Online Marketing Fraud in Today's Era

C.K. Tiwari
Assistant Professor,
Deptt.of Business Administration,
STEP-HBTI,
Kanpur, Uttar Pradesh

Abstract

Now day's fraud and falsification are becoming destructive for our society .Our whole market depends on word trust. If this trust word become fade, the market collapse day by day. The relationship in market depends on pillars of trust, faith, fair dealing and mutual expectation. Remove any pillar and the business will collapse. In today days we see that what they show us is totally different from what they offer us. In today's time these pillars does not exist. Just a goggle search for 'Internet fraud', you get thousands of result for it.

It just becomes a market of greed, ignorance and fast money. Peoples easily engage their time and money in it and believe in these scams by their fabulous marketing techniques. Currently, fraudsters creating their web and try to extort by saying lies and doing false commitments. There is need to make strong IT laws. Government and NGO should educate the netizens on it. This paper deals with mechanism of fraudulent made by internet fraudsters. This also covers how we can save our self from it and why we fall for it.

Keywords: Internet Fraud, Netizens, Trust, Fraudsters

Introduction

Fraud committed online against peoples has become a global problem. The advent of internet has created huge advantages for society, but it has also spawned multiple opportunities for frauds. Allover the world millions of people daily targeted with scams via the internet and related technology everyday by fraudsters within and beyond the borders of the victim's country. Revolution in communication has created huge opportunities for frauds at a very low cost. It has also created scammers to connect outside the country.

Internet fraud is the use of Internet services or software to defraud victims or to otherwise take advantage of them. Internet crime schemes steal millions of dollars each year from victims and continue to plague the Internet through various methods.

As a saying in criminology goes a crime will happen where and only when the opportunity avails itself. Until recently, we know only classical forms of crimes like murder, rape, theft, extortion, robbery, dacoit etc. But now with the advancement of science and technology there machines like computers and facilities like internet. The internet has opened up a whole new virtual heaven for the people good and bad, clever and naive to enter and interact with lot of diverse cultures and sub-cultures, geography and demographics being no bar. The same virtues of internet when gone in wrong hands or when exploited by people with dirty minds and malicious intentions, make it a virtual hell. Stories of copyright theft, hacking and cracking, virus attacks and plain hoaxes etc. have horsed up. As a result of the rapid adoption of the internet, computer crimes are breed like mushrooms. The law enforcement officials have been disappointed by the inability of the legislators to keep cyber crime legislation ahead of the fast moving technological curve.

There are different types of frauds-

Investment Related Internet Fraud

Online Auction and Retail Scheme

In an online auction, a fraudster starts an auction on a site such as eBay or TradeMe with very low prices and no reserve price, especially for typically high priced items like computers, phones or high value collectibles. The fraudster accepts payment from the auction winner, but either never delivers the promised goods, or delivers an item that is less valuable than the one offered—for example, a counterfeit, refurbished, or used item.

Online Survey Frauds

Scammers use spam and promise you quick money for little effort. They claim that you only need to spend a few minutes. Indian consumers

Rashika Agrawal
Research Scholar,
Deptt.of Business Administration,
STEP-HBTI,
Kanpur, Uttar Pradesh

are amongst the most prone to online frauds in Asia Pacific, said by a report from Experian, the global information services.

Business Fraud

Purchase Fraud

There are four basic types of **purchasing fraud** schemes that employees commit: fictitious invoices; over-billing; checks payable to employees; and conflicts of interest. A fictitious invoice is any invoice not represented by a legitimate sale and **purchase**.

Online Automotive Fraud

It is one of the oldest tricks, in this seller sell something that in reality does not exist.

Counterfeit Cashier's Check Scam

Many consumers have become victims of this type of scams involving a fraudulent cashier's check. A cashier's check is a check that is issued by a bank, and sold to its customer , that is a direct obligation of the bank. Cashier's checks are viewed as relatively risk-free instruments and, therefore, are often used as a trusted form of payment to consumers for goods and services.

Call Tag Scam

Merchant Risk Council warns of "call tag" scheme The Merchant Risk Council is warning of an increase in the use of the "call tag" scheme, in which criminals use stolen credit card data to purchase and send a product to an unknowing consumer, then poses as the legitimate retailer to pick up the product.

