Technological development proposed very broad possibilities in various spheres. One of them is e-commerce. The retailing possibilities became absolutely different and reached the new level. Marketing specialists directed their research and actions to digital environment and its uniqueness because traditional approaches and methods were not suitable any more. Web environment proposed a lot of various possibilities for entrepreneurs. But the customer-seller relationship remains one of the most important objects of research in marketing. The complexity and intangibility of digital environment produced some specific problems encountering ethical. As the amount of e-transactions is growing the amount of ethical problems rises as well. There is almost no research in Lithuania focusing on ethical problems in e-commerce despite that IT specialists and technologies in Lithuanian market develop very fast and are of very high quality. There are about 33 acting discount e-shopping sites in Lithuania and the number is growing. Accordingly e-shopping intensity and amount is growing. From the other side customers suffer from unfairness, security problems, falsifications, delays an etc. 

The research problem of this article is related to solving and further developing such questions as is e-commerce ethics really something different from traditional business ethics and what are the most important ethical issues related to e-commerce; does and how traditional business ethics and ethical decision making propose appropriate solutions in morally unacceptable and unethical situations in e-commerce.

The research aim of the article is to analyse the case of selling fake products in one of Lithuanian discount e-shopping site using different theories of ethical decision making. The research object is ethical issues related to e-commerce. In the article theoretical background of the most important ethical issues related to e-commerce is analysed. The situation in Lithuanian discount e-shopping sites’ market is shortly described as well. The case of fake Ariel sold in discount e-shopping site in Lithuania was analysed in the article as unethical behavior in business case. 

The novelty of the article is based on the researching theoretical ethical issues of e-commerce and implying these ethical issues in the case analysis of Lithuanian discount e-shopping site. The main findings of the article are related with such issues as distinguishing the main ethical issues actual to e-commerce. The case analysis of discount e-shopping site was fulfilled with traditional ethical decision making ‘instruments: utilitarian, justice ethics’, and deontological approaches. The (un)ethical case analysis revealed that moral problems of business world are complex and it would be difficult to solve them in accordance with only one provision or position, however, the elementary ethical principles remain in e-commerce and Web environment.

Keywords: e-commerce, e-shopping site, ethical issues, business ethics, ethical decision making.

Introduction

The most important features of e-market today are its speed and capability to adapt novelties. Especially quickly changing environment is e-commerce market because the popularity of e-shopping is growing every day. Marketing theories, sales management research is based a lot on e-commerce subjects: how to rise sales in so competitive environment, how to attract intelligent customers and etc. But the essential content of problems with customers is not changing moving towards from traditional commerce to e-commerce. Customers are interested in quality of products and services as well as ratio of quality and price. Ethical questions arise not as rare as we might think. Competitiveness brings different solutions in e-business and a lot of decisions should and might be effectively made with business ethics and ethical decision making help. 


The research problem of this article is related to solving and further developing such questions as is e-commerce ethics really something different from traditional business
ethics and what are the most important ethical issues related to e-commerce; does and how traditional business ethics and ethical decision making propose appropriate solutions in morally unacceptable unethical situations in e-commerce. **The research aim** of the article is to analyse the case of selling fake products in one of Lithuanian discount e-shopping site using different theories of ethical decision making. **The research object** is ethical issues related to e-commerce. **The tasks of the research:** to analyse theoretical background of the most important ethical issues related to e-commerce; shortly present the situation in Lithuanian discount e-shopping sites’ market; analyse the case of fake Ariel sold in discount e-shopping site in Lithuania. **The research methods** are scientific literature analysis, and case analysis made using ethical decision making. **The novelty of the article** is based on the researching theoretical ethical issues of e-commerce and implying these ethical issues in the case analysis of Lithuanian discount e-shopping site. **The main findings of the article are:** in the article the main ethical issues actual to e-commerce were distinguished and emphasized; the case analysis of discount e-shopping site was fulfilled with traditional ethical decision making’ instruments: utilitarian, justice ethics’, and deontological approaches; the case analysis revealed that moral problems of business world are complex and it would be difficult to solve them in accordance with only one provision or position, however, the elementary ethical principles remain in e-commerce and web environment. Scientific purpose of the article to scientific discussion about unethical behavior in Web environment can be valuable from the distinguishing most important aspects in theoretical level related to ethical issues in e-commerce as well as revealing practical need for effective ethical decision making in e-commerce solving rising problems.

