

Effect of the Consumer Protection Act 2019 on Consumer Confidence and Online Shopping Behavior

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Abstract

This study examines the influence of the Consumer Protection Act (CPA) 2019 on the online buying behavior of consumers. By employing regression analysis, the research aims to understand how the perceived effectiveness of the CPA impacts consumers' decisions to shop online, their choice of platforms, and overall confidence in online retail. The study also considers demographic factors to provide a comprehensive view of the CPA's influence. Findings indicate that the CPA 2019 significantly affects online shopping decisions, platform choices, and consumer confidence, thereby enhancing overall consumer satisfaction. The research emphasizes the need for continuous improvement and enforcement of consumer protection laws to maintain trust in the digital marketplace. The results have important policy implications, suggesting that regular updates and rigorous enforcement of consumer protection laws are essential to foster a secure and reliable online shopping environment. This study aims to inform policymakers about the effectiveness of consumer protection laws in the digital age, highlighting the necessity for ongoing dialogue on improving consumer protection in the rapidly evolving e-commerce landscape. The comprehensive analysis of demographic factors further enriches the understanding of consumer perceptions and behaviors, providing a robust framework for future policy development and implementation.

Keywords: Consumer Protection Act, online buying behavior, consumer confidence, e-commerce, regression analysis, demographic factors, consumer satisfaction, platform choice, policy implications

Introduction

The digital marketplace has revolutionized consumer behavior, making effective consumer protection laws more critical than ever. The Consumer Protection Act (CPA) 2019 was introduced to address the unique challenges posed by online shopping, aiming to enhance consumer confidence and ensure fair practices. As consumers increasingly rely on e-commerce platforms, understanding the impact of the CPA 2019 on their buying behavior becomes essential for both policymakers and businesses. Effective consumer protection is crucial in fostering trust and confidence among online shoppers, as highlighted

by studies such as those by Chawla & Kumar (2022). These protections are designed to safeguard consumer rights and ensure that online transactions are conducted fairly, mitigating the risks associated with digital purchases (Garz et al., 2021).

The primary objective of this study is to evaluate the perceived influence of the CPA 2019 on online buying behavior. Part of this process is looking at how the Act influences people's trust in online stores, the platforms they use, and whether or not they purchase online at all. Strong consumer protection rules encourage consumers to shop online more often since they feel safer doing so, as highlighted by Agag (2017). Based on studies conducted by Hima (2016) and Makanyeza et al. (2021), this research intends to determine which demographic factors, such as age, gender, education level, and income, have the greatest impact on how consumers perceive and act in regard to the CPA 2019.

This study might help lawmakers understand how consumer protection laws work in the modern digital era, which is a major reason why it is important. Policymakers may make better judgments to increase consumer safety and confidence in e-commerce if they know how the CPA 2019 affects online purchasing behavior. Taking into account a wide range of demographic elements that impact consumer views and actions, this study seeks to provide a holistic perspective on the CPA's effect. A safer and more reliable online marketplace may be the result of well-executed policies, which in turn can increase customer engagement and happiness (Patra, 2020). The overarching goal of this research is to add to the current conversation on how to better safeguard online shoppers in the dynamic e-commerce market.

Literature Review

1. Importance of Consumer Protection in E-commerce

Online buyers' trust and confidence is greatly enhanced by consumer protection measures, according to studies like Chawla & Kumar (2022). For the online marketplace to be fair and for consumers' rights to be protected, consumer protection laws must be strong. Consumers are protected from damage by these laws, which aim to stop deceptive advertising, unfair commercial practices, and fraudulent actions. One example is the claim put up by Chawla and Kumar (2022) that a robust regulatory structure serves to safeguard customers while simultaneously elevating the general legitimacy of e-commerce platforms, which in turn increases their appeal to prospective purchasers.

In addition, establishing reliable and long-lasting online ecosystems depends on consumer protection legislation. Robust legal protections are required due to the rising complexity and diversity of

transactions in e-commerce. Since they provide a buffer against the dangers connected with online purchasing, effective consumer protection measures may increase customer happiness and loyalty (Garz et al., 2021). More people will shop online as a result, which boosts the economy's digital footprint.

2. Impact of Consumer Protection on Buying Behavior

Strong consumer protection laws encourage consumers to shop online more often since they feel safer doing so, as pointed out by Agag (2017). Consumers are more inclined to buy online, have faith in e-commerce platforms, and make further purchases when they believe they are protected by strong legislation. More sales and happier customers are possible outcomes of this boost in trust. Clear return policies, dispute resolution processes, and explicit terms and conditions are essential consumer protection features that Agag (2017) notes as generating pleasant customer experiences. In addition, reliable e-commerce platforms may be identified by the existence of robust consumer protection regulations. Platforms that adhere to consumer protection standards are more likely to be chosen by customers because they are viewed as more trustworthy and safe (Makanyeza et al., 2021). Other e-commerce enterprises are compelled to adhere to high standards of consumer protection in order to stay competitive, and this preference for compliant platforms promotes customer trust.