Some Other Types Of Fraud Are-

The 5 most common forms of internet fraud are –

1. Stolen credit cards
2. Emails
3. Lotteries
4. Fake auctions
5. Untrustworthy Websites

Miscellaneous Internet Fraud

1. Phishing
2. Pharming

Phishing

Phishing is the attempt to obtain keen information such as usernames, passwords, and credit card details for malicious reasons.

Pharming

Pharming is a cyber attack intended to redirect a website's traffic to another, fake site.

ObjectiveOF THE sTUDY

1. To find use of more internet will subjected to more internet fraud.
2. To find people in this era start using more plastic money and this will subjected to monetary loss.
3. To find most of the peoples in India afraid of using internet for payments.

4. To find Indian laws dealing with internet frauds are satisfactory.

Research Methadology

The purpose of methodology is to describe the research procedure. This includes overall research design, the sampling procedure, the data collection method.

we use primary data in our research paper. For this we use questionnaire method for our data collection. we use random sampling method for our questionnaire. The type of our questionnaire is close ended. The statistical tool which we use for data interpretation is pie chart. The sample size of our study is 82.
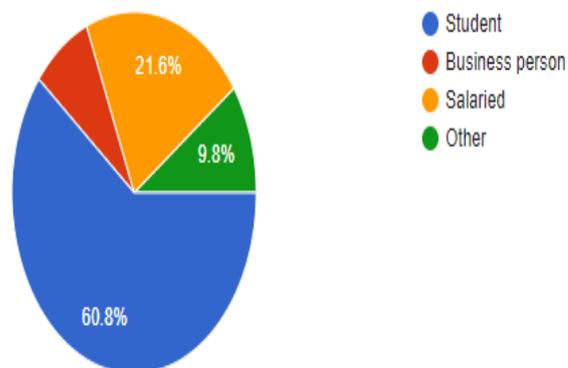
Data Analysis and Interpretation

Age (51 Respondants)
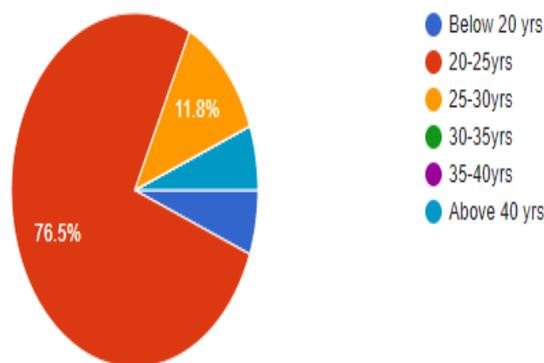
Interpretation

The respondents were mainly of the age between 20 to 50 years. in which 76 percent were between 20 to 25 year. This shows that major internet users are of younger generation.
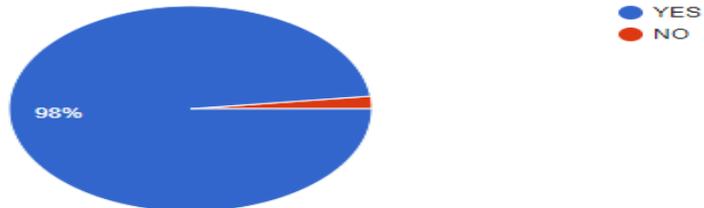
Occupation (51 Respondants)

Interpretation

Since the major ratio of the respondents were between 20-25 years therefore most of them are either student or office going.

CUSTOMER ATTITUDE TOWARDS INTERNET FRAUD

Do you use internet?
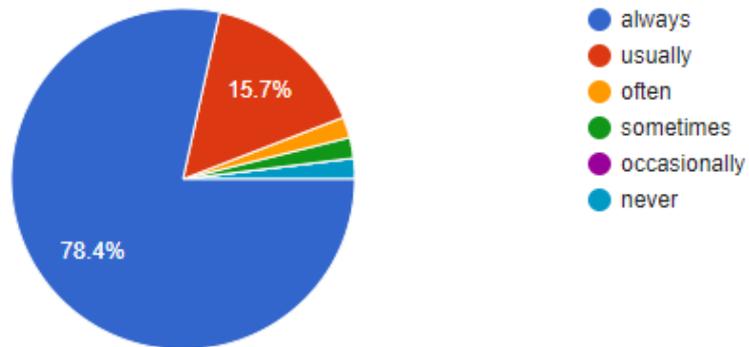
51 responses

● YES
● NO

98%

Interpretation

Among all the respondents only 2 percent were not using internet or don't rely on internet. all these who were not using internet were above 40 years of age.

