ABSENCE OF ECONOMIC REGULATION IN EXCLUSIVE ONLINE BUYER-SELLER - WHETHER A BOON OR BANE TO CONTEMPORARY MARKET?

Leelesh Sundaram.B[1] & Asst. Prof. Selva Muthu[2]

ABSTRACT

Under the Indian competitive regime, the online market has started to grow on a rapid basis being primarily influenced by consumer's socio-economic and temperamental preference. In this being the case, various online market participants have started to invest new ideas to improve their market share and revenue, one such interesting strategy used is the Exclusive Buyer- Seller Agreement which is often addressed as "Membership agreements" wherein the buyers and sellers upon entering into the said agreement for consideration tend to receive exclusive benefits and price discounts for shopping which eventually creates an unnatural demand in the market. By the application of the Competition Act 2002, it is vividly found out that the said legislations as well as the judicial organsexpressly fail to recognize these "Membership agreements" as anticompetitive even though the international competition jurisprudence has compelled the need the said recognition. Even though various researcher have attempted to find out the market goals and competitive strategies concerning the exclusive buyer- seller agreements, there still lies an ambiguity in respect of the impact that is created in the Online Market Competition, thus this study is primarily taken up to find out if the Exclusive Buyer- Seller Agreement create a positive or negative impact in the Online Market Competition and further discuss on the anti-economic and anticompetitive issues such as free riding, sick competition scenario that are likely to arise as a result of this agreements. This study further aims to highlight the need for a Paradigm Swift in Contemporary Competition Jurisprudence concerning online market and give effective recommendations for the same.

Keywords: Online Market Competition, exclusive buyer- seller agreements, Membership agreements, anticompetitive conducts, online market.

[1]B.B.A LL.B(Hons), (LLM), Saveetha School of Law, Saveetha Institute of Medical and Technical Sciences(SIMATS), Saveetha University, Chennai 77

[2] Assistant Professor, Saveetha School of Law, Saveetha Institute of Medical and Technical Sciences , (SIMATS) Saveetha University, Chennai 77

Introduction

In the current rapid growing society, one is able to very vividly witness that there is a high preference of online market by consumers over the physical market. A detailed understanding over the swift in consumer behaviour and preferences, bring it before the limelight the fact that higher rate of internet use, availability of products, accessibility and the changing dynamics in the individual lifestyle is the major reason for the same. According to the Indian Brand Equity Foundation, it is estimated that e market or the online markets would be one of the major contributors to the economic development in the country, by the year 2024. In this being the case, the online market participants (sellers) have started to engage in different business strategies and techniques to earn profit and to increase their market share. One of the most common practices that the Indian online market participants tend to follow is the idea of exclusive agreements. A closer study in this regard highlights the fact that the market participants in the recent times have started making an exclusive agreement with the buyers, taking advantage of the fact that Indian Competition Act 2002 is silent about the same, thereby restraining the consumers from preferring other sites besides enjoying higher market and economic benefits.

The legislative history behind the Indian Competition Act, concerning exclusive agreements highlight the fact that the Government during the time of transition from Monopoly Restrictive Trade Practices Act sought to prohibit exclusive supply agreement and distributor agreements and intentionally omitted to Exclusive buyer seller agreement, understanding that there is no scope for such agreement in a physical market. The Competition Act does not differentiate a physical market and an online market thereby making the prohibition uniform constraining only to exclusive supply and distributorship agreement thereby paving way for exclusive buyer agreement which is often addressed as “Membership agreements”

Even though the economists and members of the legal fraternity comment that the CCI is clearly taking steps to further a key objective of the Act viz., to promote fair competition and, to attain this end, the application of the same in the case of online market is very blemished as the dominant participants of the online market continue to use the loop hole in the said Act and enter into Membership agreements with the buyers and thereby make high profit. A closer understanding in this regard prima facie highlight the fact that these agreements tend to create an unlawful demand in the market, which is naturally an anticompetitive practice. The universal principle of competition jurisprudence says “any speculated anticompetitive conducts tends to

create an adverse impact in the online market". However a constructive outcome pertaining to the said principle cannot be framed under the Indian Competition law regime involving online due to lack of prudent research and non-recognition of such practice as anticompetitive.

