to shop vary for both the genders. To ensure there is no skew in the results of the study, it was imperative that an equal gender mix was considered.

3. **Mode of shopping**

An equal mix of the usership among Online Shoppers and Offline Shoppers- A total of 252 each

B.   Mode of survey: Out of the 504 participants surveyed for the study, 230 were surveyed face to face using the computer while 274 participants were surveyed telephonically.

## Characteristics of the respondents

- Majority (89.28%) of the shoppers interviewed are in the age-group of 21-40 and 10.31% are in the age group of 41-60.
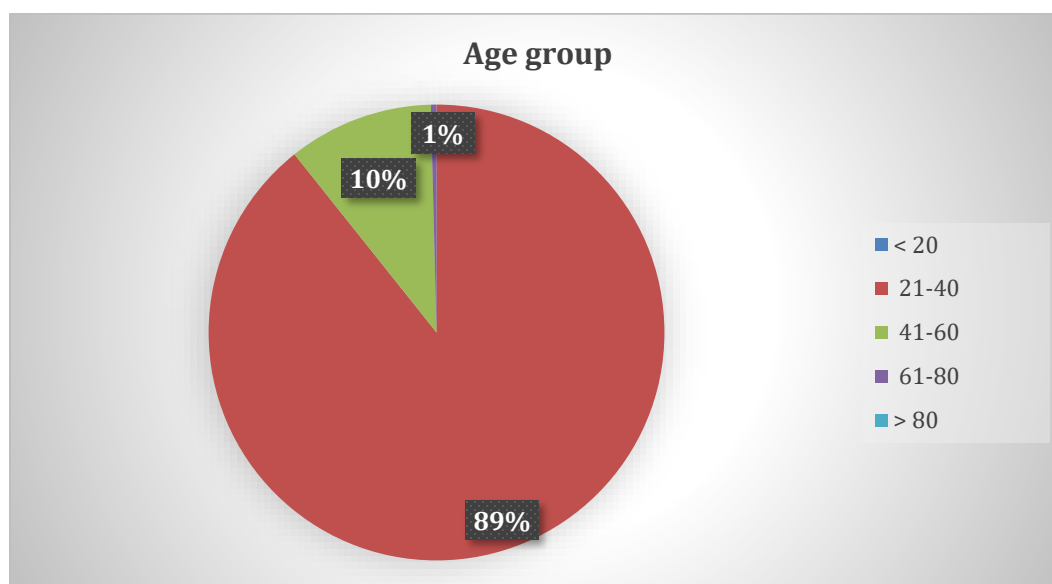


Figure 1: Age group of the respondents

- 98.6% of the respondents are educated with at least high school education, out of which 57.9% are graduates and 14.9% also have higher education.

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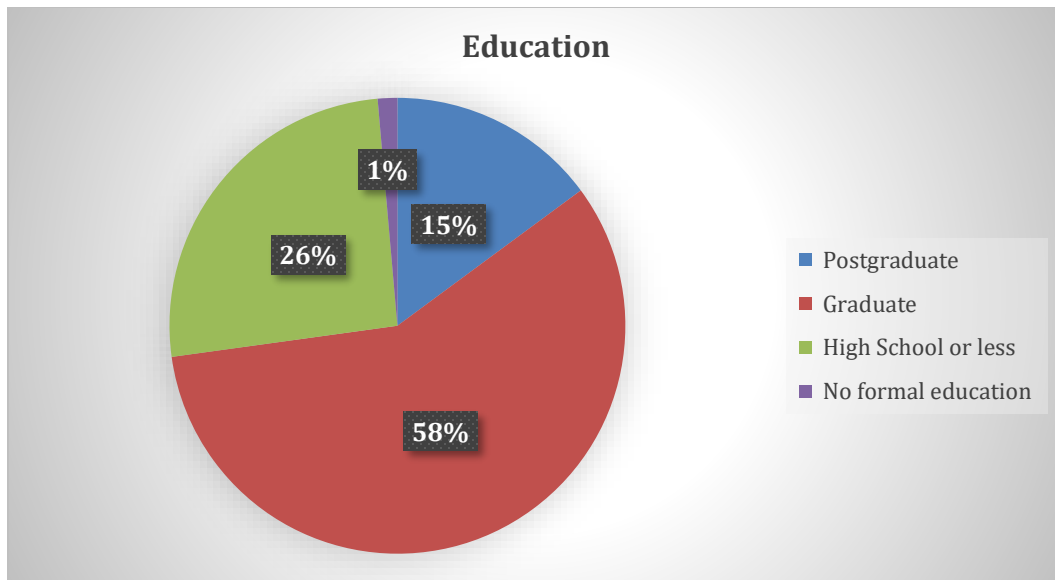
Figure 2: Education of the respondents

- 62.9% of the respondents are employed, out of which 46.6% are employed full time. A quarter of the respondents (26.8%) are homemakers and 11% are students.
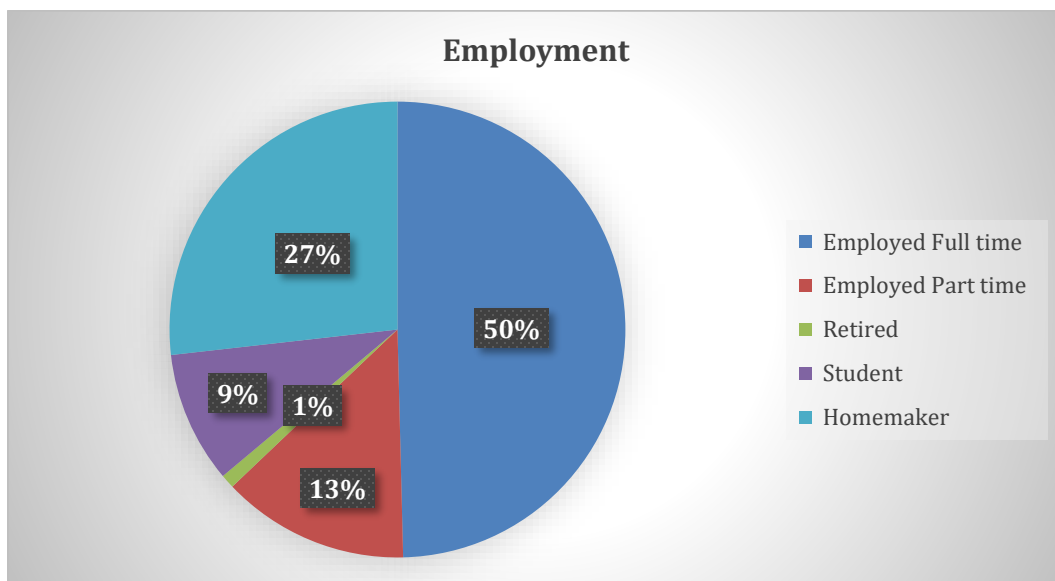


Figure 3: Employment of the respondents

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- 44.4% of the respondents are in the income bracket of INR 25,000-50,000 per month, of which majority are males (57.1%). 43.8% of the respondents are in the income bracket of <INR 25,000 per month, out of which majority are women (57.9%).
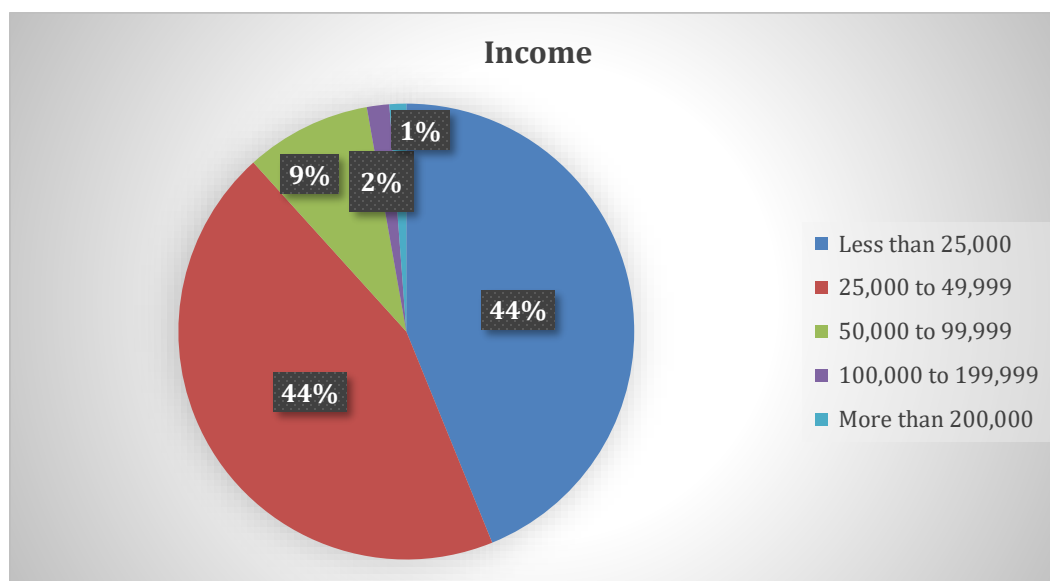


Figure 4: Monthly income of the respondents

**Findings**

The respondents were asked about the factors that enhance their trust while shopping in online and offline mode.

**Insights from only offline shoppers**

- The consumers were asked to pick five factors that enhance their trust while shopping offline. Reputation of the shop, return and refund policy of the shop, own prior shopping experience from the shop, quality of the product, helpful sales staff were the top five factors selected by the respondents.
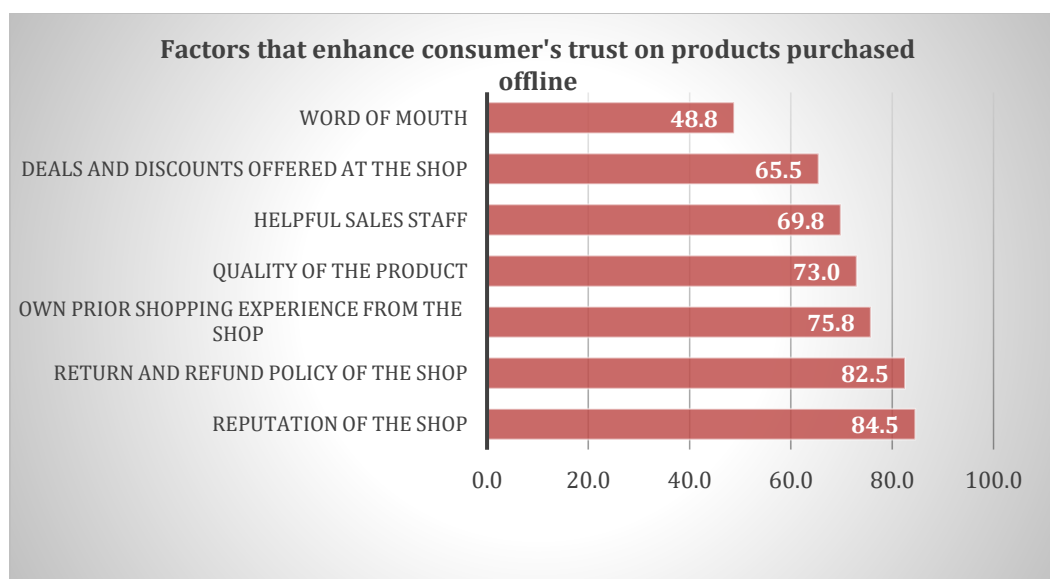
**Factors that enhance consumer's trust on products purchased offline**

| Factor | Value |
|---|---|
| WORD OF MOUTH | 48.8 |
| DEALS AND DISCOUNTS OFFERED AT THE SHOP | 65.5 |
| HELPFUL SALES STAFF | 69.8 |
| QUALITY OF THE PRODUCT | 73.0 |
| OWN PRIOR SHOPPING EXPERIENCE FROM THE SHOP | 75.8 |
| RETURN AND REFUND POLICY OF THE SHOP | 82.5 |
| REPUTATION OF THE SHOP | 84.5 |

Figure 5: Factors that enhance consumer's trust on products purchased offline

Apart from the factors listed, others named by the consumers that build their trust are price, quick service, good relation, variety, trust on the shop owner and easy payment.

- When asked about the reasons for not shopping online, the top three reasons selected by the offline shoppers were: 'I prefer to physically see and touch the product in a store', 'I have a more established relationship with the retailer(s) where I currently shop' and 'I prefer the convenience of going to a store'. It is understandable as people are slowly transitioning to the online mode and several consumers still have the habit of going to a physical store and seeing the product themselves, especially for the products that are available locally as they may be more comfortable shopping from a known seller with whom they have an established relationship.

- The respondents were asked that if they receive a damaged, bad or wrong product from offline shopping, who should be held liable. Out of 252 offline shoppers, 54.4% think that a shopkeeper should be held liable while 27.8% feel that both the shopkeeper and brand/manufacturer should be held liable.

