



CONSUMER DISPUTE RESOLUTION IN DIGITAL COMMERCE: AN EMPIRICAL STUDY

Dr. K. Rukmani¹, Dr. B. Vasuki², Dr. S. Ruby Grace³

¹Associate Professor, Department of Business Administration,
Annamalai University, (On Deputation to Arignar Anna
Government Arts College, Villupuram, Tamil Nadu, India),
Email: anburukmani@gmail.com

²Head and Assistant Professor, Department of Business
Administration Theivanai Ammal
College for Women (Autonomous), Villupuram, Tamil Nadu,
India

³Assistant Professor, Department of Management Studies,
Theivanai Institute of Business Management, Villupuram, Tamil
Nadu, India

Abstract – The rapid growth of digital commerce in India has been accompanied by a rising volume of consumer disputes relating to refunds, delivery failures, defective products, and billing errors. How these disputes are resolved shapes consumer confidence in online markets. This study examines the effect of six dimensions of dispute resolution — Accessibility of Grievance Channels, Timeliness of Resolution, Procedural Fairness, Outcome Fairness, Interactional Fairness, and Awareness of Legal Remedies — on Consumer Satisfaction with Dispute Resolution, and compares satisfaction across the resolution channels consumers use. A descriptive research design was adopted, and primary data were collected from 400 online consumers in the Chennai Metropolitan Area who had experienced at least one dispute with a digital commerce platform in the previous twelve months, using a structured five-point Likert-scale questionnaire and stratified random sampling. Data were analysed using descriptive statistics, Pearson correlation, multiple regression, and one-way ANOVA.

All six dimensions significantly and positively predicted satisfaction, with Outcome Fairness ($\beta = 0.247$) and Procedural Fairness ($\beta = 0.189$) emerging as the strongest predictors; the model explained 65.9% of the variance in satisfaction. Satisfaction differed significantly across resolution channels, with payment-provider chargebacks rated highest and consumer commission proceedings rated lowest. The findings offer implications for platform grievance design and consumer protection policy.

Keywords- Consumer Dispute Resolution, Digital Commerce, Grievance Redressal, Procedural Justice, Consumer Satisfaction, Consumer Protection Act

I. INTRODUCTION

1. Background and Problem Statement

Digital commerce has changed how Indian consumers buy goods and services, but it has also changed how things go wrong. Distance between buyer and seller, reliance on intermediary platforms, and the absence of face-to-face contact make disputes harder to settle informally. Consumers today may approach a platform's own customer care, the National Consumer Helpline, a payment provider or bank for a chargeback, or a consumer commission through the e-Daakhil portal. The legal framework has also evolved, with the Consumer Protection Act, 2019 [9] and the Consumer Protection (E-Commerce) Rules, 2020 [10] placing grievance-redressal obligations on e-commerce entities.

Despite this, many consumers report slow responses, opaque decisions, and limited awareness of the remedies available to them. This study examines which features of the dispute resolution experience most strongly determine consumer satisfaction, and whether satisfaction varies by the channel consumers use.

2. Research Gap and Objectives

Research on complaint handling has largely drawn on offline service settings, and studies of online dispute resolution have concentrated on legal design rather than consumer experience [7], [8]. Few empirical studies in India examine, within one framework, the procedural, outcome, and interpersonal dimensions of dispute handling alongside accessibility, speed, and legal awareness. This study addresses the gap through the following objectives.

- To examine the effect of Accessibility of Grievance Channels on Consumer Satisfaction with Dispute Resolution.
- To examine the effect of Timeliness of Resolution on Consumer Satisfaction.
- To examine the effect of Procedural Fairness on Consumer Satisfaction.
- To examine the effect of Outcome Fairness on Consumer Satisfaction.
- To examine the effect of Interactional Fairness on Consumer Satisfaction.
- To examine the effect of Awareness of Legal Remedies on Consumer Satisfaction.



- To compare Consumer Satisfaction across the dispute resolution channels used.

II. LITERATURE REVIEW

1. Justice Dimensions in Complaint Handling

Justice theory holds that people evaluate dispute handling on the fairness of the outcome received (distributive or outcome fairness), the fairness of the process used to reach it (procedural fairness), and the fairness of the treatment they receive (interactional fairness) [3].

