

Perception of Customers Towards Ethical Issues in Online Shopping

Papari Nayak and Aruna Dev Rroy

Dept. of Management, Golaghat Commerce College, Assam, India

papari.nayak@gmail.com

Royal School of Commerce, Royal Global University, Assam, India

arunadevrroy09@gmail.com

[Abstract] The fast spread of online retailing has paved the way for creating opportunities for both retailers and customers. The e-commerce strategies provide numerous merits to their users in their day-to-day life. The e-commerce tasks help customers by reducing shopping time and money spent. With increasing acceptance of online retailing in the past few years, consumer issues with respect to ethical conduct are also on the rise. The paper highlights the perception of customers towards the ethical issues of online shopping.

[Keywords] customer, ethical issues, online shopping

Introduction

Ethics highlights the right conduct of a firm or an individual and involves the systematic, disciplined, and legally and morally binding ways of conduct. The term “ethics” originates from a Greek letter named *ethos*, which means “habit or custom.” Principles of ethical behavior, sometimes referred to as morality, are ethical principles, and the study of these principles is called moral philosophy (Gildenhuis, 2004). The ethical principles that underlie decent human behavior include the study of universal values, such as equality, respect for human rights, observance of the law of the land, respect for health and safety, and concern for the natural environment.

In today’s world, shopping through the online mode is the trend. The interest in purchasing goods is increasing rapidly. Consumers are using the internet for buying goods and services and gaining knowledge about prospective purchases, as well (Riaz et al., 2015). The presence of online purchasing benefits not only the customer, but also the businesses and companies. Business opportunities for sellers have expanded without any additional infrastructural facilities, as they may respond easily to the increasing customer base (Moftah et al., 2012). Online retailing grabs the attention of the customers because it is convenient and saves time. With enhanced use of internet as a source for shopping, consumers’ concerns about the ethical issues of online shopping have seen a rise. Therefore, the marketers face new challenges while satisfying consumers. Marketers must understand how to deal with ethical challenges to maintain satisfaction and trust of consumers. Disruption of trust issues may, likely, dampen the spirits of online shoppers (Moftah et al., 2012).

Literature Review

Greblikaite, J. and Pervazaitė, D. (2014) identify the moral and value-related issues of e-commerce. They undertook to study a case of an e-commerce site dealing in fake products. The site offered those products at a discounted price, as well. The article acknowledged the common ethical problems in e-commerce, including reach, trust, intellectual property, security, protection of young population, etc. Kurt, G. (2008) explores how customers perceive the ethics of online retailers and how those perceptions are associated with trust, pleasure, and trustworthiness toward the virtual mode sellers. Nardal, S. et al. (2011) discussed ethical aspects of e-business from the perspective of virtual retailing.

The problems like safety, confidentiality, and trustworthiness on the internet are the prime causes that constrict the progress of online retailing and online consumers’ satisfaction. Grewal, H. and Shivani (2012) discovered the dark side of online shopping, such as cyber-crouching, privacy incursion, web spoofing, and email spamming. They also identified the major threats from internet usage, like Trojan horses, viruses and worms, denial of service attacks, and logic bombs. The paper highlights the ethical and moral implications,

legal implications, and security implications. It also creates awareness on protecting businesses and consumers from online threats by using security applications, staying up-to-date, not opening unknown emails, using the right web browser, etc. Roman, S et al. (2008) and Yam B. Limbu et al. (2011) analyzed the effect of users' perceptions on the conduct of virtual sellers and the satisfaction of website usage and loyalty. They found that satisfaction with web sites is determined by non-deception, fulfillment, and security. However, only privacy relates directly to loyalty. Loyalty is not directly affected by fulfillment or non-deception; however, satisfaction serves as a mediator. The satisfaction-loyalty relationship for web sites is strongly supported by the results. Moftah (2012) highlighted the challenges of security and protection related to e-commerce operation and suggests steps to overcome the constraints.

Methodology

The nature of the study is quantitative. Data is gathered from both primary and secondary sources. Primary data is gathered using both the questionnaire and the interview method. The secondary data is collected from published research papers, books, and the internet for the study. The responses are collected from those customers (students, businessman, housewives, employees, etc.) who have shopped online. The use of the respondents is consistent with previous research (Tallapureddy & Jyothsna, 2020). Initially, 111 responses were confirmed for the study through the interviewing method and distribution of questionnaires from the Kamrup District.

However, 14 samples were excluded due to not having completing the questionnaire and 96 samples (51 male respondents and 45 female respondents) were considered for the study. The participation of the respondents was entirely voluntary. Stratified random sampling was adopted for the data collection. The independent variable for this study is gender, and the dependent variable is ethical issues of online shopping.

