

## Effects of E-Commerce to the Rights of Vietnamese Consumers

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### **Abstract:**

*The objective of this paper is to assess e-commerce based on theoretical overview and situation analysis in Vietnam, a country with a developing emerging economy. From analyzing the status of e-commerce, we evaluate the impact of e-commerce on the interests of consumers, analyzing the real situation of e-commerce impact on consumers. Finally, we propose solutions to protect consumers' rights when participating in e-commerce in the context of globalization and industrial revolution 4.0.*

**Keywords:** *E-Commerce, dispute solution protects consumers, Viet Nam.*

### **1. Introduction**

Currently, e-commerce transactions are increasing and becoming popular. E-commerce makes it easy for consumers to access information and shop for items on demand. E-commerce has become an indispensable trend not only for Vietnam but also for the whole world. Large Vietnamese enterprises are changing themselves in the trend of information technology era and in addition to traditional offline business, they start an online business, set up a website, fan page.

E-commerce creates many benefits for consumers such as: Helping consumers to shop anywhere and anytime: Consumers can choose and conduct purchases at home through Internet access with pictures. Payment method through credit cards. Especially when the current use of the high-speed Internet is becoming popular and convenient, affordable, consumers can sit at home to choose products with full sound, images and information. specifications, convenience and time-saving compared to having to search for goods in shops and supermarkets. In addition, when participating in e-commerce, consumers have a lot of goods and many suppliers to choose from: With the mode of e-commerce, the number of goods that stores and businesses provide: level and diversity, abundance, much easier to choose than traditional business forms. In fact, consumers spend a lot of time moving between stores and even at a store, it takes a lot of time and it is difficult to choose or search for an empty product. Good price and transaction method: Because the manufacturer can save costs such as renting shops, marketing, transactions, etc., the price of products is lower and consumers buy goods via e-commerce method. enjoy a lower price when buying goods using the regular method. For online businesses, a service that always comes is to transport goods to the customer. As a result, the transaction can be carried out at home or to any location requested by the customer. Moreover, through the Internet, consumers can choose goods and services on a global scale.

However, when participating in e-commerce, consumers will face many risks of asymmetric information. The sharing of information online is extremely rich and diverse, posted with the purpose of spreading widely to consumers. However, many units, taking advantage of this feature to transmit untrue information pose risks to consumers. Therefore, it is necessary to have sanctions to protect the interests of consumers when participating in e-commerce.

This article examines the status quo and proposes solutions that help protect the interests of Vietnamese consumers when participating in e-commerce in the context of international integration and the 4.0 industrial revolution.

## **2. Overview of research and theoretical basis**

### **2.1. E-commerce**

The forerunner of e-commerce was EFT (Electronic Fund Transfer) among organizations, developed in the 70s of the last century. Next is EDI (Electronic Data Interchange) - the technology used to transfer documents and data between large enterprises.

When the Internet was born in 1969, it was originally used only in the US government, then to universities, research institutes, then the Internet was commercialized leading to the introduction of the World Wide Web in the early years. 1990 and formed the name of e-commerce.

In Vietnam, the Internet was present in 1997 and became popular for use in 2000. The concept of e-commerce was still unfamiliar to many people in 2000 - 2003. Since 2004, e-commerce gradually becoming more popular.

E-commerce is the purchase and sale of products or services through the Internet and other electronic means. These transactions include all activities such as transactions, sales, payment, ordering, advertising and delivery ...

In traditional commercial transactions, when customers have to spend their time and effort to go and choose products in many places to compare prices and quality. As for e-commerce, buying and selling have become simpler and more convenient than ever. Only by operating on phones or computers connected to the Internet and they transact with each other on the website

In traditional trade, your trade is limited to a certain extent. You will not have many options for the product you need to buy. For e-commerce, cross-border shopping is very simple.

### **2.2. Interests of consumers in e-commerce**

According to Vietnamese law, Article 38 and Article 43 of the 2013 Constitution stipulates: "Everyone has the right to health care protection, the right to live in a healthy environment and an obligation to protect the environment." school ". Therefore, the right to protection here can be understood as the right to consume goods and services and to handle complaints about the quality of goods and services ... Law No. 59/2010 / QH12 dated 17 November 2010 on Consumer protection was approved by the 12th National Assembly but not yet introduced the concept of consumer protection. However, we can understand that consumer protection is protecting the legitimate rights and interests of consumers, when buying and using goods and services for personal, family consumption, organization. According to Decree No. 52/2013 / ND-CP dated May 16, 2013 on e-commerce, it is stipulated that "E-commerce activities are the conduct of part or the whole process of commercial activities by means of electronic gadgets connected to the Internet, mobile telecommunications networks or other open networks. " In the spirit of this decree we can understand e-commerce transactions are the process of buying and selling through telecommunications networks, internet or other open networks, in which consumers will go through e-commerce websites. of traders, organizations or individuals trading goods and / or services that conduct transactions or say otherwise e-commerce transactions are the processes of transactions via telecommunication networks, internet or other open networks. intermediary role.

