

DISSERTATION

ON

**The challenges of regulating new forms of business organization,
such as e-commerce and startups companies,
under the companies act 1994.**

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Submitted To

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Consent Form

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Acknowledgement

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Declaration

I, **Mitanur Akter Meghla**, bearing student ID: **2018-3-66-038**, hereby declared that, this thesis paper titled “**The challenges of regulating new forms of business organization, such as e-commerce and startups companies, under the companies act 1994**” was entirely prepared by me under the supervision of **Dr. Md. Mehedi Hasan, Chairperson & Assistant Professor, Department of Law, East West University** for my graduation requirement. I further declare that, this is my original work and the content of this thesis paper has not been submitted or published by any journal, newspaper, or article. The content and materials used for this thesis paper are acknowledged duly and recognized in the references and properly cited.

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Abstract

The rapid rise of new forms of business organization, such as e-commerce and startups, has posed significant challenges to the traditional company law framework established by the Company Law 1994. This study explores these challenges, focusing on the limitations of the existing legal framework and talks about how the current rules aren't very good at managing these new and innovative businesses. The big issues are that the rules focus a lot on traditional companies and don't cover e-commerce and startups very well. Also, they don't have good rules for dealing with digital things. It's hard for investors to be protected because the risks are higher with these new kinds of businesses. The rules about following certain standards are also hard for online businesses. The study says we should review and update the old rules to make them better. Some suggestions are to include online shops and new companies in the rules, make specific rules for online transactions, improve protection for investors, and have more flexible rules that adapt to different situations. This way, the rules can help new ideas, keep people safe, and make sure online shops and new companies keep doing well in the modern world.

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Chapter One

Background of the study

1.1 Introduction

The internet has introduced a new era of commerce known as electronic commerce or e-commerce. This transformation has impacted how businesses communicate, share information, and conduct transactions. Through advanced data transmission networks, the internet facilitates global connections between customers and sellers, changing traditional views on technology investments.¹ In a changing business landscape, the rise of new organizational forms, especially start-ups and e-commerce, often poses a challenge to regulatory frameworks established in the pre-digital era.² E-commerce involves online transactions for buying and selling goods and services over the Internet, encompassing business-to-consumer, business-to-business, and consumer-to-consumer interactions.³ E-commerce gained traction in Bangladesh in the late 90s and early 2000s, despite challenges in infrastructure, internet capabilities, and government policies. The sector is rapidly evolving and has the potential to disrupt traditional business models. This research delves into the legal transformations brought about by e-commerce in Bangladesh, exploring challenges faced by established enterprises and highlighting the agility of startups in foreign markets. The regulation of e-commerce involves ensuring that digital transactions align with legal standards.⁴

¹ Faramarz Damanpour, Jamshid Ali Damanpour, 'E-business E-commerce Evolution: Perspective and Strategy' (emerald insight, 01 July 2001) <<https://www.emerald.com/insight/content/doi/10.1108>>accessed 01 July 2001.

² John Braithwaite and Peter Drahos, 'Global Business Regulation' (CAMBRIDGE UNIVERSITY PRESS, 2000) <<https://www.cambridge.org>>accessed ,2000.

³ Tyaba Tasmin Turag, 'Regulatory Framework of doing Online Business in Bangladesh: Problems and Prospects' (*Bangladesh Law Digest*, August 1, 2021) <<https://bdlawdigest.org/regulatory-framework-of-doing-online-business-in-bangladesh-problems-and-prospects.html>>accessed August 1, 2021.

⁴ Md Shariful Haque, 'The Transition of E-Commerce Industry in Bangladesh: Added Concerns & Ways of Recovery' (Canadian Center of Science and Education, July 01, 2022) <<https://doi.org/10.5539/ijef.v14n7p18>>accessed July 1, 2022.

1.2 Research Question

- 1) How the new law has disrupted the e-commerce business in a very short period of time?
- 2) How easily e-commerce startups have established their place in foreign countries, and how much trust people have placed in these individuals?

1.3 Research Justification

This research is vital for comprehending the rapid and transformative effects of new laws on the e-commerce sector. The dynamic legal environment significantly shapes business operations, particularly in the rapidly evolving field of e-commerce. The study concentrates on examining how e-commerce startups establish a global presence, aligning with the increasing globalization of these businesses. Additionally, assessing the trust individuals have in these startups is crucial for understanding socio-economic implications. Overall, the research aims to offer valuable insights into the disruptive impacts of new laws on e-commerce and the globalization of startups.

1.4 Literature Review

It has been determined that there are some quantitative studies regarding the challenges of regulation new forms of business organization in Bangladesh. Even though, I'll try to extract the most important data from several of carefully selected studies here. Bangladesh had over 100 million internet users as of my most recent knowledge update in January 2022. A study by Djumadi, A.H. Barkatullah about examines the impact of e-commerce on consumer rights, emphasizing the risks faced by consumers and their limited bargaining power. The study advocates for self-regulation as a method to enhance legal protection and consumer security in e-commerce transactions. It highlights differences between the United States and the European Union in their approach to self-regulation, with the United States emphasizing a self-regulation model and the European relying more on legislation for consumer protection. The article notes that Indonesia currently lacks specific regulations for data privacy protection and has not adopted self-regulation in e-commerce transactions.⁵ Canadian Center of Science and Education published an article, which carried out the current fresh issues and areas for

⁵ Djumadi, A.H. Barkatullah, does self-regulation provide legal protection and security to e-commerce consumers? *Electronic Commerce Research and Applications* (2018),

: <https://doi.org/10.1016/j.elerap.2018.05.008>

improvement in Bangladesh's e-commerce sector in this study. This article delves into global retail changes, focusing on Bangladesh's growing e-commerce sector. It discusses current challenges, including controversies and the impact of COVID-19, which boosted e-commerce but also led to fraud issues. The article stresses the importance of rebuilding trust, ensuring transparency, and proposes measures for enhancing the legal and operational aspects of Bangladesh's e-commerce industry.⁶ Another research by Reena Kumari has mentioned gave an overview on the challenges of e-marketing. The article examines the development of E-marketing within the framework of the internet and information technologies, highlighting its substantial growth over the past two decades. It underscores E-marketing's transformative impact on traditional marketing, emphasizing new business models that prioritize customer value, relationship-building, and company profitability. With a focus on Bangladesh, the paper systematically reviews current changes, explores strategies employed in the electronic environment, and discusses associated challenges. The conclusion offers suggestions for enhancing E-marketing practices for Bangladeshi companies.⁷ Lastly, The Journal World Trade published a study regarding "Regulating E-Commerce through International Policy: Understanding the International Trade Law Issue of E-Commerce" by Wolters Kluwer, which explores the transformative impact of the Internet on global economic growth, particularly in e-commerce. It highlights how small businesses can now reach international consumers and discusses the evolution of US trade policies, emphasizing the need to revisit and update e-commerce provisions in free trade agreements. The article identifies various issues such as cross-border transfer of digital services, intellectual property challenges, and the role of internet negotiator. It outmoded for breaking down non-traditional trade barriers and supporting the growth of small businesses in e-commerce through future trade regulation.⁸

⁶ Md Shariful Haque, 'The Transition of E-Commerce Industry in Bangladesh: Added Concerns & Ways of Recovery' (Canadian Center of Science and Education, July 01,2022) <[https://doi.org/ 10.5539/ijef.v14n7p18](https://doi.org/10.5539/ijef.v14n7p18)>accessed July 1,2022.