In which frequency do you use internet?

51 responses

● always
● usually
● often
● sometimes
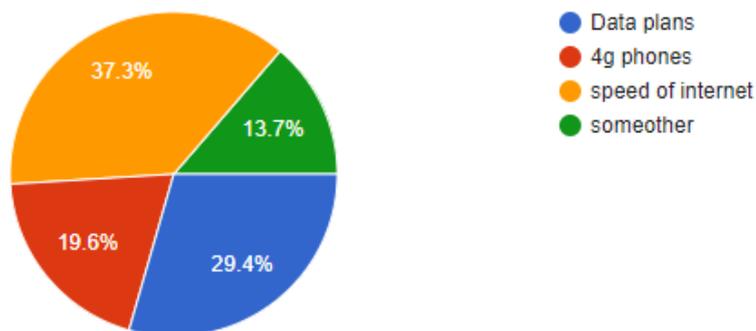● occasionally
● never

15.7%

78.4%

Interpretation

This question was asked in order to know how frequent consumers were using internet and it was found that more than 78 percent users were using internet always.

What is the most important factor which influence users to use more internet?

51 responses

● Data plans
● 4g phones
● speed of internet
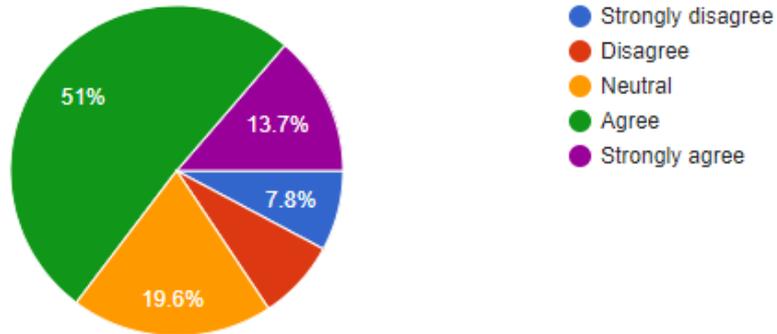● someother

37.3%

13.7%

19.6%

29.4%

Interpretation

The factors which influence most to use more internet is data plans . majority of the customers were using internet because of the high speed. while next thing that influenced them was speed of the internet

Did use of more internet will increase more internet fraud?
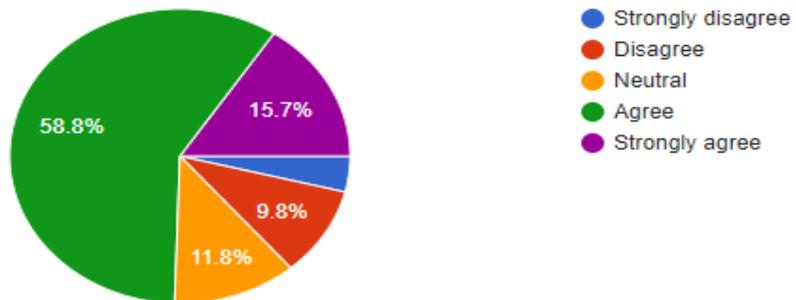
51 responses

Interpretation

Question was asked to know that more internet will increase more internet fraud. According to our research 51% will agree with the statement that more internet will subjected to more internet fraud.