In the recent times, as the number of online sellers and market participants have started too increase on a high end basis, a number of economists and members of the legal fraternity have urged the need for recognition of these Membership agreements as an anticompetitive one, so as to protect the rights of consumers but the same cannot be institutively carried out since the impact of the Exclusive Buyer-Seller Agreement on the consumer and the online market is still unknown.

A overall focus on international law and global nations approach to Exclusive Buyer- Seller Agreement in online markets compel for the urging need to find out the Impact of Exclusive Buyer- Seller Agreement on Online Market Competition so as to amend the laws and make it suit the social transformation in the society. Thus this study is carried in this regard with an aim to find out Impact of Exclusive Buyer- Seller Agreement on Online Market Competition.

The Idea of Online Market and Indian Perspective

An online marketplace (or online e-commerce marketplace) is a type of e-commerce website where product or service information is provided by multiple third parties. Online marketplaces are the primary type of multichannel ecommerce and can be a way to streamline the production process.In an online marketplace, consumer transactions are processed by the marketplace operator and then delivered and fulfilled by the participating retailers or wholesalers. These types of websites allow users to register and sell single items to many items for a "post-selling" fee.

In India,Online marketplaces are information technology companies that act as intermediaries by connecting buyers and sellers. Examples of prevalent online marketplaces for retailing consumer goods and services are Amazon and eBay. On the website of the online marketplace sellers can publish their product offering with a price and information about the product's features and qualities. Potential customers can search and browse goods, compare price and quality, and then purchase the goods directly from the seller. The inventory is held by the sellers, not the company running the online marketplace. Online marketplaces are characterized by a low setup cost for sellers, because they do not have to run a retail store. While in the past Amazon Marketplace has served as a role model for online marketplaces, the expansion of the

Alibaba Group into related business such as logistics, e-commerce payment systems and mobile commerce is now trailed by other marketplace operators such as Flipkart.

Among the Indian shoppers, the cash on delivery is the most preferred payment method, accumulating 75% of the e-retail activities. Demand for international consumer products (including long-tail items) is growing faster than in-country supply from authorised distributors and e-commerce offerings. Long tail business strategy allows companies to realize significant profits by selling low volumes of hard-to-find items to many customers, instead of only selling large volumes of a reduced number of popular items.

Business and Growth Contemporary Indian Online Market

India has an Internet user base of about 696.77million as of May 2020, about 40% of the population which is the primary reason for its online market business and growth. India's online marketmarket was worth about $3.9 billion in 2009. As per "India Goes Digital",a report by Avendus Capital, the Indian online market is estimated at ₹28,500 Crore ($6.3 billion) for the year 2011. Online travel constitutes a sizable portion (87%) of this market today. Online travel market in India had a growth rate of 22% over the next 4 years and reach ₹54,800 crore ($12.2 billion) in size by 2015. Indian e-tailing industry is estimated at ₹3,600 crore (US$800 million) in 2011 and estimated to grow to ₹53,000 crore ($11.8 billion) in 2015. The market went up to $12.6 billion in 2013. In 2013, the e-retail segment was worth US$2.3 billion. About 79% of India's online marketwas travel related in 2013. According to Google India, there were 35 million online shoppers in India in 2014 Q1 and was expected to cross 100 million mark by end of year 2016.

CAGR vis-à-vis a global growth rate of 8–10%. Electronics and Apparel are the biggest categories in terms of sales. Overall online market had reached ₹1,07,800crores (US$24 billion) by the year 2015 with both online travel and e-tailing contributing equally. Another big segment in online market is mobile/DTH recharge with nearly 1 million transactions daily by operator websites. Year 2016 also saw online sales of luxury products like jewellery also increased. Most of the retail brands have also started entering into the market and they expect at least 20% sales through online in next 2–3 years. According to Google India Research in 2016, by 2021 India is expected to generate $100 billion online retail revenue out of which $35 billion will be through fashion online market.

The ecommerce industry was reported at $24 billion in 2017 and was recognised as the fastest growing industry in India. The ecommerce market grew to $38.5 billion in 2018. It is estimated that one in every three Indian shops via smartphone and online retailers deliver to 20,000 pin-codes out of the 100,000 pin-codes in India. As per Goldman Sach, India's online market industry will reach $99 billion in size while online retail is expected to more than double to around 11% by 2024 from 4.7% in 2019 while increasing at 27% compound annual growth rate (CAGR). The online grocery segment that is below $2 billion will reach $29 billion in size by 2024. Online grocery orders will grow from 3,00,000 per day in 2019 to more than 5 million per day by 2024. Non grocery eCommerce penetration will be 16.1 percent by 2021.