⁷ Reena Kumari, 'Opportunities and Challenges of Internet Marketing' (THINK INDIA JOURNAL,04 October,2019) <<https://thinkindiaquarterly.org/index.php/think-india/article/download/18767/13712>>accessed 04 October,2019.

⁸ Wolters Kluwer, 'Regulating E-Commerce through International Policy: Understanding the International Trade Law Issue of E-Commerce' (The Journal World Trade,2012) <<https://doi.org/10.54648/trad2012017>>accessed 2012.

1.5 Research Methodology

The research relies on secondary data related to e-commerce or e-business, sourced from government reports, internet searches, books, journal articles, research papers, etc. Primary data is collected through technological means, observation, and interviews. The referencing system follows the OSCOLA referencing style.

1.6 Conclusion

The concluding section delves into the influence of the Internet on the evolving landscape of e-commerce, specifically in Bangladesh. It emphasizes the rapid expansion of the sector, overcoming infrastructure hurdles, and potentially diverging from conventional business approaches. This transformation, rooted in principles differing from the pre-digital era, provides unparalleled convenience, accessibility, and global outreach. However, it also brings forth challenges related to security, privacy, and adherence to regulations.

Chapter Two

Overview of the New Law on E-Commerce

2.1 Introduction

E-commerce is defined simply and broadly as any commercial transaction conducted over the internet or facilitated by online means.⁹ The field of e-commerce law involves a complex amalgamation of developing case laws, statutes, and regulations. The emergence of the internet and advanced e-commerce applications has brought topics such as data privacy, transactional jurisdictions, choice of law, and information system security to the forefront of public discussions.¹⁰ In recent years, e-commerce has faced significant changes, leading jurisdictions to introduce new legislative frameworks to regulate and influence this growing sector. This study focuses on exploring and analyzing the latest laws governing e-commerce, investigating their impact on business operations, consumer protection, and legal responsibilities. By examining recent legislative developments, the research aims to offer a comprehensive understanding of the current legal landscape in e-commerce.¹¹

2.2 Comparison of Past law and Present law of e-commerce

The evolution of e-commerce laws reflects a significant enhancement in addressing key aspects of online transactions. In the past, privacy protection was limited so they didn't protect your privacy well, and people worried about others using their information. But now, the laws make sure to protect your privacy a lot more. Also, the security for buying things online has improved a lot with present laws which enforcing robust measures against cyber threats. The laws today make sure that bad computer activities and scams are stopped.¹² The problems with buying things from other countries, which were there in the past, are now recognised. Consumer redress mechanisms have evolved from limited options to robust dispute resolution processes. The rules can change quickly to keep up with new technology. Now, they even say clearly that

⁹ Dennis M Kennedy, 'Key Legal Concerns in E-Commerce: The Law Comes to the New Frontier' (2001) 18 TM Cooley L. Rev. 17.

¹⁰ Jane K Winn and Benjamin Wright, *The Law of Electronic Commerce* (Wolters Kluwer 2000).

¹¹ *ibid.*

¹² Roni Bhowmik, 'The Present E-Commerce Situation in Bangladesh for B2C E-Commerce.' [2012] Int. J. Eco. Res v3.

electronic signatures and agreements you make online are legal. Also, Modern security in e-commerce has been improved by using advanced methods to stop fraud. These methods use smart computer systems like AI and machine learning, making sure that e-commerce operations are more secure now. ¹³

This shows that the rules for E-commerce are getting better and are more flexible, making sure your information is safe and transactions are secure.

2.3 The Impact of the New Law

New e-commerce laws in Bangladesh have made a substantial impact on the digital business environment. These regulations enhance consumer protection, ensure fair business practices, and establish mechanisms for dispute resolution, influencing various aspects of e-commerce in the country.¹⁴The discussion about the positive and negative changes are given below-

The new e-commerce law aims to bring positive changes by enhancing consumer protection, instilling a sense of safety for online shoppers, and ensuring the secure handling of personal information. It will establish clear legal guidelines for businesses, promoting standardized practices, and fostering fair competition within the e-commerce sector, discouraging unfair tactics and creating an equitable playing field for businesses.¹⁵ Also, the law will make sure that your rights as a buyer are protected, giving you a way to solve problems if something goes wrong with your purchase. It may promote international collaboration, encouraging cooperation between countries to establish a consistent and globally accepted framework for e-commerce operations.

The enactment of new legal law in e-commerce carries several negative influences. First, it could make it harder for small online businesses because compliance costs and burdens are anticipated to rise, which potentially limiting their ability to enter the market. They might have to spend more money to follow the rules, and start. Second, the new rules might cause operational disruptions for existing e-commerce platforms, necessitating adjustments to their business models and processes. Third, excessive regulations might stop new ideas and inventions in e-commerce. Also, it might be tough for startups to start because of these strict

¹³ John Humphrey and others, 'Reality of E-Commerce with Developing Countries'.

¹⁴ Neelam Chawla and Basanta Kumar, 'E-Commerce and Consumer Protection in India: The Emerging Trend' (2022) 180 Journal of Business Ethics 581.

¹⁵ Carlos A Primo Braga, 'E-Commerce Regulation: New Game, New Rules?' (2005) 45 The Quarterly Review of Economics and Finance 541.

rules, making it hard for them to grow. Lastly, the impact on pricing and affordability is a concern because of these new rules making it more expensive for people and limiting their choices.¹⁶

Overall, these new laws and regulations represent a comprehensive initiative to cultivate a more flexible, secure, and consumer friendly e-commerce environment in Bangladesh.

2.4 The anticipated future for E-commerce in the effects of the recent legal changes

The e-commerce landscape is on the brink of substantial change, driven by recent legal modifications that are redefining the operations of online businesses. It reshapes the foundations of E-commerce, a new horizon emerges, promising a future marked by innovation, adaptation, and strategic evolution. The profound impacts of recent legal changes herald a transformative era for online commerce.¹⁷

2.4.1 Technological Advancements

Following the new rules is like a mission, and it's making online shopping get even better. Businesses will use cool tools like smart computers (AI) and secure systems (block chain) to follow the rules and also make things work smoother. It's all about using new ideas to do well and follow the law at the same time.¹⁸

2.4.2 From Globalization to Localization

New rules are making online shops think about how they sell things all around the world. Even though the internet lets them sell to anyone, there are different rules in different places. So, businesses are thinking about selling things in ways that fit the rules of each area. This makes them wonder how to sell to lots of different people while still following the local rules.¹⁹

¹⁶ Sushil K Sharma and Jatinder ND Gupta, 'Adverse Effects of E-Commerce', *The economic and social impacts of e-commerce* (IGI Global 2003).