3. Demographic Factors and Consumer Perceptions

According to studies conducted by Hima (2016) and Makanyeza et al. (2021), customer opinions of consumer protection legislation are greatly impacted by demographic parameters such age, gender, education level, and income. Take younger customers as an example. They may have a better grasp of their rights and the safeguards that are accessible to them due to their greater tech knowledge. Education plays a crucial role in raising consumer awareness; as Hima (2016) points out, educated customers are more likely to seek redress in the event of a dispute and have a better understanding of consumer protection regulations.

The extent to which consumers understand and make use of consumer protection systems is also influenced by their income levels. Consumer protection regulations are more easily understood and used by those with higher incomes, according to research by Makanyeza et al. (2021). The capacity of lower-income customers to properly use these safeguards may be hindered by factors such as a lack of understanding or restricted access to legal services. In order to establish consumer protection rules that work for all types of consumers, it's important to have a handle on these demographic aspects.

Methodology

This study uses regression analysis to assess the factors influencing consumer satisfaction and buying behavior. Data were collected from a survey of 400 online shoppers, categorized by age, gender, education, occupation, and income. The survey included questions related to the perceived effectiveness of the CPA 2019, consumer confidence in online retail, and their choice of e-commerce platforms.

Data Collection:

- **Sample Size:** 400 online shoppers
- **Demographics:** Age, gender, education, occupation, income

Variables:

- **Dependent Variable:** Buying behavior
- **Independent Variables:** Perceived influence of CPA, consumer confidence, platform choice, demographic factors

Analysis Tools:

- **Statistical Method:** Regression analysis
- **Software:** SPSS

Results

Descriptive Statistics

Table 4.1: Demographic Breakdown

Category	Count	Percentage (%)
Age		
Up to 18	26	6.81
18-30	118	30.89
30-45	129	33.77
45-60	73	19.11
Above 60	36	9.42

Gender		
Male	184	48.17
Female	178	46.6
Prefer not to say	8	2.09
Other	12	3.14
Education		
High School and above	78	20.42
Bachelor's Degree	129	33.77
Master's Degree	111	29.06
Ph.D. or higher	50	13.09
Other	14	3.66
Occupation		
Salaried	186	48.69
Business	79	20.68
Housewife	39	10.21
Retired	41	10.73
Others	37	9.69
Income		
Less than 2.5 lakhs	81	21.2
2.5 - 5 lakhs	103	26.96
5 - 7.5 lakhs	103	26.96
7.5 - 10 Lakhs	59	15.45
10 lakh and above	36	9.42

The demographic composition of those who had participated in the survey is shown in Table 4.1. Over sixty-four percent of the sample is comprised of individuals who are between the ages of 18 and 45, making up the bulk of the responses. There is an almost equal proportion of males and females, with 48.17% males and 46.6%, respectively. According to the respondents' educational levels, the majority of them have either a Bachelor's or Master's degree. In terms of occupation, a significant proportion of the workforce is comprised of salaried workers. According to the distribution of income, the majority of respondents had an annual income that falls between 2.5 and 10 lakhs.

Hypothesis Testing

Table 4.2: Hypothesis Results

Hypothesis	F-value	p-value	Conclusion
H2A: The perceived influence of the CPA 2019 significantly affects online shopping decisions	4.123	0.018	Significant
H2B: Significant differences in platform choice based on CPA influence	5.678	0.004	Significant
H2C: Increased consumer confidence in online retailers due to the CPA	6.789	0.002	Significant

Table 4.2 provides a summary of the findings from the testing of the hypothesis. The F-value for H2A is 4.123, and the p-value is 0.018, which indicates that the CPA 2019 has a considerable impact on the choices that consumers make about their online purchase. H2B has an F-value of 5.678 and a p-value of 0.004, indicating that there are substantial changes in platform selection dependent on the effect of the CPA being considered. As a result of the CPA, H2C reports an F-value of 6.789 and a p-value of 0.002, which indicates that consumers have significantly boosted their trust in online merchants.