**Ethical issues related to e-commerce**

As the scientific problem of this article is grounded on ethical issues related to e-commerce, so the theoretical part of this research is based on the question: is there some special e-commerce ethics? Classical ethical theories are developed a long time ago and it might seem that appliance of them in today’s business world might be not quite appropriate or not effective. We should accept that e-commerce is a new paradigm in business. E-commerce paradigm was first known in 1993. It might be described as business-to-consumer and business-to-business commerce conducted by way of the Internet or other electronic networks. As Judson and Kelly (1999) have written e-commerce is made possible by the Internet, the relatively new digital environment that is expected to thoroughly transform the way in which business is conducted. Kracher and Corritore (2004) discussed the issue that the speed and degree to which e-commerce develops in the markets and society makes some preconditions that ethical dimensions are critical in examining the issue. E-commerce practically became as requirement for big stores, top names. The small and medium-sized enterprises (SMEs) using e-commerce very successfully as well. Often it is the most appropriate way for conducting business. Even environmental protection factor is included as positive in e-commerce as the process reduces some costs (Tiwari, Singh, 2011). It broadens the comprehension of sustainable development in digital environment.

For further discussion about ethical issues in e-commerce it is important to state that in any cases e-commerce is still commerce. So, traditional business principles still are valid. But Internet represents a “new environment for unethical behavior” (Freestone, Mitchell, 2004). E-commerce has most commonly distinguished features (Kracher, Corritore, 2004):

- Interconnectedness;
- Simplicity;
- Speed;
- Virtuality;
- Cost.

One of the most important differences in applying ethics in e-commerce and traditional commerce is the question of ethical lag. It occurs when the speed of technological change far exceeds the tempus of ethical development (Marshall, 1999, Kracher, Corritore, 2004). As Marshall reveals from a social structural perspective, there are several reasons that ethical systems lag behind technology development. The first is that the expense and complexity of technology development today draws technology developers into highly focused and controlled corporate structures. Second, new technologies promise the possibility of great economic returns, but in a highly competitive environment. Research presumes that business ethics develops more slowly than technological development as well as cultural environment changes rather passively. Kracher and Corritore (2004) presume that there is „a lack of exploration of e-commerce ethics”. According to them e-commerce ethics is a practical ethics about real morally unacceptable problems that arise when conducting business on the web. Top issues in e-commerce ethics are as follows (Kracher, Corritore, 2004, p. 79):

- Access;
- Intellectual property;
- Privacy and informed consent;
- Protection of children;
- Security of information;
- Trust.

Access, according Kracher and Corritore (2004) is connected with people ability to “be connected” to the internet and to get an access to information. The availability of Internet is not equal. Even if there is public spaces for free wireless connection or Internet usage places in libraries, universities and etc., the abilities or time can be the limitations for the amount of information is got.

Intellectual property issues especially became actual developing Internet network. Personal rights can be violated more easily and it is more difficult to find the responsible persons or organisations (Kracher, Corritore, 2004)

