

AN EXPLORATORY STUDY OF ONLINE CONSUMER PROTECTION CONCERNS: THE NIGERIAN CASE

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Abstract

To explore e-consumer protection concerns of online shoppers in Nigeria; that is the aim of this study. Four hundred and thirty-eight (438) year four (4) students in the Faculty of Management Sciences of a public University in Port Harcourt provided data for the study. A checklist is used as the instrument of inquiry, while descriptive statistics is used to analyse the data. Disclosure and verification of information, privacy and security concerns are found to be of paramount concern to e-consumers in Nigeria. Failure to deliver purchased products, activities of online scammers and delay in product delivery are the next most important concerns of online shoppers in Nigeria; while redress and confirmation process follows in order of importance. Thus, the conclusion reached is that the afore identified e-consumer protection concerns are of immense significance to e-consumers in Nigeria; and recommends that e-traders should do well to fully disclose information about themselves, their products and transactions in order to enable e-consumers make informed decisions. Also, the study recommends that e-traders should put adequate measures in place to allay the concerns of e-consumers and assure them of their (e-traders) readiness to take responsibility for issues concerning privacy and security of e-consumer information shared with them. Further, the study advocates policy and legal reforms that could enhance e-consumers' confidence in e-commerce and tasks e-traders to consider the safety of e-consumers in the same measure as they consider their prosperity.

Keywords: E-commerce, e-consumer, e-consumer protection, e-traders, online shopping.

Introduction

Marketing takes advantage of advances in technology to effect the creation and delivery of value that does not only give consumers a broad range of alternatives, but also gives them

their desired satisfaction. The internet, and advances in information and communication technology are modern day developments that have pushed the frontiers of marketing practice to newer levels, with internet enabled platforms offering great potentials for enhanced marketing at lower costs for firms and consumers alike. The internet has not just served as information super highway, it has also been the fulcrum to a huge market with limitless potentials and unhindered by national boundaries. The use of the internet for business purposes led to the coinage of the term “e-commerce”; and used to describe business activities that are conducted over the internet (Ozuru, Ogbuji, & Amue, 2015; Singsangob, 2005). Firms, large and small, institutions with differing ideologies and inclinations, and government and non-governmental institutions have all keyed into the use of the internet to reach target markets. Consumers are spoilt for choice, firms are challenged to outperform one another; all relying on the potentials of the internet and the power of information and communication technology.

Advances in information and telecommunication technology have enabled the conduct of commercial activities over the internet, offering several benefits to participants (Ha & McGregor, 2013). E-commerce enables e-retailers and e-consumers to enter transactions efficiently and makes international transaction less costly (Svantesson & Clarke, 2010). Albeit having the same requirements, online shoppers are exposed to more risks than shoppers in brick and mortar stores. Unlike traditional shopping, online shopping does not allow for thorough examination of products before purchase. Also, online shoppers are often constrained to shop from e-stores whose operators are unknown. This has given rise to an unending discourse termed “online consumer protection.” Svantesson and Clarke (2010) aver that improvements in e-consumer protection have the potential to enhance the confidence of e-consumers, and lead to higher volume of online transactions that will benefit the society in general, and businesses and consumers in particular. Thus, scholars and policy makers alike have accorded increased attention to online consumer protection.

Exploiting internet platforms for commerce offers great prospects, but is also tasking for both traders and consumers. E-consumer protection is one of the many challenges of e-commerce. The issue and debates over e-consumer protection have been an ongoing discourse since the advent of e-commerce. This is because e-consumer protection is an important issue for online sellers and buyers. While consumers want to be sure that their personal data shared on websites are protected, with no unauthorized persons or organizations accessing them, firms tend to argue the extent to which they should be responsible for safeguarding the personal data of e-consumers who do business with them.

The party, on whom the responsibility of protecting e-consumers should lie, has been a source of controversy for scholars and practitioners. While some hold the view that government must put legislative and policy frameworks in place to safeguard e-consumers, others argue that marketers must ensure that their online customers are adequately protected by operating secured sites, and yet others, argue that e-consumers must take the responsibility of protecting themselves. The debate continues. Evidently, the attractions of online shopping includes shopping from the comfort of home or office, access to a wide array of alternatives and ability to compare prices (Stevenson & Clarke, 2010); and while online payment systems and security technology have improved significantly, e-consumers still experience problems with online shopping from time to time (Kuriachan, 2014). The aim of this study is to explore the concerns of Nigerian e-consumers with respect to e-consumer protection.