As per property consultant Colliers International, the demand for warehousing of 5,000 to 10,000 square feet size will increase due to COVID-19 lock-downs which lead to a surge in online orders of essential items for same day delivery especially in tier-1 cities like Mumbai, Kolkata, Bengaluru, Chennai and New Delhi.Flipkart will debut a hyperlocal service called Flipkart Quick in Bengaluru to start 90 minutes deliveries. Amazon observed spike in page views with four times increase in “Add to Cart” during the lockdown, leading to doubling of sales. It also started selling auto insurance in partnership with Acko General Insurance which is available to users through Amazon app and mobile website. With opening of 10 new warehouse, the count of Amazon warehouse in India stands at 60 across 15 states that has an area equivalent to more than 100 football fields.

Report from software as a service (SaaS) provider Unicommerce shows increasing penetration of online market beyond tier-1 cities with major growth coming from tier-2 and tier-3 towns/villages due to increasing vernacular language content and improving last mile delivery. Consumers are also diversifying their purchasing option from large scale online market channels like Amazon or Flipkart to specific retail brand websites. As per Goldman Sachs, three or four players can co-exist in the online market space given the size of India but travel, food delivery, ride-hailing services will see a maximum of two players capturing the market. Reliance Jio will increase competition in grocery, fintech, online retail, food delivery.

From February 2020 to June 2020 during the Covid19 lock-down period, online market increased by 117% with the delivery of only essential supplies that is now bigger than the pre-Covid19 level. Flipkart surpassed 1.5 billion visits per month with 45% growth in monthly active user while 30% growth in transaction per consumer. Tier-3 markets are showing 53% year on year growth with higher internet penetration and connectivity. Kinetic Green started

selling electric auto rickshaw and golf carts online mainly in eastern and northern parts of India with a revenue of ₹75 crore in 2019 which now stands at ₹100 crore as of August 2020.Online market helped Nestlé increase sales at a rate of 122% which contributes to 3.6% of overall sales during Q2 of 2020-21.

Research Gap

The detailed review of literature highlight that Studies of the nature of competition in traditional markets have relied on a variety of primary and secondary data relating to market share, industry characteristics, marketing strategies (including competitive position) and business performance and such principles cannot be applied on online market due to its penetrating structure.

At the same time, the Indian law fails to recognise the exclusive buyer seller agreements also as anticompetitive which have paved way for exploitation of the exclusion. Even though the economists and members of the legal fraternity comment that the CCI is clearly taking steps to further a key objective of the Act viz., to promote fair competition and, to attain this end, the application of the same in the case of online market is very blemished as the dominant participants of the online market continue to use the loop hole in the said Act and enter into Membership agreements with the buyers and thereby make high profit.The universal principle of competition jurisprudence says "any speculated anticompetitive conducts tends to create an adverse impact in the online market". However a constructive outcome pertaining to the said principle cannot be framed under the Indian Competition law regime involving online due to lack of prudent research and non-recognition of such practice as anticompetitive. In this regard, in order to determine exclusive buyer seller agreement as anticompetitive by amendment in law, a research on impact of the said agreement on market competition must be found out, hence this research.

The Online Market's Business performance through Exclusive agreements

A holistic understanding on the Indian law concerning market and the economic science behind the market highlights that Parties are forbidden from entering into anticompetitive agreements when doing business in India. Exclusive clauses in commercial arrangements such as purchase and supply agreements, dealership agreements are commonplace in the supply chain. They are either encountered upstream (while purchasing a good/service) or downstream (while selling a

good/service). The Primary purpose this agreement is for higher business profits and better business sales.

