

Chapter 15

E-Commerce

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I The Setting

Described as the fastest growing commercial market at any point in time,¹ electronic commerce (e-commerce) continues to trouble, confound and, most importantly, transcend national regulatory boundaries. However, there is no doubting that the consumer has embraced the notion of online purchasing of goods and services. The causes of this embrace relate to the growth in internet usage, the availability of faster network speeds, a rise in the number of people comfortable with the security of online transactions, a reduction in search costs for the consumer, an increase in choice, and the generational expectation of people for whom e-commerce has been a dominant and organic way in which to engage in retail therapy. Interestingly, in Australia consumers have nominated the obtaining of better value, the avoidance of crowds and the avoidance of queues as the three dominant reasons to engage in e-commerce.²

Known as 'e-tailing' (as distinct from 'retailing'), data from the Australian Bureau of Statistics highlights that for 25-34 year olds, nearly 80% of consumers made online purchases of goods or services in the 12 months prior to the study. All age groups showed an increase from the previous study – with 15-17 year olds and the 65+ age group showing the lowest usage of e-commerce, although both groups had around 40% of individuals purchasing online.³ Worldwide e-commerce transactions are expected to reach nearly US\$1.4 trillion (AU\$1.35 trillion) by 2015, with Australian spending expected to reach AU\$33 billion.⁴ Despite this growth, problems abound. In the first six months of 2012, 30% of the 76,800 inquiries and complaints received by

- 1 Beer D and Roberson I, 'Legal Issues in E-Commerce: Preventing Business Liability and Ensuring Compliance' [2007] *Commercial Law Quarterly* 21.
- 2 Access Economics, *Household E-Commerce Activity and Trends in Australia* (17 November 2010), p 4.
- 3 Australian Bureau of Statistics, *Cat No 1370.0: Measures of Australia's Progress, 2010, Communication*.
- 4 McGrath T, 'US E-Commerce Increases during 2011 Second Quarter, Study Says' (10 August 2011) at <<http://www.eway.com.au>> accessed 8 February 2012; Bullock M,

This is a preview. Not all pages are shown.