The Concept of E-consumer Protection

In commercial transactions, the idea of protecting the buyer is not a new one. It is as old as commerce itself. Consumer protection is therefore a concept used to refer to the legislation, rules, laws and regulations established to govern buyer-seller relationships. Price Waterhouse Coopers (2011), Haider (2010), Piet (2002) as cited in Mugobo and Malunga (2015) refer to consumer protection as a collection of statutory and non-statutory standards instituted to address private market failures that compounds consumers vulnerability to losses, especially due to unjust exploitative tendencies of sellers. The scope of consumer protection was broadened by Badler (2007) who asserts that consumer protection involves the implementation of consumer rights with a view to enhancing just and ethical conducts when dealing with consumers as well as ensuring that consumers are not exposed to harm in the course of transacting business with sellers. The rationale of consumer protection is to shield consumers from exploitation and eliminate sharp practices in business (Mugobo & Malunga, 2015). This is because an uncontrolled market left to its own device, will have rogue traders who could deliberately misinform, deceive or short-change consumers (Kuriachan, 2014). Consumer protection efforts thus govern the market transactions by safeguarding the rights of parties in a transaction especially the consumer, by instituting rules to moderate their activities with sellers (OECD, 2016).

The internet, as a modern day invention, has become a popular platform for commerce that offers several benefits to consumers and firms alike. However, the platform also poses challenges for parties involved in e-transactions. Consumer protection is one of such challenges. Online consumers contend with more risks than offline consumers. This is largely due to the dissimilarities that characterize traditional and digital marketplaces. Further to the common challenges that traditional transactions contend with, e-transactions are bedevilled with security, privacy and sundry issues that hinge on protecting the online consumer. E-consumer protection is thus the term used to refer to the laws and regulations that are established to shield e-consumers from risks associated with online shopping. Ozuru et al (2015) view e-consumer protection as encompassing all measures, standards or protocols established to control access to personal data of parties in e-transaction; and disallow the execution programmes to stored information by unauthorized person.

Though transaction and security technologies are still developing, e-commerce is growing rapidly in the forever changing marketplace. It can be observed that the internet and advances in ICT has affected the business world more than any other facet of life (Singsangob, 2005). And with a view to encouraging online business transactions, international and national legislation have been enacted. The cardinal objective of e-consumer protection is to stimulate a digital environment that is favourable for all actors in e-commerce; thus, enhance the volume of trans-national commercial activities; nudge nations towards a common direction with respect to policies, laws and standards of practice that improve consumer protection (OECD, 2016). Also, e-consumer protection aims to encourage self-regulation for firms, calls for consumer protection to be at par in traditional and digital markets. Furthermore, e-consumer protection calls for all stakeholders to be actively involved in e-consumer protection discourses (Ha, 2005). In 1985, the United Nations General Assembly adopted the principles of consumer protection which proffers guidance to member countries in developing, strengthening or

adapting the legislative agenda and guiding principles relating to consumer protection in their countries.

Regarding how to achieve e-consumer protection, scholars hold divergent views. The most popular being that e-consumer protection could be achieved by active interaction between government controls, self-regulation by businesses or privatisation of regulation (Crampton, 2002) and civil society (Ha, 2005). Ha (2005) and UNDP (1997) posit no single approach taken individually is a “best solution”, but that an interface between government, regulatory agencies and civil pressure groups is required to improve good governance in e-commerce, encourage participation, and improve the protection of consumers and the interest of the public

Developing a three sector model of e-consumer protection consisting of the government, business concerns and civil society organizations, Ha (2005) posits that a positive interaction between these sectors have the potential to enhance the protection of online shoppers. While the government regulates and makes policies to create an enabling politico-legal environment for businesses and civil society organizations to engage in productive ventures, the business concerns focus on wealth creation through employment and income generation, and the civil society promote social, economic and political interdependence of the different sectors (UNDP, 2004; Colebatch, 1997). Colebatch (1997) emphasizes that government should intervene only when the market spins out of control, suggesting that e-consumers’ legal and economic protection ought to be assured strictly through legislations.