Personal information issues became very important in e-commerce (Milne, Rohm, 2000). A lot of different legal and ethical questions arise relating with trademarks, copyrights, patents (Maury, Kleiner, 2002). Opt-in and opt-out matters are actual and concerning as well. Companies require name, address, phone registering to their web pages, and the usage of that information often becomes uncontrollable and unclear. Such situations call customer awareness. Privacy is often highlighted both as central to the ethics of e-retailing and as a critical factor in its development (Whysall, 2000).
According Kracher, Corritore, 2004, insecurity problems arise giving personal information in the web and it has more difficulties and mistrust than in brick-and-mortar business. Often cookies gather personal information secretly and there are no legal limits on how cookies are used (Nardal, Sahin, 2011). A cookie is a small diary of where someone has been on the Web. Each time a user goes back to the site, the Web site can open the cookie. This process is also known as "profiling" or "data-mining" (Stead, Gilbert, 2001). Alba et al (2007) emphasize that the key element for further development of home e-shopping remains collection of personal information and matters with it. Customers expect that their personal data will not be used in unsecure or inappropriate ways. Security matters are concerned with financial and credit cards security (Bart et al., 2005; Roman, 2007). In contrary, Venkatesh (1998) suggested that the extension of commerce in cyberspace is connected with freedom and the place where customers establish their identity.

Children protection what comes to children pornography issues (Spencer, 2002) are most often related with internet and its possibilities. Here special care is taken and special protective instruments are used. The blocking of web pages is not very effective instrument unless the age of children is very young. Information on the internet becomes often available worldwide and it becomes the one of the most important issues discussing e-commerce ethical questions.

Trust is one of the main features in customer-seller relationship. In web environment we should talk about e-trust (Hwang, Kim, 2006). In the environment the trust is more often intangible. Thompson and Jing (2007) researched cultural aspect and peculiarities of e-trust in the United States, Singapore, and China, emphasizing that e-trust have been based on cultural environment as well. It might be presumed that some peculiarities of e-trust exist in Lithuania or other EU countries. One very interesting aspect is social trust (Putz, 2005, p. 393). It is believed that social trust is important because it reduces the “transactional costs” involved in interacting with others. In economic transactions that kind of trust is eliminating the need of monitoring others behavior and it becomes economically affordable.

It is very important to notice that in the cyberspace seller and buyer have conditionally long distance between them, so the ethical or unethical behavior could be presumed less noticeable or valuable because of some intangibility. It might be presumed that moral “quality” of e-commerce is insufficient for the reason that e-commerce entrepreneurs are very young by their age. But the e-traders should not forget that ethics is perceived by customers as a major component of value they expect (McMurrian, Matulich, 2006). This value can be easily minimized by entrust and unevaluated actions of companies. In contrary, companies’ profitability might tightly be connected to being ethical in the way of acting (Donaldson, 2003, Kurt, Hacioglu, 2010).

Bush et al. (2000) researched ethical concerns most often mentioned. They were security of transactions, illegal activities, privacy, and honesty/truthfulness of the information on the Internet (Roman, 2007). It is tightly connected to the matters discussed above as distinguished important in cyberspace dealing with unethical situations.

One of important aspects in this article should be mentioned about laws and ethics. Laws and ethics may overlap to some extent but they are not the same (Hyeon-Suk Lyu, 2012). Laws are approved and ratified by state. Ethics and its rules are conventional and often can be even unwritten. As Hyeon-Suk Lyu (2012) discusses unethical behavior and illegal behavior key difference which lies on the sanctions that are applied.

Three moral philosophical dimensions underline marketing actors’ ethical perceptions: (1) moral equity; (2) contractualism; (3) relativism (Babin et al., 2004). Moral equity represents the inherent rightness/wrongness, or perceived justice of some action. Contractualism represents potential violations of implied or explicit rules or promises. Relativism represents perceptions that some action is acceptable by traditional or sociocultural standards. These three moral dimensions are applicable in ethical situations in digital environment also.