With the arguments we can understand that consumer protection in e-commerce is: protecting consumers in e-commerce activities are measures to prevent infringements of legal rights of people. the consumer in the process of transacting on the internet, telecommunication networks or other open networks. Consumers only have direct contact with traders, organizations and individuals through the Internet, telecommunication networks or other open networks, information and images of products published by suppliers, thus requiring the rules are different from the traditional environment.

### **2.3. The role of protecting consumer rights in e-commerce activities**

Protection of consumers in a market economy is to ensure consumers exercise their legitimate rights, demonstrate the progress of society, and help overcome the negative side of the market economy. . In addition to the relationships between traders, in society, the relationship is mainly between consumers and organizations and individuals trading in goods and services. Consumers are considered a majority but not reorganized so they do not have strength, the voice of consumers is less heard, so consumers are always in a weak position and suffer disadvantages as follows:

- In accessing information about goods and services;
- In controlling the prices and trading conditions on the market;
- In negotiations and conclusion of contracts;
- Potential risk in using products and services.

From the above characteristics, it is necessary to promulgate legal documents on protecting the interests of consumers in e-commerce activities, in order to ensure fairness of relations between organizations and individuals. the business of goods and services to consumers.

### **3. Vietnam's legal system of consumer protection in e-commerce activities**

Providing information about goods and services to consumers: Consumers in e-commerce activities are always at a disadvantage in accessing information and methods of using goods and services, this responsibility. According to the law, it belongs to the provider of goods or services. Sellers must always ensure that consumers always have the most complete and necessary guidance information, so that consumers can select goods and services by themselves in the most objective and right manner, prohibit the provision of inaccurate, misleading information for self-seeking purposes or unfair competition that directly violates the interests of consumers.

Ensuring consumer information security: in e-commerce activities, the information is converted into data messages, so all potential risks such as: the system being illegally compromised , data loss or data theft for other purposes, etc. Due to the nature of e-commerce activities being indirect and conducted in a borderless environment, the entities are not directly with each other and without knowing each other from before. This leads to the specific concerns of participating cardholders such as: disclosing consumer information such as payment card codes, their credit cards when participating in online transactions, and cards that are benefited by partners. use and illegal use.

Entering into e-commerce contracts: E-commerce contracts are remote transactions between organizations and individuals trading goods and services with consumers ... the nature of these relationships is a contractual relationship, in this trading relationship, it should be established on the basis of self-agreement, the free will of the parties involved. The nature of this relationship is civil relations, but in this relationship, consumers are always weak compared to traders, organizations and individuals trading in goods and services. This position stems from the methods of contracting, the asymmetry of information and the ability to negotiate between the parties and the method of contracting in e-commerce activities. With traditional trade, not all consumers are familiar with its characteristics.

Protection of consumers in e-payment: the goal of all transactions in e-commerce is that consumers receive goods and services on demand and sellers receive payment for products and services provided. This process involves payments between trading partners, so payment is the most important step in e-commerce activities, the payment tool for electronic commerce transactions. The payment gateway system is essentially transferring money between accounts together. In the world, many countries offer measures to protect consumers in payment such as: in the law, or by the internal regulations of banking institutions, credit institutions and payment card issuers. These measures help protect consumers' rights when incidents such as information fraud, card making payments that are not approved by the owner, help increase consumer confidence in transactions

Unfair commercial behavior: laws on consumer protection in e-commerce activities of countries are all aimed at eliminating unhealthy commercial acts even when not targeting a consumer audience. be specific. Unhealthy commercial acts are understood to include misleading and deceptive acts towards consumers. According to the law to protect consumers' interests in e-commerce activities, they must announce prohibited commercial acts in e-commerce activities. The common behaviors are: deceptive advertising (raising the price and then launching promotions; counterfeit goods, fake goods, poor quality goods; advertising the poor quality of goods and goods when delivery is not as shown on the website. ; goods about to expire ...), misleading information about the reputation of business organizations or individuals or products, concealing product defects, supplying goods that may cause harm to public health, harassing, forcing consumers.

