

8.12: Web Retailing Laws

Learning Objectives

- List some critical laws that pertain to web retailing

Brick and mortar stores have been a primary source of sales for retailers for centuries. With technological advances in computers and the internet many retailers have turned to conducting business online in order to expand their sales. Online sales also provide the opportunity for consumers who might not otherwise have the means to physically go into a retail store to purchase products or who may live outside the retail stores physical location. Around the time of the new millennium the federal government began to recognize that there was a need for laws governing these types of transactions. The Uniform Commercial Code (UCC) has been the statutory law which governs the sale and/or lease of goods and contracts for the same.^[1] The UCC decidedly began implementing laws which regulated online retail sales after it became apparent in the 1990s that e-commerce was here to stay.

E-contracts for the sale of goods are covered in Article 2 of the UCC's guidelines. An agreement online is typically made by checking a box agreeing to the terms of a contract or acceptance of an offer. In July of 1999 a new act was created called the Uniform Computer Information Transaction Act (UCITA). This act is used as a guideline for licensure of computer information exclusively and is most pertinent if the retailer you are working for sells computer software.^[2] Electronic signatures are also a means of conducting business transactions online. Electronic signatures were confirmed as a means of carrying out the sale or lease of goods and services online in 2000 under the Clinton administration when the Electronic Signatures in Global and National Commerce Act was approved by Congress.^[3] Other laws retail managers should be familiar with when selling retail goods online have to do with international purchases. The United Nations has been beneficial with attempting to provide an outline for countries that are in agreement of their International Sale of Goods trade laws.^[4]

Retail managers should become familiar with these laws as retail sales over the internet increase. While shopping in retail stores is still where the majority of sales are made for retailers shopping via the internet has grown significantly in recent years. "Researchers predicted a 15 percent growth in U.S. sales and total value for online shopping between 2016 and 2017, while offline only saw a 4.5 percent increase. There are almost as many people who prefer to shop in stores rather than online—with 51 percent of Americans preferring ecommerce, and 49 percent preferring heading into an actual store. However, a larger portion of millennials (67 percent) prefer shopping online over offline."^[5]

Practice Questions

<https://assessments.lumenlearning.co...sessments/9231>

1. <https://www.law.cornell.edu/ucc> ↵
2. <https://ethics.csc.ncsu.edu/intellectual/licensing/ucita/study.php> ↵
3. <https://rightsignature.com/legality/e-sign-act> ↵
4. scholarship.law.duke.edu/cgi/viewcontent.cgi?article=3058&context=lcp ↵
5. <https://www.entrepreneur.com/article/306678> ↵

Video -- E-commerce Law



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