**If you get a damaged, bad or wrong product from offline shopping, who should be held liable?**

- Shopkeeper
- Brand/manufacturer
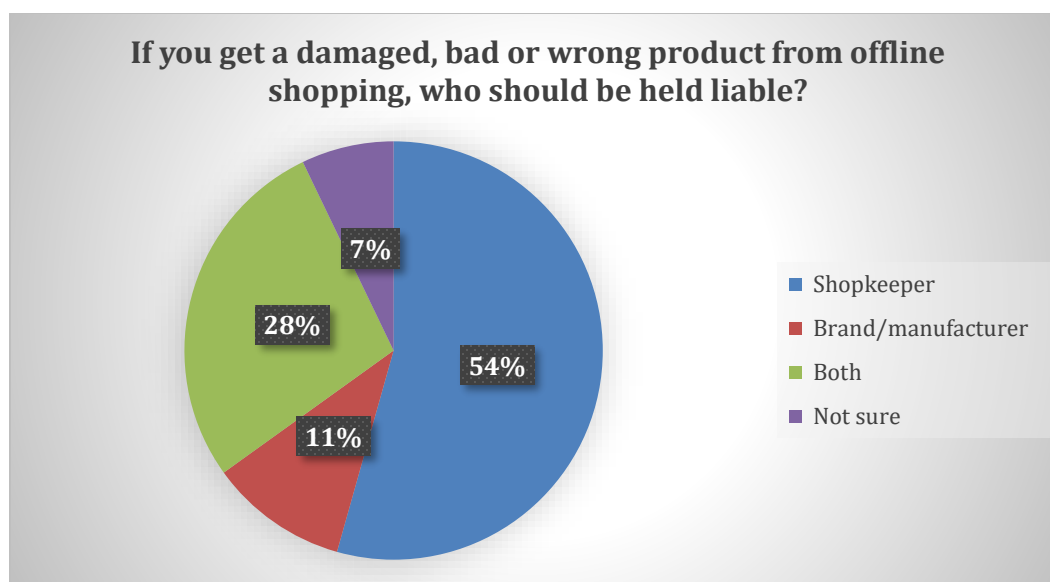- Both
- Not sure

7%

28%

54%

11%

Figure 6: If you get a damaged, bad or wrong product from offline shopping, who should be liable?

**Insights from online shoppers (this includes the people that shop only online as well as online + offline)**

- The respondents were asked about the frequency of their online shopping. 77.4% of the shoppers reported that they shop online at least once a month while 22.6% reported that they shop online only 2-3 times a year. This shows that the majority of the consumers shop online quite frequently.

- The survey exhibits that apparel, electronics and personal care products are the top three categories of products purchased online. It is interesting to see that consumers have become comfortable shopping for apparel online as here style and fit matter a lot. They are also buying online even heavy and/or expensive items like electronics for which the buyers usually need demonstration. It could be attributed to detailed product description along with images and videos of the product these days which reduce information asymmetry; good return, refund and replacement policy which enables consumers to return or replace the product within the specified time if it doesn't meet their expectation or has any defect; and good customer service -- like in case of electronics, the executives are sent home for installation and demonstration.

**Categories of products purchased online**



Figure 7: Categories of products purchased online by the respondents

- 77.8% respondents believe that online shopping is as safe as offline shopping and 11.5% respondents believe that online shopping is safer than offline shopping. Only 10.7% respondents believe that online shopping is not as safe as offline shopping. This shows that the majority of the consumers trust online shopping.

- 80.2% of the online shoppers are confident that the products they purchase online will meet their expectations.

- The respondents were asked to select the factors that online shoppers consider most important when deciding whether they should trust an online retailer. Pricing, product quality assurance, customer service, delivery and customer reviews appeared to be the top five factors.

**Important factors that consumers consider while deciding whether to trust an online retailer**

| Factor | Value |
|---|---|
| TRANSPARENCY OF POLICIES | 12.3 |
| PRODUCT ACCURACY / PRODUCT RECEIVED IS… | 20.6 |
| PRODUCT OPTIONS / PRODUCT VARIETY | 24.2 |
| PRODUCT DESCRIPTIONS | 34.1 |
| RETURN POLICY | 38.1 |
| BRANDS AVAILABLE | 44.4 |
| CUSTOMER REVIEWS OF THE PRODUCT | 52.0 |
| DELIVERY / SHIPPING SERVICE | 54.8 |
| CUSTOMER SERVICE | 63.5 |
| PRODUCT QUALITY | 77.8 |
| PRICING | 78.2 |
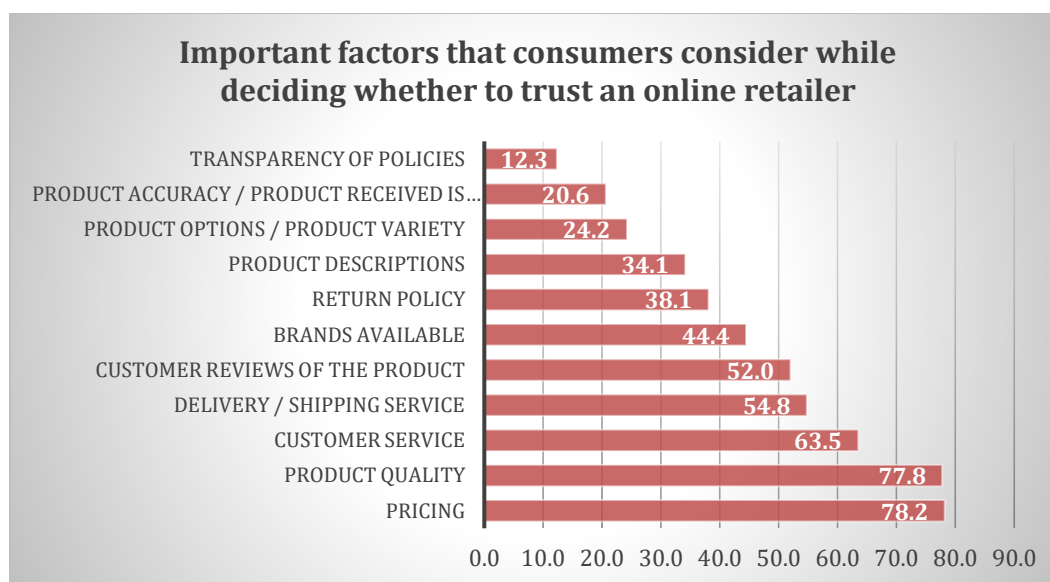
Figure 8: Important factors that consumers consider while deciding whether to trust an online retailer

Apart from the listed factors, some other factors stated by the respondents are offers, payment system, call back review from customer, brand due diligence, cash on delivery, regional language for product description, warranty, mass advertising and friends' response and reference.

● To see if there are any e-commerce platforms that best match their definition of a trustworthy online retailer, we asked the respondents to list the platforms that they perceive as trustworthy according to their belief. Amazon and Flipkart appeared to be the top two, with 42.9% respondents listing Amazon and 42.4% listing Flipkart.

● 41% of the respondents believe that upon receiving a damaged, bad or wrong product, both the e-commerce platform and the seller should be held liable while 34.9% believe that only the e-commerce platform should be held liable. From this, it appears that due to the involvement of two parties i.e. the seller and the e-commerce platform, the consumers are mostly unaware of who is responsible for such instances.

**If you get a damaged, bad or wrong product from online shopping, who should be held liable?**

- 7%
- 35%
- 41%
- 17%

- ■ E-commerce website
- ■ Seller of the product
- ■ Both
- ■ Not sure
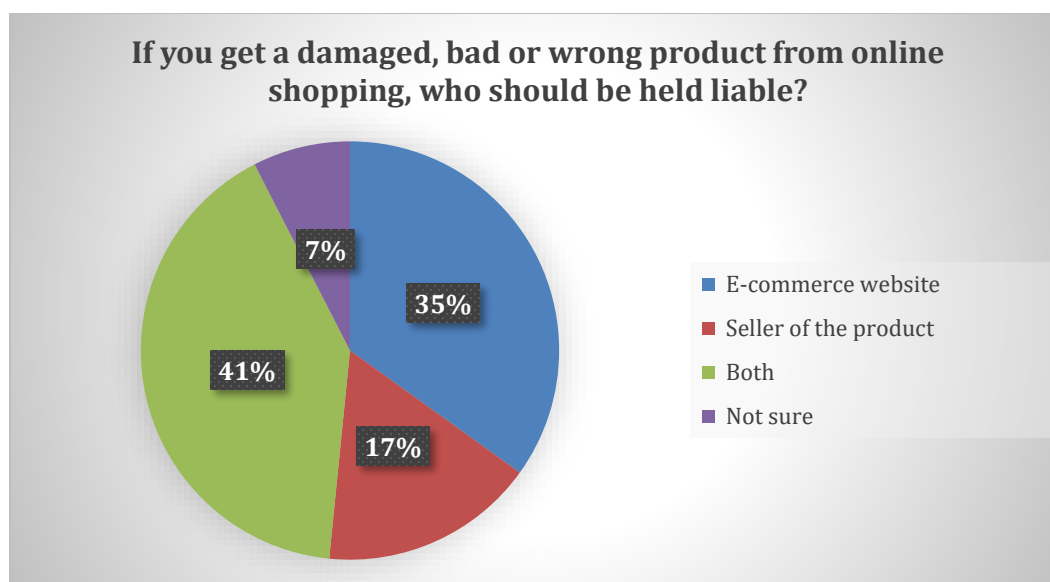
Figure 9: If you get a damaged or wrong product from online shopping, who should be held liable?

- 50% of the respondents said that if they received a counterfeit product from an e-commerce website, they would file a complaint on the website or with the consumer protection forum while 26.9% of the respondents said that they would not buy any product from the website. 19.4% of the respondents said that they will ignore the counterfeit product and buy the one that they believe is genuine.

**If you see or receive a counterfeit product from an e-commerce website, you**

- 27%
- 50%
- 19%
- 4%

Legend:
- Do not buy any product from that website
- Ignore the counterfeit product and buy the one that you believe is genuine
- Buy product regardless of authenticity
- File a complaint on the website or with the consumer protection forum
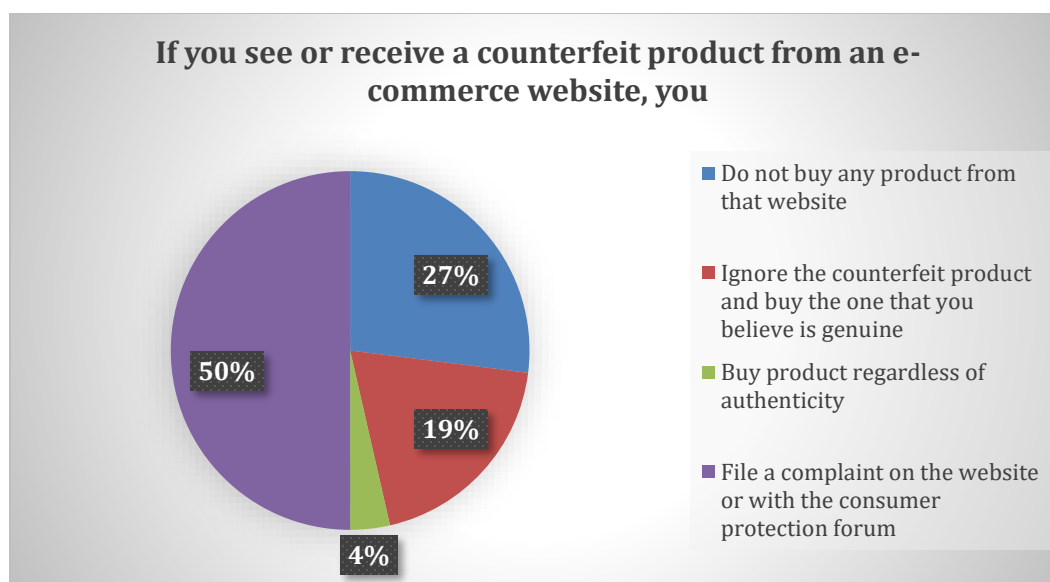
Figure 10: Course of action if counterfeit product is seen or received from an e-commerce website

- The top 3 reasons selected by the online shoppers for the product not meeting their expectations are receiving a fake/counterfeit product, receiving a damaged product, receiving an expired product.

