Chapter 10

Online Security and Consumer Protection in Ecommerce: An Australian Case

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ABSTRACT

Given the nature of the e-market, both regulatory and self-regulatory measures have been employed by Australia to protect e-consumers. However, the efficiency and effectiveness of the current framework of e-consumer protection have not been sufficiently evaluated. This chapter aims to (i) discuss the current approaches to protect e-consumers in terms of security in Australia, (ii) find out the level of awareness, the view and attitudes of e-consumers regarding online security and institutes involved in e-consumer protection, (iii) investigate how e-consumers protect themselves from online incidents, and (v) discuss policy implications for protection of e-consumers in terms of security. Overall, this chapter provides a better insight of how e-consumers are protected regarding security in Australia. It will help relevant stakeholders in developing and fine tuning policies to ensure a secure e-market for all. Finally, it will elicit further research on how to better protect e-consumers in the e-market.

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INTRODUCTION

E-commerce has become a popular platform for commercial transactions. However, not all consumers are confident in shopping online, and security is one of the key barriers which has discouraged consumers from shopping on the online marketplace or e-market (Stoney & Stoney, 2003). Although the number of online security incidents has steadily increased (Ha, 2005, 2006), research on e-consumer awareness of such incidents has been insufficient. Also, there has been little research on how consumers deal with online security risks, and how they are protected. Thus, this chapter aims to

1. explain the current approaches to protect e-consumers in terms of security in Australia,
2. investigate the awareness and opinion of e-consumers regarding online security and organisations involved in e-consumer protection, using Victoria, Australia as a case study,
3. examine the attitudes of e-consumers towards consumer protection in e-market,
4. study how e-consumers protect themselves from online security incidents; and
5. discuss policy and marketing implications for protection of e-consumers in terms of security.

The findings suggest that although different approaches have been employed to address issues associated with online security, the level of awareness of e-consumers of such approaches is not high. Not all e-consumers adopt technical and non-technical approaches to protect themselves in the e-market. Also, e-consumers have limited knowledge of how to counter online security incidents.

This chapter is significant because it can contribute to the literature relating to online security from the view of e-consumers. It also provides a better understanding of the current approaches adopted by e-consumers to deal with security concerns in the online environment, and how these approaches can be improved, based on e-consumers’ point of view, in order to enhance their confidence in the e-market.

BACKGROUND

This section discusses three main issues of online security. It, then, examines the current regulatory and self-regulatory approaches to address security incidents in the online environment.

Security Issues

Miyazaki and Fernandez (2001), Milloy, Fink and Morris (2002), Jackson (2003), Ha (2005) and Saprikis, Chouliara and Vlachopoulou (2010) comment that privacy and security are the most important barriers to online shopping. Lack of security measures and weak enforcement will allow customers’ personal particulars to be revealed with or without their knowledge, which may cause damage to them if their identity or financial information is stolen and misused. According to the eight basic rights (which consumers are entitled to enjoy) endorsed by the United Nations, consumers have the right to safety in any environment (United Nations Conference on Trade and Development, 2001). Thus, they must
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