

NICI Survey: Impact of Draft E-Commerce Rules on Consumers

This survey contains 7 questions for consumers. A brief context to the questions is provided below. Please read and respond.

Recently, the Department of Consumer Affairs, Government of India introduced amendments to the Consumer Protection (E-Commerce) Rules, 2020. The impact of proposed changes on consumers is highlighted in the 6 infographics below followed by questions regarding impact on consumers.

Overview of the Impact of Draft E-Commerce Rules

(You may scroll and skip the infographics if aware about the Draft Rules)



The definition of e-commerce entities is ambiguous

Impact on Consumers

- Lesser Product selection will be available as there will be lesser sellers in the marketplace
- Prices will increase as competition is reduced
- Consumers will be forced to go to offline markets for competitive prices and wider range of products thereby increasing health risks

Impact on Sellers

- Will act as an entry barrier for start up and local traders to take advantage of e-commerce
- Local sellers will be serving just the immediate market and stifle their growth
- Lower opportunities to liquidate inventories resulting in losses



Imposes arbitrary cross-selling disclosure requirements

Impact on Consumers

- Consumers will miss out on related essential products and services such as damage protection warranty for new phones
- Customers will have to search for and buy each product separately missing benefits of combo deals
- Customers may not be able make complete purchase and be forced to make incomplete choices. Eg. Buying just an AC without stabilizer

Impact on Sellers

- Sellers will have to rely on customer's awareness for peripheral products and ancillary services
- Sellers will need to spend more money on ads
- Unnecessary compliance burden
- As sales get affected, small businesses will lose market share and adversely affect jobs of millions of people



The rules ban e-commerce entities from refining the search index

Impact on Consumers

- Will stifle innovations for improving consumer experience
- Will reduce e-commerce platforms to mere catalogues
- Will make it time consuming for customers to order

Impact on Sellers

- Sellers will not be able to customise offerings for consumers
- Products of reputed sellers will be showcased along with inferior products
- Will demotivate sellers to improve offerings



Compulsory suggestion of domestic alternatives to imported goods/services

Impact on Consumers

- Consumers will have to rely on arbitrary rankings
- Since the rules do not mention what constitutes as 'discrimination', customers may end up choosing inferior products

Impact on Sellers

- Indian sellers who rely on imported goods will suffer
- Sellers will be forced to sell goods and services from a limited pool
- Small sellers will lose competitive edge against sellers who manufacture domestically



Ban on marketplaces from advertising sellers offering subsidies

Impact on Consumers

- Consumers will not be able to make purchases for a special occasion
- Access to seasonal products like mangoes in summer may become expensive

Impact on Sellers

- E-commerce entities may be restricted from running campaigns that aim to promote specific types of products
- Will be harder for sellers to dispose unsold inventory



The rules prohibit logistics companies from providing customised services

Impact on Consumers

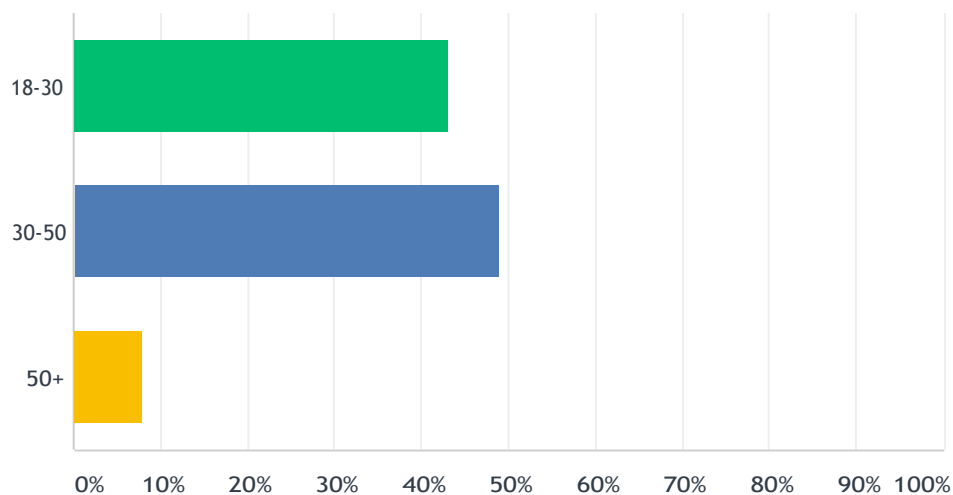
- Consumers may not be able to request faster delivery of products for emergency use
- Consumers' ability to pay a premium for faster delivery and for delivery of fragile products will be restricted