**Reasons for product not meeting consumer expectation**

| Reason | (In percentage) |
|---|---|
| RECEIVING A PRODUCT THAT WAS MISSING PARTS | 12.7 |
| RECEIVING A PRODUCT THAT DID NOT FUNCTION/WORK AS EXPECTED | 24.6 |
| RECEIVING THE WRONG VERSION OF A PRODUCT | 43.3 |
| RECEIVING A USED PRODUCT THAT WAS ADVERTISED ON THE SITE AS NEW | 43.7 |
| RECEIVING AN EXPIRED PRODUCT | 56.3 |
| RECEIVING A FAKE/COUNTERFEIT PRODUCT | 56.3 |
| RECEIVING A DAMAGED PRODUCT | 63.1 |
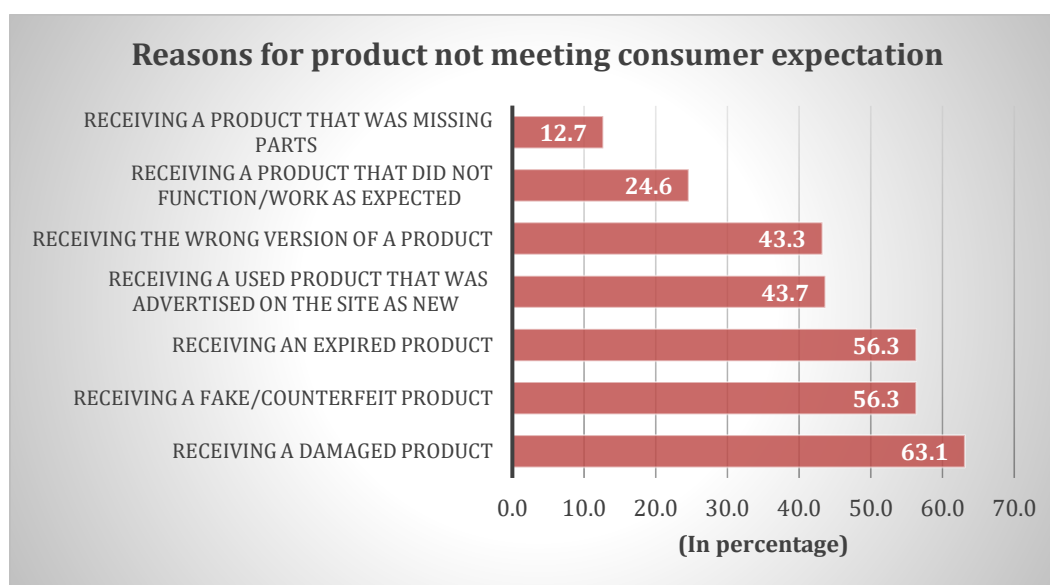
Figure 11: Reasons for product not meeting consumer expectation

- All the shoppers, online as well as offline, were asked to list what online platforms could do to earn their trust and make them more confident about shopping online. The top five factors were quality assurance, fast delivery, more discount, less price and customer review.

# Chapter 4. Assessment of E-commerce Platforms and Sellers

After analysing the findings of the consumer survey to understand the perception of product trust in Indian consumers, we conducted secondary research to see how e-commerce platforms and online sellers in India perform on factors listed by consumers in the survey. In the survey, Amazon and Flipkart were revealed to be the most trustworthy platforms in India. Thus, the secondary research uses these two platforms in comparison to some other e-commerce platforms in India to assess their trustworthiness as defined by the consumers.

The five factors listed below appear to be the topmost considerations that affect consumer trust when shopping online:

1. Pricing
2. Product Quality
3. Customer Service
4. Delivery/Shipping Service
5. Reviews by Other Customers

We assess the platforms listed above on each of these factors below:

## Pricing

The price of a product serves to be a good indicator of perceived quality, especially in online shopping where other intrinsic cues are missing (Chen & Dubinsky, 2003). India is an extremely price-conscious market. As per a study conducted by Boston Consulting Group (BCG) in 2021, it was found that India has the highest proportion of price-sensitive consumers compared to 16 other countries (*BCG*, 2021). The pricing of a product is the first indicator in the mind of a customer of whether the product would fulfill her expectations or not. This has led to sellers and the platforms finding ways to present attractive deals, discounts, schemes and coupons to be able to provide best value for money to consumers. Pandey *et al* (2019) demonstrated that a consumer's price tolerance is significantly positively correlated to their satisfaction, trust, loyalty and perceived value. In a consumer survey conducted by CIRC for a study on festive economy and the sales of Micro, Small

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and Medium Enterprises (MSMEs) in India, 83.08% of the respondents reported that they get more deals and discounts online as compared to offline retail stores.[1] In the same study, Key Informant Interviews (KII) with the online sellers revealed that 50% of those sellers were offering deals and discounts only on their online storefront and not at the physical shop.[2]

Online sellers are often able to offer such discounts on the price of products due to the reduced operating cost online and high competition. However, if the product is sold for a price significantly lower than the actual selling price of that product on the brand websites and offline channels, it can lead to mistrust about the authenticity of the product, as it indicates counterfeiting. The price of a product must correspond to the actual selling price of the branded product in offline mode or the brand website; for other generic products, the price must be comparable to other sellers. For instance, the Fossil men's watch is offered by a seller on Amazon for INR 6,597 at 40% discount. The original price on the brand website is INR 11,995. On Amazon, the actual price and the discount are clearly mentioned. However, a website called Reyol is selling it for INR 2,199, which is significantly lower than the actual price. The significantly low price and no information about the discount raises doubts that it could possibly be fake.
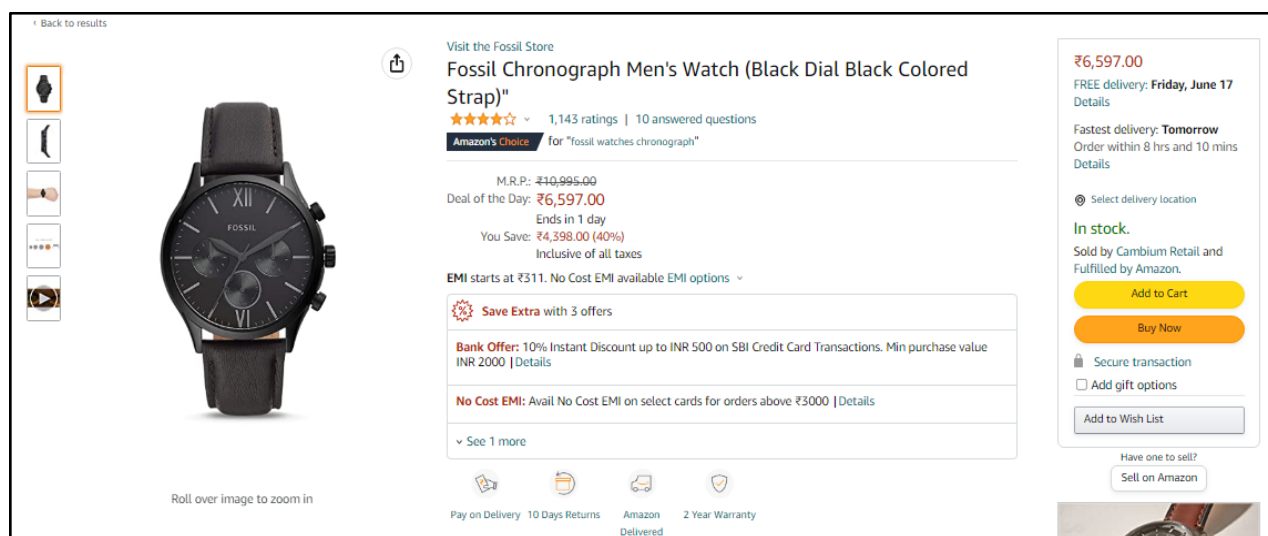


Image 1: A Fossil watch brand retailing for INR 6,597 on Amazon

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[1] Pg 12 of the report

[2] Pg 18
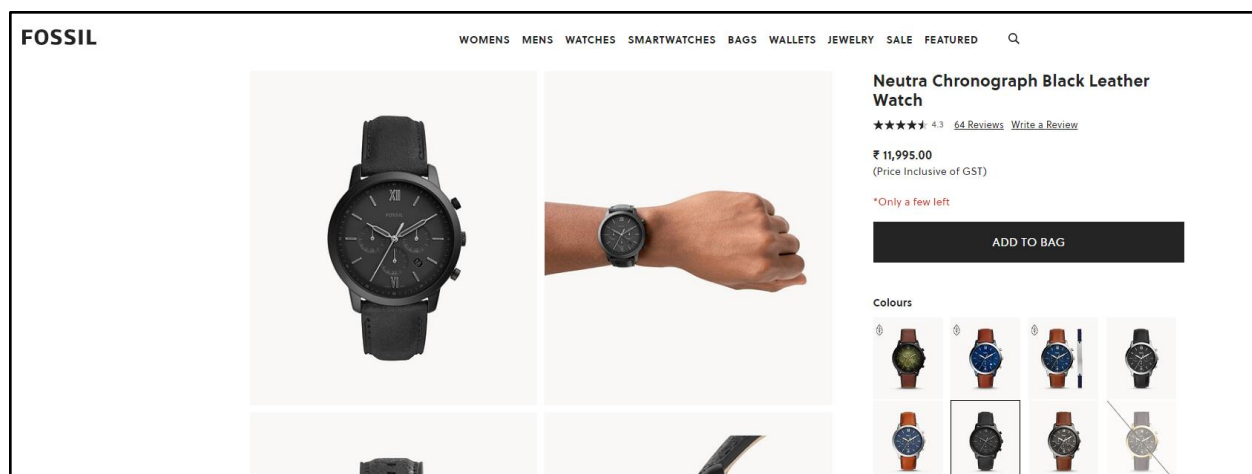
Image 2: The Fossil watch retailing for INR 11,995 on the website of Fossil
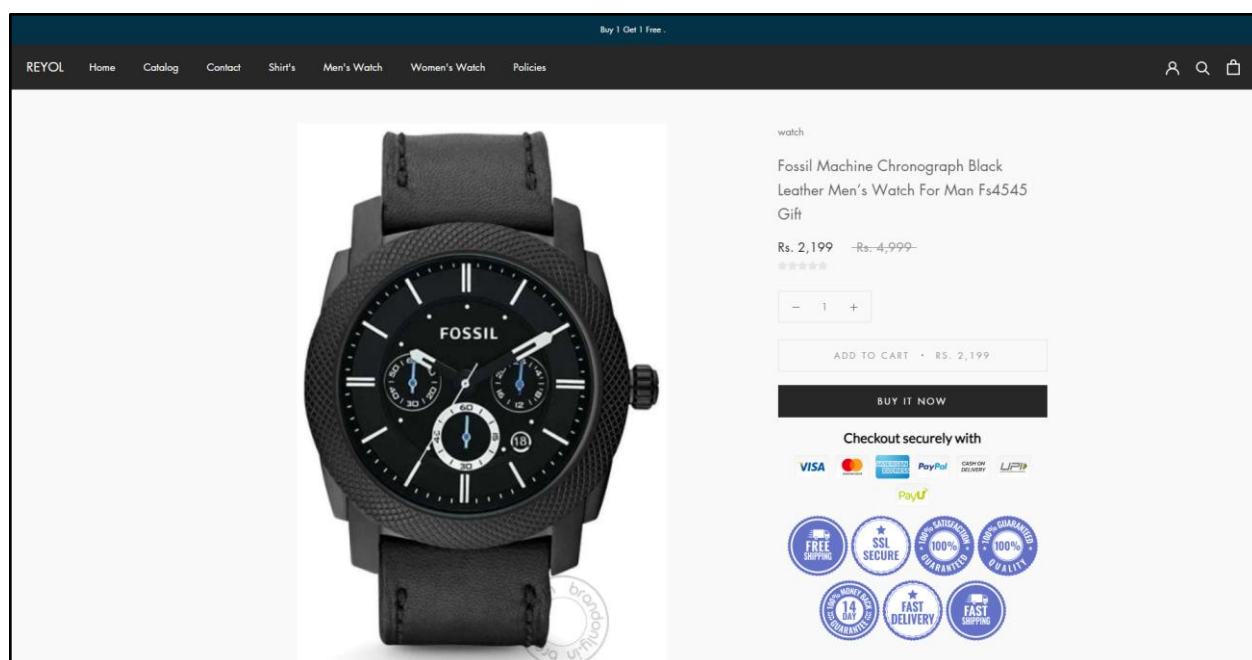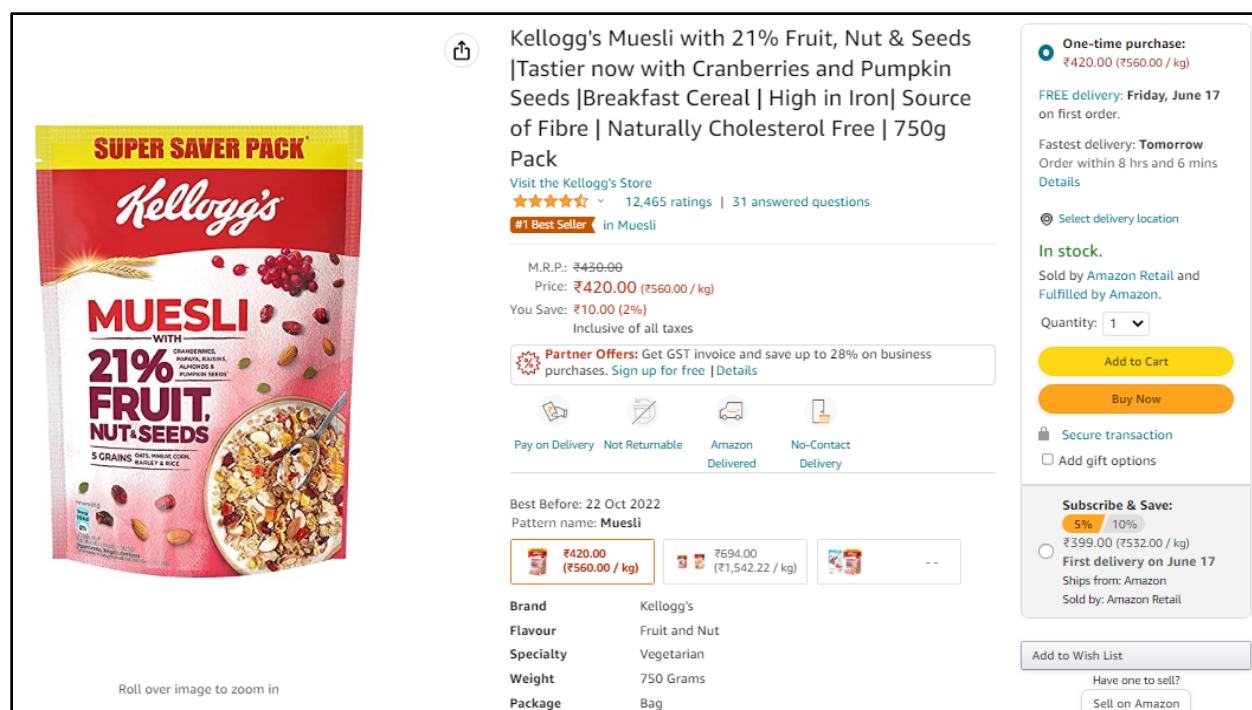


Image 3: The same model being retailed for INR 2,199 on Reyol website

We also captured the price presentation of products on the selected e-commerce platforms. For comparison, we chose the same/similar product on all the platforms.