Agbonifoh (2016) contends that sellers are relatively more powerful than consumers in their market place actions. Hence the consumer is at the mercy of the seller. He further argues that government is weak, ambivalent and grossly ineffective in its role as the umpire of the activities of buyers and sellers in market transitions, and calls on consumers to action, rather than call or expect government to take action on their behalf. This scholar is of the view that business concerns’ interest as always, will be to pursue their self-interest; and that the powerlessness of buyers stems from illiteracy, ignorance, complacency, apathy, laziness, poverty and susceptibility to non-rational buying. Consumers are thus challenged to help themselves by taking individual action in educating themselves their market place rights, and be active in protecting those rights, being circumspect when making purchases; and by being alert and taking steps to spot business malpractices. And also by forming consumer groups with a focus on protecting members in the same way that trade unions do (Ha& McGregor, 2013).

In addition, with a view to defining and safeguarding the security needs of consumers without compromising the benefits of other actors, Svantesson and Clarke (2010) propose a model of online consumer protection hinged on access to appropriate information, fair contract terms, protection of consumers’ personal data, and access to fair dispute arbitration procedures. These authors believe that this model is valuable to academics, consumer protection advocates, businesses that seek constructive ways of projecting a consumer-friendly image, consumerism groups, policy makers, and regulatory agencies that seek to determine and proffer solutions to inadequacies in current policies that seek to protect consumers.

Contemporary E-consumer Protection Concerns

E-consumer protection concerns that have been of interest to netizens, e-traders and regulatory bodies are varied and multi-faceted. They include e-store, product, delivery and e-

payment issues. Kuriachan (2014) identify receiving wrong products, damaging products in transit, delay in product delivery, failure to deliver purchased products, challenges with buying from foreign e-traders and scare of online scammers as major concerns of online shoppers. Ha (2005) points out disclosure and verification of information about e-traders, their wares and transactions, security, jurisdiction, redress and privacy as the major concerns of online consumers.

To enhance e-consumer protection, facilitate e-consumer protection frameworks and increase the confidence of consumers in e-commerce without hindering trade; these are the lofty goals of the e-consumer protection discourse. Thus, Sugianto and Sendjaya (2000), Asher (2000) and Rahman, (2000) state that issues in online consumer protection includes transparent and effective protection, fair practices marketing communications, online disclosures about the business, goods, services and transactions of e-traders, confirmation process, secure payment systems, delivery methods.

Methodology

This is an exploratory research study that sought to determine the major e-consumer protection concerns of online shoppers in Nigeria. Exploratory studies seek insights into the general features of a problem or phenomenon, the possible decision alternatives and relevant variables that deserve consideration (Aaker, Kumar, & Day, 2007); this is exactly the aim of this investigation. Carried out in Port Harcourt, the study took place in a natural setting. Port Harcourt is the capital of the oil-rich Rivers State of Nigeria. The city is cosmopolitan; has all the defining features of a thriving city with the hustle and bustle that attend urban living.

To collect data, the study used a checklist which simply required respondents to tick Yes or No to a number of items. The checklist contained factors obtained from literature that have been proposed as major e-consumer protection. The factors contained on the checklist were explained to allow for easy understanding. The study instrument was administered after a brief explanation of the intent of the study. Four hundred and thirty-eight (438) respondents, drawn from year four students of the Faculty of Management Sciences of a public University in Port Harcourt participated in the study. The respondents were chosen based on the accidental sampling technique. All the participants in the study have access to computers and other electronic devices, and shop online regularly. The study was conducted with minimal interference with the test units. Data analysis was done using descriptive statistics.

Result and Discussion of Findings

Table 1: Checklist of e-consumer Protection Concerns of Nigerian online Shoppers

<i>S/N</i>	<i>Factors</i>	<i>Yes</i>	<i>% of Yes</i>	<i>No</i>	<i>% of No</i>
1.	<i>Information disclosure and verification</i>	438	100	-	-
2.	<i>Privacy concerns</i>	438	100	-	-
3.	<i>Failure to deliver purchased products</i>	339	77.4	99	22.6
4.	<i>Activities of online scammers</i>	310	70.8	128	29.2
5.	<i>Receiving wrong products</i>	263	60.0	175	40.0
6.	<i>Redress</i>	297	67.8	141	32.2