Data Collection

Primary data was gathered from the customers of the Kamrup District, Assam. Simple linear regression explored the relationship between the gender categories of the respondents and the perception regarding ethical issues of online shopping. Table 1 highlights the descriptive statistics of independent variable (gender) and the dependent variable (ethical issues of online shopping). Descriptive statistics comprised of mean, standard error, standard deviation, skewness and kurtosis, are used.

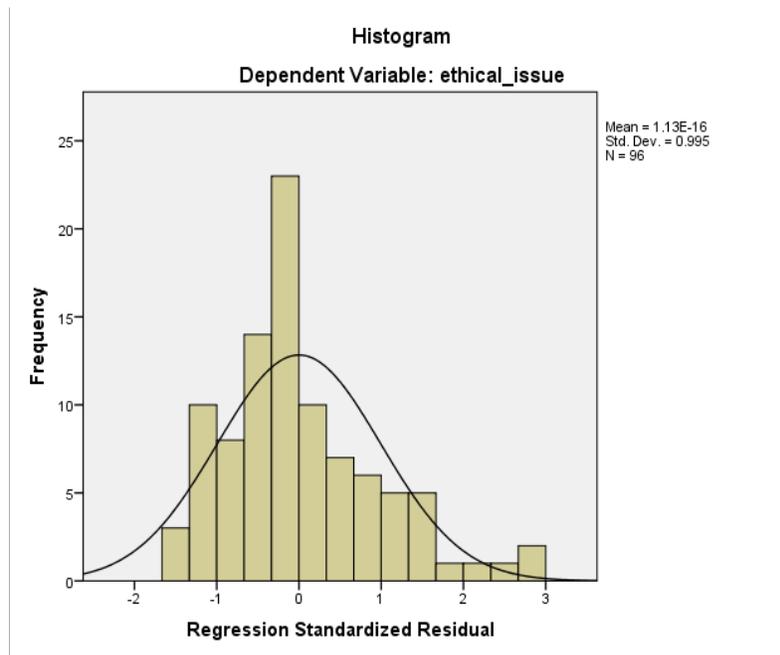
Table 1
Descriptive Statistics of Gender and Ethical Issues of Online Shopping

<i>Descriptive Statistics</i>	<i>Gender</i>	<i>Ethical Issue</i>
Mean	1.47	8.5
Standard Error	.051	.28
Standard Deviation	.50	2.83
Kurtosis	-2.02	.74
Skewness	.12	.88

The mean and standard deviations of the obtained scores on gender are found to be 1.47 and .051 respectively. Moreover, the mean and the standard deviation for ethical issues are 8.5 and .28, respectively. The kurtosis for gender is -2.02 and for ethical issue is .74; the skewness for gender is .12 and for ethical issue is .88, which are within the acceptable ranges, indicating that there are few outliers. Figure 1 illustrates the histogram, which is drawn from the data related to the customers' perceptions regarding the ethical issues of online shopping.

Figure 1

Histogram of customers' perception regarding ethical issues of online shopping



Hypothesis Testing

This study addressed the central research question: What is the perception of customers (male and female) towards ethical issues (security, non-deception, trustworthiness, and secrecy) of virtual shopping. The hypothesis for the research question was as follows: H_0 : No significant difference exists between the perception gender wise towards ethical issues like security, non-deception, trustworthiness, and secrecy of virtual shopping.

Analysis of Hypotheses

The major ethical issues of online shopping, which are security, non-deception, trustworthiness, and secrecy, are highlighted in this paper.

Table 2
Customer Perception towards Ethical Issues in Online Shopping

Perceived Ethics of virtual shopping	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Perception towards Security in virtual shopping	34	41	12	7	2
Perception towards Privacy in virtual shopping	20	48	15	8	5
Perception towards Reliability in virtual shopping	12	46	24	14	0
Perception towards Non-deception in virtual shopping	34	50	4	4	4

In virtual shopping, security is an important ethical issue for consumers. Customers are more concerned about the security policies and payment methods, as they are using debit/credit cards while making transactions. From the above table, it can be seen that customer perception towards security is rated 43 % in the agree category, followed by the rest. In virtual shopping, privacy is another important ethical issue for consumers. Customers are concerned about their personal information that a site ask them to provide for the purpose of the transaction. Fifty-two percent of customers agree that there is privacy of virtual shopping. Customers are more reliable towards a site or a company if they find whatever they are looking for. In customer perception towards reliability, it is found that 12% of the respondents strongly agree, 48% agree, 25% are uncertain, and 15% disagreed with the reliability of virtual shopping. Moreover, 52% agree with the non-deception of virtual shopping.