To illustrate, the images below show the price presentation of Kellogg's Muesli from sellers on Amazon and Flipkart. It is observed that on these two platforms, the Minimum Retail Price (MRP), after discount price, discount percentage and price per gram or per litre are showcased right next

to a product. All the additional saving offers are also given right below the price information. Other than that, on the same webpage, if the consumer scrolls down, they can see a price comparison with other sellers on the platform. This way, these platforms equip the consumers with very detailed price information to compare with other sellers as well as other websites and easily decide where to buy it from.



Image 4: Price presentation of a product on Amazon
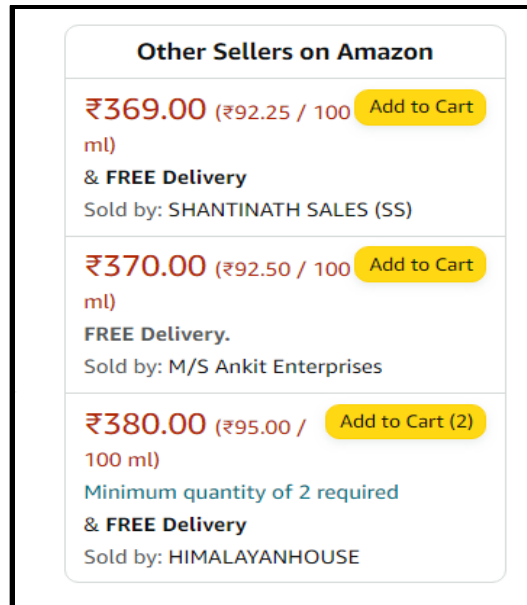
Image 5: Comparison of a product prices available of a product on Amazon
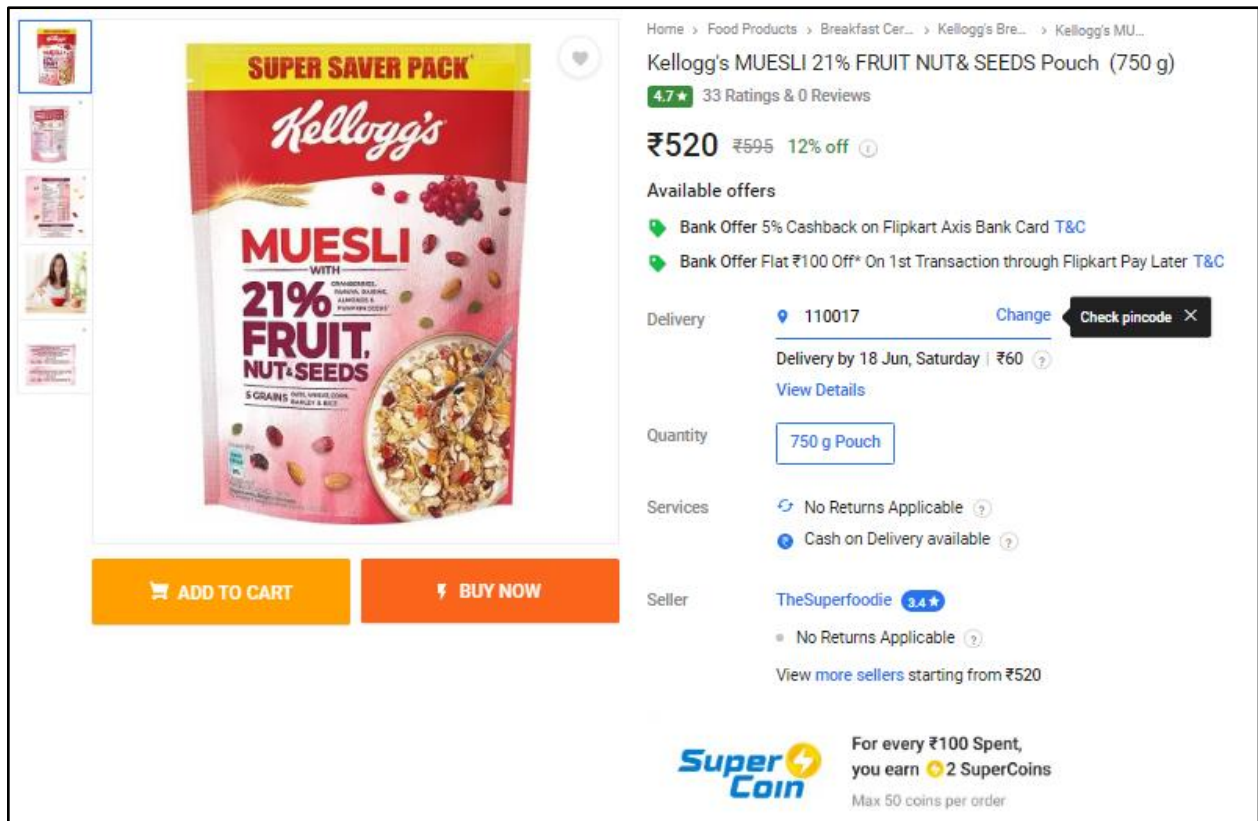


Image 6: Price presentation of a product on Flipkart

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Image 7: Comparison of product prices of a product on Flipkart

The ability to compare prices and save money on products also boosts the trust of a consumer on the products being purchased (Gustavsson & Johnson, 2006). Features like these resonate with our findings of the consumers survey that pricing plays a key role in establishing product trust.



Image 8: Comparison of prices, size and features of similar products on Amazon

However, there are some websites that mention only the price of the given product. Information like price per kilogram etc. as provided by Amazon and Flipkart that can facilitate easy price

comparison for consumers are not necessary, but on online platforms where the consumer cannot interact with the seller and relies mostly on the information provided on the product webpage, these features can help consumers evaluate the quality of the product and its pricing properly and easily, and assess if it's value for money for them. This may enhance their trust in the product. When such information is not provided, the consumer will have to put in the work to compare with other sellers and websites. The consumers may not be able to do it correctly or they may not be willing to put in the work. This may make it difficult for them to evaluate the product and trust the quality and pricing.
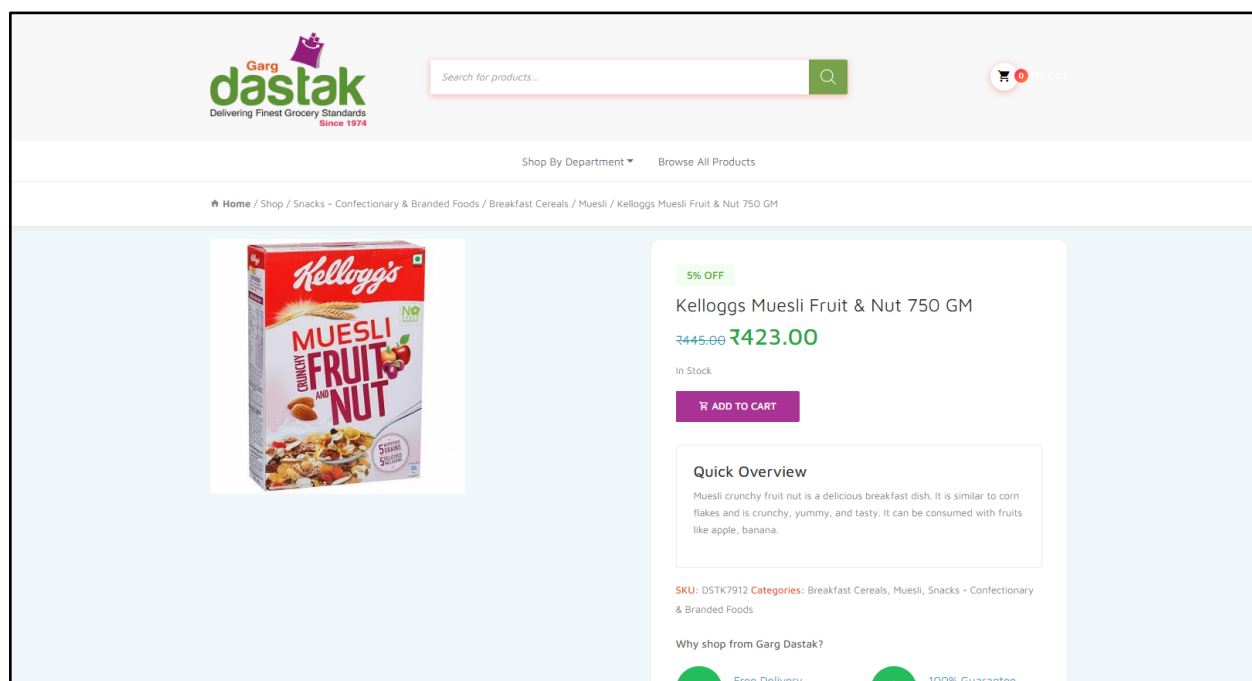


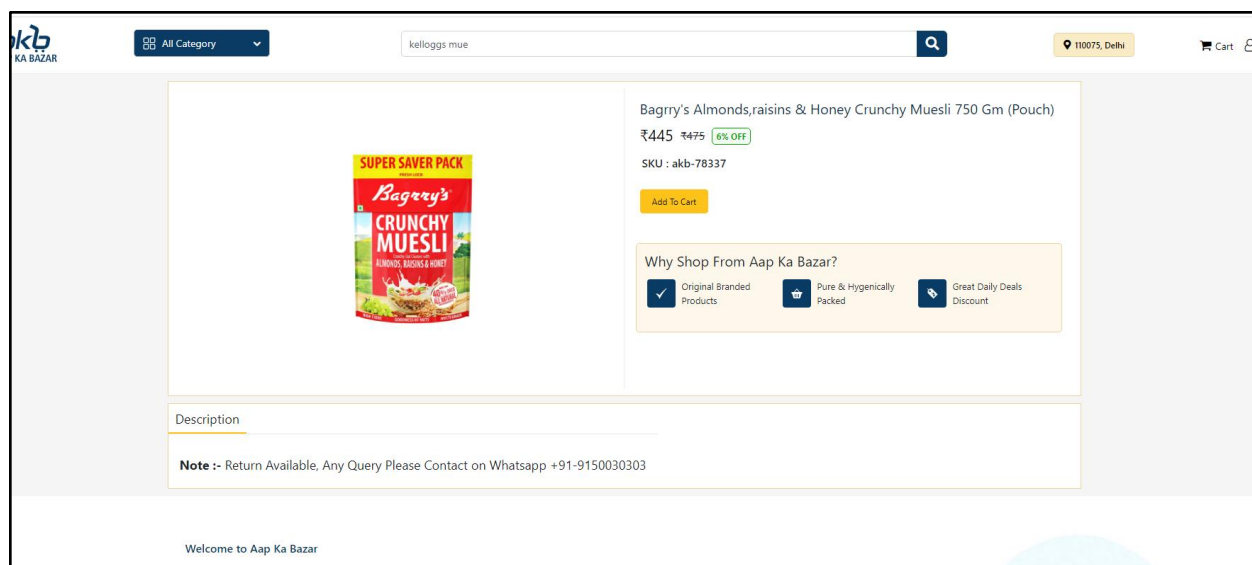Image 9: Price presentation on Gargdastak.com

Image 10: Price presentation on Aap Ka Bazar

## Product Quality

Garvin (1988) defines the quality of a product as the collection of features and brand product characteristics that have contributed to the ability to fulfill specified demand. When a consumer is looking to buy a product, it is critical for them to be able to evaluate the quality of the product so they can ensure it fits their preference and decide whether to buy it or not. While purchasing from a brick-and-mortar store, the consumer can see and touch the product, even get a demonstration in some cases, which helps them in ascertaining the quality and making an informed buying decision. However, in online shopping, the 'see and touch' aspect is absent. The more information provided about the product on the website, the easier it is for the consumer to be able to evaluate its quality and trust the product. In online shopping, the quality of information can influence the purchase decision of consumers. Providing complete, accurate, updated and well-formatted information is important for nurturing the seller-buyer relationship (Sharma & Lijuan 2015).