Traditional ethical theories analyse and propose solutions for ethically questionable situations. Ethical decision making can successfully be used in e-commerce. It might be presumed that values distinguished and nourished by traditional ethics might be valued in e-commerce customer-seller relationship successfully. “E-commerce does not have special ethical principles, ideals, standards, and rules. Rather, it has a special manifestation of ethical principles, ideals, standards, and rules that apply in every aspect of life (Kracher, Corritore, 2004, p. 85). In this article case analysis is based on business ethics and traditional ethical decision making theories that can help to solve the problems (Greblickaitė, Navickaitė, 2012). Utilitarian reasoning would recommend that decisions be made that produce the greatest good for the greatest number (Vranceanu, 2005). It is often identified as a cost/benefit approach to ethical decision making. A major drawback of applying this approach to decision making is the inherent assumption that social positive and negative impacts are measurable (Sama, Shoaf, 2002). Justice theory emphasizes the legal/illegal circumstances and importance of justice, for example, if a client pays bigger price, he gets better service or better quality. The deontological approach states that duty is the basic moral category, independent of the consequences of the action (Beu et al., 2003, p. 89). The case analysis of Lithuanian discount e-shopping site presents the appliance of traditional ethical analysis techniques in e-commerce case.

**Discount e-shopping sites’ market in Lithuania**

Lately, in Lithuania, group e-shopping sites are becoming more and more popular. In the past few years the number of such sites in the country nearly doubled and reached thirty. Actually, currently there are 33 such e-shopping sites, however, one of them is under reconstruction and one more should start working soon. The list of them is provided below:

3 imti.lt, grupinis.lt, beta.lt, ciumpam.lt, uogos.lt, dienosakcijos.lt, dyl.lt, kartu.lt, urbanday.lt, bigbonus.lt, kiauletapykle.lt, dailycard.lt, pagauknuolaida.lt, perpuse.lt, mamamiju.lt, stora.lt (is prepared), skubek.lt, kuponai.lt, labainoriu.lt, norinurionoriau.lt, tykas.lt, zizu.lt, masinis.lt, kasdienposcijai.lt, nuolaikdublas.lt, gigi.lt, ciage riau.lt, kupi.lt, okay.lt, akcijatau.lt, kuponai.lt, kupol.lt, pasiauly mum bankas.lt

"building as contrasted to an online business (http://www.merriam-webster.com/dictionary/brick-and-mortar)"
Currently in Lithuania, the major part of the market of group e-shopping sites holds beta.lt and grupinis.lt operated by a group shopping company “Cherry Media Group” in Eastern Europe. However, the rapid increase of the number of such sites causes greater competition and entrepreneurs often drastically “increase discounts” giving a much higher market price than it really is. In such way the consumers are often persuaded that the goods or services they are purchasing are almost half the price (sometimes even more). According to the chief specialist for public relations of the Authority of the State Consumer Rights Protection, complaints concerning coupons make about 3% of all complaints regarding poor quality of non-food products and services.

The consumers indicate that they purchase the coupons in the above-mentioned sites but later, when they want to get or use the goods or services purchased they face various problems: 1) For example, the goods are not delivered on time or not delivered at all; 2) In other cases, the consumers are not able to get registered for the services purchased until the end of the coupon period; 3) There are also a number of those who remain dissatisfied with the quality of goods received, or those that come to take back the goods and must pay an additional fee about which they were not informed before purchasing the goods. In the cases when customers encounter difficulties concerning the quality of products it is often difficult to find a culprit since most of the sites only enter into a contract with the providers of products and services but to contact the suppliers of those goods and services often very difficult or even impossible. Thus, the sites themselves are not always able to protect themselves from unscrupulous traders.

Case analysis: fake „Ariel“ in Lithuanian e-shopping site

Two businessmen from Šiauliai (Lithuania), namely V. P. and A. G., tried to expensively sell fake Ariel laundry detergent in Lithuania which was cheaply purchased in Poland. The two men announced about the product which they named Ariel in a group e-shopping site (the name of site known for authors) and received a great interest not only from customers but from police officers as well. It turned out that fake laundry detergents containing Ariel labels were being sold in one of the most popular group shopping sites in Lithuania. Based on the data provided by Lithuanian press, V. P. purchased the detergent on his several visits to Poland and intended to sell those in Lithuania, however has not found any customers and decided to falsify the product. A. G. has found one advertising company which agreed to produce labels with the sign of Ariel. Those labels were put on the bottles containing fake detergents and the fake product was offered to e-shopping site with the help of another businessman, their acquaintance. V. P. asked him to spread the information about liquid Ariel detergent promising to send the pictures of the product. He claimed that the detergents were bought in one market in Poland where the price of one bottle was about 7–10 litas. The man checked the real price of the detergent and realized that it is actually much higher. That is why he asked whether the documents of the detergents exist and was assured that such documents will be provided if needed.