7.	<i>Delay in product delivery</i>	301	70.8	128	29.2
8.	<i>Security concerns</i>	438	100	-	-
9.	<i>Jurisdiction concerns</i>	218	49.8	220	50.2
10.	<i>Confirmation process</i>	296	67.6	142	32.4
11.	<i>Products damages in transit</i>	283	64.6	155	35.4

Source: Survey Data on E-consumer Protection Concerns of Nigerian Online Shoppers (2017)

The result of the analyses as shown on Table 1 indicated that information disclosure and verification and privacy and security concerns are paramount to e-consumers in Nigeria. Failure to deliver purchased products, activities of online scammers and delay in product delivery are the next most important concerns of online shoppers in Nigeria, as the study indicates; while redress and confirmation process follows in order of importance. The issue of products getting damaged in transit was also shown as a concern to e-consumers in Nigeria, as majority of those surveyed pointed to it as a major concern. Jurisdiction concern was accorded the least concern by the respondents. This is perhaps due to the fact that the study surveyed students who may not have had reason to engage in trans-national transactions.

The finding of this study largely substantiate Kuriachan's finding that receiving wrong products, damage of products in transit, delay in product delivery, failure to deliver purchased products and activities of online scammers are the major problems of e-consumers in India (Kurichan, 2014). The finding also gave support to Ha (2005) who point out information disclosure and verification, security, jurisdiction, redress and privacy as the major concerns of Australian online consumers. The finding conforms with the statement of Ozuru et al (2015) that fraud and security concerns, lack of full disclosure and privacy are the major concerns of e-consumers; and those of Stevenson and Clarke (2010), Rahman (2000), Asher (2000) and Sugianto and Sendjaya (2000) who identified terms and conditions, payment and delivery methods, privacy, security and redress as issues that pose significant concern to e-consumers.

Although there may be other e-consumer protection concerns other than the ones identified here that could pose significant concern to e-consumers, the issues identified in this study point to the concerns that e-consumers in Nigeria hold very important. It is certain that cultural differences, economic variation and differences in life style accounts for differences in research findings. However, the findings of this study do not substantially differ from studies conducted in other climes. Therefore, the study holds that the major concerns of e-consumers are similar across societies.

Conclusion and Recommendations

On the strength of the data analyses and the discussion above, this study concluded that information disclosure and verification and privacy and security concerns are the most recurring concerns of e-consumers in Nigeria. E-commerce has been accelerated by advances in information and telecommunication technology; and though having the same requirements; online shoppers are susceptible to more risks than shoppers in brick and mortar stores. Further to not having the advantage of thoroughly examining products before purchase, they are also constrained to shop from e-stores whose operators they know little about.

Sequel to the findings of the study and the conclusion reached, the study recommends that e-traders should as a matter of necessity endeavour to fully disclose information about

themselves, their products and transactions in order to enable e-consumers make informed decisions. Also, the study recommends that e-traders should put adequate measures in place to allay the concerns of e-consumers and assure them of their (e-traders) readiness to take responsibility for issues like privacy and security of e-consumers, ***failure to deliver purchased products, receiving wrong products and product damages in transit***. With these in place, e-customers are likely to develop more confidence in e-commerce. The study further recommends that e-traders should protect their identities against fraudsters who may seek to scam e-consumers, by impersonating genuine e-traders.

As it is obtainable all over the world, Nigeria have laws that are made to protect the interests of its citizens in their purchase, use and disposal of products, and other issues that may relate to or arise from commercial transactions. This initiative is termed consumer protection, and is designed to shield consumers against exploitation, reduce exposure to risks from the purchase or consumption of products and provide avenues for consumers to seek redress when they feel short-changed. However, the extent of enforcement these laws enjoy, and how well they protect e-consumers are not well documented. This paper thus advocates for policy and legal reforms that will take the germane peculiarities of online shopping into cognizance, and provide for platforms that will not only enable e-consumers to develop confidence in e-commerce in Nigeria, but that will also task e-traders to attend to the safety of consumers in equal measure as they attend to their prosperity.

Direction for Further Studies

The purpose of the current study was to identify major security concerns of Nigerian online shoppers. The finding of the study is consistent with what obtains in other climes. Future studies are however invited to empirically determine the direction and extent of relationship that exist between each of the identified e-consumer security concerns and intention to purchase online. Also, future could attempt to replicate this study using a different consumer group as the data base.

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