There are certain international advisories and guidelines that list all the information that needs to be electronically produced before entering into a transaction.

The EU Directive 2011/83/EU on consumer rights in cases of distant selling elaborate on the information to be provided by a seller in a clear and comprehensible manner:

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1. Main characteristics of the goods or services

2. Identity of the trader, such as his trading name, the geographical address at which he is established and his telephone number

3. Total price of goods or services inclusive of taxes

4. Where applicable, arrangements for payment, delivery, performance, the time by which the trader undertakes to deliver the goods or to perform the service, and the trader's complaint handling policy

5. A reminder of the existence of a legal guarantee of conformity for goods, the existence and the conditions of after-sales services and commercial guarantees

6. Duration of the contract

7. The trader shall provide the consumer with a copy of the signed contract or the confirmation of the contract on paper

The USA Restore Online Shoppers' Confidence Act (ROSCA) was enacted in 2010. It recognised the importance of confidence and trust of consumers in the growth of online commerce. It listed the following information disclosures for third party sellers:

1. A description of the goods or services being offered;

2. The fact that the post-transaction third party seller is not affiliated with the initial merchant, which may include disclosure of the name of the post-transaction third party in a manner that clearly differentiates the post-transaction third party seller from the initial merchant; and

3. The cost of such goods or services

Although the presentation of the information of products has changed a lot in the past 10 years, these directives still play an essential role in conveying the quality of products to consumers.

Even in India, The Ministry of Consumer Affairs, Food and Public Distribution, in The Consumer Protection (E-commerce) Rules, 2020 has listed what type of product information needs to be displayed on e-commerce websites in India.

1. Contractual information required to be disclosed by law

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2. Total price in single figure, along with the breakup price for the good or service, showing all the compulsory and voluntary charges such as delivery charges, postage and handling charges, conveyance charges and the applicable tax

3. All mandatory notices and information provided by applicable laws, and the expiry date of the good being offered for sale

4. All relevant details about the goods and services offered for sale by the seller

5. Name, contact numbers and designation of the grievance officer for consumer grievance redressal or for reporting any other matter

6. Any relevant guarantees or warranties applicable

In 2021, The Ministry of Consumer Affairs released a draft of the amendments to be made to the Consumer Protection (E-Commerce) Rules, 2020. Although it has not been incorporated into the Act yet, it introduced various information disclosures for the products. It provides for a ban on the display or promotion of misleading advertisements, country of origin of the foreign products, clear display of name of seller in the invoice, best before and use before date.

To illustrate, the image below shows how Amazon provides a detailed description of the product. It even provides the item number that helps in traceability to ascertain the authenticity of the product. Such details are missing on other platforms, as seen in further images.



**Product information**

**Technical Details**

| Specialty | Suitable for vegeterians |
| --- | --- |
| Weight | 910 Grams |
| Volume | 1 Litres |
| Ingredient Type | Vegetarian |
| Brand | Fortune |
| Item Package Quantity | 1 |
| Form | Liquid |
| Package Information | Bottle |
| Manufacturer | Adani Wilmar |
| Allergen Information | Mustard |
| Item model number | 8906007280969 FBA |
| Net Quantity | 1000.0 millilitre |
| Product Dimensions | 7.6 x 7.8 x 27.2 cm; 910 Grams |
| Country of Origin | India |

**Additional Information**

| ASIN | B0757631XR |
| --- | --- |
| Customer Reviews | ★★★★☆ ⌄  15,717 ratings  4.5 out of 5 stars |
| Date First Available | 29 June 2016 |
| Manufacturer | Adani Wilmar |
| Item Weight | 910 g |
| Item Dimensions LxWxH | 7.6 x 7.8 x 27.2 Centimeters |
| Generic Name | Oils |

**Feedback**

Would you like to **tell us about a lower price?** ⌄

Image 11: Product listing of a cooking oil brand on Amazon-I
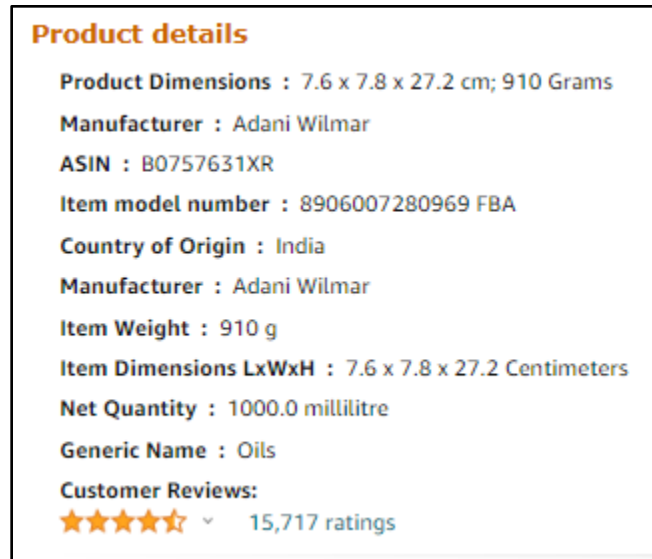
Image 12: Product listing of a cooking oil brand on Amazon-II

Image 13: Product listing of a cooking oil brand on Flipkart-I

Image 14: Product listing of a cooking oil brand on Flipkart-II

The product information provided by some platforms such as the one below is not as detailed.
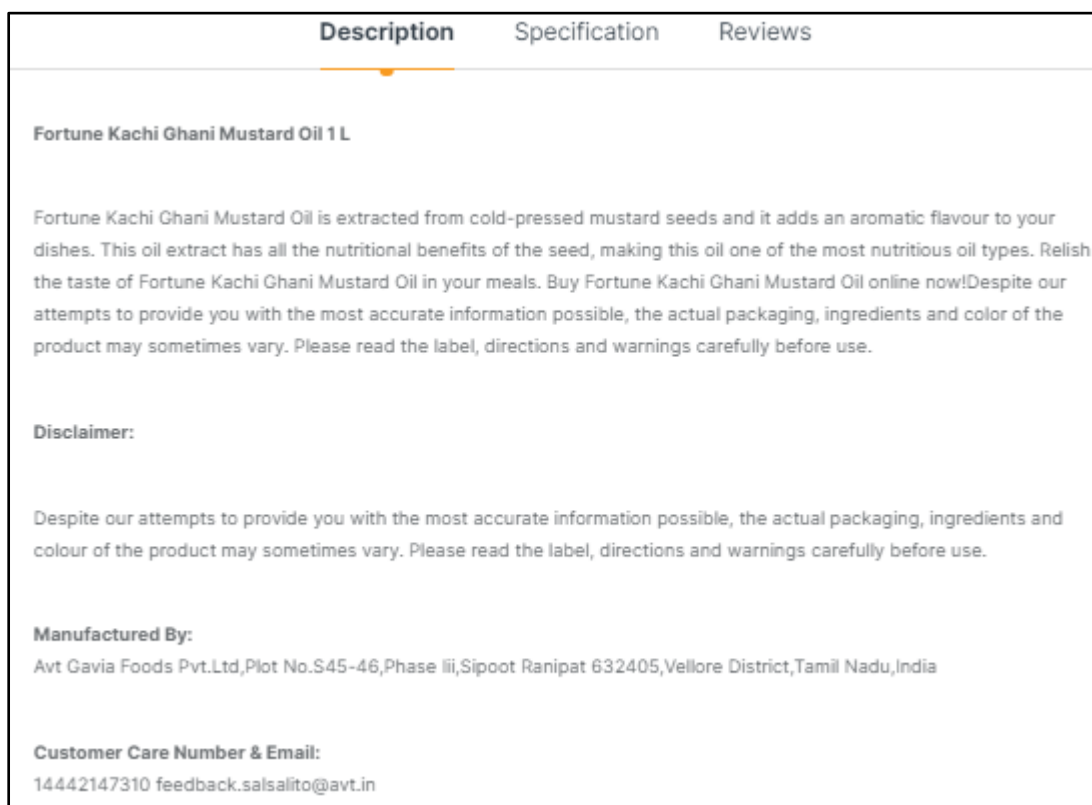


Image 15: Product listing of a cooking oil brand on BasketHunt-I

| | |
|---|---|
| Description | **Specification** | Reviews |

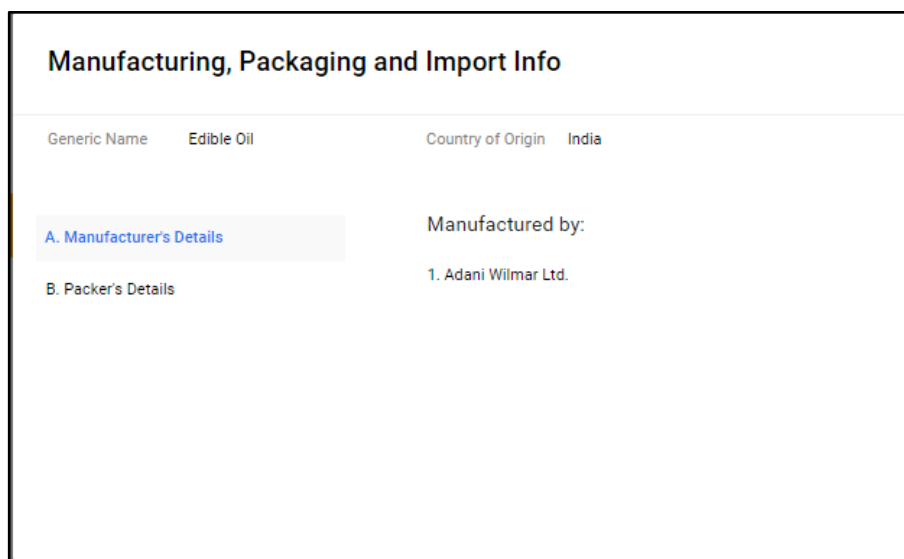| | |
|---|---|
| Brand | Fortune |
| Country of Origin | India |
| Food Type | Vegetarian |
| Manufacturer | Adani Willmar Limited |
| Manufacturer Contact Number | 14442147310 |
| Manufacturer Email | feedback.salsalito@avt.in |
| Manufacturer Address | Avt Gavia Foods Pvt.Ltd,Plot No.S45-46,Phase Iii,Sipoot Ranipat 632405,Vellore District,Tamil Nadu,India |

Image 16: Product listing of a cooking oil brand on BasketHunt-II

## Customer Service

Consumers highly value the customer care services that are provided by e-commerce platforms. Approachable and prompt customer care builds trust in the products as it gives them a sense of reliability and security. If the buyer knows that they can easily reach out to customer care 24x7 in case of any query prior to purchasing a product or any issue after purchasing the product, their trust would only be enhanced. E-commerce platforms have been able to leverage the use of technology to better connect to consumers and enhance their online shopping experience this way.

To illustrate, the image below displays Amazon's customer care support page. They have a dedicated and easily accessible customer service portal to address queries of the consumers as well as toll-free helpline numbers. The consumers can either post their queries on the portal or call on the toll-free numbers to connect with a customer care executive to address their concerns.
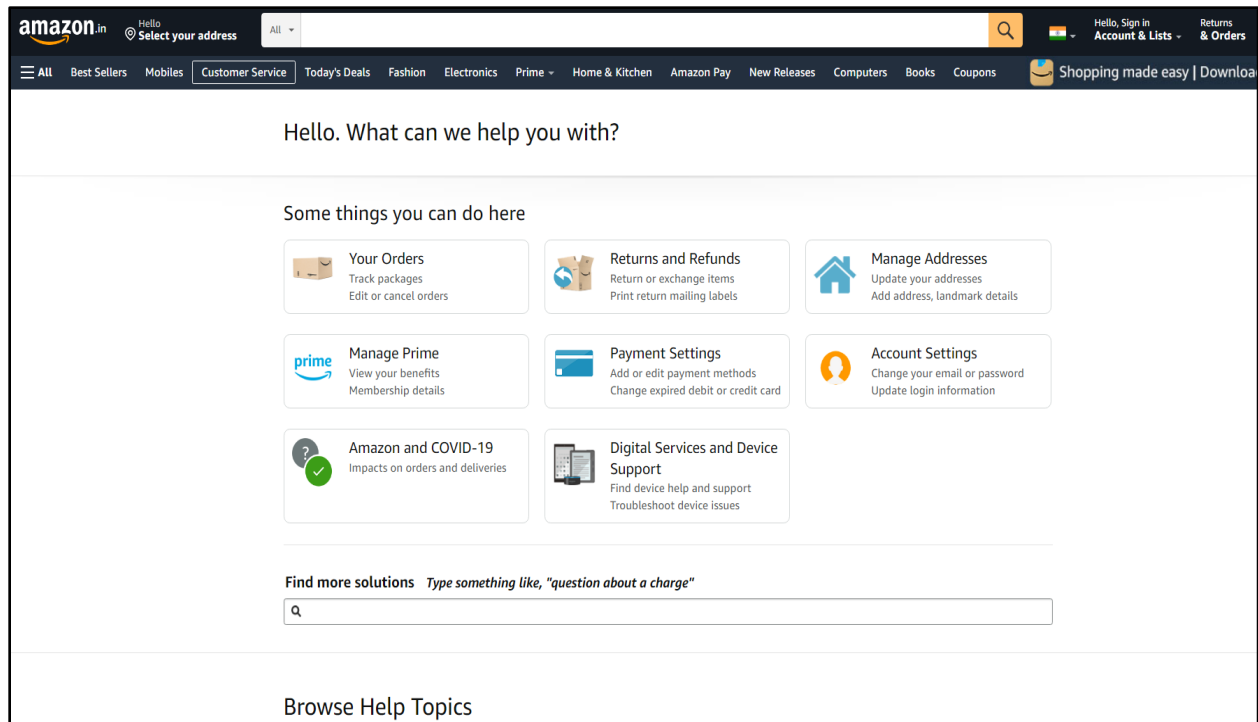
Image 17: Customer care support page of Amazon[3]

Apart from this, consumers can also directly connect with the sellers to understand the product better and assess if it is the right product for them.