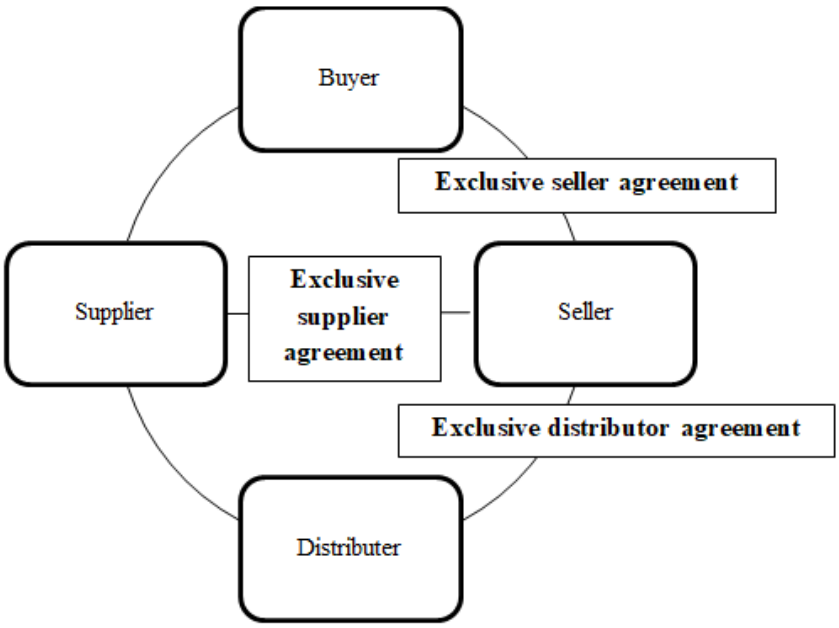

Figure1. The Chart representing the relationship between the Parties involved in a market and the form of agreement that is made (Primary Source)

As per the above chart, any market would involve 4 main parties, namely the buyer, seller, supplier and the distributor. The sellers tend to occupy the post of market participant. In this being the case, for the purpose of better business concerning with profit and market share, the seller would enter into agreements of exclusivity with different parties. The parties at their freewill to enter into these agreements provided their activity is not anticompetitive. The highlighting nature of these agreements is that they ensure sole and exclusive business can be categorised into 3 main forms based on their function and target group which is as follows:

1. **Exclusive Supplier agreements**

An exclusive supply agreement includes an agreement that restricts the purchaser from acquiring any goods or services from anyone other than the seller or any other person who may be nominated. In the case of an exclusive supplier agreement the seller would enter into an exclusive agreement with the supplier, by which the supplier would supplier the products or goods only to the said seller which would thereby create a tough competition among other sellers and would also result in a compulsion on the seller to buy the product or good only from the said seller. These agreements restrict the purchaser from dealing with goods or purchasing

goods other than those of the seller. These agreements are a kind of restriction on the seller. They are referred to as 'single branding' agreements or 'quantity forcing' arrangements. Exclusive Supply Agreements can be of both types: de jure and de facto.

a) **A de jureexclusive supply agreement** operates as a direct restriction on the buyer from buying goods from a competing source.

b) **A de facto exclusive supply agreement** is one where the seller manipulates the covenants of the contract in such a way that the buyer is influenced to concentrate all its requirements from a single seller.

2. Exclusive Distributor agreement

An exclusive distribution agreement includes an agreement that stipulates limiting, restricting or withholding the output or the supply of any goods, or allocating any area or market for the sale of any goods. An exclusive distribution agreement, in simple tense is an agreement that restricts, limits, or withholds the supply or output of any goods or designates any area or market for the sale or disposal of goods. An exclusive distribution agreement operates as a restriction on the seller. An exclusive distribution agreement can also be identified either as a territorial restriction, where the seller agrees to sell his products only to one distributor in a particular group of consumers or in a particular territory.

3. Exclusive Seller agreement

An exclusive seller agreement includes an agreement that restricts the purchaser from buying any goods or services from anyone other than the seller or any other person who may be nominated. In the case of an exclusive seller agreement the seller would enter into an exclusive agreement with the buyer, by which the buyer is compelled to buy goods only from the said seller, thereby creating an unnatural demand, besides enjoying high profit.

Law pertaining to Exclusive Agreement and Determination of Exclusive Agreement as Anticompetitive

Anticompetitive agreements are those that have or are likely to have a significant adverse effect on competition. Agreements might be horizontal or vertical. The Competition Act of 2002 on the other hand, recognizes intellectual property rights and allows its owners to apply reasonable limits to protect them. Similarly, because exports have no impact on Indian markets, the Act

exempts agreements between exporters. The Competition Commission of India has been given the right to order any firm or person to amend, cease, and not re-enter into anticompetitive agreements, as well as impose a penalty of up to 10% of the previous three years' average turnover.

