

# Enhancing Online Dispute Resolution in E-Commerce: Building Learning Societies for Sustainable Development

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## ABSTRACT

This study explores consumer and seller experiences with ODR in Malaysia and reflects on its implications for the Maldives within the broader theme of building a learning society for sustainable development. This study employs a qualitative approach through in-depth interviews with four participants: two consumers and two sellers engaged in e-commerce platforms such as Shopee and TikTok Shop. The data, collected in Bahasa Malaysia and later translated, were thematically analyzed to identify recurring challenges and perceptions regarding ODR processes. The study highlights three main consumer challenges: product misrepresentation, logistical delays and damages, and exposure to scams. Sellers reported difficulties related to unclear platform policies, unequal treatment, and logistical losses. Consumers found ODR systems convenient and confidence-building, while sellers expressed concerns about fairness and transparency. The findings underscore the importance of integrating ODR mechanisms with consumer education, particularly for young consumers, to promote digital trust. The study concludes that ODR must be strengthened through recognition of digital evidence, standardized dispute timelines, independent oversight, and consumer education. For the Maldives, embedding ODR into national policy and promoting consumer literacy among youth can contribute to building a digitally resilient learning society and advancing sustainable development.

**Keyword (s):** Consumer education, E-commerce, Learning society, Online dispute resolution.

## INTRODUCTION

The rapid expansion of e-commerce across Southeast Asia has reshaped how consumers and sellers engage in contractual relationships. Malaysia, with its growing digital economy, has experienced significant growth in online marketplaces such as Shopee and TikTok Shop. However, this shift also brings recurring challenges in electronic contracts, including product misrepresentation, delayed deliveries, fraudulent activities, and disputes between buyers and sellers (Karim et al., 2021). These issues highlight the need for effective online dispute resolution (ODR) mechanisms that can provide quick, fair, and affordable remedies.

In parallel, the Maldives is also grappling with the challenges of adapting dispute resolution to its unique geographical and social context. With over 1,192 islands spread across vast distances, traditional in-person dispute resolution is often impractical and costly (ITU, 2021). The Maldivian experience demonstrates the importance of ODR not only in commercial transactions but also in broader areas of law and governance, ranging from family reconciliation processes to international maritime disputes.

The international case between Mauritius and the Maldives over maritime boundaries further illustrates the importance of legal literacy and

trust in dispute resolution mechanisms (Nasheed & Kamal, 2023). Public misunderstanding of the legal processes highlighted the risks of limited awareness, mirroring the knowledge gaps observed among Malaysian consumers in digital transactions. These comparisons stress that without education and transparency, dispute resolution mechanisms whether digital or international risk losing public confidence.

## REVIEW OF LITERATURE

Scholars argue that ODR enhances access to justice by providing low-cost and scalable redress mechanisms in online trade (Cortes, 2017). This is crucial for developing nations where traditional litigation may be costly and inaccessible, particularly in small island states like the Maldives.

Product misrepresentation remains one of the most frequent consumer complaints. Studies highlight that discrepancies between product descriptions and actual deliveries damage consumer trust (Katyal & Hans, 2020). Such issues often escalate into disputes that require timely intervention, and the same risks apply in Maldivian e-commerce markets, where consumer literacy is still developing.

Logistics play a central role in e-commerce disputes. Lee et al. (2022) found that delayed shipments and lost parcels are common triggers for conflict, particularly in cross-border trade. This resonates with both Malaysia and Maldives, where geographical challenges, reliance on sea and air transport, and customs regulations complicate timely deliveries.

Finally, the legitimacy of ODR depends on perceptions of fairness and transparency. Research shows that when buyers and sellers feel equally protected, trust in digital platforms increases (Pavlou, 2003). For countries like Malaysia and Maldives, inclusive ODR mechanisms can bridge gaps in trust, ensuring that digital marketplaces can grow sustainably.

## METHODOLOGY

This study employed a qualitative research design using semi-structured interviews with four participants: two buyers (Buyer 1, Buyer 2) and two sellers (Seller1, Seller 2) actively engaged in e-commerce transactions in Malaysia. The purposive sampling method was adopted to ensure that participants had direct experience with electronic contracts and disputes. Interviews explored experiences with online transactions, challenges faced, dispute resolution processes, and perceptions of fairness and effectiveness of ODR platforms.

The analysis was guided by three research objectives: (i) to identify the concepts and issues faced by consumers in electronic contracts; (ii) to analyze the importance of resolving consumer disputes online, focusing on transparency, fairness, and trust-building; and (iii) to propose recommendations for a legal framework that could strengthen ODR practices. Findings from Malaysia were then contextualized with secondary literature on the Maldives, enabling comparative insights into how both nations can strengthen ODR to foster sustainable, learning-oriented societies.

## FINDINGS AND CONCLUSION

This study's findings are organized and discussed according to the three research objectives. The analysis integrates buyer and seller experiences with past studies and contextualizes the relevance for both Malaysia and the Maldives, where e-commerce adoption is still growing but faces similar challenges.