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[3] https://www.amazon.in/gp/help/customer/display.html

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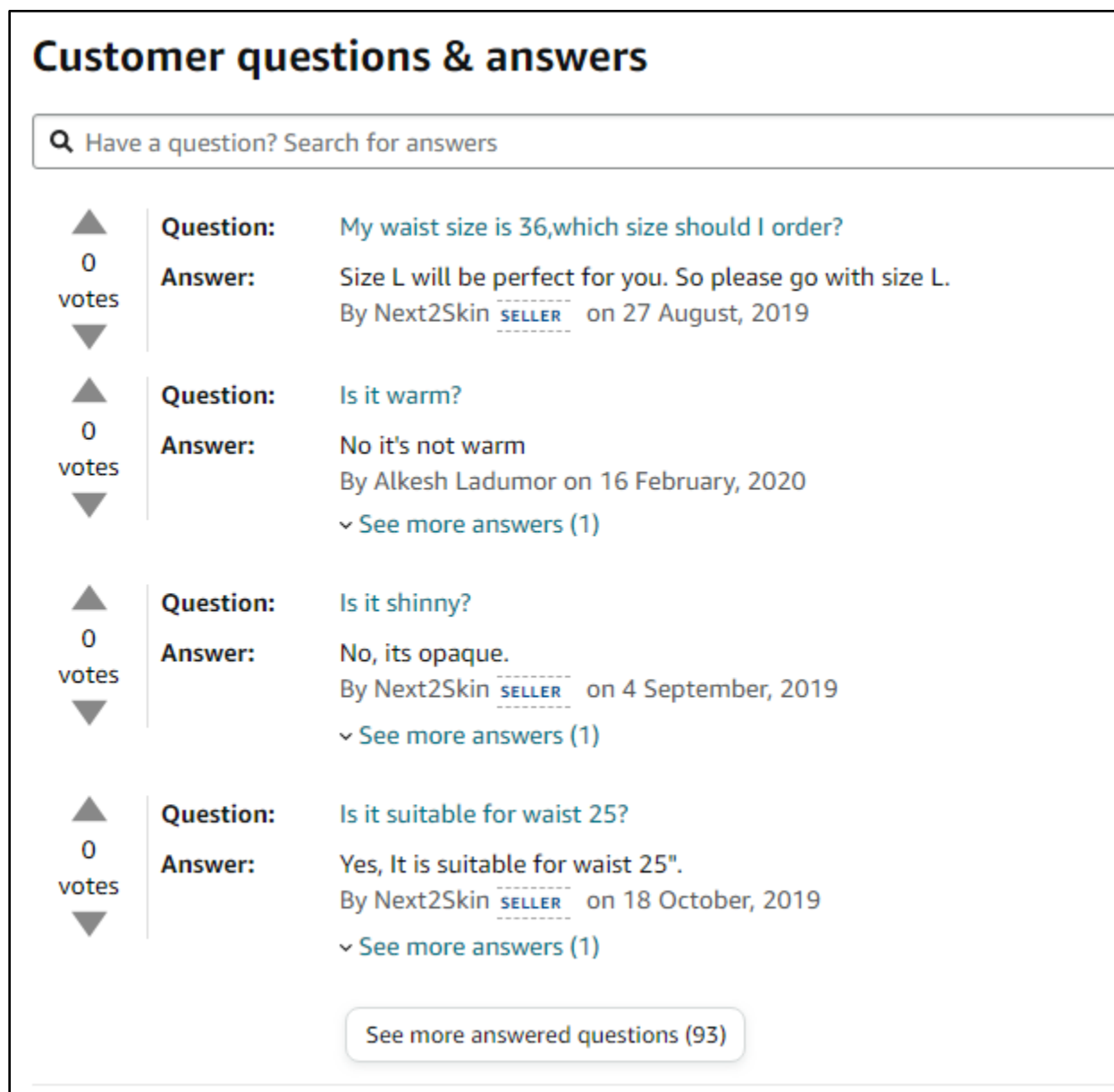
Image 18: Answered queries by sellers and buyers on Amazon

The images below display the customer support page and the customer Q&A page on Flipkart, which are similar to Amazon's.
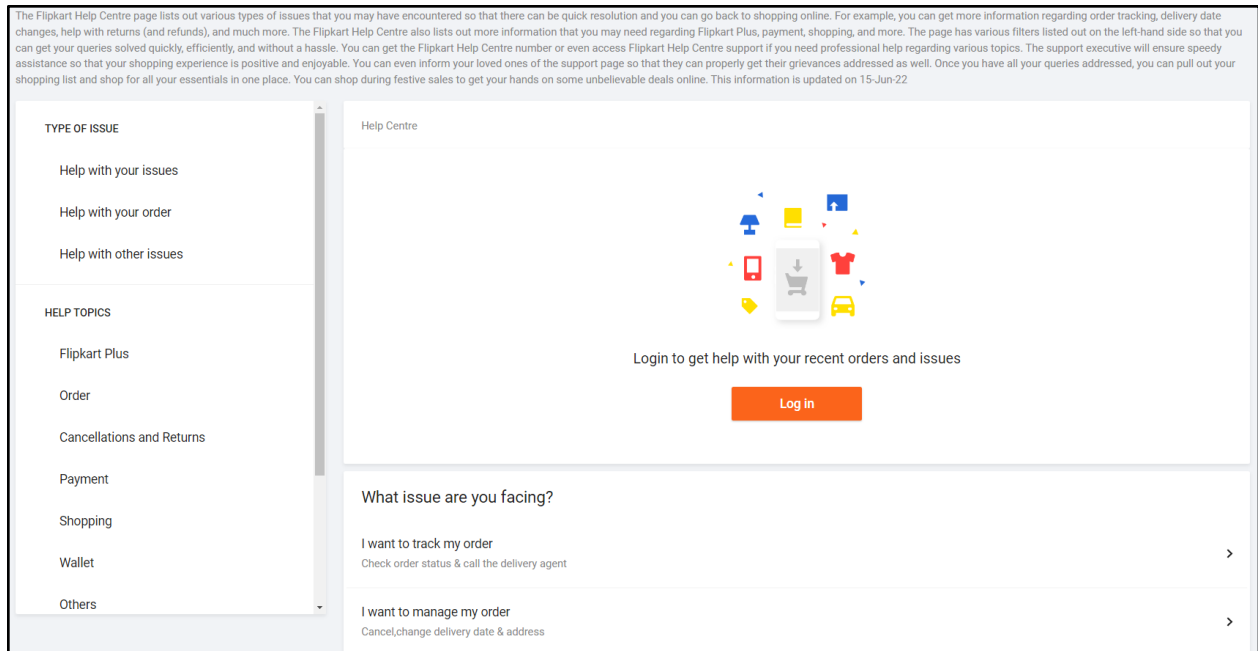
Image 19: Customer care support page of Flipkart[4]
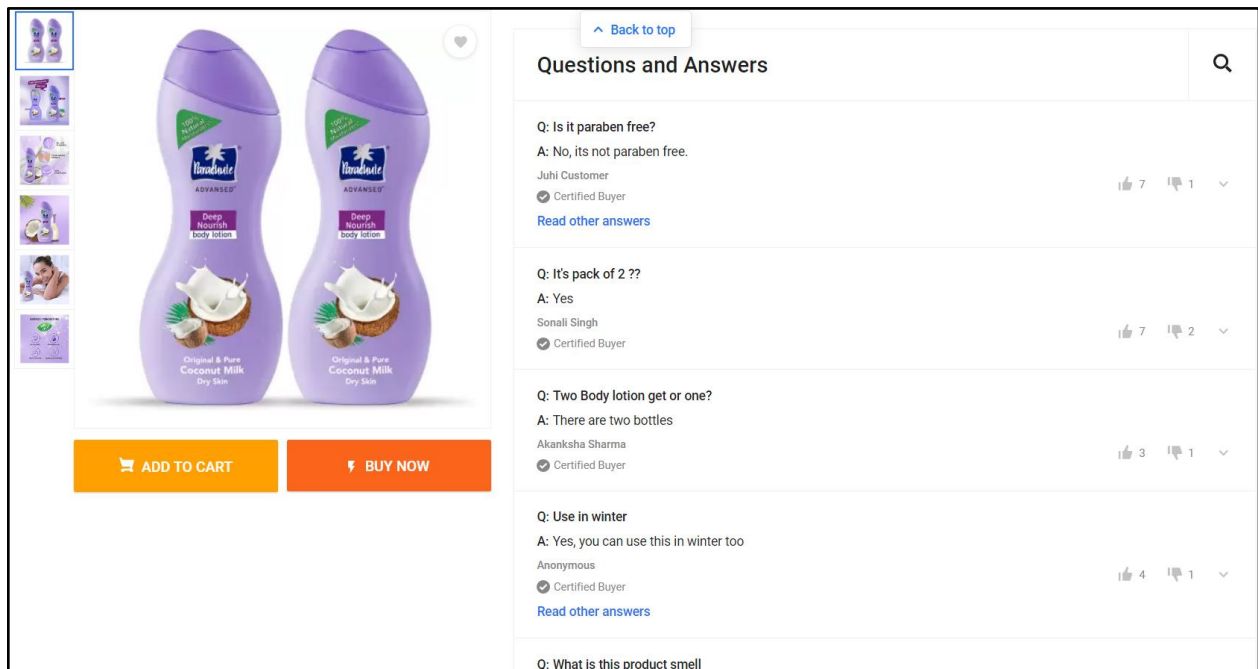


Image 20: Answered queries by buyers on Flipkart

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[4] https://www.flipkart.com/helpcentre

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There are some e-commerce websites that don't have proper customer service. It can make it challenging for the consumer to address their queries and concerns about the product before or after the purchase of a product. The image below shows the customer care page of ShopClues Bazaar, which is another e-commerce platform in India. It can be seen that the policies are mentioned there, but there is no customer service.
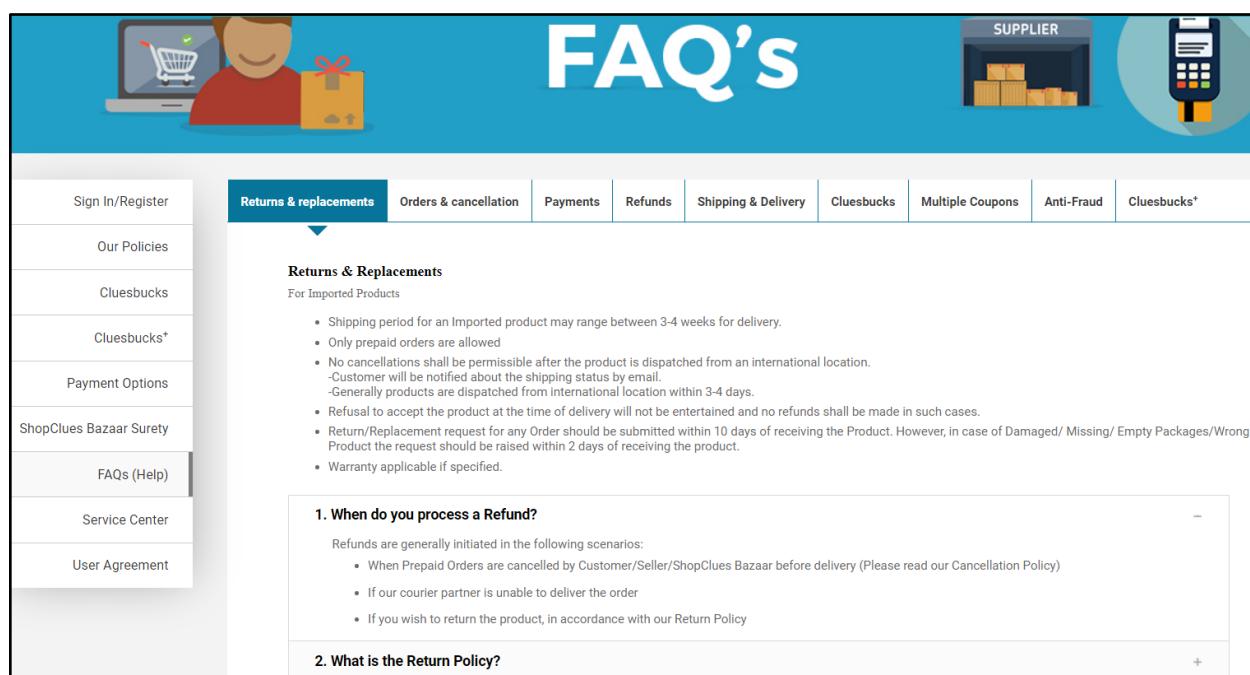


Image 21: The help portal of ShopClues lead to the policies and not actionable commands

## Customer Reviews

As discussed in the literature review, customer reviews and feedback of the products sold on online platforms play a significant role in influencing the consumer's buying decision as they compensate for the absence of the 'see and touch' aspect in offline shopping. Learning about the experience of other consumers of the usage of the products helps the potential buyers in their decision. The positive feedback of previous users of a product evokes product trust in new buyers, just like in offline retail the 'word of mouth' strategy helps to establish goodwill of products in the market. Some studies have shown that the electronic word of mouth travels faster than the traditional

offline word of mouth as the former is readily available on the internet and consumers tend to rely on it more in an online setting (King *et al,* 2014).