Exclusive agreements may be assessed both under Section 3(4) as well as Section 4 of the Act. Section 4(1) of the Competition Act prohibits an enterprise or group from abusing its dominant position. A dominant position is nothing but the possession of significant market power, which enables a firm to (i) Operate independently of the competitive forces prevailing in the relevant market; or (ii) Affect its competitors or consumers or the relevant market in its favor.

Agreements under per Section 3(4) of the Act are not per se anticompetitive. They are anticompetitive only if such vertical agreements cause an appreciable adverse effect on competition in India. As per the Competition Commission of India's decisional practice, exclusive agreements cause appreciable adverse effect on competition only if the firm imposing such vertical restraint possess the market power to foreclose competition. Thus, exclusive agreements are anticompetitive under Section 3(4) or Section 4 of the Act only when the parties involved have significant market power.

Market Power

Market Power as a concept is not defined under the Act. However, substantial market power or dominant position is determined on consideration of factors such as market share, size, resources, the importance of competitors, economic power, commercial advantages, vertical integration, consumer dependence, entry barriers, market structure, and market size.

These factors are also considered by the CCI for the assessment of market power for the purposes of Section 3(4) of the Act. In its decisional practice, the CCI has considered factors such as market share, the structure of the market, duration of the agreement, entry barriers , etc. while determining market power for assessment of agreements under Section 3(4) of the Act.

The CCI's decisional practice further reveals that market shares are often considered as a crucial indicator of market power. For assessment of exclusivity clauses under Section 3(4) of the Act, the CCI may require firms to hold at least 30 percent market share in the relevant market to deem it as sufficient market power to cause AAEC. This is in line with the assessment of vertical restraints under EU competition law, where the Guidelines on Vertical Restraints

provide that vertical restraints are likely to raise competition concerns only when the market share thresholds exceed 30%.

Demonstration of anticompetitive effects

The imposition of exclusive agreements by a dominant enterprise may amount to a per se violation under Section 4 of the Act, in violation of Section 4(2)(a)(ii) and Section 4(2)(c) read with Section 4(1) of the Act, provided the exclusivity is not objectively justified. Therefore, there is no obligation to demonstrate anticompetitive effects.

On the other hand, agreements under Section 3(4) are anticompetitive only if they cause an AAEC in India. As per Section 19(3) of the Act, the CCI is obligated to demonstrate that the anticompetitive effects arising out of an agreement namely: (i) creation of barriers to new entrants in the market; (ii) driving existing competitors out of the market; and (iii) foreclosure of competition by hindering entry into the market. However, it has been observed from the CCI's decisional practice that the assessment of anticompetitive factors under Section 19(3) of the Act is mostly a theoretical rather than an empirical exercise.

The primary theory of harm for exclusive supply agreements is that it may result in foreclosure of the market for competing suppliers and potential suppliers. This market foreclosure may, in turn, have an adverse effect on inter-brand competition.

The foreclosure theory for exclusive dealership agreements is that an upstream manufacturer with market power would use such exclusive dealing restrictions to prevent a potential new entrant from having access to the vital input of a distribution network, which would ultimately prevent entry, and allow the incumbent to keep growing his market share. Exclusive dealership agreements may also foreclose competition at the distributor level.

Besides foreclosure, such exclusive dealing restraints may also produce other anticompetitive effects such as:

- Softening of inter-brand competition- may serve to facilitate collusion between suppliers (under the Bertand competition model-i.e. where firms compete on prices.)
- Softening of intra-brand competition - may serve to facilitate collusion between dealers (under the Cournot competition model-i.e. where firms compete on quantities)

- The commitment problem-the problem a monopolist faces to prove his commitment to a dealer - by offering secret discounts etc.

Consideration of pro-competitive effects

The determination of AAEC is a balance between these positive and negative factors provided under Section 19(3) of the Act. The positive effects provided under Section 19(3) of the Act are: (i) accrual of benefits to consumers; (ii) improvements in production or distribution of goods or provision of services; or (iii) promotion of technical, scientific and economic development by means of production or distribution of goods or provision of services.