¹⁷ J Efrim Boritz and Won Gyun No, 'E-Commerce and Privacy: Exploring What We Know and Opportunities for Future Discovery' (2011) 25 *Journal of Information Systems* 11.

¹⁸ Snezhana Sulova, 'A Conceptual Framework for the Technological Advancement of E-Commerce Applications' (2023) 3 *Businesses* 220.

¹⁹ Nitish Singh, *Localization Strategies for Global E-Business* (Cambridge University Press 2011).

2.4.3 Innovation and Compliance

As the rules for online businesses change, they need to be good at two things: coming up with new ideas and following the rules.²⁰ In the future, we might see lots of cool and smart solutions from companies trying to follow the rules and still be the best. Businesses that can be both creative and follow the rules will probably do really well in this changing situation.²¹

2.4.4 Consumer Trust is in the Focus

Legal changes in online shopping are making companies focus more on making customers feel safe. The rules are getting stricter, so businesses have to be clear about how they work. This means they need to protect customer information, make sure prices are fair, and give accurate details about products. In the future, because of these new rules, customers will feel more in control and confident when they buy things online. It's all about making sure people trust online shopping.²²

2.4.5 Worldwide Standardization

Following the new rules is like a mission, and it's making online shopping get even better. Businesses will use cool tools like smart computers (AI) and secure systems (block chain) to follow the rules and also make things work smoother. It's all about using new ideas to do well and follow the law at the same time.²³

2.5 Conclusion

The conclusion emphasises that changes in e-commerce because of new laws are bound to happen and can actually be good for businesses. If businesses see these changes as chances to improve, not just survive, they can do really well in a changing digital platforms world.²⁴ It's important for businesses to be creative and plan smartly to succeed in the evolving digital marketplace.

²⁰ Mansour Shakhathreh and Hisham Jadallah, 'DEVELOPMENT OF E-COMMERCE WITHIN THE FRAMEWORK OF COMPLIANCE WITH FINANCIAL LAW.' (2023) 4 Financial & Credit Activity: Problems of Theory & Practice.

²¹ Jaap Gordijn and JM Akkermans, 'Value-Based Requirements Engineering: Exploring Innovative e-Commerce Ideas' (2003) 8 Requirements engineering 114.

²² Sandy C Chen and Gurpreet S Dhillon, 'Interpreting Dimensions of Consumer Trust in E-Commerce' (2003) 4 Information technology and management 303.

²³ Humphrey and others (n 13).

²⁴ Gordijn and Akkermans (n 21).

Chapter Three

Challenges and Responses in the E-commerce Business Landscape

3.1 Introduction

In the fast-paced world of e-commerce, businesses face different challenges. They deal with complicated rules, quick changes in technology, and many other difficulties. To overcome these problems, businesses use many strategies like trying new things, protecting against online dangers, and focusing on what customers want.²⁵ This introduction provides a peek into the changing scene of recent difficulties and the active ways businesses are proactive responses shaping the E-commerce business world.

3.2 Regulatory Challenges

The impressive growth of e-commerce has innovated our shopping experiences, but it also brings along challenges. In the complex world of e-commerce, a complicated network of regulations poses challenges for both businesses and consumers.²⁶ Here's a brief overview of some critical aspects-

3.2.1 Jurisdictional Regulatory Complexity - The Jurisdictional Regulatory Complexity in e-commerce refers to the intricate system of rules and regulations that govern online business activities across different geographical areas.²⁷ When conducting cross-border sales on digital platforms, businesses encounter diverse regulations, including laws, taxes, and customer protection measures that vary depending on the operating location. Navigating through these complex rules demands meticulous attention and resources, given the unique regulations in different places, sometimes with imperfect alignment. The emphasis lies in the challenges posed by intellectual property laws, particularly the complexity e-commerce businesses face in safeguarding elements such as logos, trademarks, and copyrights.²⁸ It also mentions the challenges of dealing with transactions that happen across borders, like following rules about

²⁵ Ritendra Goel, *E-Commerce* (New Age International 2007).

²⁶ Jonathan Coppel, 'E-Commerce: Impacts and Policy Challenges'.

²⁷ Burke T Ward, Janice C Sipior and Linda Volonino, 'Internet Jurisdiction for E-Commerce' (2016) 15 *Journal of Internet Commerce* 1.

²⁸ Mark A Stoney and Susan Stoney, 'The Problems of Jurisdiction to E-commerce—Some Suggested Strategies' (2003) 16 *Logistics Information Management* 74.

goods coming in or out of a country including customs regulations and currency exchange.²⁹ The hard part is not just knowing and following these rules but also dealing with the differences between them. It's important to work together globally to make the rules more similar and fair for e-commerce everywhere.

3.2.2 Technological Complexity - Recent challenges in e-commerce have appeared because the way we sell and purchase things on the internet is changing quickly.³⁰ Online retailers are working to provide a consistent shopping experience across digital platforms and physical stores, facing challenges in seamlessly integrating these channels. E-commerce aims for uniformity in product details, pricing, and consumer interactions. Catering to the modern preference for personalized shopping involves using intelligent computer programs. Some stores enhance the experience with technologies like augmented and virtual reality, presenting additional challenges. With the rising use of voice-activated devices for shopping, companies must ensure accurate comprehension of voices for easy purchasing. The exploration of innovative technologies like block chain and quantum computing illustrates the rapid changes in e-commerce.³¹ Companies must be swift and intelligent to stay ahead of these advancements.

3.2.3 Data Management Complexity

The primary concern in E-commerce is ensuring the security of personal and financial information, with apprehensions about data theft or unauthorized usage. Striking a balance between personalized recommendations and safeguarding private details poses a challenge. Inconsistencies in product details and prices across different platforms can lead to confusion. Meeting the demand for quick responses in real-time is a significant challenge, as delays or inefficiencies in data processing can negatively impact consumer satisfaction and trust in the e-commerce experience.³²

²⁹ Li Wang and others, 'Qualitative Analysis of Cross-Border E-commerce Based on Transaction Costs Theory', *2015 IEEE 12th International Conference on e-Business Engineering* (IEEE 2015).

³⁰ Michael Earl and Bushra Khan, 'E-Commerce Is Changing the Face of IT' [2001] MIT Sloan management review.

³¹ Purva Sharma and others, 'Securing Optical Networks Using Quantum-Secured Blockchain: An Overview' (2023) 23 *Sensors* 1228.

³² M Niranjnamurthy and Dharmendra Chahar, 'The Study of E-Commerce Security Issues and Solutions' (2013) 2 *International Journal of Advanced Research in Computer and Communication Engineering* 2885.