The format of reviews on the website have also evolved over a period of time -- from simple star ratings to text-based reviews, and now sharing pictures and videos of the products by consumers (Lin *et al,* 2012). A study also showed that trust is a moderator that acts as a bridge between electronic word of mouth and the perceived value of a product (Lin and Wu, 2019).

Online reviews also help sellers on e-commerce market platforms to understand what is working for a consumer and what is not. Sellers are also able to respond to the reviews of consumers on the websites. Responses of sellers to the consumer reviews, whether good or bad, signify determination to win the trust of the consumers in their products (Liu *et al,* 2020).

Nowadays, e-commerce platforms also provide filter options that allow a consumer to view only those products that have a certain rating. An example of the same can be seen in the below picture where a person can view only those products that have certain ratings on Amazon. Other websites also provide such features.
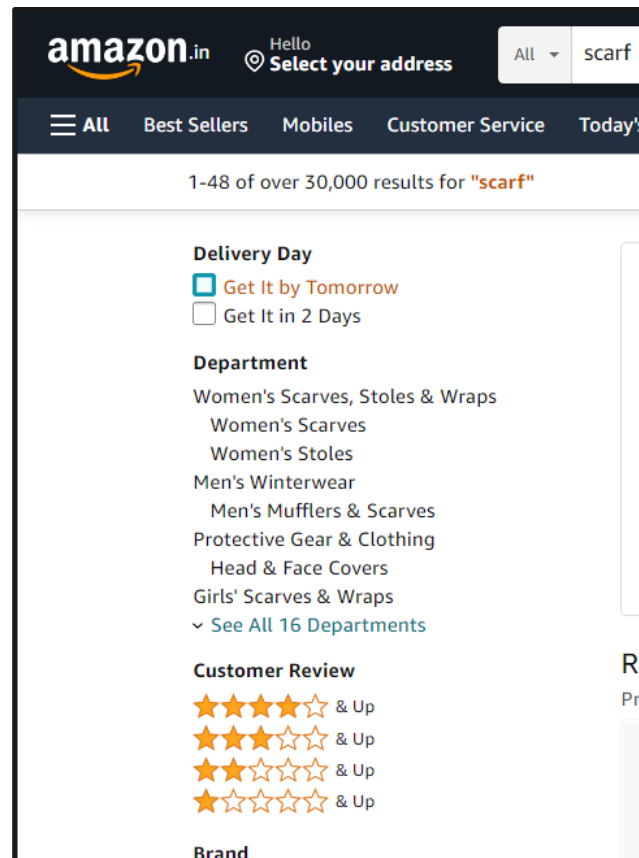
Image 22: Customer review filter option on the website of Amazon

These websites then also provide for further categorisation of the ratings received. Carrying forward the above example, the image below shows how Amazon provides the percentage of consumers that voted for each rating. It also provides ratings for specific features of the products.
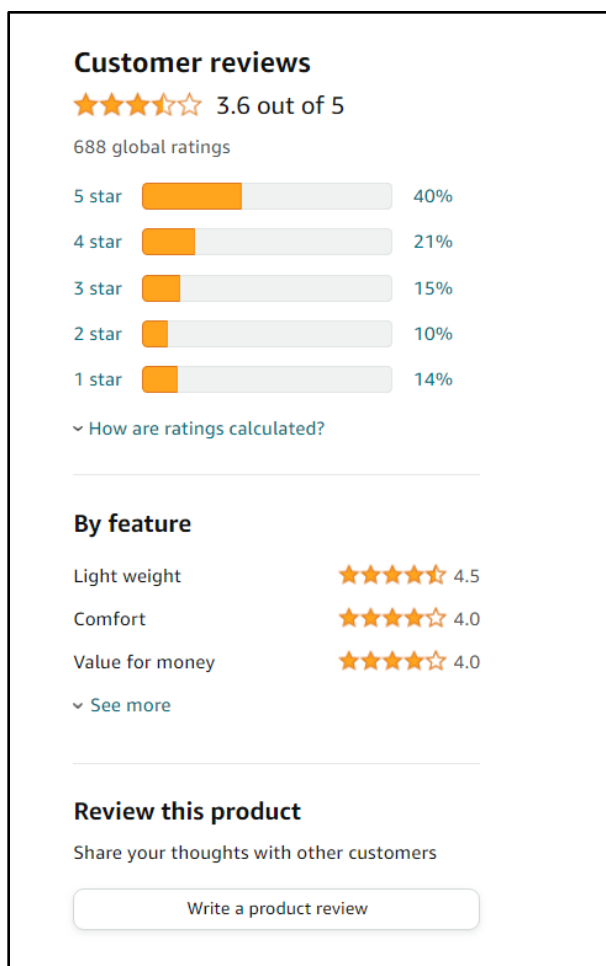
Image 23: Further categorisation of reviews of a product on Amazon
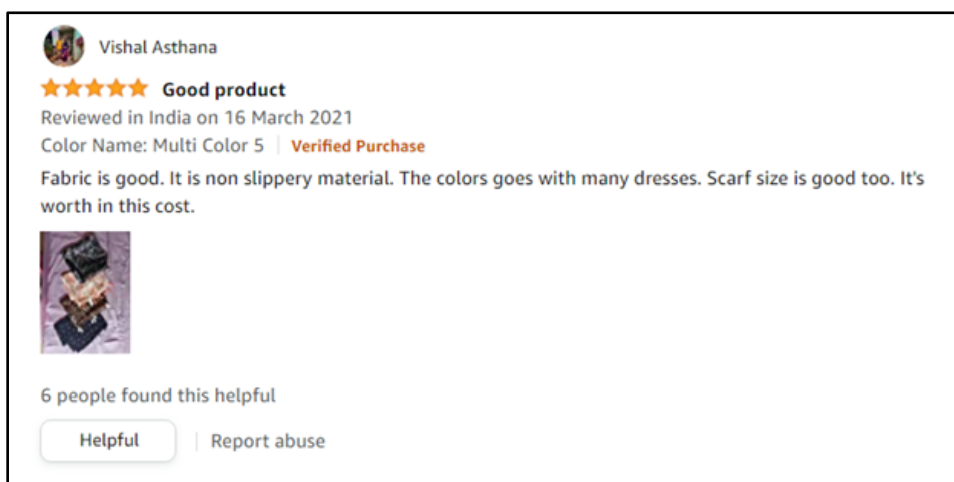


Image 24: Review of a product along with pictures and description on Amazon
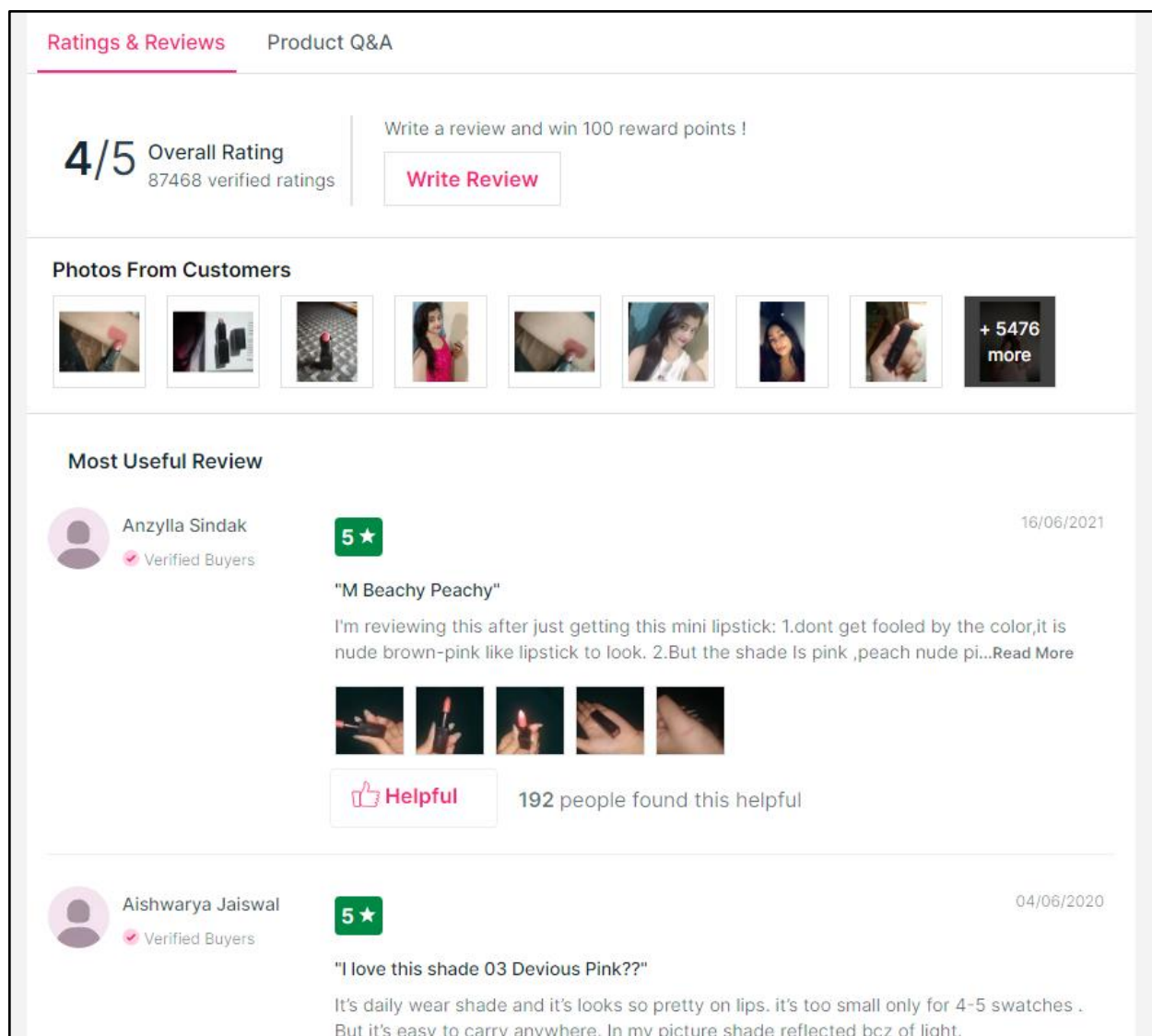
Image 25: Review of products on Nykaa

### Delivery/Shipping Service

In offline shopping, the consumer himself is responsible for carrying the product home, other than heavy objects, which are delivered by the seller. In online shopping however, the consumers get every product at their doorstep. If the product ordered by a consumer online doesn't reach them within the specified time or in a good condition, they will lose trust.

Most e-commerce platforms have two delivery models:

1. The order is fulfilled by the e-commerce platform through their delivery partner.
2. The order is fulfilled by the seller through their delivery partner.

In e-commerce, due to the involvement of two parties, i.e. the platform and the seller, it is often difficult for the consumer to ascertain who is responsible for any mishap in their order fulfillment (Hong & Cho, 2011). To build product trust, it is important for all the parties involved -- seller, e-commerce platform and delivery partner -- to perform their job with utmost care and responsibility and fulfill the orders placed by the consumers.