In this era people start using more plastic money?
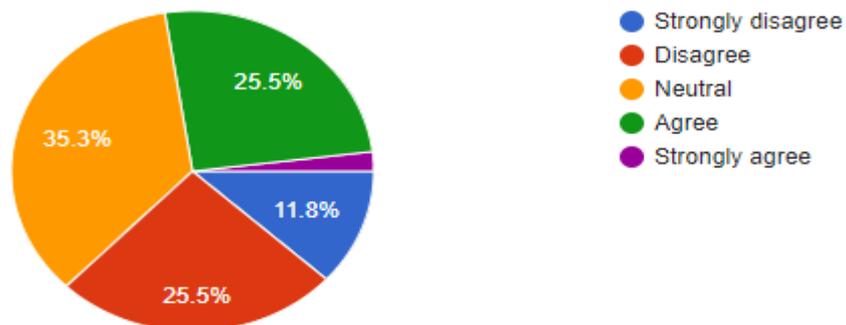
51 responses

Interpretation

As the digitalization will impact this factor most. The use of plastic money also a result of digitalization only. As this survey shows 58.8% will agree with this statement that now days this become trend to use more plastic money.

Are use of plastic money subjected to risk of monetary loss?
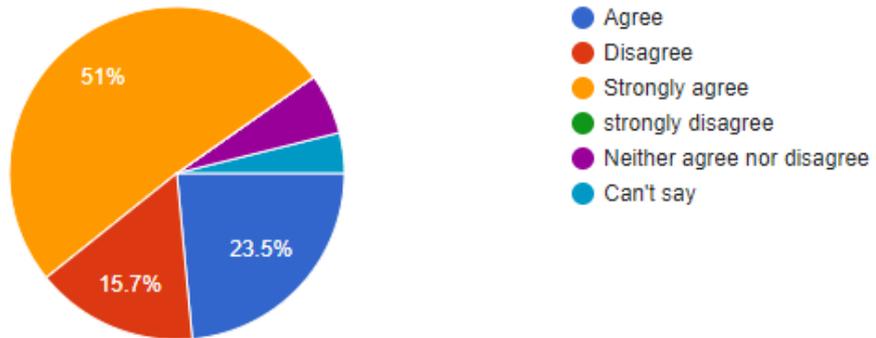
51 responses

Interpretation

    The question was asked to know about use of plastic money are subjected to risk of monetary loss. This survey shows 36.3% peoples are neutral for this and 25.5% agree with this statement and 25.5% disagree with this statement.

Customer satisfaction is main objective of business in today's era?

51 responses

- Agree
- Disagree
- Strongly agree
- strongly disagree
- Neither agree nor disagree
- Can't say

51%   23.5%   15.7%

Interpretation

    As in today's era where competition is the biggest factor to survive in the market so customer satisfaction is necessity. 51% agree with the fact that customer satisfaction is the main objective of today's era.

Are online shopping and e-banking become trend in people now days?

50 responses

- Agree
- Strongly agree
- Disagree
- Strongly disagree
- Neither agree nor disagree

36%   62%
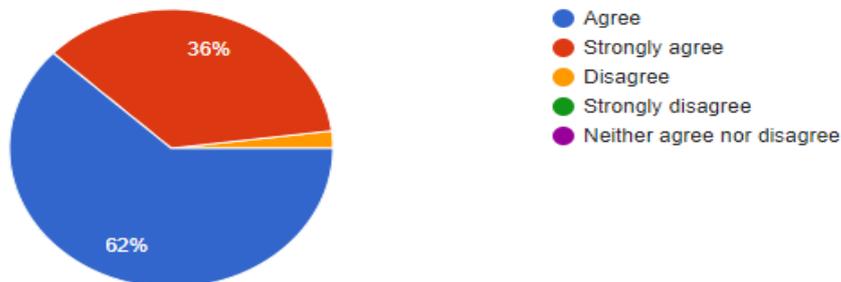
Interpretation

    Online shopping and e-banking are trend in now days As now days various sites like myntra, paytm which influence for online shopping are now in trend. This also led to fraudulent. According to our survey 62% agree with this statement that this become trend.

Are faith in internet sources relevant?