In the complaint-handling literature, all three have been shown to shape satisfaction with the recovery experience [1], [2].

Outcome Fairness concerns whether the refund, replacement, or compensation matches the loss suffered. Procedural Fairness concerns the clarity, flexibility, and impartiality of the process, and Interactional Fairness concerns courtesy, honesty, and empathy in communication. Evidence from firm-level studies indicates that complaint-handling quality is a driver of customer loyalty [5].

H3: Procedural Fairness has a significant positive effect on Consumer Satisfaction with Dispute Resolution.

H4: Outcome Fairness has a significant positive effect on Consumer Satisfaction with Dispute Resolution.

H5: Interactional Fairness has a significant positive effect on Consumer Satisfaction with Dispute Resolution.

2. Accessibility and Timeliness

Consumers who find it difficult to locate or use a grievance channel are less likely to complain and more likely to leave dissatisfied [15].

In digital commerce, accessibility includes a visible grievance link, availability in regional languages, multiple contact modes, and straightforward escalation [17], [16]. Timeliness is a distinct and frequently cited determinant of satisfaction, since delay compounds the original loss and signals low organisational priority [4].

H1: Accessibility of Grievance Channels has a significant positive effect on Consumer Satisfaction with Dispute Resolution.

H2: Timeliness of Resolution has a significant positive effect on Consumer Satisfaction with Dispute Resolution.

3. Awareness of Legal Remedies

Statutory protections matter only if consumers know of them. Awareness of rights and remedies under the Consumer Protection Act, 2019, including the National Consumer Helpline and e-filing of complaints, equips consumers to escalate unresolved disputes and to judge whether the response they received is reasonable [9], [10].

Better-informed consumers are therefore expected to form more calibrated expectations and to be more satisfied when a resolution is reached.

H6: Awareness of Legal Remedies has a significant positive effect on Consumer Satisfaction with Dispute Resolution.

4. Resolution Channels in Digital Commerce

Digital commerce disputes are routed through channels that differ in speed, formality, and degree of consumer control: platform customer care, the National Consumer Helpline, payment-provider or bank chargebacks, and formal consumer commission proceedings [7], [8]. Because these channels differ in process and in how quickly a remedy is delivered, satisfaction is expected to differ across them.

H7: Consumer Satisfaction with Dispute Resolution differs significantly across the resolution channels used.

5.Theoretical Foundation

The study draws on Justice Theory [3] and on the Expectancy-Disconfirmation Theory of satisfaction [6]. The first explains why fairness of outcome, process, and interaction shape evaluations of dispute handling; the second explains why satisfaction depends on whether the resolution experienced meets the consumer's expectations.

Trust in online transactions [11] is the broader outcome these evaluations are ultimately expected to support.

III. CONCEPTUAL FRAMEWORK

Figure 1 presents the conceptual framework linking the six dispute resolution dimensions to Consumer Satisfaction with Dispute Resolution, which is further compared across resolution channels.