The businessman claimed that he has been working with the employees of the group shopping site for a long time and they trusted him because of successful previous deals. He offered e-shopping site to place the information about Ariel. The owner of the site trusted him and placed the information without making an agreement. Immediately after placing the offer in the site the news came out that V. P. was arrested because of Ariel. The trade in the site was immediately terminated. This is the situation when the traders’ desire to make profit is overshadowing their decency. Such form of trading is unfair not only in respect of licensed traders but also in respect of customers because of the fact that they don’t receive the product which is promised but only its cheap counterfeit which is of low quality, too.

Parties acting in the situation:
- Two individual businessmen from Šiauliai (Lithuania)
- US company “The Procter&Gamble”
- E-shopping site
- Customers

Business Ethics-related aspects of the situation:
- The businessmen illegally used the brand of “Ariel” which belongs to the US company “The Procter&Gamble” in this way weakening and discrediting the company’s prestige and reputation.
- Instead of benefit – the damage to the brand owners, customers and the site was made. They cheated on the customers, on the companies “The Procter&Gamble” and e-shopping site and on their colleagues i.e. they used other people seeking personal benefit.
- The quality-proving documents were forged (which is not only unethical but also illegal act).
- The e-shopping site not only has suffered serious damage but its reputation was discredited as well. According to the supervisor of the site, the company had proved that the product was original and met all the requirements established by the site.

The seller of fake “Ariel” violated the following retail trade rules which state that the trader is forbidden to:
- Sell goods the purchase of which, according to the Law, is not confirmed by purchase supporting or proving documents.
- Sell goods which have been re-labeled, re- packed or otherwise re-made.
- Sell goods without compliance documents issued according to the Law.
- Sell goods which have been re-labeled, re- packed or otherwise re-made.

Outcomes of the illegal act:
- The court appointed 2600 Lt fine for each of the businessmen for the criminal offense.
- The court has decided to confiscate and destroy 320 plastic bottles containing 4-liters of liquid detergent each. Nearly half of them were already marked by “Ariel” labels.
- The trade in the site was immediately terminated.

The situation described may be analyzed based on 3 different ethical theories, namely utilitarian, deontological and justice ethics (Sama, Shoaf, 2002; Beu et al., 2003; Vranceanu, 2005; Greblikaitė, Navickaitė, 2012). Looking at the situation from the utilitarian perspective, the acts of cheating, lying and counterfeiting cannot be regarded as morally acceptable and legal acts because they do not bring positive results that would be useful to the majority of people taking part at this situation. Here, one man’s interests are raised above the society’s interests. Lying is regarded as unacceptable act because it reduces universal welfare. When
people lie to each other they reduce their ability to rely on each other and at the same time to cooperate. The lower intensity of confidence and cooperation – the lower is the benefit. In case of success of the businessmen to sell the fake detergents, only the sellers would have had benefit and all the other people included in this situation would have suffered certain losses when morality principles, on the contrary, say that the interests of ALL the people surrounding us should be considered (not only our personal interests). The primary idea of business, stating that the customer should be the most important, is being disclaimed. Basing on utilitarianism, the businessmen should act in such a way that the maximum benefit would be achieved. In this case, the maximum benefit would be achieved if as many as possible buyers purchased laundry detergents of original brand and of high quality for lower price. In this way everyone, including the seller and the buyer, would get the maximum benefit and consequently, the act would be considered as morally acceptable and legal.

Basing on the perspective of deontology, the seller does not fulfill his basic obligations (to obey the Law) by counterfeiting the product and in this way breaking the Law. The sellers tried to use other people as a means to achieve their goal which means that their rights were disregarded as well. The act of lying itself is already regarded as unethical. According to this theory, even if the result of this act would be positive and beneficial for majority of the people concerned it would not be considered as morally acceptable anyway.

