

## Solving Conflicts of Interest in Electronic Contracts in E-commerce Transactions - and a Case of Online Milk Market for Children

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**Abstract---** In emerging markets such as Vietnam, electronic contracts have been used more and more and e-transactions have been increasing over years since the time Vietnam allows internet. There are problems arising from e-commerce, seriously implementing, implementing and effectively coordinating the fight against counterfeit goods, and goods infringing intellectual property rights on the Internet. Internet environment, and at the same time improving the role and responsibility of businesses owning e-commerce websites in protecting consumers, etc.

Beside, In order to protect the interests of consumers, sales acts such as advertising, providing false information are strictly prohibited; The seller must provide detailed and specific information related to products, goods and services. This helps to ensure that consumers are aware of the expiration dates of the products they are purchasing on the e-commerce platform, and it is the responsibility of all sellers as well as e-commerce businesses to update and provide information to consumers. consumption.

**Keywords---** Disputes, Protect Consumer Interests, Conflicts of Interest, e-transactions, Online Milk Market, Children as Consumers, Vietnam.

**JEL:** O11, O14, K10, K15.

### **I. Introduction**

First, In Vietnam, since the appearance of the internet in 1997, e-commerce has also been established, but the growth rate is slow. In recent years, along with the development of internet access and connection, electronic transactions have developed. First of all, card payment services, followed by online shopping websites also gradually appeared and developed rapidly, up to now, payment on electronic applications and applications has become quite popular.

Next, we see e transactions nowadays is one key factor and considered as a motivator in the digital economy:



Fig. 1: E-transactions in Digital Economy

(source: [vcci.com.vn](http://vcci.com.vn))

The paper organized with introduction, literature review, next section is method and main findings, then discussion and conclusion.

### **Research Questions**

Analyzing disputes and difficulties in e transactions?

What are solutions and implications for solving these problems or disputes?

## II. Literature Review

First, DTN Huy (2015) pointed that risk management and governance in banks and corporations are vital. This confirmed by (PM Dat et al, 2020; TTH Ha et al, 2019; Hang, T.T.B et al, 2021; Hac, L.D et al, 2021; Huy, D.T.N., Loan, B.T., and Anh, P.T, 2020; Huy, D.T.N et al, 2020; Huy D.T.N., Nhan V.K., Bich N.T.N., Hong N.T.P., Chung N.T., Huy P.Q., 2021; Huy, D.T.N., An, T.T.B., Anh, T.T.K., Nhung, P.T.H, 2021; Phung Tran My Hanh et al, 2021; NN Thach, HT Hanh, DTN Huy, QN Vu., 2021; NN Thach et al, 2021).

E-commerce understood as using telecom networks for performing business transactions and sharing information, somewhat very broad concept, hence, study define a simpler concept of e-commerce as 'selling/buying products, services, and information via computer networks including the internet' (V. Zwass, 2011).

Next, Obe (2018) mentioned that due to e-commerce with internet, weaknesses or black sides of online transactions or business include consumer vulnerability (potential).

Ali et al (2019) pointed that in both sides of materially and formally it is very important to protect consumers, either directly or indirectly.

Moreover, we see subjects of commercial disputes as:

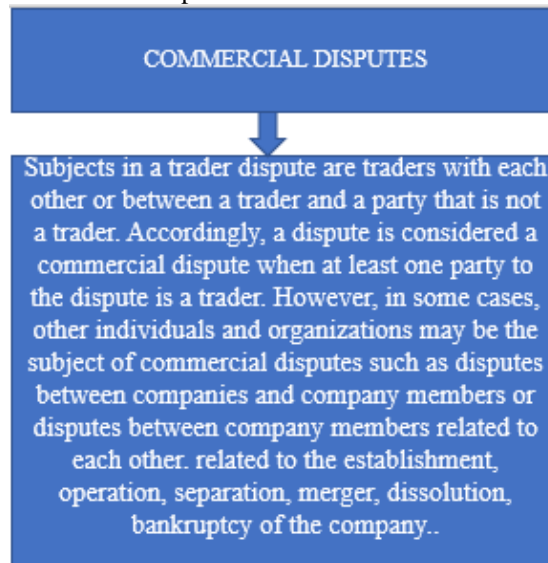


Fig. 2: Commercial Diputes

Source: author synthesis

### ***Base for Arising Commercial Disputes***

We recognize if one party violates relation (commercial) or commit to violate law. Hence conflicts over the rights, obligations will be a common feature of violation. In below part we mention several specific commercial disputes:

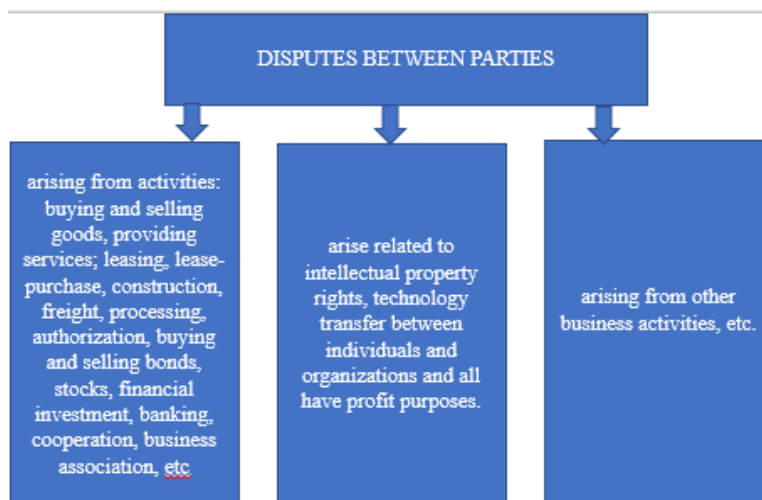


Fig. 3: Commercial Disputes

(source author synthesis)

In order to protect the interests of consumers, sales acts such as advertising, providing false information are strictly prohibited; The seller must provide detailed and specific information related to products, goods and services.

Then, Along with that, all firms with e-commerce business will register with Department for Promotion of E-commerce (DPIIT) to get registration no and receive stamp (notice) on website when licensed.

### **III. Methodology**

#### ***Method and Data***

This study mainly use qualitative methods including synthesis, inductive and explanatory methods. And it emphasizes again roles of risk management functions in e-transactions for economic growth with a study in Vietnam.

It also uses historicalism combined with dialectical materialism method.

### **IV. Main Results**

#### ***4.1. Overview***

Currently, besides the benefits, e-commerce also reveals many disadvantages. In particular, the situation of counterfeit goods, imitation goods and poor quality goods strongly penetrated. The methods of cheating and deceiving consumers are increasingly diverse and sophisticated. Ms. Nguyen Mai Huong, Vu Ban town (Lac Son) said: There are many goods on e-commerce channels such as Lazada, Shoppe, Sendo... even on facebook. I bought a product from an online shop on facebook after being consulted by a staff member and showed a photo of a "real customer" using the product. I actively contacted the shop to complain and was immediately blocked from all contact, "money lost disability".

Many consumers have lost money unfairly because when ordering, the goods are advertised with quality and eye-catching appearance, but when they arrive, they are disappointed with the product. In addition, many electronic transaction channels also cause many inconveniences to consumers such as: Some consumer lending organizations or debt collection organizations often call the reference phone numbers provided by consumers when signing a contract. a consumer loan contract, affecting the work, daily life and life of the phone number subscriber; airlines, ticket agents are late to refund NTDs within the committed time limit when canceling airline tickets due to the impact of social distancing measures or travel restrictions due to the epidemic; or the issue of warranty liability of enterprises when NTD's cars and means of transport do not guarantee the quality as promised when purchasing... This situation has been reflected by the public for many years, and that is precisely what This is the reason why many consumers' confidence in e-commerce channels declines.

According to the Department of Competition and Consumer Protection (Ministry of Industry and Trade), in 2021, the Department has received more than 13,000 complaints from consumers in all fields, an increase of 17.6% compared to 2020. In which, the Department received , consulting and supporting to solve nearly 2,600 cases through calls, sending applications, letters of complaints and petitions of consumers with nearly 1,300 cases.

(source: www.baohoabinh.com, access date 19/7/2022)

#### ***4.2. Difficulties and Disputes in Electronic Contracts and in Online Transactions***

Firstly, during covid 19 period, online transactions have been increasing and have had a dispute with the buyer, the seller or both in the past. The main reason is that many sellers have taken advantage of this business form to commit illegal acts, causing damage to consumers. Accordingly, users often fall into cases such as: The seller provides incomplete information about the product, is inaccurate in terms of ingredients, does not fulfill the responsibility to provide invoices and transaction documents, breach of responsibility for warranty, delivery, receipt, exchange, return of goods, delivery of damaged goods but not recovered; Order cancellation for no reason...