Impact on Sellers

- Sellers will not be able to leverage innovations in the logistics sector
- Sellers will not be able to provide emergency services
- Sellers will end up paying extra warehousing costs

Q1 Age:

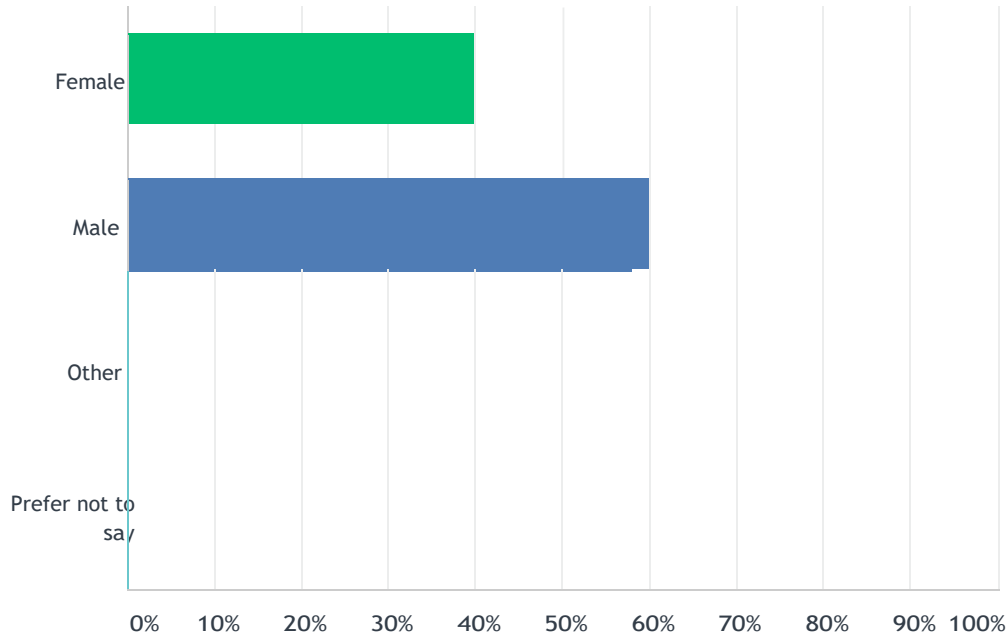
Answered: 100 Skipped: 0



ANSWER CHOICES	RESPONSES	
18-30	43.00%	43
30-50	49.00%	49
50+	8.00%	8
TOTAL		100

Q2 Gender:

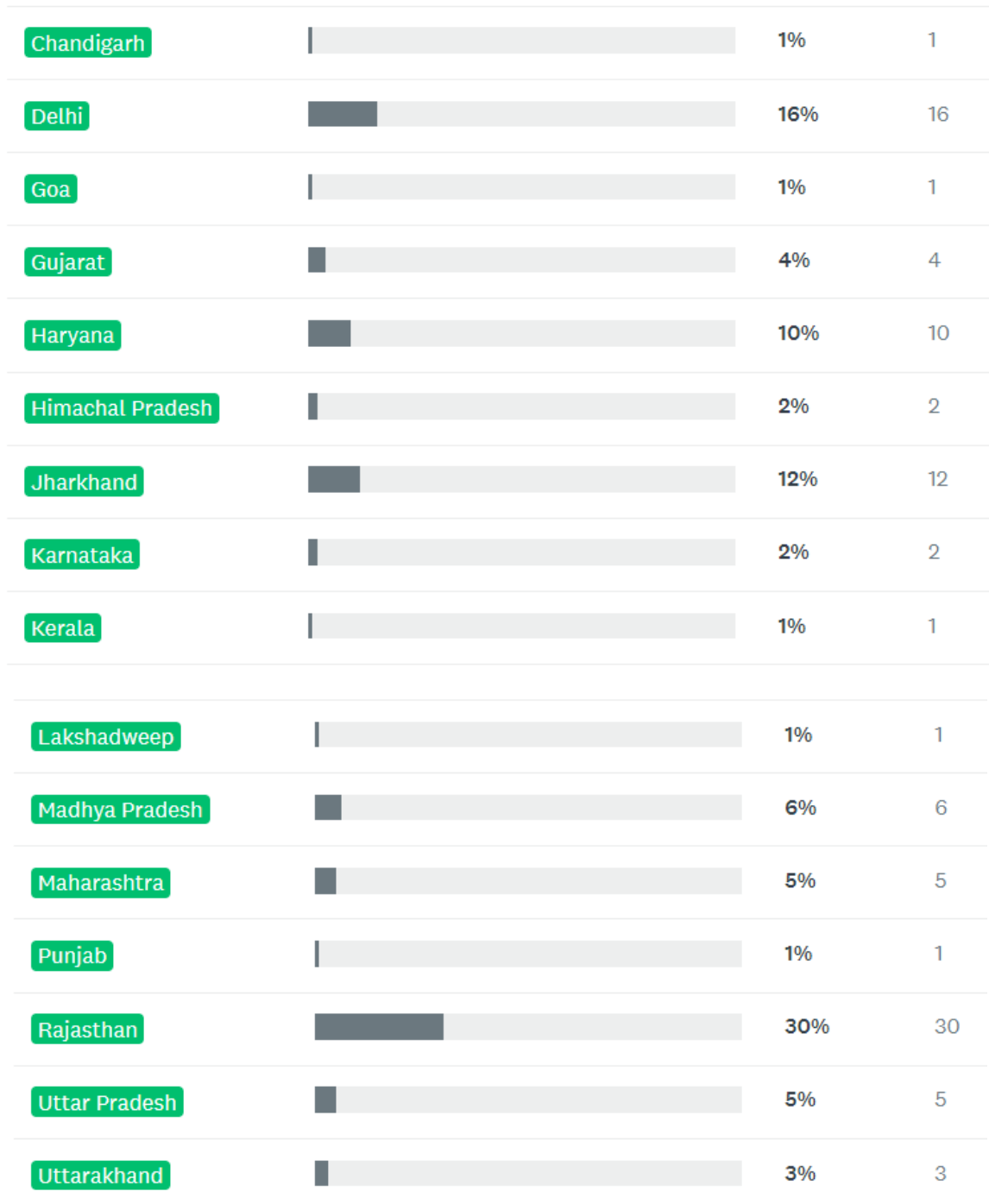
Answered: 100 Skipped: 0



ANSWER CHOICES		RESPONSES	
Female		40.00%	40
Male		58.00%	58
Other		1.00%	1
Prefer not to say		1.00%	1
TOTAL			100

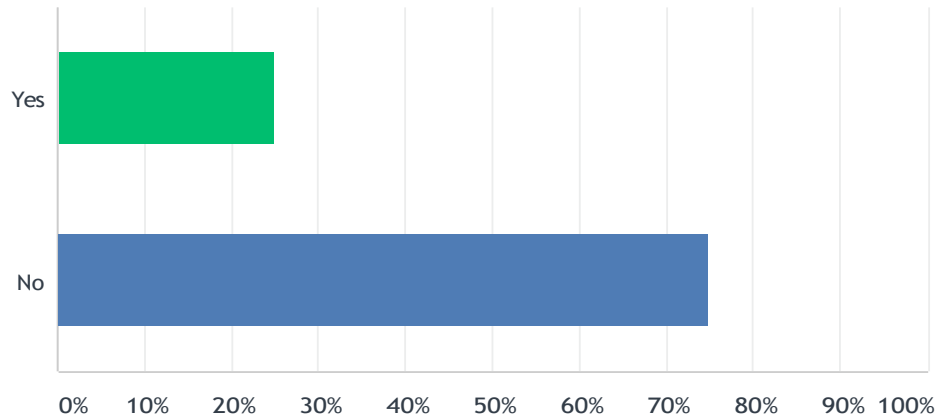
Q3 State:

Answered: 100 Skipped: 0



Q4 Do you want E-Commerce Flash Sales/Discounted Sales banned?