3.2.4 Digital Accessibility Imperatives

E-commerce businesses struggle to keep pace with evolving accessibility standards and regulations, adapting to the latest requirements and ensuring compliance across diverse regions. Integrating new technologies, such as talking interfaces and virtual reality, while ensuring effectiveness for people with disabilities presents challenges. Maintaining accessibility in dynamic e-commerce content, especially personalized suggestions, without compromising personalization is difficult. Identifying issues through testing, ensuring accessible third-party integrations, and promoting user awareness of available accessibility features are ongoing challenges. Addressing these issues necessitates considerable efforts, starting from the initial design of websites and apps, to ensure barrier-free access for everyone in the e-commerce space.³³

3.3 Financial Challenges

E-commerce's seduction of high profits and digital success masks a complex financial landscape with challenges that can hinder ambitious entrepreneurs.³⁴ Let's explore these challenges-

3.3.1 Rising Digital Marketing and shipping Costs

In the bustling online landscape, businesses face the difficulty of increasing advertising expenses on well-known platforms. This financial burden, combined with the need for ongoing investment in technology and expertise to keep up with evolving marketing strategies, presents a challenge for e-commerce. The growth of global shipping leads to higher costs, encompassing international fees and customs charges. Disruptions in the supply chain, such as elevated transportation expenses, also affect shipping costs. Consequently, businesses need to adjust pricing and delivery plans as they strive to manage their budget effectively for digital marketing while dealing with the rising expenses of shipping.³⁵

³³ Ramiro Gonçalves and others, 'Evaluation of E-Commerce Websites Accessibility and Usability: An e-Commerce Platform Analysis with the Inclusion of Blind Users' (2018) 17 *Universal Access in the Information Society* 567.

³⁴ Shakhathreh and Jadallah (n 20).

³⁵ Martin Kenney and James Curry, *Beyond Transaction Costs: E-Commerce and the Power of the Internet Dataspace* (Citeseer 2023).

3.3.2 Managing Returns and Refunds

Handling returns and refunds in online shopping poses numerous challenges, including decisions on handling returned items, ensuring clear rules for an easy return process, and maintaining accurate inventory records. The complexity involves checking, repackaging, and restocking returned items. Effective communication is essential to prevent problems and negative reviews. Dealing with financial aspects, such as giving refunds and avoiding mistakes in inventory, requires careful attention. Handling dishonest returns and ensuring solubility demand robust security measures. Successfully navigating these challenges is crucial for upholding customer trust, a positive brand image, and operational efficiency in the competitive e-commerce landscape.³⁶

3.3.3 Investments in Technology and Cybersecurity

E-commerce businesses face challenges in keeping up with rapid technological advancements and investing in cybersecurity. The need for continuous updates and improvements in technological infrastructure requires substantial financial planning. The growing complexity of cyber threats, highlighted by recent high-profile breaches, emphasizes the critical importance of robust cybersecurity measures. To mitigate risks, companies should allocate resources for advanced security protocols, regular issue checks, and staff training. The increasing connectivity of online shopping platforms amplifies challenges, necessitating constant adaptation to new attack methods. Balancing new technology and robust cybersecurity is a contemporary challenge, demanding careful planning and continuous investments in both areas.³⁷

3.3.4 Competitive Pricing Pressures – In the e-commerce sector, businesses face the difficulty of sustaining competitive prices amidst intense market competition. The digital landscape, characterized by easy price comparison, numerous competitors, and consumer expectations for competitive deals, compels companies to strike a balance between offering appealing prices, ensuring profitability, and delivering value to customers.³⁸

³⁶ Felicia Chen Suat Teng and Tejinder Singh, 'CHEAPER AND BETTER: OPTIMIZING E-COMMERCE PRODUCT RETURNS MANAGEMENT' (2022).

³⁷ Xiang Liu and others, 'Cyber Security Threats: A Never-Ending Challenge for e-Commerce' (2022) 13 *Frontiers in psychology* 927398.

³⁸ Robert M Weiss and Ajay K Mehrotra, 'Online Dynamic Pricing: Efficiency, Equity and the Future of e-Commerce' (2001) 6 *Va. JL & Tech.* 1.

3.3.5. Payment Security and Options

Ensuring the security of online transactions remains a continual concern, given the risks of data breaches, diverse payment methods, and international transactions. The prevention of fraud demands robust systems, necessitating a delicate balance between strong security measures and a user-friendly experience. Businesses need to stay abreast of evolving payment rules and standards. Addressing these challenges requires a strategic plan that prioritizes safety, user-friendliness, and adaptability to the evolving landscape of e-commerce.³⁹

3.4 Strategies utilized by E-commerce Businesses

E-commerce businesses employ diverse strategies to tackle the challenges they face-

- i. E-commerce firms employ a key strategy by swiftly incorporating emerging technologies to improve the shopping experience. They invest in advanced computer programs for personalized and interactive shopping, embracing trends to meeting evolving digital shopper needs.⁴⁰
- ii. Strategic partnerships help overcome challenges by collaborating with other businesses, service providers, or tech firms. This allows businesses to combine resources, share knowledge, and tap into new markets, optimizing the supply chain, reducing expenses, and promoting innovation.⁴¹
- iii. Securing e-commerce involves essential cybersecurity measures such as system checks, staff training, and robust plans. A proactive approach is taken to prevent data breaches and cyber-attacks, ensuring a secure online environment for both the business and its customers.⁴²

³⁹ David A Montague, *Essentials of Online Payment Security and Fraud Prevention*, vol 54 (John Wiley & Sons 2010).

⁴⁰ Dylan Jones-Evans, 'Technical Entrepreneurship, Strategy and Experience' (1996) 14 *International Small Business Journal* 15.

⁴¹ Micheal J Kelly, Jean-Louis Schaan and Hélène Joncas, 'Managing Alliance Relationships: Key Challenges in the Early Stages of Collaboration' (2002) 32 *R&d Management* 11.

⁴² Liu and others (n 37).

- iv. Establishing fair and consistent global rules, adhering to diverse laws and taxes, tracking regulatory changes for accessible digital platforms, and ensuring new technologies are inclusive for people with disabilities.⁴³

Adapting business strategies to consumer preferences, using data-driven decisions from customer feedback to enhance products and services. This approach aims to build trust, foster brand loyalty, and create a positive reputation for long-term e-commerce success.⁴⁴ This consumer focused strategy aims to establish trust, encourage brand loyalty, and develop a positive reputation, ultimately contributing to the long-term success of e-commerce initiatives.

3.5 Conclusion

In conclusion, the changing landscape of E-commerce brings forth diverse challenges. These proactive responses showcase the resilience and adaptability of E-commerce entities in addressing the ever-evolving landscape, ensuring continued growth and success in the digital marketplace.

⁴³ Hassan A Aljifri, Alexander Pons and Daniel Collins, 'Global E-commerce: A Framework for Understanding and Overcoming the Trust Barrier' (2003) 11 Information Management & Computer Security 130.

⁴⁴ Christian Homburg, Mathias Droll and Dirk Totzek, 'Customer Prioritization: Does It Pay off, and How Should It Be Implemented?' (2008) 72 Journal of Marketing 110.

Chapter Four

Worldwide Legal Perspective of

E-commerce and its relation with law and consumer

4.1 Introduction

The thriving world of e-commerce has changed the way we buy goods and services, providing convenience and access to a global marketplace. However, this digital transformation presents a complex network of legal factors impacting both businesses and consumers.⁴⁵ This examines the collaboration between e-commerce and law. It points out crucial law-related issues in this evolving scenario.