## Returns and Refunds

Return, refund and replacement policies also play a key role in building product trust. It is another important factor that was listed by consumers in the survey. As discussed before, in e-commerce, the consumers cannot see, touch or try the products before buying them. They make the purchase decision based on the images/videos and product description provided in the product listing. When the product arrives and the buyer feels that the product is wrong/defective/damaged, not the correct size, not serving the intended purpose or not of the expected quality, a customer-friendly return, refund and replacement policy can provide an option to the buyer to return or replace it. If a consumer has this option, she will not hesitate to buy the product. Lenient return policies have been found to encourage the intention of consumers to purchase (Janakiraman *et al*, 2016). The reputed platforms have consumer-driven return and refund policies. Flipkart's Terms of Use[5] define 'Return' as the action of giving back the item purchased by the buyer to the seller on the Flipkart platform. Return is issued under these circumstances:

1. Item was defective
2. Item was damaged during shipping
3. Product was missing
4. Wrong item was sent by the seller.

Returns on the Amazon website are issued when:

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[5] https://www.flipkart.com/pages/terms?otracker=undefined_footer_navlinks

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Most items purchased from sellers listed on Amazon.in are returnable within the return window, except those that are explicitly identified as not returnable. The return is processed only if:

- It is determined that the product was not damaged while in your possession;
- The product is not different from what was shipped to you;
- The product is returned in original condition (with brand's/manufacturer's box, MRP tag intact, user manual, warranty card and accessories)

## Safety & Compliance and Grievance Redressal

The survey also revealed that the consumers categorise receiving a fake/counterfeit, damaged, and expired product as factors impacting product trust. In an offline purchase, 54.4% respondents hold a shopkeeper liable for such instances. However, in an online shopping mode, 34.92% of the respondents hold the e-commerce platform liable and 40% say both the e-commerce platform and the seller are liable. It shows that the majority of consumers aren't sure who is responsible for such incidents.

E-commerce is a network of several entities working together to bring the right product to consumers. Each entity has their share of responsibilities to gain and maintain the trust of consumers in products. As research on sellers and e-commerce platforms is secondary, it cannot be determined what measures sellers take at their level to build and enhance product trust in consumers. However, for e-commerce platforms, we looked into their policies on safety and compliance and the grievance redressal mechanism provided on their website and other information in the public domain.

The rights of consumers purchasing products online are protected under the Consumer Protection Act, 2019. The Central Government, owing to increase in the volume of online transactions, released the Consumer Protection (E-Commerce) Rules, 2020 that extends to all the models of e-commerce, including marketplace model, inventory model, multi-channel single brand retailers, single brand retailers in single or multiple formats (Consumer Protection Rules 2020 § Rule 2(1)(b)&(c)). It bans adoption of any unfair trade practice on any platform (Consumer Protection Rules 2020 § Rule 4(4)).

Reputed e-commerce platforms such as Amazon & Flipkart follow a proactive as well as a reactive approach when it comes to safety and compliance. Apart from Terms of Use[6] for the sellers, Amazon has a Manage your Compliance[7] dashboard where sellers can see and fill all the country-specific requirements for product listing. If the seller does not meet the compliance requirement, their submission can be rejected. For example, when listing food products on Amazon, safety compliances[8] are essential to ensure the safety and health of the consumers. On receipt of a report from a customer, Amazon conducts food safety investigations to make sure that hazardous and unsafe products are not being sold on its platform. As per the platform policy: "investigations may arise because of selling expired products, misleading info/mislabeling, product tampering, pest infestation or food quality induced injury/ illness/ allergic reaction that may affect the customer's health and safety (claimed by customers)."[9] This ensures that sellers comply with the policies of the country for listing their product. Even with such checks and balances in place, some bad actors manage to onboard and sell counterfeit products. To address this issue, Amazon uses machine learning and removes the listings of any suspected counterfeiters. In 2021, Amazon was reported to have removed 10 billion listings suspected of counterfeiting (*The Economics Times*, May 2021). Amazon also has tools like Project Zero, Transparency, & IP Accelerator[10], under its brand services to counter the sale of counterfeit products on the platform.

Flipkart also has its Terms of Use[11] policy for sellers so that they meet compliance requirements. Clause 9 of the 'Use of the Platform' mandates compliance with the Food Safety and Standards Authority of India (FSSAI) and obtaining the necessary licences and permits. It also requires a seller to ensure that the items listed by the sellers do not infringe upon the intellectual property, trade secret or other proprietary rights or rights of publicity or privacy rights of third parties.

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[6] https://www.amazon.in/gp/help/customer/display.html?nodeId=200545940&ref_=footer_cou
[7] https://sellercentral.amazon.in/gp/help/external/help.html?itemID=UDCM66BHG6B4GXZ&language=en_IN&ref=efph_UDCM66BHG6B4GXZ_cont_UH6FA4XSJ2LZFLY
[8] https://sellercentral.amazon.in/gp/help/external/UH6FA4XSJ2LZFLY
[9]
https://sellercentral.amazon.in/gp/help/external/help.html?itemID=HZE2SLYAZCAQF78&language=en_IN&ref=efph_HZE2SLYAZCAQF78_cont_UCMGZBFXQ97P2SU
[10] Project Zero & Transparency, strive to counter the problem of counterfeiting, by enabling sellers to engage in a product serialisation service which helps identify individual units and proactively prevent counterfeits from reaching customers. Whereas, IP Accelerator, enables the business owner to engage legal help at predetermined rates to protect their intellectual property.
[11] https://seller.flipkart.com/sell-online/terms-use

Other platforms like ShopClues and JioMart have strict policies against counterfeiting through their policies against the infringement of Intellectual Property Rights. Under Clause 5.2.3.d.d. of the User Agreement of Shopclues[12], a seller cannot host, display, upload, modify, publish, transmit, update or share any information or item that infringes any patent, trademark, copyright or other proprietary rights or third party's trade secrets or rights of publicity or privacy or is fraudulent or involves the sale of counterfeit or stolen items. Clause 9.5.4 of the JioMart's Terms and Conditions[13] also prohibits infringement of intellectual property rights.

The need for a well-functioning grievance redressal mechanism in online shopping is one recognised by both the facilitators and the regulators. While e-commerce platforms themselves strive to build better functioning customer redressal mechanisms, the regulators in India have recently made it mandatory for these facilitating platforms to appoint Nodal/Grievance officers under the Consumer Protection Act, 2019 and Information Technology Act, 2000. All the major e-commerce players have already appointed the Grievance Officer and their coordinates can be found under the Conditions/Terms of Use of all these platforms, easily accessible to customers and suppliers alike, as seen in the images below. Reputed retailers such as Amazon, Flipkart and IndiaMart already have consumer-friendly grievance redressal mechanisms to rectify any irregularities and grievances at the consumer level itself, with further provisions available to escalate these complaints to higher levels if issues are unresolved in the first instance.[14] The help portal allows consumers to chat or talk to the agents on the platforms to register these specific issues.

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[12] https://bazaar.shopclues.com/user-agreement.html
[13] https://www.jiomart.com/terms-and-conditions
[14] https://www.amazon.in/gp/help/customer/display.html?nodeId=202134240
https://corporate.indiamart.com/customer-care-services.

**Notice Form:**

If you believe that your rights are being violated by an item or information on the Amazon.in site, you may fill out and submit the Notice Form (below). This signed form can be sent via E-mail PDF or Fax to the Grievance Officer:

**Name:** Pankaj Singh

**e-mail PDF:** grievance-officer@amazon.in

**Subject Line:** Claim of Infringement

or

**Fax:** 040 – 39922887

or

Amazon Seller Services Pvt. Ltd.

Ground Floor

Eros Plaza, Eros Corporate Tower

Nehru Place

New Delhi 110019

(We will accept a signed PDF via e-mail with the subject line "Claim of Infringement" or Fax, unless by prior agreement we have agreed with you for an alternative receipt mechanism).

Image 26: Grievance Redressal - Amazon

**How is a 'dispute' resolved?**
Whenever there is a disagreement relating to any transaction, the users can write to grievance@shopclues.com in order to raise a dispute. Once a dispute is raised by either party, Bazaar.ShopClues.com shall try to mediate and the resolve the matter amicably.

18.7. Grievance Officer In accordance with the Information Technology Act, 2000 and rules made there under, the name and contact details of the Grievance Officer is published herewith:

**Grievance and Nodal Officer**
Mr. Rupinder Grewal
GIC-Customer Support
Clues Network Private Limited
Plot No. 112, Sector - 44, Gurgaon 122003
**CIN No.** -U52590HR2011PTC055841
**E-mail ID** - grievance@shopclues.com
**Phone No.** - 0124-4414888
**Website** - bazaar.ShopClues.com

19. Report an Intellectual Property Right Violation

In the event You come across any abuse or violation of these Terms of User Agreement or if You become aware of any objectionable content on the Website, or if You believe Your intellectual property rights have been violated in any manner through the Website, please refer to the Shopclues Intellectual Property Violation (SCIPV) available here https://bazaar.ShopClues.com/brand-inquiries.html.

20. Arbitration

Image 27: Grievance Redressal - ShopClues

# Chapter 5. Conclusion and Way Forward

With increasing internet penetration in India, e-commerce is booming. The Covid-19 pandemic has further accelerated its growth. E-commerce is not just the present need, but is ushering in a brighter future for this country and the world. It benefits consumers by bringing them goods and services from beyond their local geographies and increases competition by bringing several sellers together on big platforms, but also benefits sellers by increasing their outreach, consumer base and hence revenues. To spur the transition of consumers from offline to online and sustain e-commerce, it is important for sellers and e-commerce platforms to establish product trust in consumers. In an online shopping mode, consumers neither see the seller nor the product until it is delivered to them, so the factors that lead them to trust the product and make their purchase decision may be different from offline modes of shopping. Thus, it is critical for online sellers and platforms to identify those factors.

Our study revealed that majority of the people consider online shopping safe. This consumer trust is built by some e-commerce platforms by creating a safe environment for consumers to shop. Pricing, product quality assurance, customer service, delivery, and customer reviews appeared to be the top five factors that consumers consider important in deciding whether they should trust an online retailer. Other factors stated by the respondents are offers, payment system, call back review from customer, brand due diligence, cash on delivery, regional language for product description, warranty, mass advertising and friends' response and reference. Amazon and Flipkart are reported to be the top two platforms that match the consumers' definition of trustworthiness.

To assess the trustworthiness of the e-commerce platforms reported by consumers as trustworthy, we conducted secondary research to see how they perform on the factors listed by the consumers in the survey as compared to other platforms. The research shows that platforms like Amazon and Flipkart have earned the reputation of being trustworthy because they outperform most other online sellers and platforms on all those factors. These reputed platforms provide a very detailed description of the features of the products along with the product pictures and videos, and price information with MRP (maximum retail price), price per unit and discount (if any), which makes it easier for the consumers to assess and trust the quality and genuineness of the product. The

reputed platforms also provide prompt and approachable customer care which give a sense of security and reliability to consumers as they can ask questions about the product before buying and complain if the product doesn't meet their expectation. These platforms also have return, refund and replacement policies which helps in establishing product trust in consumers as they know that they can return or exchange the product if it does not meet their expectation. It is observed that these platforms have a strong safety, compliance and grievance redressal mechanism that is essential in e-commerce due to information asymmetry and lack of inter-personal interaction which increases the potential for foul play. As the 'see and touch' factor is absent in an online shopping mode, these factors help build consumer trust in the product. In many other e-commerce platforms in India, one or more of these features are missing or not good enough in comparison to these reputed platforms. This makes the other online platforms or sellers drop down on consumers' scale of trustworthiness.

The survey also shows that receiving fake/counterfeit, damaged or expired products purchased online can lead to dwindling of consumer trust. 26.9% of the respondents said that if they received a counterfeit product from an e-commerce website, they would not buy any product from that website. 50% said they would file a complaint on the website or with the consumer protection forum while 19.4% of the respondents said that they will ignore the counterfeit product and buy the one that they believe is genuine. In an online mode, due to the involvement of two parties i.e. the seller and the e-commerce platform, the consumers are also mostly unaware of who is responsible for such instances. This exhibits lack of awareness in consumers about the liabilities of the various parties involved in an e-commerce ecosystem. However, only consumers are not to blame for this lack of awareness. The confusion also comes from the lack of clarity in government regulations. There are several cases in court pertaining to the delivery of wrong/non-standardised, defective products on which judgements are not consistent. The government must provide clarity on liabilities of the various parties in the e-commerce ecosystem. That information must also be disseminated to consumers through e-commerce platforms, social media, print media and campaigns.

Trust is abstract, subjective and delicate. It needs to be established and nurtured. One unpleasant consumer experience can break the trust built up painstakingly. E-commerce platforms and sellers have to continuously understand their consumers' needs and factors that impact their buying

decision online, thrive to meet their expectation and earn their loyalty to grow their businesses. As digital markets are constantly evolving, the e-commerce platforms and sellers must also strive to come up with more innovative and advanced features to reduce information asymmetry and improve trust in consumers for online shopping. Online sellers must read the customer feedback posted online regularly to see if the products are meeting their expectations. E-commerce platforms can also carry out online surveys once in a while to understand the consumer experience of their platforms and improve the features that are not working well for users.

Government policies also impact how e-commerce and sellers operate and serve their customers and how consumers are protected from foul play. Thus, the way forward should be greater collaboration between all stakeholders – e-commerce players, trade bodies, consumer consortia and policy makers – to arrive at a stable and predictable policy framework that proves mutually beneficial to all. Government and e-commerce platforms must also run online and offline campaigns to increase consumer awareness of e-commerce ecosystem, liability of each party in e-commerce, things to look out for when buying online so they can save themselves from fraudulent websites or sellers. The government and e-commerce platforms should also set up standard operating procedures for grievance redressal mechanism, so that grievances can be acknowledged and addressed in a time-bound manner.

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