

E-commerce: Tips for good business



How do I find out more?

See the ACCC publications:

ACCC Update Issue 6 May 2000 – the e-commerce edition. (Available from the publications link of the ACCC website www.accc.gov.au)

Advertising and Selling. Available for \$10 from ACCC offices or download it FREE from the ACCC website.

For general enquiries call the ACCC Infocentre on 1300 302 502.

A Consumer Friendly Site

Include:

- Clear information about who, and where, you are (physical address; ABN)
- Display clear policies on refunds; warranties; delivery and complaints handling
- Include a clear & accurate description of your goods or services
- Clearly explain how you will treat personal information
- Display and explain the level of security your site has for on-line transactions

The Consumer Affairs Division, Treasury has produced a comprehensive guide to good on-line trading practices called *Building Consumer Sovereignty in Electronic Commerce: A Best Practice Model for Business*. It is available on-line at www.ecommerce.treasury.gov.au.

Did you know???

From July 2001 to June 2002, the ACCC received more than 3,300 complaints regarding e-commerce related incidents.

Don't be a statistic!
Be Internet savvy and do your homework.

The Internet Environment

Many Australian businesses are developing an online presence, either to complement their 'bricks and mortar' operations or as their main 'shopfront'. As in all business environments it is important to know as much as you can about your business and to do the best for your customer. The same rights and obligations that apply to offline trading apply on-line.

Protecting yourself

To avoid problems businesses should familiarise themselves with the Internet environment and the main elements that actually 'put them on-line'. The ACCC receives many complaints from businesses regarding Internet Service Providers (ISPs), hosting services and domain name renewals.

Hosting services and ISPs

These keep the site 'live'. You should shop around for the service best suited to your business.

Some points to look out for:

- Is there a limit to the size of the website?
- Is prompt technical assistance available?
- Does the service include domain name registration and who will hold the licence for the domain name?

What is a Domain Name?

A domain name is your

Internet address. In Australia domain names are registered (not 'bought') for two years at a time.

The ACCC receives many complaints regarding domain name resellers trying to get new customers by sending letters that look like invoices. In some cases businesses have paid only to find out later that they have had no dealings with the company.

In 2002, the ACCC took successful legal action against two such companies for misleading conduct in domain name renewal services.

To protect your business, you should know the exact name of who you are registered with (especially if using the services of a re-seller), and when the renewal is due. If registration lapses the domain name can be registered by another business/person. For detailed information

about the domain name system in Australia go to the au Domain Administration website www.auda.org.au or the Ausregistry website www.ausregistry.com.au

What are search engines?

They are important to businesses as they are a significant way that consumers look for businesses and information on the Internet. However, search engines use different criteria or policies for ranking sites found through a search. For example, some search engines include websites in their listings that use keyword advertisements or paid placements. This is a policy which allows individual websites/businesses to pay for a higher ranking in a search results list even though they might not be the most relevant.

Most search engine home pages provide advice to on-line businesses on how to access their services.

Internet Trading and the Trade Practices Act

It is important to remember that the same consumer protection laws which apply 'off line' apply online. Your web site needs to comply with the Trade Practices Act in the same way that a classified ad you put in the newspaper or a representation you make to a customer does.

In addition to the usual good practices for advertising (as outlined in the ACCC's

publication *Advertising and Selling*), there are some things which are unique to the Internet and should also be taken into account.

The use of framing, linking and disclaimers are examples of techniques which need to be used carefully to ensure that consumers make fully informed decisions about entering into transactions online. It is also important to

remember that you can not guarantee that consumers will follow every link and read every page in your web site. If important information, such as terms and conditions of a contract or disclaimers, are buried deep within your site, the site may risk being inadvertently misleading about the nature of your goods or services.