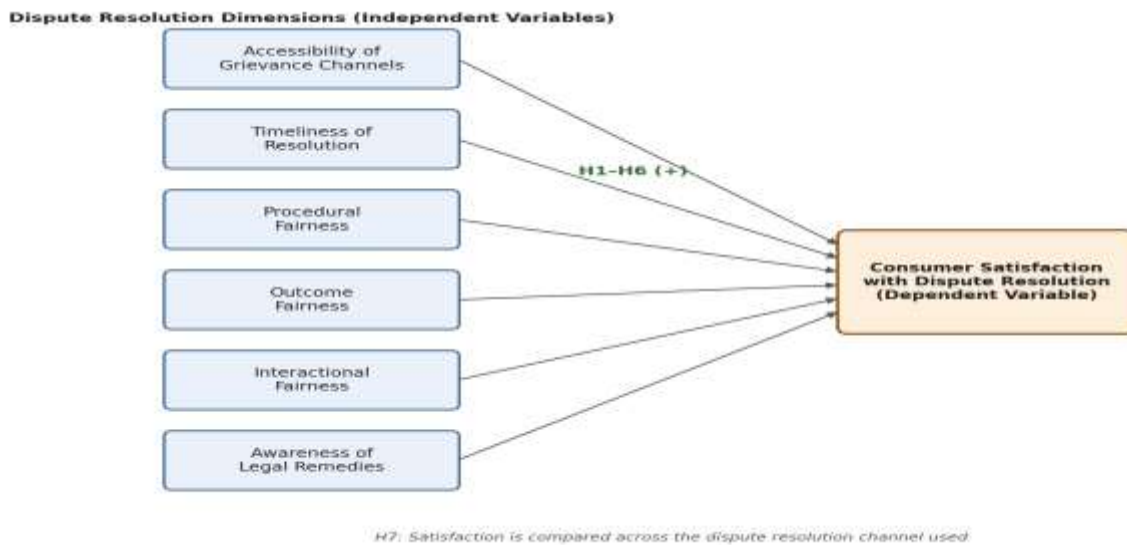


Figure 1: Conceptual Research Framework (Based on Justice Theory and Expectancy-Disconfirmation Theory)

IV. RESEARCH METHODOLOGY

1. Research Design, Population and Sample

This study employs a descriptive research design within a quantitative approach. The population comprises online consumers in the Chennai Metropolitan Area who had raised at least one dispute with a digital commerce platform in the preceding twelve months. Using Cochran's formula for a large population [13] (95% confidence, 5% margin of error), the minimum sample is 384; a sample of 400 respondents was adopted to allow for unusable questionnaires.

2. Sampling and Data Collection

Stratified random sampling was used, with the type of platform involved in the dispute (e-retail marketplace, food and quick commerce, travel and ticketing, and digital services) as the stratum and proportionate allocation across strata. Respondents were screened for a qualifying dispute and then selected at random within each stratum from consumer group and online panel lists. A structured

questionnaire was administered online and in person. Of 450 questionnaires distributed, 421 were returned (93.6%); after screening for incomplete responses, 400 were retained. Secondary data were drawn from journals, government reports, and the Consumer Protection Act and Rules.

3. Measurement, Reliability, and Analysis

All constructs were measured on five-point Likert scales (5 = Strongly Agree to 1 = Strongly Disagree), with five items per independent variable and six items for Consumer Satisfaction, adapted from established complaint-handling and justice scales [1], [3]. Cronbach's Alpha ranged from 0.79 to 0.90, above the 0.70 threshold. Data were analysed in IBM SPSS Statistics using descriptive statistics, Pearson correlation, multiple regression, and one-way ANOVA at the 5% significance level [14].

V. DATA ANALYSIS AND RESULTS

1. Respondent Profile

Category	Group	Frequency	%
Gender	Male	212	53.0
	Female	188	47.0
Age	18–25 years	108	27.0
	26–35 years	168	42.0
	36–45 years	80	20.0
	46 years and above	44	11.0
Education	Up to Higher Secondary	72	18.0
	Undergraduate	176	44.0
	Postgraduate and above	152	38.0
Platform Involved	E-retail marketplace	176	44.0
	Food and quick commerce	76	19.0
	Travel and ticketing	64	16.0
	Digital services and others	84	21.0



2. Descriptive Statistics and Correlation Analysis

Table 2 presents the descriptive statistics and Pearson correlation of the six dispute resolution dimensions with Consumer Satisfaction (N = 400).

Variable	Mean	Std. D	r with Satisfaction	p-value
Accessibility of Grievance Channels	3.58	1.04	0.563	0.001*
Timeliness of Resolution	3.31	1.12	0.648	0.001*
Procedural Fairness	3.42	1.07	0.684	0.001*
Outcome Fairness	3.36	1.10	0.721	0.001*
Interactional Fairness	3.64	1.01	0.652	0.001*
Awareness of Legal Remedies	3.12	1.15	0.487	0.001*
Consumer Satisfaction (DV)	3.29	0.93	—	—

All six dimensions correlate significantly and positively with satisfaction. Outcome Fairness shows the strongest association ($r = 0.721$), followed by Procedural Fairness ($r = 0.684$), while Awareness of Legal Remedies shows the weakest, though still significant, association ($r = 0.487$). Mean scores indicate moderate perceptions overall: Interactional Fairness (3.64) and Accessibility (3.58) are rated most favourably, whereas Awareness of Legal Remedies (3.12) and Timeliness (3.31) are rated lowest,

pointing to delay and limited legal awareness as the weakest aspects of current practice.