Table 3

Perception Gender Wise towards Ethical Issues of Virtual Shopping

Variable	Gender	Mean	SD	t-value	Significance Value
Ethical Issue	Male	8.56	2.7	0.022	0.982
	Female	8.55	2.9		

Outcome from the above table (Table 3) signifies the nonexistence of differences in the perception gender wise in ethical issue for virtual shopping. The mean value for males is slightly higher than the mean value for females, with 25.56 and 24.43, respectively, and SD is 2.7 and 2.9, respectively. The obtained value is .022($p < 0.05$), which is non-significant at 0.05 level of significance, and the outcome accepts the null hypothesis. Hence, no difference exists between the perception gender wise concerning ethical issues, like security, non-deception, trustworthiness, and secrecy of virtual shopping.

Conclusion

Today, the Internet is becoming a method for customers to transact much business in the global market. As online shopping has developed, it is grabbing a better market share (Puranik, R. & Bansal, A., 2014) and is very effective in reaching out to the target customer (Kumar, P. & Rawat, M. S., 2013). Most of the people browse online shops not only to buy the product, but also to increase their alternatives. Customers also like to browse online shops to compare prices and features of products. With the growth of online shopping, concern about the ethical issues of online shopping have also been growing. Customers are more concerned about their security (secure transactions), privacy (providing personal information, privacy policy), reliability (actual amount billed, product availability), and non-dependency (misleading tactics) issues.

Contribution

In this paper, ethical issues like security, reliability, non-deception, and privacy may influence consumers' buying behaviors. This study reveals that the perception of customers towards ethical issues of online shopping is satisfactory. The chain of trust, satisfaction, and loyalty are preceded by moral values in e-retailing activities (Kurt, G., 2008). Therefore, companies should adopt strict privacy policies and should establish a trustworthy, secure online environment to protect their online buyers and can retain customers' satisfaction, comfort level, and loyalty.

Future Research

The study was limited to the Kamrup District. Future research could include Assam or North-east India. Expanding the scope of the study will allow for a better understanding of ethical issues in online shopping in other parts of North-East India. Furthermore, future research could also focus on ethical issues other than Security, Reliability, Non-deception, and Privacy.

References

- Greblikaite, J., & Pervazaitė, D. (2014). Ethical issues related to e-commerce: Case of discount e-shopping site in Lithuania. *European Integration Studies*, 8, 124-130.
- Himani Grewal & Shivani. (2012). A study of ethical and social issues in e-commerce. *International Journal of Advanced Research in Computer Science and Software Engineering*, 2(7), 167-174.
- J. S. H. Gildenhuis. (2014). *The meaning of ethics*. Ethics and Professionalism: The Battle against Public Corruption, Sun press. 13.
- Kumar, P. S., & Rawat, M. S. (2013). A study on customer perceptions towards online promotions. *International Journal of Multidisciplinary Research in Social & Management Sciences*, 1(3), 117-124.
- Kurt, G. (2008). The impact of e-retailers' ethics on customer loyalty: Perceived trust and perceived satisfaction as mediators. *13th National Marketing Congress*, 50-68.
- Limbu, Y. B., Wolf, M., & Lunsford, D. L. (2011). Consumers' perceptions of online ethics and its effects on satisfaction and loyalty. *Journal of Research in Interactive Marketing*, 5(1), 71-89.
- Moftah, et al. (2012). Challenges of security, protection and trust on e-commerce: A case of online purchasing in Libya. *International Journal of Advanced Research in Computer and Communication Engineering*, 1(3), 141-145.
- Nardal, S., & Sahin, A. (2011). Ethical issues in e-commerce on the basis of online retailing. *Journal of Social Sciences*, 7(2), 190-198.
- Puranik, R., & Bansal, A. (2014). A study of internet users' perception towards e-shopping. *Pacific Business Review International*, 6(9), 39-44.
- Riaz, A., & Raman, S. (2015). The emerging trend of online shopping: A literature review. *International Journal of Accounting, Business and Management*, 1(1), 1-8.
- Sergio Román & Pedro J. Cuestas. (2008). The perceptions of consumers regarding online retailers' ethics and their relationship with consumers' general internet expertise and word of mouth: A preliminary analysis. *Journal of Business Ethics*, 83(4), 641-656.
- Tallapureddy & Jyothsna.M. (2020). Customer perception of perceived risk in Online shopping a study in city of Hyderabad. GITAM University <http://www.businessdictionary.com/definition/ethics>

Annexure: Questionnaire

Perceived Ethics of Online shopping	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree
Perception towards Security					
The security policy of the site is easy to understand					
The site has adequate security features					
The site appears to offer secure payment methods					
Perception towards privacy					
Personal information required for the completion of a transaction is to be mentioned					
Information on privacy strategy is visibly represented					
Perception towards Reliability					
On display price is the genuine value billed					
I acquire the ordered product from the virtual shopping site					
The products I viewed at were offered for sale					
Perception towards Non-deception					
Site overstates the profits and features of its product or service offerings					
The virtual shopping site uses deceptive strategies to persuade consumers to purchase its products or service					