4.2 Protecting Consumers

In the complex realm of consumer interactions, prioritizing the protection of consumers' rights and well-being is essential. This explores the diverse measures employed to secure consumer protection, tackling challenges and highlighting the importance of ethical business practices and legal frameworks in establishing a safe and equitable marketplace accessible to everyone.

4.2.1 Consumer Protection Laws

The explosive growth of e-commerce has introduced unparalleled convenience but also ushered in legal challenges to protect consumers from unfair practices. Key regulations like the Federal Trade Commission Act (FTC Act), Consumer Protection Act (CPA), and General Data Protection Regulation (GDPR) play crucial roles in ensuring consumer protection.⁴⁶

Misleading Practices

The FTC in the United States has the authority to combat deceptive advertising, demonstrated by its actions against Fashion Nova in 2020 for misleading "made in USA" claims, it highlighting a commitment to consumer protection from fraudulent practices.⁴⁷ Similarly, Canada's Competition Bureau, operating under the Consumer Protection Act (CPA), prohibits misleading representations. In 2023, the Bureau actively investigated an online supplement

⁴⁵ David L Rogers, *The Digital Transformation Playbook: Rethink Your Business for the Digital Age* (Columbia University Press 2016).

⁴⁶ Patrick Quirk and John A Rothchild, 'Consumer Protection and the Internet', *Handbook of Research on International Consumer Law, Second Edition* (Edward Elgar Publishing 2018).

⁴⁷ Richard A Posner, 'The Federal Trade Commission' (1969) 37 *The University of Chicago Law Review* 47.

retailer exaggerating health benefits, showcasing the CPA's role in preventing false promises in e-commerce.⁴⁸

Unfair Contracts

Both the FTC Act and the Consumer Protection Act (CPA) prioritize addressing unfair terms in online contracts to establish a fair balance. In 2019, the FTC's action against a video game company exposed and rectified manipulative "dark patterns" in subscription cancellation, emphasizing their commitment to combating such practices.⁴⁹ Additionally, the General Data Protection Regulation (GDPR), although not e-commerce-centric, underscores transparency by mandating clear disclosure of data processing practices, enabling consumers to make informed decisions regarding their data in contract agreements.⁵⁰

Data Privacy Violations

GDPR, a comprehensive EU regulation, demonstrated its commitment to robust data protection by imposing a €405 million fine on Google in 2023 for hidden tracking in online advertising. This emphasizes GDPR's focus on ensuring clear consent and control over personal data.⁵¹ The FTC Act and CPA, though less exhaustive than GDPR, exhibit broad authority in addressing data privacy. In 2022, the FTC fined a fitness tracker company for neglecting security measures, highlighting their dedication to enforcing data security practices in e-commerce.⁵²

4.2.2 Contract Formation and Enforceability

Electronic signatures, widely accepted globally, must meet authenticity and reliability standards. The UNCITRAL Model Law on Electronic Commerce provides a universal benchmark for recognizing these signatures, which vary from basic "click wrap" agreements to advanced digital certificates, adapting security levels to specific agreements and risks.⁵³ Despite the transition to online platforms, contracts maintain traditional principles, including

⁴⁸ Marie-Eve Arbour, 'Information Obligations and Disinformation of Consumers: Quebec Law Report' [2019] Information Obligations and Disinformation of Consumers 485.

⁴⁹ Stephen P Mulligan, Wilson C Freeman and Chris D Linebaugh, 'Data Protection Law: An Overview' (2019) 45631 Congressional Research Service 25.

⁵⁰ Alexander J Wulf and Ognyan Seizov, "'Please Understand We Cannot Provide Further Information': Evaluating Content and Transparency of GDPR-Mandated AI Disclosures' [2022] AI & SOCIETY 1.

⁵¹ Filippo Lancieri, 'Narrowing Data Protection's Enforcement Gap' (2022) 74 Me. L. Rev. 15.

⁵² Sanjay Sharma, *Data Privacy and GDPR Handbook* (John Wiley & Sons 2019).

⁵³ Stephen Mason, *Electronic Signatures in Law* (University of London press 2016).

offer, acceptance, and consideration. However, confirming acceptance in click wrap agreements is challenging, as users often agree without reviewing terms. In certain jurisdictions, explicit confirmation steps are mandated to ensure authentic consent in electronic contracts.⁵⁴

ProCD v. Zeidenberg (US)

This case established the enforceability of click wrap agreements, but also highlighted the importance of clear notice and consent for online contracts.⁵⁵

Nguyen v. Barnes & Nobel, Inc. (2012)

In this case Nguyen filed a class action against Barnes & Noble, alleging deceptive practices and false advertising after his discounted HP Touchpad order was canceled. The dispute centered on whether Nguyen, by clicking "place order," was bound by an arbitration agreement in the website's Terms of Use. Nguyen argued he had no knowledge of the agreement and hadn't clicked or read it, emphasizing the importance of clear notice. The district court ruled in Nguyen's favor, stating Barnes & Noble hadn't provided sufficient notice. The Ninth Circuit upheld this decision, emphasizing the need for clear notice in website user agreements, setting a precedent for similar cases.⁵⁶

4.2.3 Conflicts of Jurisdiction

Cross-border online transactions encounter jurisdictional challenges as the choice-of-law clause typically designates the governing jurisdiction's laws. However, courts may not consistently uphold these clauses, especially if they appear unjust. Similarly, forum selection clauses, similar to choice-of-law clauses, establish the jurisdiction for dispute resolution, but their enforceability depends on factors like procedural fairness and adherence to public policy

Zippo Mfg. Co. v. Zippo Dot Com, Inc. (1998)

A Pennsylvania lighter manufacturer sued a California company for trademark infringement due to their shared name "Zippo." The crucial issue was personal jurisdiction, with Zippo Dot Com claiming no physical presence in Pennsylvania. However, the court ruled that a website accessible in a specific territory (here, the US) created sufficient contacts for jurisdiction.

⁵⁴ Nancy S Kim, 'Contract's Adaptation and the Online Bargain' (2010) 79 U. Cin. L. Rev. 1327.

⁵⁵ *ProCD, Inc v Zeidenberg* (1996) 86 F 3d 1447.

⁵⁶ *Nguyen v Barnes & Noble, Inc* (2014) 763 F 3d 1171.

Factors like targeted advertising to Pennsylvania residents and intentional use of the trademark influenced the decision. The ruling, denying Zippo Dot Com's motion to dismiss, set a precedent in internet law, establishing websites as potential grounds for legal jurisdiction despite lacking physical presence in specific territories.⁵⁷

Mc Bee v. First Pacific Networks, Inc. (2006)

A California resident sued a Canadian online dating service, claiming he wasn't properly notified about automatic renewals. The key issue was jurisdiction, with the court ruling in favor of Mc Bee based on factors like targeted advertising to Californians, financial gain from California residents, and the company's intentionality. This case reinforced the concept, established in *Zippo Mfg. Co. v. Zippo Dot Com*, that website activity can establish jurisdiction, even for companies without a physical presence in a specific location. Mc Bee's win emphasized the importance of fair business practices and transparency in online transactions.⁵⁸

4.3 Ensuring Fair Business Practices

Promoting trust and sustainability is crucial for maintaining fair business practices.