Some pro-competitive effects/justifications that the CCI may consider in case of exclusive supply agreements include cases where the supplier makes buyer-specific investments like investment in production lines etc. to service a particular buyer, or where the buyer is offered a discounted price based on a commitment to off-take a specific quantity etc.

The pro-competitive effects/justifications that the CCI may consider in the case of exclusive distribution agreements include (i) Protection of brand image8 in case of quality-driven products, (ii) Prevention of "free-riding"- another dealer/distributor unfairly taking advantage of the promotional efforts made by another dealer etc.

The CCI on recognizing the existence of either the exclusive supply or the exclusive distribution agreement is required to measure the probable pro-competitive benefits against the possible anticompetitive harm arising from a vertical restriction. The likely anticompetitive harms that the CCI may examine under Section 19(3) of the Act include:

- creation of barriers for new entrants in the market
- driving existing competitors out of the market; and
- foreclosure of competition by creating barriers against entry into the market.

The factors aggravating competition that the CCI is likely to examine, under the same section, if they offset the anticompetitive harm arising out of a vertical restraint include:

- accrual of benefits to consumers;

- improvements of production or distribution of goods or provision of services; and
- promotion of economic, scientific, and technical development by means of production or distribution of goods or services.

Judicial Function concerning Exclusive agreements

The Judicial process for determination of the of Exclusive Agreement as Anticompetitive

The final determination of an agreement to be anticompetitive is the function of the Competition Commission of India,The Commission examines agreements and its effects in two stages. First, an order passed under Section 26 (1) of the Act directing DG to conduct further investigation when a prima facie view is taken about the agreement and its possible effects. Second, when an order is ultimately passed after DG submits a report and at this stage, Commission may pass an order under Section 26 (6) of the Act closing the case or an order under Section 27 of the Act when Commission comes to the conclusion that there is a contravention of Section 3 of the Act. As a quasi-judicial body, the Commission is bound by certain constitutional principles and is bound todisclose reasons for its rulings.

The Judicial trends and jurisprudential outlook towards determination of the of Exclusive Agreement as Anticompetitive

1. **Automobiles Case**

The Competition Commission of India held that restrictive supply of spares and services only through authorized dealers was held to be anticompetitive after considering the fact that relevant market would be the market for spares and services, thus making each car manufacturer dominant in its relevant market. Although there were no allegations of cartelization or cartel-like behavior, CCI concluded that based on high mark-up in respect of the spares and services and the restrictive nature of clauses relating to supply of spares and services, restrictions were imposed on suppliers.

2. **M/s. GHCL Limited v. M/s. Coal India Limited, Order dated March 11, 2014 Case No. 88 of 2013**

The Competition Commission of India concluded that interdependence of parties in an oligopolistic market was not conclusive of presence of an agreement for the purpose of an exclusive agreement Important principles from this ruling are:

- Profit margin is an important indicator of price fixing strategies. This can be indicative of whether there is an agreement among the participants in the market;
- Price parallelism by itself is not indicative of cartels or cartel-like behaviour unless there is additional evidence such as proof of conscious parallel behaviour;
- Since circumstantial evidence would be relied upon, the material gathered should lead one to the conclusion that there is more than mere parallelism and firms have crossed the 'line' thereby violating the Act.

3. DLMW Cartelization Case

Commission observed that the definition of 'agreement' was inclusive and that the Act *required 'an arrangement or understanding or action in concert whether or not formal or in writing or intended to be enforceable by legal proceedings.'* Commission acknowledged that direct evidence would not be there and therefore Commission would have to examine evidence on the basis of benchmark of *'preponderance of probabilities'.*

4. Kaff Appliances Case

CCI held that price prescription by the Opposite Party to its dealers and the insistence to follow that particular pricing regime, prima facie was in contravention of section 3(4) (c) read with section 3(1) of the Act as it hindered the ability of dealers/distributors to compete on the price of the product causing AAEC.