Responsibilities of organizations or individuals trading goods and services: Traders of organizations and individuals doing business in e-commerce must be governed by the Law on Electronic Transactions, the Law on Information Technology and the Law on Telecommunications. Information Law, Network Information Security Law and Consumer Rights Protection Law, these entities are responsible for providing accurate and complete information about goods and services to consumers until warranty, maintenance, compensation for damages, recalling defective goods and resolving complaints against consumers. The State requires traders, organizations and individuals trading goods and services to strictly implement the provisions that have been partially shown in order to protect consumers' interests in e-commerce activities. show the rigor of the law. This is the best way to create a healthy competitive environment, restricting traders, organizations and individuals doing business in an illegal way in the market.

Responsibilities of social agencies and organizations in protecting the interests of consumers: (1) for the state: to promulgate policies and policies on protecting consumer interests in e-commerce to protect the interests of the Legal right of consumers. (2) Responsibilities of social organizations: Besides state management agencies, social organizations play a very important role in law enforcement and consumer rights assurance in commercial activities. Well-performed electronics acts as an organization critical of state policies.

Dispute resolution, handling of violations: Dispute resolution is an issue that consumers really care about, it shows the guarantee of their rights when disputes occur in electricity trading activities. death. Consumers can guarantee their legal rights through negotiation, mediation, commercial arbitration or court. The handling of violations specified in Article 11 of the Law on Protection of Consumer Rights, traders, organizations and individuals must bear adverse legal consequences due to the violations of human rights. consumption. Depending on the nature and seriousness of violations, traders, organizations or individuals trading in goods and / or services may be handled by various types of sanctions: civil, administrative and criminal sanctions.

#### **4. Current situation of protecting consumers' interests in e-commerce activities in Vietnam**

##### **Protect personal information**

Through recent surveys, only 40% of organizations and individuals doing business in e-commerce transactions are interested in protecting the safety of consumer information. However, there are significant differences among business organizations and individuals, including 66% of large-scale business organizations and individuals that have applied consumer information security measures. If used, the proportion of small and medium-sized business organizations and individuals is only 40%. In general, the attention paid to the protection of consumer information security in e-commerce transactions of business organizations and individuals has not been paid much attention in the past.

##### **Protection of consumers against frauds**

Many frauds in e-commerce activities have been happening, including the fact that the buyer transferred money to the seller but did not receive the goods due to the fraud of the seller; security issues, personal information

security, vague contracts about prices, false advertising, unsatisfactory goods quality, consumer rights violations ... are outstanding issues. now common in e-commerce activities.

This reflects the true situation of the current consumer market, in which the status of advertising, promotions, providing dishonest information, deceiving consumers, warranty of goods quality ... causing a lot of frustration in consumers.

Violations of the laws of traders, organizations and individuals trading in goods and services in the past show that Vietnamese consumers are being violated their rights with a wide-scale and daily nature. more complicated. Meanwhile, the current law of consumer protection is not strong enough, making consumers still in a weak position.

Practical implementation of laws to protect consumers' interests in e-commerce transactions of state agencies

At present, the main activities of state agencies only focus on propaganda and advocacy activities but there have not been many practical measures to protect consumer rights, leading to violations of rights. consumer interest is still "steadily" increasing, especially in e-commerce activities. The inspection and examination as well as mechanisms to detect violations in the law compliance of subjects when participating in e-commerce activities are very limited due to insufficient staffing, equipment and facilities. Since the inspection work is very limited, this task is almost only regulated as yes, not feasible and not implemented in reality, except for cases discovered by the press or the procedure-conducting agency. .

The management capacity of state agencies in the field of protection of consumers' interests in e-commerce activities is weak, embarrassing and not really enough to adjust and manage arising issues; no coordination mechanism between state management agencies directly involved in many different fields and industries, leading to ineffective handling of violations, state management incapacity of agencies state on protecting consumer interests in e-commerce activities.

### **Law enforcement practice of the Consumer Rights Protection Organization in e-commerce transactions.**

Consumer protection associations' interests in protecting e-commerce nationwide have not kept pace with the complicated developments of legal violations related to consumers. use. The Consumer Rights Protection Law has established that the Consumer Rights Protection Association has the right to initiate a lawsuit on behalf of consumers. However, the Association of protection of consumers' interests also rarely performs this activity; The consumer protection law also stipulates that the Association has the right to initiate a lawsuit to protect consumers' interests for the public benefit but must bear the costs incurred during the course of the lawsuit. This is also a reason that limits the results of activities to protect consumers' interests in e-commerce activities, because the Consumer Protection Association is a non-profit, cost-effective organization. The lawsuits are often small for lawsuits and consumer protection associations do not have enough money for this activity.