### ***Objective 1: Identifying Concepts and Consumer Issues in Electronic Contracts***

Consumers in Malaysia reported facing issues of product misrepresentation. One buyer explained: "The quality was not as advertised" (Buyer 1). Another added: "Ordered one size but received another. To exchange, I had to return the product, but it was too much hassle" (Buyer 1). These reflect

a common dissatisfaction with online product reliability. Similar issues exist in the Maldives, where misunderstandings about international maritime disputes revealed how limited awareness and misinformation can fuel distrust (Nasheed & Kamal, 2023). Both cases highlight how clarity and trust in contracts are crucial.

Logistics delays were another recurrent issue. A buyer shared: “Items from abroad take at least two weeks” (Buyer 1). Another said: “I didn’t receive my order, but I lodged a complaint and got a refund” (Buyer 2). Sellers also raised concerns: “Products get damaged during delivery, or arrive late” (Seller 1). These show systemic weaknesses in the delivery chain. In the Maldives, geographical isolation creates similar logistic vulnerabilities (ITU, 2021), making ODR vital for bridging service gaps.

Fraudulent activities further complicate e-commerce. One buyer noted: “I was scammed by a third-party seller. After paying, I never got the item” (Buyer 1). The parallel in Maldives lies in fraudulent actors exploiting gaps in legal literacy during reconciliation or arbitration processes (Mohamed & Rasheed, 2024). In both contexts, stronger oversight mechanisms are required.

### ***Objective 2: Analyzing the Importance of Online Dispute Resolution (ODR)***

ODR serves as a facilitator of trust. Buyers reported satisfaction: “It became a facilitator to resolve disputes” (Buyer 1). “Very responsive... I was satisfied” (Buyer 2). Sellers agreed in part, though with reservations: “The process is fast and professional if you provide evidence” (Seller 1). Conversely, another seller argued: “The process is fast but not professional. It’s hard to convince the platform that the buyer is not serious” (Seller 2). This imbalance resembles concerns in the Maldives about reconciliation mechanisms being perceived as biased or ineffective (Hameed, 2023).

Trust was a recurring theme. One buyer explained: “Before placing an order, I always read

reviews to avoid being cheated” (Buyer 2). Sellers, however, feared platforms favored buyers: “Many platforms support buyers. Be fair to both parties” (Seller 2). Such concerns reflect broader debates in the Maldives where independence and neutrality in dispute resolution remain critical, such as in arbitration or maritime disputes (Nasheed & Kamal, 2023).

Logistics were central to ODR’s effectiveness. Sellers emphasized: “No full refund to sellers even when the courier is at fault” (Seller 2). Buyers, however, said: “Yes, it was very helpful” (Buyer 1). These differing perspectives highlight structural biases. In the Maldives, similar issues exist in family reconciliation, where outcomes can depend on procedural clarity and neutrality (Mohamed & Rasheed, 2024).

Fairness and transparency were key expectations. Buyers valued quick resolutions but insisted: “It must be fair for both parties” (Buyer 1). Sellers echoed: “Be fair to both parties” (Seller 2). This concern about balance resonates with the Maldives’ experience in international law, where misinterpretation of treaties led to perceptions of unfair treatment (Nasheed & Kamal, 2023). Both contexts stress that ODR must ensure procedural justice.

Finally, inclusivity was raised. Buyers cited issues with cash-on-delivery and courier professionalism: “The courier said no internet to share QR code” (Buyer 1). Sellers noted that better marketing features were only available at extra cost: “Shoppe provides marketing tools, but only for those who pay more” (Seller 1). Similarly, in the Maldives, inclusivity challenges arise when reconciliation or arbitration processes are accessible only to those with resources, leaving marginalized communities disadvantaged.

### ***Objective 3: Recommendations for a Legal Framework***

The interviews show that while ODR in Malaysia is effective in many ways, gaps remain

in ensuring fairness for both buyers and sellers. Sellers bear disproportionate risks when buyers misuse refund systems or when couriers fail to deliver goods properly. For the Maldives, these insights suggest that legal frameworks should emphasize independent oversight, equal protection for all parties, and clear communication of policies. As one seller described: “The policy for live streaming was unclear, and sellers were penalized without explanation” (Seller 1). This resembles Maldivian concerns where unclear policies and limited legal literacy undermine trust in dispute resolution systems (Mohamed & Rasheed, 2024).

Therefore, both Malaysia and the Maldives require ODR frameworks that prioritize transparency, inclusivity, and fairness. In Malaysia, this means refining e-commerce platforms’ dispute resolution policies. In the Maldives, it requires stronger regulatory institutions and public education to prevent misinformation and strengthen legal confidence. Together, these measures support the development of learning societies capable of navigating disputes effectively in the digital era.

## CONCLUSION

This study emphasizes the vital role of Online Dispute Resolution (ODR) in strengthening consumer protection and building trust in e-commerce transactions. Evidence from Malaysia reveals recurring issues such as product quality discrepancies, logistics challenges, and imbalances in buyer-seller protection, which mirror the broader realities of emerging digital markets in the Maldives. By establishing transparent, fair, and inclusive ODR frameworks supported by independent oversight, both Malaysia and the Maldives can expand consumer education, encourage responsible digital participation, and secure the sustainable growth of their e-commerce ecosystems in line with the vision of building a learning society for sustainable development.

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