3. Regression Analysis

Model Summary: $R = 0.812$, $R^2 = 0.659$, Adjusted $R^2 = 0.654$, $F = 126.62$, $p = 0.001^*$

Table 3 presents the multiple regression results testing H1 through H6

Predictors	B	Std. Error	Beta	t-value	p-value
(Constant)	0.524	0.128	—	4.094	0.001*
Accessibility of Grievance Channels	0.102	0.036	0.112	2.833	0.005*
Timeliness of Resolution	0.151	0.038	0.164	3.974	0.001*
Procedural Fairness	0.176	0.040	0.189	4.400	0.001*
Outcome Fairness	0.228	0.042	0.247	5.429	0.001*
Interactional Fairness	0.139	0.037	0.152	3.757	0.001*
Awareness of Legal Remedies	0.081	0.033	0.089	2.455	0.014*

The six dimensions jointly explain 65.9% of the variance in Consumer Satisfaction ($F = 126.62$, $p < 0.001$), and all six predictors are significant, supporting H1 through H6. Outcome Fairness exerts the strongest effect ($\beta = 0.247$), followed by Procedural Fairness ($\beta = 0.189$) and Timeliness ($\beta = 0.164$). Awareness of Legal Remedies has the smallest effect ($\beta = 0.089$). The pattern indicates that

consumers judge dispute resolution first by what they receive and how the process is run, and only secondarily

by how easy the channel is to reach or how well they know their legal rights.

4. Comparative Analysis: Satisfaction Across Resolution Channels

Table 4 presents one-way ANOVA results comparing Consumer Satisfaction across the channel through which the dispute was pursued, testing H7.

Resolution Channel	n	Mean	Std. D	F-value	p-value
Platform customer care	168	3.22	0.90	2.86	0.037*
National Consumer Helpline	84	3.38	0.92		
Consumer commission (e-Daakhil)	52	3.05	0.97		
Payment provider / bank chargeback	96	3.45	0.88		

The ANOVA indicates a statistically significant difference in satisfaction across channels ($F = 2.86$, $p = 0.037$), supporting H7. Consumers who used payment-provider or bank chargebacks reported the highest satisfaction (mean = 3.45), consistent with the speed and rule-based nature of chargeback processes, while those pursuing consumer

commission proceedings reported the lowest (mean = 3.05), which is plausibly linked to the longer duration and formality of litigation. Platform customer care, the most commonly used channel, sits in the lower half of the range (mean = 3.22).



VI. FINDINGS AND RECOMMENDATIONS

All six dispute resolution dimensions significantly and positively predict consumer satisfaction, with Outcome Fairness and Procedural Fairness the strongest. Timeliness and Awareness of Legal Remedies receive the lowest ratings in the sample, and satisfaction differs significantly by channel, with chargebacks rated highest and consumer commission proceedings lowest.

Platforms should ensure that refund and replacement decisions are proportionate to the loss and accompanied by a clear written rationale, since outcome and procedural fairness matter most. They should publish response and resolution timelines, track them against the grievance officer requirements of the E-Commerce Rules, and offer easy escalation within the platform. Consumer protection authorities should invest in awareness campaigns on the National Consumer Helpline and e-Daakhil, and consider simplified, time-bound procedures for low-value digital

commerce claims, given the comparatively low satisfaction with commission proceedings. Payment providers' chargeback mechanisms may offer a useful design benchmark for speed and clarity.

VII. CONCLUSION

This study shows that consumer satisfaction with dispute resolution in digital commerce is shaped chiefly by the fairness of outcomes and processes, together with the speed, accessibility, and interpersonal quality of handling and consumers' knowledge of their legal remedies. Satisfaction also varies by resolution channel, with formal commission proceedings performing weakest. The findings give platforms, regulators, and policymakers an evidence base for prioritising fair, timely, and well-communicated grievance handling in India's growing digital marketplace. Future research could extend the sample beyond Chennai, examine behavioural outcomes such as repurchase and loyalty, and use objective resolution-time data alongside perceptual measures.

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