4.3.1 Competition law and antitrust

The Sherman Act in the United States and the Competition Act in Canada expressly forbid agreements among competitors that limit competition, including practices like price fixing and bid rigging.⁵⁹ Oversight agencies, such as the FTC and the Competition Bureau, actively investigate potential anti-competitive behavior, taking legal actions against offenders. Penalties may include substantial fines, mandated divestitures, and, in specific cases, criminal charges, all aimed at ensuring fair competition.⁶⁰

Epic Games v. Apple

In 2021, Apple faced scrutiny for mandating app developers to utilize its in-app payment system and imposing high commissions. Critics argued that this practice hindered competition

⁵⁷ *Zippo Mfg Co v Zippo Dot Com, Inc* (1997) 952 F Supp 1119.

⁵⁸ *Nat Football League v McBee & Bruno's, Inc* (1986) 792 F 2d 726.

⁵⁹ American Bar Association Section of Antitrust Law, 'The Competition Laws of NAFTA, Canada, Mexico, and the United States: A Practitioner's Guide' (American Bar Association 1997).

⁶⁰ Ivan R Feltham and others, 'Competition (Antitrust) and Antidumping Laws in the Context of the Canada-United States Free Trade Agreement' (1991) 17 Can.-USLJ 71.

and innovation within the app ecosystem.⁶¹ While a conclusive resolution is pending, this case reflects the evolving landscape of antitrust concerns in the digital age.

4.3.2 Taxation and Compliance

The global e-commerce clashes with the complex landscape of taxation. Such as -

The intricate VAT system, characterized by varied rates and evolving place-of-supply rules, has the capacity to bewilder businesses. Managing sales tax thresholds and navigating diverse locations further adds complexity to the equation. Addressing import duties becomes akin to solving a puzzle, demanding an understanding of intricate codes and trade agreements to unravel the intricacies of international trade.⁶²

4.3.3 Employment Law Complexity

In the startup landscape, legal considerations pertaining to hiring practices, employment contracts, and termination procedures play a pivotal role.⁶³ Businesses must prioritize compliance with anti-discrimination laws in hiring, conduct thorough background checks, and ensure employees' eligibility to work in specific countries.⁶⁴ Clarity in employment agreements, coupled with safeguarding innovations through intellectual property and confidentiality clauses, is crucial for protecting sensitive company information.⁶⁵ Additionally, e-commerce should establish clear at-will employment status, adhere to notice period requirements, and offer fair severance packages to minimize legal risk.⁶⁶

4.3 Suggestion for Overcoming Legal Difficulties

Recognizing the complexities of legal matters for individuals and businesses, the primary focus is on providing valuable recommendations to address challenges.

⁶¹ *Epic Games, Inc v Apple Inc* (2021) 559 F Supp 3d 898.

⁶² Clayton W Chan, 'Taxation of Global E-Commerce on the Internet: The Underlying Issues and Proposed Plans' (2000) 9 Minn. J. Global Trade 233.

⁶³ Denise M Rousseau, 'New Hire Perceptions of Their Own and Their Employer's Obligations: A Study of Psychological Contracts' (1990) 11 Journal of organizational behavior 389.

⁶⁴ Denise M Rousseau and Judi McLean Parks, 'The Contracts of Individuals and Organizations' (1993) 15 Research in organizational behavior 1.

⁶⁵ Rousseau (n 63).

⁶⁶ Rousseau and McLean Parks (n 64).

By looking into practical and forward-thinking methods, the goal is to give readers practical insights to help them navigate legal situations more effectively.⁶⁷

4.4.1 Proactive Legal Planning

Proactive legal planning is essential for the success of startups, requiring a strategic approach to address unique legal hurdles. Startups should assess the regulatory landscape, stay updated on industry-specific regulations, and cultivate a culture that values legal awareness. It involves ensuring clear contracts, reducing dispute risks, minimize risks, and build a foundation for lasting success.⁶⁸

4.4.2 Utilizing Technology for Compliance

Automated Compliance Tracking, powered by AI and specialized software, reduces manual efforts by keeping businesses informed about regulatory changes. Data Analytics for Risk Evaluation analyzes extensive datasets to identify compliance risks, fostering proactive measures. Block chain ensures data accuracy for compliance, especially in complex regulatory industries.⁶⁹ Training and Awareness Platforms use technology to educate employees on compliance standards through interactive channels.⁷⁰

4.4.3 Collaboration with Experts

Strategically engagement with legal experts provides early insights, facilitating the development of an intelligent strategy. Collaborative efforts involve detailed legal evaluations, joint audits, and resolution plans to minimize legal risks. Legal experts take the lead in finding alternative conflict resolutions, developing negotiation strategies, and ensuring compliance with evolving laws.⁷¹

⁶⁷ Aleksy Kwilinski and others, 'E-Commerce: Concept and Legal Regulation in Modern Economic Conditions' (2019) 22 J. Legal Ethical & Regul. Isses 1.

⁶⁸ George J Siedel and Helena Haapio, 'Using Proactive Law for Competitive Advantage' (2010) 47 Am. Bus. LJ 641.

⁶⁹ Kenneth A Bamberger, 'Technologies of Compliance: Risk and Regulation in a Digital Age' (2009) 88 Tex. L. Rev. 669.

⁷⁰ Mary Anne Patton and Audun Jøsang, 'Technologies for Trust in Electronic Commerce' (2004) 4 Electronic Commerce Research 9.

⁷¹ Susan A Sherer and Bill Adams, 'Collaborative Commerce: The Role of Intermediaries in e-Collaboration.' (2001) 2 J. Electron. Commer. Res. 66.

4.4 Establishing Trust in E-commerce Individuals

In the digital world of e-commerce, where physical interactions are limited trust becomes the foundational element in every successful e-commerce engagement.

4.5.1 Connection between Trust and Business Success

Customer trust is crucial for a business's long-term success, with loyal customers contributing significantly to stability through sustained and repeated purchases. Trusted customers act as supporters, encouraging word-of-mouth marketing for new business and organic company growth. Reliable customers offer valuable feedback, helping businesses understand preferences, identify areas for improvement, and customize products or services to meet customer needs. The cost-effectiveness of keeping existing customers is emphasizing, as acquiring new ones tends to be more expensive. A loyal customer base reduces acquisition costs, promotes business stability, and enhances resilience to platform changes, ensuring a steady income during economic uncertainties. By understanding preferences, businesses can personalize offerings, improving customer experiences through customized promotions, discounts, and product suggestions. So, Prioritizing customer satisfaction, engagement, and relationship-building through effective strategies is key to establishing a trust customer base.⁷²