### **Practices about consumers' legal awareness**

Currently, consumers do not know how to fully exploit the rights prescribed by the law for them to protect themselves, including the right to complain and sue organizations and individuals trading in goods and services. There are violations. The cause of this situation is not only because consumers are not fully aware of their social rights and responsibilities with the mind of being afraid of fighting, disputes, troubles but also because of the embarrassment of not knowing which agencies. authority to settle and procedures for settling complaints.

The complexity of legal procedures and rising costs are also major obstacles to complaints and lawsuits of consumers, if using their right to complain, consumers often encounter attitudes. idle, slow settlement of traders, organizations and individuals doing business to extend the time. On the other hand, when using the right to sue to request a court to protect their rights, consumers must face complex legal procedures, not commensurate with the extent of the damage. With that mentality, Vietnamese consumers easily ignore situations that are deceived by business organizations and individuals in advertising and in daily consumption

because the value of the damage is insignificant. As a matter of fact, when the victims did not speak up, the law and the State were difficult to intervene or could not fully solve the violations to restore their rights.

In recent years, Vietnamese laws have had many important regulations on consumer protection activities in e-commerce activities. The Party and the State have implemented a sustainable development policy, which is economic development in parallel with protecting consumer rights in e-commerce activities, we can say what the current legal framework has been. meet the legal requirements to protect consumers in e-commerce activities. However, regulations are only designed to provide general standards of conduct for those who participate in a specific area of society. Therefore, in any field, the law can be formulated after a process of close practical practice and drawing from the life of society. The study of consumer rights protection in e-commerce activities in Vietnam in the past time will assess the suitability of the system of legal provisions on the role of legal entities. laws, the sense of compliance with laws, the mechanism for implementation of laws to protect consumers' interests in e-commerce activities. on that basis, find out the inadequacies and loopholes of the law from which to propose a solution to orient the inadequacies of the legal gaps from which to propose solutions as well as specific orientations to complete improve the law to meet basic and specific criteria to improve the law to meet the basic criteria for the provisions of the law governing consumer protection in electricity trading activities. death. The completion of the legal framework will have an important impact on improving consumer confidence in this new type of transaction. Timely and adequately protect the rights and interests of the parties involved in the legal relationship to protect consumers' interests in e-commerce activities. Although the law to protect consumers' interests in e-commerce activities is a new activity, it has been and is an indispensable choice of many countries in the world, including Vietnam. Challenges are still posed to the legal adjustment process for this activity, especially the building of legal awareness, consumer and individual organizations' beliefs, businesses, service, guarantee their rights in this field. This issue requires close coordination between the state, traders, organizations, individuals and consumers in social courts.

##### **5. Solutions to ensure consumers' interests in e-commerce activities**

- Improve the law on consumer protection in e-commerce activities

Protection of consumers' interests at a secondary position in e-commerce activities: the provisions of the law on the protection of consumers' interests in e-commerce activities must always be based on the principle of priority. advantages for consumers derive from the "weaker" position of consumers in relation to organizations and individuals producing and trading goods and services. However, it is still necessary to ensure the legitimate interests of traders, organizations, business individuals and other relevant entities. This will be the principle throughout the law in this field, from defining the responsibilities of traders, organizations and individuals trading in goods and services to identifying mechanisms for handling complaints. , accusations and lawsuits of consumers in e-commerce activities.

Adjusting behaviors of traders, organizations and individuals operating in the field of e-commerce: perfecting the legal corridor on protecting consumers' interests in e-commerce activities, helping traders and organizations business organizations and individuals are aware and respect the rights of consumers, as well as contribute to creating a sense of respect for the law, healthy competition in business. In addition, the law is a tool to protect business traders, organizations and individuals against unfair competition acts of restricting competition and antitrust to create an equal and balanced business environment. by benefits between business organizations and individuals, contributing to improving economic efficiency.

Improving the effectiveness of state management of the protection of consumers' interests in e-commerce activities: the principle of the protection of consumer interests in e-commerce activities is a common responsibility of the State. and the whole society. However, the current situation cannot deny the responsibility, the capacity of state management, social management of state agencies on this issue is weak. These shortcomings are caused by many different causes, but the causes are not small because the provisions of the

law on protecting the interests of consumers in e-commerce activities are not sufficiently equipped with "reach" for agencies. state management to effectively carry out this activity.