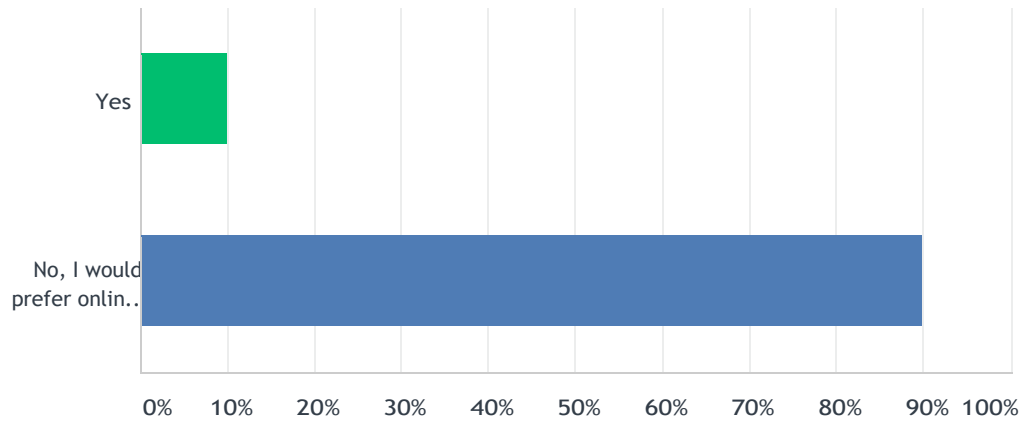
Answered: 100 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	25.00%	25
No	75.00%	75
TOTAL		100

Q5 Do you want to go to markets during a pandemic?

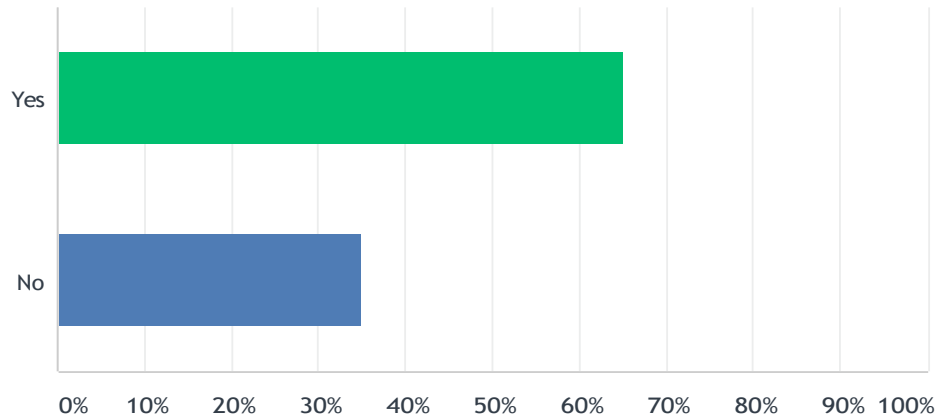
Answered: 100 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	10.00%	10
No, I would prefer online shopping	90.00%	90
TOTAL		100

Q6 Do you mind if the delivery of online purchases takes longer?

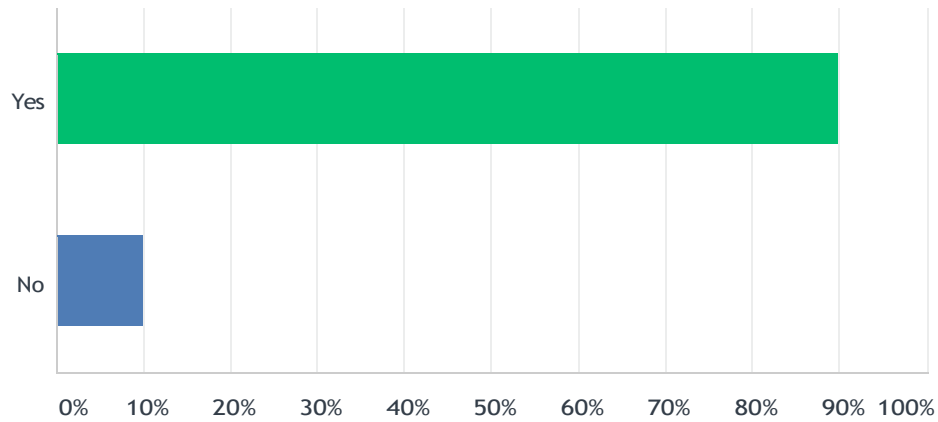
Answered: 100 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	65.00%	65
No	35.00%	35
TOTAL		100

Q7 Do you want local sellers to sell online?

Answered: 100 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	90.00%	90
No	10.00%	10
TOTAL		100