51 responses

- Yes
- No
- Maybe

56.9%   9.8%   33.3%
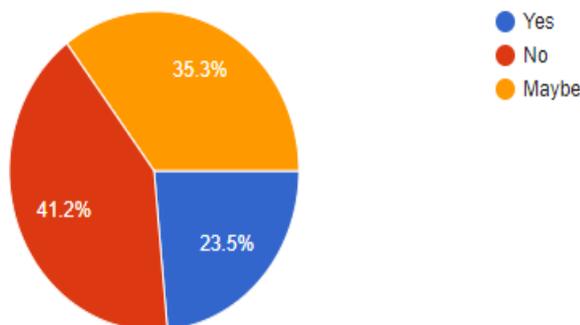
Remarking An Analisation
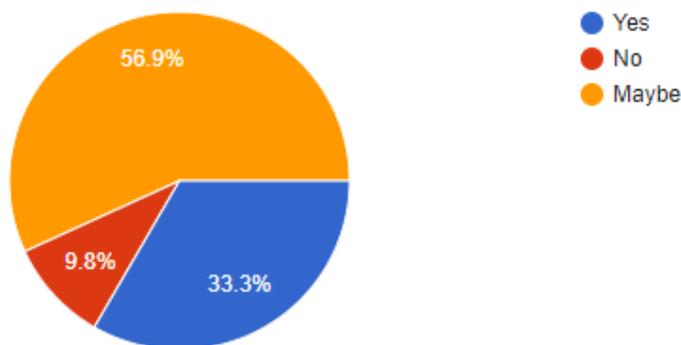
Interpretation

As question is asked to know internet sources are relevant or not according to survey,56.9%

are in neutral condition for it. 33.3% are agree with this statement that internet sources are relevant.

Are customers aware about the protection of their rights?

51 responses

- Yes
- No
- Maybe

35.3%
41.2%
23.5%

Interpretation

As question is asked to know that customers are aware about the protection of their rights or not.41.2% are not aware of their rights,only 23.5% are aware of their rights.

Findings

1. 51% Peoples will agree with this statement that use of more internet subjected to more internet fraud.
2. 58.8% will agree with this statement that people start using more plastic money and 35.3% will be in neutral condition that it will subjected to monetary loss.
3. 54% are afraid of using internet for payments.
4. Major segment of the respondent agree with the statement that Indian laws dealing with internet frauds are not satisfactory.

Conclusion

As our country become more digital the use of internet increases at a great pace. The use of internet also increases after the arrival of Reliance Jio as their data packs are very cheap and they provide very fast speed. The average consumption of data uses increase by 500% in the last one year. According to our study 98% of users use internet and 78.4% users use internet frequently.

As the peoples become more interested in online shopping and ecommerce. This give more opportunity for fraudulent to fraud. As we listen about Speak Asia Online Fraud, use of facebook data, many times we listen about account hacking etc.many peoples also done fraud like in online shopping ,we don't get the material which they show on their site.

As this become trend in today's days to use more plastic money and this will subjected to monetary loss many times. That's by in today's days many people are afraid of doing online payments. According to our study 54% peoples are afraid of using internet for payments.41.2% peoples are not aware about the protection of their rights   against internet fraud.

Review of Literature

According to deloitte for social media fraud 69% peoples were unsure about their fraud risk, felt there was inadequate guidance in legislation to deal with social media frauds in India. For E-commerce fraud 60% peoples felt e-commerce was not risky, and appeared not have comprehensive processes within their organization to mitigate this fraud, for cloud computing 96% peoples claimed their organization had not suffered this type of fraud and 57% were unaware of any review of compliance and security policies pertaining to cloud computing, crypto currencies fraud72%virtual currencies were not part of their organization's strategy.

The 'IFCC 2001 INTERNET REPORT' revealed that 81 percent of those committing acts of fraud were believed to be male and 76 percent of those allegedly involved in acts of fraud were individuals.

Pointed out in a report prepared by the National White Collar Crime Center and the Frederal Bureau Of Investigation (FBI) IN 2001, major categories of Internet fraud include ,but are not limited to,auction or retail fraud, Securities fraud, and Identity Theft.

In 2018 According to Global Fraud and Identity Report analyzes the opportunities of more than 6000 consumers and business worldwide to understand what they think about today's security protocols and to gauge their level of confidence in consumer identification.

According to Fraud Management Insights 2017 The multitude of transactions in today's digitalised world has resulted in the rise of a new digital currency between organizations and consumerers- trust.

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Annexture

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