Secondly, In the face of problems arising from e-commerce, seriously implementing, implementing and effectively coordinating the fight against counterfeit goods, goods of unknown origin and goods infringing intellectual property rights on the Internet. Internet environment, and at the same time improving the role and responsibility of businesses owning e-commerce websites in protecting consumers... is a matter of special attention by the Industry and Trade industry.

Besides, theft and unauthorized use of consumer's personal information (such as phone number, email) to advertise, offer sales, and even harass consumers has been appearing more and more in Vietnam

Thirdly, The rapid development of e-commerce platforms also leads to the emergence of "seasonal" sellers that are not strictly controlled, or some e-commerce platforms are causing limited choices of consumers by " favor" certain vendors on their platforms. This prevents a level playing field and ultimately limits customer choice and increases prices.

#### ***4.3. A Case of Online Milk Market for Children The Real and Fake Milk Market Online Example***

Before the current trend of online sales, more and more websites selling baby formula are launched with the number of virtual members that can reach hundreds of thousands of transactions per day. Undeniably, these online milk selling websites bring convenience to consumers, especially for office or housewives. Because here, formula milk products are sold extremely diverse with many different types and brands. Therefore, the consumer is free to choose.

However, not every shopping website is a reliable place to buy infant formula for consumers. In fact, many shop owners take advantage of the psychology and trust of young mothers to cheat in many different ways.

Not every shopping website is a reliable place to buy milk-infant formula

Firstly, when selling goods, these online shop owners will "play tricks" to deliver goods on time, return money when there is no stock in order to gain the absolute trust of consumers. But then, when receiving larger orders, customers simultaneously send the entire amount before waiting to receive the goods later, maybe these online shop owners "silent, disappear", how to find also not out.

Second, selling milk online for children, but many sales websites go against their previous commitment to sell 100% genuine and genuine products. For profit, they have delivered fake milk, imitation milk, or poor quality milk.

Third, when a customer has a problem or problem with a purchased dairy product, customers often do not know to reflect specific information about which address, for whom. This makes many mothers fall into a state of crying and laughing, losing money and getting frustrated. Therefore, many consumers now lose faith and do not dare to buy powdered milk but have to switch to fresh milk.

With the status of buying and selling milk online of many websites, social networking sites like the above, young mothers who are not observant or careless when buying may buy fake goods

#### **4.4. Discussion on Solving Difficulties and Disputes in e-transactions**

Disputes settlement in e-commerce is regulated as follows:

Traders, organizations and individuals that own sales e-commerce websites are responsible for receiving and handling customer complaints related to contracts entered into on their e-commerce websites.

Disputes between traders those selling goods (during contract) : resolved on the basis of the terms of the contract published on web at time of contract signed.

If consumers disagree, those who sell goods could not (must not) obtain their advantages in order to unilaterally settle disputes (in e-environment).

Moreover, parties involved could discuss and solve disputes without 3<sup>rd</sup> party intervention.

And using 3<sup>rd</sup> party involvement to handle dispute , so-called conciliation, (task of mediating).

#### **V. Discussion and Conclusion**

Protecting consumers' interests in e-commerce is the topic chosen by the Ministry of Industry and Trade for the activities of Vietnam Consumer Rights Day 2020. Therefore, the Ministry of Industry and Trade assigned the General Department of Market Management to take the lead. coordinate with the Departments, functional departments, Departments of Industry and Trade of provinces, cities and relevant units to build and organize inspection and control of goods circulating on the market. The Department of E-commerce and Digital Economy shall assume the prime responsibility for, and coordinate with relevant units in, formulating and organizing the implementation of solutions to enhance the protection of consumers' interests in the field of e-commerce, especially in the field of e-commerce. especially during the implementation of online shopping days, online shopping season organized by government agencies or businesses.

Via this study, we see there are implications for education and it is needed (DTN Huy et al, 2021; Duong Thi Tinh et al, 2021; Dinh Tran Ngoc Huy et al, 2021; DTN Huy, PN Van, NTT Ha, 2021; Hai, N.T et al, 2021; Le, K., & Nguyen, M, 2021; Nguyen Thi Hoa, Nguyen Thi Hang, Nguyen Thanh Giang, Dinh Tran Ngoc Huy, 2021; TDT Vu, DTN Huy, NTH Trang, NN Thach. 2021; NT Hoa, DTN Huy, T Van Trung, 2021; N Thi Hang et al, 2021).

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#### **Conflicts of Interest**

There is no conflict of interest.

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