Regression Analysis

Table 4.3: Regression Model Summary

Predictor	Coefficient	Std. Error	t-value	p-value
Intercept	3.00	0.25	12.00	0.000
Perceived Influence of CPA	0.20	0.08	2.50	0.014
Consumer Confidence	0.25	0.10	2.50	0.014
Platform Choice	0.30	0.09	3.33	0.001

R-squared: 0.65

There is a summary of the regression model included in Table 4.3. Indicating that it is extremely significant, the intercept has a coefficient of 3.00, a t-value of 12.00, and a p-value of 0.000. Therefore, it is highly significant. The perceived impact of the CPA has a coefficient of 0.20, a t-value of 2.50, and a p-value of 0.014, indicating that it has a substantial favorable effect on purchasing behavior. Another factor that has a substantial impact on purchasing behavior is consumer confidence, which has a

coefficient of 0.25, a t-value of 2.50, and a p-value of 0.014. A substantial and significant influence on purchasing behavior is shown by the fact that platform choice has a coefficient of 0.30, a t-value of 3.33, and a p-value of 0.001. According to the R-squared value of 0.65, it can be inferred that these predictors are capable of explaining sixty-five percent of the variation in purchasing behavior.

Discussion

The results demonstrate that the CPA 2019 has a beneficial impact on the behavior of consumers who shop online by boosting their confidence and impacting their decision-making process about purchases. Based on the substantial F-value (4.123) and p-value (0.018) for Hypothesis 2A, it can be concluded that the Consumer Protection Act of 2019 has a favorable impact on the choices of consumers to purchase online. The fact that this is the case indicates that the Act has been successful in creating a more trustworthy and secure environment for online purchasing. Studies such as those conducted by Chawla and Kumar (2022) and Agag (2017), which show the relevance of customer trust and confidence for the expansion of e-commerce, further underline the need of a comprehensive consumer protection framework. These studies underscore the necessity of a consumer protection framework.

It is clear from the findings for H2B ($F = 5.678$, $p = 0.004$) that the CPA 2019 has a considerable influence on the online platforms that customers choose to do business with. This leads to the conclusion that platforms that are regarded to comply with the CPA more effectively are more likely to attract customers, which further emphasizes the significance of regulatory compliance in the realm of e-commerce. In line with the findings of prior studies, which indicated that consumers are more willing to interact with platforms that are seen to adhere to consumer protection norms, this study is compatible with those findings. The results of Makanyeza et al. (2021), who underlined the substantial influence that demographic characteristics play in molding customer views, are in line with the focus that is placed on compliance and consumer trust.

According to the results of H2C ($F = 6.789$, $p = 0.002$), the customer Protection Act of 2019 has greatly increased the level of customer trust in digital shops. There is a strong correlation between increased confidence and increased engagement as well as recurrent purchases, which is beneficial to both customers and companies. This is supported by the findings of the regression analysis, which demonstrates that the perceived influence of the CPA, consumer confidence, and platform choice are significant predictors of buying behavior. Each of these predictors has an R-squared value of 0.65, which indicates that they are able to explain 65% of the variance in buying behavior. Studies conducted by

Garz et al. (2021) and Bello et al. (2016) provide more evidence in support of the concept that successful consumer protection significantly boosts overall customer happiness and confidence.

The Consumer Protection Act of 2019 (CPA 2019) has a significant influence on the behavior of consumers who shop online by boosting consumer confidence and affecting purchasing choices. The findings of the research highlight the need of continuously improving consumer protection regulations and also ensuring that they are enforced in order to preserve confidence in the digital marketplace. The insights presented here should be used by policymakers in order to guarantee that consumer protection frameworks continue to develop in response to the ever-shifting dynamics of e-commerce. In order to maintain the trust and confidence of consumers, it is vital to implement strong enforcement of these regulations and to regularly update them. This will eventually result in the creation of an environment that is more trustworthy and safe for online shopping.

Conclusion

This research underscores the significant role of the Consumer Protection Act (CPA) 2019 in shaping online consumer behavior. The findings confirm that the CPA positively influences online buying behavior by enhancing consumer confidence and influencing purchase decisions. The significant effects observed in hypothesis testing—such as the perceived influence of the CPA on shopping decisions, platform choice, and consumer confidence—highlight the Act's effectiveness in fostering a safer and more trustworthy online shopping environment. The regression analysis further supports these findings, showing that the perceived influence of the CPA, consumer confidence, and platform choice are significant predictors of buying behavior, explaining 65% of the variance. The demographic breakdown indicates a diverse representation of online shoppers, with balanced gender distribution and a majority of respondents within the age range of 18-45, holding Bachelor's or Master's degrees, and earning between 2.5 to 10 lakhs annually. The study emphasizes the necessity for continuous improvement and stringent enforcement of consumer protection laws to maintain trust in the digital marketplace. Policymakers should consider these insights to ensure that consumer protection frameworks evolve in response to the changing dynamics of e-commerce. Regular updates and rigorous enforcement of these laws are essential to sustain consumer trust and confidence, ultimately fostering a more secure and reliable online shopping environment. These efforts will not only benefit consumers by providing a safer online shopping experience but will also encourage businesses to adhere to fair practices, thus promoting a healthy and competitive digital marketplace.

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