The Jurisprudential Outlook concerning Online Markets: the Uncertainty in determining the Exclusive Agreement as anticompetitive

Snapdeal Case

A condition on the exclusive sales by virtue of agreement imposed in by the imposed by SanDisk was considered reasonable condition and was not considered anticompetitive. The Competition Commission of India had held that

".....that the storage devices sold through the online portals should be bought from its authorised distributors by itself cannot be considered as abusive as it is within its rights to protect the sanctity of its distribution channel. In a quality-driven market, brand image and goodwill are important concerns and it appears a prudent business policy that sale of products emanating from unknown/ unverified/ unauthorised sources are not encouraged/allowed."

Flipkart case

In 2014, Flipkart secured exclusive deals with Motorola and Xiaomi to sell their Moto G and MI 3 models, respectively. At both launches, the phones sold out in a matter of minutes on the e-commerce platform.

The Commission observed that Commission *"marketplace based e-commerce model is still a relatively nascent and evolving model of retail distribution in India and the Commission is cognizant of the technology-driven nature of this model. Recognizing the growth potential as well as the efficiencies and consumer benefits that such markets can provide, the Commission is of the considered opinion that any intervention in such markets needs to be carefully crafted lest it stifles innovation"*

Uncertainties in determining Exclusive Agreement as anticompetitive

The Primary reason for the Competitive Commission of India to determine an exclusive agreement as anticompetitive is because of the uncertainty and limitation pertaining to the determination of markets considering the fact that an Exclusive Agreement as anticompetitive only on the basis of the form of market it relates to, the following classification highlights the same.

1. **Uncertainty in determining the relevant market**

'Relevant Market' refers to the line of commerce in which competition has been restrained and to the geographic area involved, defined to include all reasonably substitutable products or services, and all nearby competitors, to which consumers could turn in the near term if the restraint or abuse raised prices by a not insignificant amount. In the case of an online market, the line of commerce could not be identified due to the variety of goods and products that are being sold.

2. **Ambiguity in product market**

The relevant product market includes all such substitutes that the consumer would switch to, if the price of the product relevant to the investigation were to increase. From the supply side, this would include all producers who could, with their existing facilities, switch to the production of such substitute goods. There are 3 elements that pin a product market. They are:

– Price increase

– Reaction of purchasers

– Smallest size requirement.

But in the case of an online market, a concrete determination of substitute goods based on the 3 elements cannot be determined due to the factors influencing the consumer by various other products available.

Conclusion

From the above analysis and study it could be found out that adverse impact on buyers the Chance of exploitation, Compulsion to buy, Exploitation by over pricing and Negative influence in purchasing ability, products and competition is very high . It is interesting to find out that exclusive membership agreements tend to create an adverse impact on market as the Ability to enter and sustain in the market, Uniform pricing, Scope of innovation and Scope of improvement in sales, products and competition is very high.

References

1. Company, Houghton Mifflin Harcourt Publishing. "The American Heritage Dictionary entry: whistleblower". www.ahdictionary.com.

2. Chalouat, Iheb; Carrión-Crespo, Carlos; Licata, Margherita. "Law and practice on protecting whistle-blowers in the public and financial services sectors" (PDF). International Labour Office, Geneva. Retrieved 17 March 2021.

3. Vandekerckhove, Wim (2006). Whistleblowing and Organizational Social Responsibility : A Global Assessment. Ashgate.

4. Delmas, Candice (2015). "The Ethics of Government Whistleblowing". Social Theory and Practice. **41** (1): 77–105. doi:10.5840/soctheorpract20154114. JSTOR 24332319.

5. Alford, C. Fred (2001). "Whistleblowers and the Narrative of Ethics". Journal of Social Philosophy. **32** (3): 402–418. doi:10.1111/0047-2786.00103.

6. Firtko, A.; Jackson, D. (2005). "Do the ends justify the means? Nursing and the dilemma of whistleblowing". The Australian Journal of Advanced Nursing : A Quarterly Publication of the Royal Australian Nursing Federation. **23** (1): 51–6. hdl:10822/979112. PMID 16496818.

7. New Scientist 9 December 1971, p. 69: "The Code [of Good Conduct of The British Computer Society] contains secrecy clauses that effectively prohibit Nader style whistle-blowing"

8. Nader, Petkas, and Blackwell, Whistleblowing (1972).

9. "Etymonline.com". Etymonline.com. Retrieved 8 July 2012.

10. "Wordorigins.org". Wordorigins.org. Retrieved 8 July 2012.