4.5.2 Consumer Perspectives and Trust Levels

Consumer perspectives and trust form fundamental elements shaping the relationship between businesses and their customers. The way individuals perceive a business, its products, and overall brand is influenced by marketing strategies, customer interactions, and product quality. Trust, representing the confidence and reliance consumers have in a business, significantly impacts decision-making and brand loyalty. Establishing trust involves transparent practices, consistent and reliable services, and positive customer interactions. The dynamic interaction between consumer perspectives and trust is pivotal for a business's success and sustainability. Positive

⁷² S Srinivasan, 'Role of Trust in E-business Success' (2004) 12 Information management & computer security 66.

perceptions and trust often lead to increased customer loyalty and a robust market presence.⁷³

4.6 The Rise and Fall of Start-up Establishment

Like most other countries in the world, Bangladesh has growing E-Commerce industry that is expected to become even bigger in the future. We're moving into a generation where buying things online will become more valuable for our country, businesses and entrepreneurs. Many start-ups are helping the next generation of business globally.ⁱ Such as –

Local

Evaly

On December 16, 2018, Mohammad Rassel, a former banker with experience in promoting the Kids diaper brand, launched Evaly, an e-commerce platform that initially gained popularity for offering substantial discounts. Evaly quickly became the largest business ecosystem in Bangladesh, attracting both customers and suppliers. The platform operated with a unique strategy, providing significant discounts to customers without affecting vendors. Initially, it appeared as a success story in a market full of opportunities.⁷⁴

Until that time, it seemed like a fantastic story about e-commerce growing platform in a market. However, concerns arose as Evaly diverged from the traditional approach of major e-commerce sites. While other platforms spend a lot of money on discounts, Evaly, lacking significant funds or external support, relied on money from its customers. This approach led to difficulties in fulfilling promises, drawing parallels to a historical story of someone named Ponzi who faced challenges in delivering on promises. Despite owing a substantial amount to customers and sellers, Evaly received no assistance, leaving many people disappointed. Unsatisfied customers and sellers of Evaly are taking legal action against the e-commerce platform, aiming to recover their funds. Certain sellers have filed suit against Evaly's CEO, Mohammad Rassel, and Chairman Shamima Nasrin, accusing them of misappropriation. Despite legal actions, there is uncertainty among customers and sellers owed money by Evaly. The company temporarily

⁷³ Brian J Corbitt, Theerasak Thanasankit and Han Yi, 'Trust and E-Commerce: A Study of Consumer Perceptions' (2003) 2 Electronic commerce research and applications 203.

⁷⁴ Rafid Kader Rivu, 'The Concept of 360 Degree Entrepreneurship and Its Importance in Bangladesh'.

closed its head office, and protests have emerged, demanding the release of Rassel and Nasrin for the business to resume.⁷⁵

Shohoz

A recent trend involves the emergence of e-ticketing and home delivery services. In 2014, Bangladeshi and European investors collaboratively developed the concept behind shohoz.com. Shohoz has emerged as one of Bangladesh's most successful start-ups.⁷⁶ Initially, they entered the market as an app for buying tickets remotely, addressing the challenges of waiting in long lines for buses or trains. As an innovative force in ticketing, Shohoz streamlined the process, enabling people to easily buy various transport tickets and choose preferred seat plans from the comfort of their homes. Later on, Shohoz diversified into the ride-sharing sector, entering into competition with Pathao and securing its position as the second-largest ride-sharing platform in Bangladesh. They broadened their services by introducing a food delivery platform with significant number of food providers.⁷⁷

Shohoz continued to innovate, introducing services like a platform for hiring trucks or pick-up vans, facilitating the transportation of goods in our business-oriented country. Through their app, individuals could effortlessly rent a truck at any time. More recently, they introduced an e-learning platform for students, proving to be a valuable resource during the extended closure of educational institutes amid the pandemic. Shohoz functions as a comprehensive start up, enriching the lives of its customers.⁷⁸ The name "Shohoz," meaning easy in Bengali, accurately captures their dedication to simplifying various aspects of life.

Pathao

Establishing its operations in 2015, Pathao has grown to become the largest and most popular start up in Bangladesh. Initially, they commenced as a courier service but diversified their offerings over time. Inventive ride-sharing services in Bangladesh, Pathao was the first to introduce motorcycles for ride-sharing. They later added food delivery platforms, recognizing

⁷⁵ Ahmad Saleheen, 'How Evaly Scams Happened and How to Survive?'

⁷⁶ Rivu (n 74).

⁷⁷ Mehedi Shahnewaz Jalil, 'E-Service Innovation: A Case Study of Shohoz. Com' (2016) 224 *Procedia-Social and Behavioral Sciences* 531.

⁷⁸ Md Nazmus Sakib, 'Shohoz: A Vibrant Model of Contemporary Service Innovation in Bangladesh' (2020) 12 *Bus. Stud. J.*

the distinct requirements of delivering food within a maximum of one hour. Express delivery services were subsequently introduced, facilitating swift transportation of products from one location to another.⁷⁹

Notably, Pathao introduced its own online wallet service called Pathao Pay, enabling users to make payments across various Pathao services. This evolution positions Pathao as a rapidly expanding 360-degree business in Bangladesh, consistently pushing boundaries to enhance people's lives.⁸⁰

Gojek, an Indonesia-based ride-sharing platform, initially invested in Pathao, trusting its innovative concept and recognizing the vast population it could serve. Pathao has embraced this trust, and their current tagline, "Moving Bangladesh," reflects their commitment. With a goal to transport everything necessary in Bangladesh, Pathao has rapidly expanded its presence to all 64 districts within the country. Furthermore, they've ventured into Nepal, marking the first instance of a Bangladeshi start up expanding its operations beyond national borders.⁸¹

Daraz

Daraz started in 2012 with help from a German investment group called Rocket Internet. They've been doing business in Bangladesh since 2013. Daraz is an entity created with full foreign investment. Daraz is a big online shopping platform in Bangladesh. It didn't start as a Bangladeshi platform but as a local startup called Kaymu. At first, they tried to get people to shop online, but many in Bangladesh weren't used to it. Eventually, the company changed to Daraz. They wanted to make a big change in online shopping but faced problems because they didn't have enough money. Finally, a Chinese tech company called Alibaba invested a lot of money in Daraz. With that money, Daraz spread to all 64 districts in Bangladesh and improved their services a lot.⁸²

Now, Daraz sells everything on its platform. They even bought HungryNaki, the first food delivery platform in the country. Daraz gives customers the option for express delivery.

⁷⁹ M Wali Ullah and others, 'VALUATION OF STARTUP FIRMS: A CASE STUDY ON PATHAO' (2018) 11 Independent Business Review 19.

⁸⁰ Rivu (n 74).

⁸¹ GM Wali Ullah and Ashraf Islam, 'A Case Study on Pathao: Technology Based Solution to Dhaka's Traffic Congestion Problem' (2017) 4 Case studies in Business and Management 100.

⁸² Nujhat Sheba, 'Effectiveness of Digital Marketing: A Perspective on Daraz Bangladesh Limited'.

