

Consumer Protection Framework And Its Implementation In E-Commerce Transactions: A Case Study Of Chennai City

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ABSTRACT

The emergence of e-commerce has revolutionized retailing in India by providing consumers with accessibility, convenience, and diversity of choice. However, the virtual nature of transactions also poses significant challenges related to consumer protection, such as data breaches, misleading advertisements, counterfeit products, and ineffective grievance redressal mechanisms. This study examines the effectiveness of the consumer protection framework and its implementation in e-commerce transactions in Chennai City. The research explores key dimensions consumer awareness, platform accountability, and grievance mechanisms and evaluates their impact on consumer trust and satisfaction. Data were collected from 200 e-commerce consumers using a structured questionnaire. Statistical analyses, including reliability testing, correlation, and regression, were performed. Findings indicate that a well-implemented protection framework, supported by strong grievance handling and transparency, significantly enhances consumer trust and satisfaction. The study concludes with recommendations for policymakers and online platforms to improve compliance with the Consumer Protection (E-Commerce) Rules, 2020, ensuring fairness and safety in digital transactions..

Keywords: Consumer Protection, E-Commerce, Grievance Redressal, Consumer Awareness, Trust, Accountability, Chennai City..

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INTRODUCTION

E-commerce in India is growing very fast which is changing the way people buy and is making the business to have a new shape. The online platform like Amazon, Flipkart, Myntra, and so on is very much a part of people that live in cities, and especially in some of the very big cities like Chennai. These days, people like to shop online, and the reason for that is they are much closer to the market. But apart from the benefits of online shopping, the customers complain of major issues such as postponement of product delivery, the unrealistic quality of product display, piracy, data breaching, and the silence of the seller when contacted. The Indian government introduced the Consumer Protection Act (2019) and Consumer Protection (E-Commerce) Rules (2020) as a step in the right direction to make e-commerce activities more respect-worthy and give consumers the requisite power. In some cases, these laws are not fully implemented and, correspondingly, not all consumers are alert about their rights in all locations and on all platforms that sell goods.

The aim of this research is to investigate the real-world consumer protection measures associated with the handling of e-commerce activities in Chennai City. The study will attempt to understand to what extent the existing legal measures are effective in watching over the consumer, making platform operators accountable, and creating the trust of online buyers.

Problem Statement

The internet has opened up the floodgates of consumer vulnerabilities in the realm of the web. When it comes to regulatory bodies, customers are often left in the dark, as there are no clear-cut rights or the existence of a redress mechanism. Fake products, deals that are too good to be true, service support that is not really there, and refunds that take forever- the list of problems causing people to lose trust in e-commerce is long.

Despite the presence of legal frameworks, the discrepancy between policy and practice implementation is still a significant concern. A considerable number of customers do not have any idea of the Consumer Protection Act (2019) and the E-Commerce Rules (2020) in regards to their rights. More than that, online grievance redress mechanisms have not been able to perform consistently well. This research throws light on the necessity to study the efficiency of these frameworks very closely, especially in a rapidly expanding e-commerce market in Chennai, and the effect of such an implementation on consumer trust, satisfaction and protection.

REVIEW OF LITERATURE

- Kotler and Keller (2016) hinted at the significance of consumer protection which is the key to the long-term trust

and loyalty of the digital marketplaces and hence should be integrated into the marketing ethics.

- Bhatnagar and Ghose (2018) found that the triad of security, privacy and easy return policies is behind consumer trust in the case of online deals.
- Kaur and Sinha (2021) in their paper on Consumer Protection (E-Commerce) Rules, 2020, have determined that the rules serve as a strong structure and at the same time, it is not easy to persuade the laws in the opinion of people in the Indian cities.
- Ramaswamy (2022) has indicated in his study that the very first step to clawing back usually dissatisfied customers is by spearheading the customer complaints and then sharing the resolution with them. This is a project that corporations are fighting over due to the challenge of the stage of technology they are in.
- Mishra and Sharma (2023) claimed that the more tech-savvy and consumer-oriented the individual becomes, the less chance for persons who benefit from the consumer to occur again.
- Verma and Thomas (2024) brought to our attention that customer's confidence is a significant factor which contributes to consumer's satisfaction and still they act as a mediator between the two.
- Gopinath and Krishnan (2024) through their paper found that E-commerce companies following the rule strictly are comparatively having lesser numbers of those customers who leave over time.

The general understanding derived from the available literature is that the effectiveness of consumer protection is contingent upon the regulatory scheme's firmness of grip, render and consumer talk as well.

Objectives of the Study

1. The understanding of the law, that is the major factor that protects shoppers in the e-commerce world, will be analyzed in Chennai.
2. A study will be performed to examine the efficiency of the various consumer protection means applied by the e-commerce platforms.
3. It will be attempted to evaluate the customers' satisfaction when receiving a reply to their complaint within a certain time.

1. Demographic Profile of Respondents

| Demographic Variable | Category | Frequency | Percentage (%) |
|----------------------|-------------|-----------|----------------|
| Gender | Male | 110 | 55.0 |
| | Female | 90 | 45.0 |
| Age Group | 18–25 years | 52 | 26.0 |
| | 26–35 years | 84 | 42.0 |
| | 36–45 years | 46 | 23.0 |

4. It is also among our objectives to find out how the responsibility of the platform, consumer knowledge, and faith in and security of the consumer are connected.