Provisions on the peculiarities of the law on consumer protection in e-commerce activities:

- Providing sanctions that are sufficient to prevent violations, handle criminal acts, but must also ensure conformity with other law branches in the legal system; do not cause annoyance, social outrage or backward awareness about violations of consumer rights in e-commerce activities.

- Specific provisions on relationships, coordination mechanisms, functions, powers and duties of each concerned trader, organization or individual to ensure the State management, ensure rights and interests lawful consumers and traders, organizations and individuals doing business in e-commerce activities.

- Developing relevant laws must meet the requirements of international economic integration, shorten the gap as well as the differences in regulations between other countries and international subjects, this is a requirement. It is very important in today's globalization trend.

- Ensuring consistency and synchronization with the law to protect consumers' interests in e-commerce activities and compatibility with international commitments.

Complete the mechanism to ensure the implementation of the law to protect consumers' interests in e-commerce activities

- Raising awareness and awareness of laws to protect consumers' interests in e-commerce transactions

Specific provisions on the law propaganda, dissemination and education tasks of relevant agencies and People's Committees at all levels are required to provide necessary knowledge and skills to entities. participate in e-commerce transactions so that they can actively abide by and comply with laws voluntarily and permanently as well as protect themselves when participating in e-commerce transactions. When the dissemination and education of laws are done properly, traders and organizations also have timely responses to amend and supplement appropriate and more important legal documents. These subjects also consciously protect each other by alerting people in time to avoid risks. Appropriate funding sources and skills-training policies are needed for those who propagate and disseminate the law in the agencies with functions responsible for this task by law.

- Enhancing the capacity and efficiency of organizations protecting consumers interests in e-commerce activities:

+ Recognizing that the consumer protection organization in e-commerce activities is a specific social organization, on which basis the consumer protection organization is funded to be able to implement Good test of their responsibilities.

+ Compensation for civil lawsuits for protecting the interests of consumers in e-commerce activities initiated by the consumer protection organizations for the public benefit, requiring deduction regulations to make. funds, serving activities of organizations protecting consumers' interests.

+ To build and develop a supervisory network and operation of the Association to protect the interests of consumers in e-commerce activities to the commune and ward levels.

- Deploying two activities of the state management agency in protecting the interests of consumers in e-commerce activities.

Activities to protect consumers' interests in e-commerce activities should be conducted regularly, taking precautions seriously; The provisions of the law must strictly control the activities of traders, organizations and individuals trading in goods and services from the first stage such as ensuring the legal rights of consumers right from the beginning. time the contract was established; ensure goods quality right from the preparation stage to put goods into circulation on the market. Combined with prevention is the strict and thorough handling of all

violations of the law on protecting the interests of consumers in e-commerce activities in order to prevent, deter and educate the sense of compliance. laws to protect consumers' interests in e-commerce activities of all relevant business traders, organizations and individuals.

- International cooperation on the protection of consumers' interests in e-commerce activities

The legal system to protect consumers' interests in the field of e-commerce in Vietnam in recent years has made certain progress. But compared to developed countries, we still have a long way to go. Therefore, it is essential to expand and enhance the effectiveness of international cooperation on protecting consumer rights in e-commerce activities, thereby sharing information and learning experiences about consumer protection work of developed countries, with experience in consumer protection in e-commerce activities. Strengthening cooperation in training human resources, encouraging research and application of transfer of scientific and technological achievements in protecting consumers' interests in e-commerce activities.

Protecting consumers' interests in e-commerce activities is an urgent issue of the whole society in the context of extensive international economic integration like our country today. Cases of infringement of consumers' interests in e-commerce activities are happening more and more and causing great losses to consumers. But the legal system does not guarantee consistency in form as well as content; coordination mechanism between agencies is not tight; consumer awareness of laws is still limited; Unforeseen legal provisions in resolving disputes across territorial boundaries ... Therefore, the issue of consumers and the protection of consumers' interests in e-commerce activities should be implemented in a synchronized manner. and more efficient. The protection of consumers' interests in e-commerce activities needs the support and attention of the whole society. The research topic shows the basic contents of consumer protection laws in e-commerce activities, analyzes the system of legal regulations in this field and gives the actual situation and application of the law. Application of the law to protect consumers' interests in e-commerce activities in Vietnam over the past time so that there are orientations and proposed solutions to remove difficulties in the protection of consumers' interests. in e-commerce activities.

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