Vendors who sell on Daraz get advice on how to sell more and better. It's tough to keep everyone happy, but Daraz has done a good job. They also offer a service where customers can pay for expensive things in instalment's, making it easier for people to buy costly items.⁸³

Global

Amazon

Amazon was officially founded by Jeff Bezos in 1994." It started as an online bookseller, operating from Bezos's garage. In the 1990s, it officially opened as an online bookseller, originally named Cadabra but later changed to Amazon for its exotic and expansive connotations. The motto has always been "get big fast. After facing initial losses, the company showed signs of success in 1996 when revenues doubled and losses decreased. In 1998, Amazon expanded its offerings beyond books. In the 2000s, Amazon Prime was introduced, offering various benefits, and Amazon Web Services (AWS) began providing cloud computing solutions. The first profitable quarter was in 2001, and 2003 marked Amazon's first profitable year, with net profits reaching \$73 million. The Kindle e-reader launched in 2007, revolutionizing how people read books. The 2010s brought innovations like the Kindle Fire, Amazon Art marketplace, Alexa, and the acquisition of Whole Foods. In 2018, Amazon Go introduced cashier less grocery stores.⁸⁴ The COVID-19 pandemic further increased reliance on Amazon for in-home shopping, indicating a growing trend. Despite facing challenges initially, Amazon's commitment to innovation has made it one of the most successful global companies today.⁸⁵

Ali- Baba

Alibaba, China's largest e-commerce platform founded in 1999 by Jack Ma, operates in various sectors like B2B, C2C, and B2C services online, Alibaba employs technologies like Alipay and has diversified into major businesses such as Taobao, Tmall.com, AliExpress, and more. Despite facing challenges like the SARS outbreak in 2003, Alibaba rebounded through initiatives like the introduction of Taobao and Alipay in 2004. Overcoming competition with Tencent, Alibaba's profitability surpassed its rivals in 2018. Jack Ma resigned as chairman in

⁸³ Mynul Hoque, 'Overall Marketing Strategies of Daraz Bangladesh Ltd.' (Sonargaon University (SU) 2021).

⁸⁴ Sara Gilbert, *The Story of Amazon. Com* (Jaico Publishing House 2013).

⁸⁵ A Pusparajan and others, 'The Rise and Fall Ali Baba Company Has Encountered Throughout Their Success' (2020) 3 Asia Pacific Journal of Management and Education (APJME) 11.

September 2018, succeeded by CEO Zhang. In 2019, Alibaba's stock rose significantly, maintaining a strong performance despite uncertainties. In 2020, influenced by the COVID-19 pandemic, Alibaba's operational income slightly decreased, but e-commerce revenue flourished. The company supported merchants during the outbreak by reducing fees and aiding delivery personnel. Alibaba faced many problems during the pandemic, but they figured things out and kept their online sales strong, successfully handling the challenges and ensuring the continuity of its e-commerce revenue.⁸⁶

E-Bay

E-Bay, founded in 1995 by Pierre Omidyar, is a global online auction and trading company headquartered in California. It connects buyers and sellers worldwide through its Internet platform, operating in various countries with specific regional websites. eBay is a major player in global e-commerce, serving individual sellers and small businesses. Auctions and fixed-price transactions significantly contribute to its sales. The company prioritizes safe and transparent trading, with PayPal playing a crucial role in transactions. Despite eBay acquiring PayPal in 2002, it became independent in 2015. Notable 2000s acquisitions include Skype, Shopping.com, Rent.com (later sold), and StubHub. Maintaining a self-regulating trading community, eBay relies on user feedback for enhanced transparency and trust. Despite challenges, such as legal pressures in Europe, eBay contributes to global communities through its charity fund, the eBay Foundation, supporting various causes.⁸⁷

4.7 Conclusion

In summary, our exploration of global legal aspects in e-commerce start-ups highlights the importance of diversity, addresses challenges, and proposes improvement strategies. Case studies featuring diverse start-ups provide valuable insights. As the e-commerce start up landscape evolves, there's a need for entrepreneurs and legal professionals to adapt, prioritizing diversity and employing effective strategies.⁸⁸ This overview serves as a fundamental guide for understanding and navigating the legal complexities in the dynamic world of e-commerce start-ups.

⁸⁶ *ibid.*

⁸⁷ Keyvan Alan Kashkooli, *The Making of a Modern Market: eBay. Com* (University of California, Berkeley 2010).

⁸⁸ Gregory C Smith, *Start-Up and Emerging Companies: Planning, Financing and Operating the Successful Business, with Forms on Disk* (Law Journal Press 2023).

Chapter Five

5.1 Introduction

In conclusion, the current challenges in evolving business organizations are now more digitalized and structured. Previous chapters explored the positive and negative sides of E-Commerce challenges. The transition from the pre-regulation era to the post-regulation era is examined in detail to analyse the E-Commerce implementation system. As we reach the last chapter of this research paper, this final chapter is purposes to explore the findings, recommendations, research limitations, and the concluding part of this entire research.

5.2 Recommendation:

After the whole analytical part of this research paper here comes the part of recommendations. The following recommendations towards the Future Trends and consideration. These recommendations are based on my findings from the chapter 2,3 and 4. By processing the secondary data and monitoring such methods, I discover a concern related to the new e-commerce laws in Bangladesh.

These include higher compliance costs for small businesses, potential disruptions for existing platforms, barriers to innovation, and worries about pricing and affordability. To overcome these drawbacks these are my suggestive recommendations; implement focused strategies. Support small businesses facing higher compliance costs through programs, incentives, or streamlined processes. Assist existing platforms in adapting to new regulations with transition periods or guidance. Foster innovation by creating an environment that encourages experimentation and collaboration. Address pricing and affordability concerns through vigilant monitoring, considering measures to ensure fair competition and consumer protection. A balanced regulatory approach is crucial for navigating these challenges effectively.

These recommendations arise from the information I collected in chapter 3 and 4 regarding the need for businesses to prioritize customer satisfaction, engagement, and relationship-building for establishing a trusted customer base. According to the overall findings, I found some issues and these are my suggestive recommendations emerge as crucial guides for businesses. Firstly, it is essential to incorporate cutting-edge technologies like augmented reality, artificial intelligence, and blockchain to enrich the overall shopping experience and stay abreast of industry developments. Secondly, highlighting a customer-centric approach is crucial. By

giving priority to customer preferences and feedback, businesses can adapt their strategies to align with changing consumer expectations. This includes utilizing insights from data-driven analyses to make informed decisions, improve personalized interactions, and foster lasting brand loyalty. These two recommendations, rooted in technological adaptability and customer-centricity, serve as key pillars for e-commerce businesses seeking sustained success in the dynamic and competitive digital marketplace.

5.3 Conclusion

In this concluding part of this research paper, I want to conclude with the discussion of the hypothesis of this research. However, the discussion has been given in the previous chapters that to ensure ongoing growth and success in the digital marketplace, it's important for E-commerce businesses and startups being innovative and should utilize different strategies to deal with the challenges they face. As earlier e-commerce businesses faced crises to fulfil some essential necessities which is must do well in a changing digital platforms world. Lastly, few recommendations for the E-Commerce businesses & to the startups to keep their standard going up and encourage consumers to make purchases through the utilization of digital platforms.

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