Hypotheses

- H01: Consumer awareness is not negatively linked with the enforcement of consumer protection in e-commerce.
- H02: The grievance redressal mechanisms that are not the same as consumer satisfaction do not significantly affect consumer satisfaction.
- H03: The platform's accountability doesn't have much effect on consumer trust.
- H04: The implementation of the consumer protection framework has no significant effect on the overall consumer satisfaction and loyalty.

RESEARCH METHODOLOGY

This research utilizes a descriptive and analytic research design in its study to evaluate the different sides and factors which are directly or indirectly connected to people's right in electronic commerce. The research was conducted in Chennai City, one of the biggest cities in India where there is a huge number of consumers. The researchers approached 200 participants by using both convenience and stratified random methods in order to have a sample spread across age, gender, and online shopping frequency.

In order to gather the primary data, a structured questionnaire was on hand to the respondents, hence, it was a five-point scale based on Likert scale measurements, used to quantify the dimensions of consumer protection, which are consumer awareness, platform accountability, grievance handling, trust, satisfaction, and overall protection perception. The variables which are set to be independent are consumer awareness, grievance redressal, and platform accountability, while consumer trust, satisfaction, and protection effectiveness are the dependent variables.

We made the statistical analysis through the SPSS software. Descriptive statistics were used to gather the demographic data, and the reliability testing (Cronbach's Alpha) procedure proved the construct. Correlation analysis was conducted to see the relationship between variables, and then multiple regression analysis was used to measure the power of the predictors for consumer protection and satisfaction in e-commerce transactions.

Analysis and Results

| Demographic Variable | Category | Frequency | Percentage (%) |
|----------------------------------|----------------|-----------|----------------|
| | Above 45 years | 18 | 9.0 |
| Online Shopping Frequency | Once a month | 66 | 33.0 |
| | Twice a month | 80 | 40.0 |
| | Weekly | 54 | 27.0 |

It is indicative of Chennai's expanding digital customer base that the majority of respondents fall between the age range of 26 to 35 years old, and the majority of them purchase online at least twice a month.

2. Reliability Analysis

| Construct | No. of Items | Cronbach's Alpha |
|-------------------------|--------------|------------------|
| Consumer Awareness | 4 | 0.82 |
| Grievance Redressal | 4 | 0.85 |
| Platform Accountability | 4 | 0.83 |
| Consumer Trust | 4 | 0.86 |
| Consumer Satisfaction | 4 | 0.87 |

To ensure that the instrument has a high level of internal consistency, all of the constructs have Cronbach's Alpha values that are greater than 0.80, indicating that they are very reliable.

3. Correlation Analysis

| Variables | Awareness | Grievance Redressal | Accountability | Trust | Satisfaction |
|---------------------|-----------|---------------------|----------------|--------|--------------|
| Awareness | 1 | 0.62** | 0.60** | 0.65** | 0.67** |
| Grievance Redressal | 0.62** | 1 | 0.66** | 0.69** | 0.72** |
| Accountability | 0.60** | 0.66** | 1 | 0.71** | 0.73** |
| Trust | 0.65** | 0.69** | 0.71** | 1 | 0.75** |
| Satisfaction | 0.67** | 0.72** | 0.73** | 0.75** | 1 |

Note: $p < 0.01$ (2-tailed)

All of the independent variables have a positive and substantial correlation with both the level of consumer trust and pleasure, which indicates that there are strong connections between the various protective dimensions.

4. Regression Analysis

| Predictor Variable | Beta (β) | t-value | Sig. (p) |
|---|------------------|---------|----------|
| Consumer Awareness | 0.22 | 3.38 | 0.001 |
| Grievance Redressal | 0.29 | 4.72 | 0.000 |
| Platform Accountability | 0.31 | 5.03 | 0.000 |
| $R^2 = 0.66, F = 83.42, p < 0.001$ | | | |

Sixty-six percent of the variation in customer satisfaction may be explained by the model. The most important predictors are platform accountability ($\beta = 0.31$) and grievance redressal ($\beta = 0.29$), which substantiates the notion that transparent and responsible e-commerce procedures considerably boost consumer pleasure and trust.

CONCLUSION

The researchers concluded after the analysis that the existence of strong channels to process complaints, transparency and platform's responsibility, and, most importantly, the structure of the consumer protection framework are the main factors for the consumer protection framework's effectiveness. Availability of information on consumer rights and the laws in place, such as the Consumer Protection Act (2019) and E-Commerce Rules (2020), is likely to lead to an upward trend in the level of consumer

satisfaction and trust. Yet, the consumers still do not have a complete understanding of the procedures for redress and data protection issues are still bottlenecking the process.

To enhance consumer protection in the e-commerce sector in Chennai, companies have to introduce refund policies that are fully visible, have their complaint channels easily accessible, and use marketing methods that are ethical. The signal should be taken by the government and they should support this cause through more media campaigns, launching of digital mobilities, and conducting of compliance audits to make policies turn into real consumer empowerment..

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