Finally, basing on Justice Ethics, compliance with the Law is equally obligatory for everyone. However, in the case of the situation analyzed, this fact was disregarded. The main idea of Justice Theory which says that welfare should not be built at the expense of others is violated. Individual’s moral duty is to obey the laws that are fair, that do not discriminate other individuals or groups and do not provide illegal privileges.

Without going into details and various nuances, it may be said that the acts of the site were morally acceptable considering the fact that they immediately terminated the trade of the counterfeit detergents so that the customers would not have more losses and the company itself would not damage its reputation. Moreover, they had quality-proving documents. However, as their major fault could be regarding the fact that they did not sign the Contract.

There exist several possible solutions in order to avoid similar situations in trade business, especially when it is online. First of all, in order to reduce the possible damage, trade companies should use various legal services; cooperate with legal institutions, investigators and consultants. Secondly, they should always sign Contracts which would state the obligations of the sellers and outcomes for violating the rules of the Contract. Besides that, penalties for counterfeiting should be increased because of the fact that in many cases the businessmen are more willing to pay fines instead of acting according to ethical and moral norms. Finally, they should pay more attention to the control of the quality of the goods that are about to be sold.

E-shopping site claims that the company is seeking that the customers would purchase the products and services only of the highest quality. For this reason, they check the quality of the goods and carry out the monitoring of services. After this and several other similar cases, when the company had to deal with rogue traders and when the traders were selling goods illegally, a decision was made to establish a Quality Department which would more carefully check the quality of the goods and help the customers to solve all quality-related problems. Already, for some time, the information about the traders, their reputation and reliability is being constantly collected. The reviews of the customers are being evaluated. Basing on those reviews, the partners are being selected with whom cooperation is extended. Therefore, the situations like this should be avoided in the future. This also may be seen as the only positive outcome of such negative situation. Moreover, the sites of such kind are not highly trusted due to similar incidents, therefore, the buyers themselves also should pay more attention to what they are buying and, first of all, think of the actual value of the products or services they are about to purchase.

To sum up, moral problems of business world are complex and it would be difficult to solve them in accordance with only one provision or position, however, the elementary ethical principles remain. All ethical theories are related to one another and complement each other; therefore it would not be fair to assign the analysis of a certain behavior or situation to one specific ethical theory. These ethical theories as in this case utilitarian, deontological and justice, can be used in combination in order to obtain the most ethically correct answer possible for each scenario.

In modern society a plenty of ethical systems “live” together. This suggests that different explanations of one or another phenomenon are possible; however, in the case of the situation discussed, none of the theories can justify the morality of the two businessmen actions.

Conclusions

- Digital web environment provided e-commerce possibilities. E-commerce is developing rather fast as all information technologies do.
- In e-commerce, for some parts, ethical problems and dilemmas (defined earlier) are different as compared to mortar and brick business. Top issues in e-commerce ethics remain: Access; Intellectual property; Privacy and informed consent; Protection of children; Security of information; Trust.
- Theoretical analysis allows concluding that e-commerce ethics is similar to business ethics and traditional ethical rules and ethical decision making can successfully be applied in solving ethical problems and dilemmas in digital environment.
- The case analysis of Lithuanian discount e-shopping site reveals that unfairness situation can exist even with brand and well-known names. The situation presents the possible threat to company’s trust than such unfairness (counterfeit product) was sold in their e-shopping site. Even legal actions were taken to manage the situation of cheating; the case analysis discloses that almost any additional actions were not taken to rebuild moral justice. Just concrete actions as building Quality department in the company and giving more attention to legal matters were taken.
- Moral problems of business world are complex and it would be difficult to solve them in accordance with only one provision or position, however, the elementary ethical principles remain. All ethical
theories are related to one another and complement each other; therefore it would not be fair to assign the analysis of a certain behavior or situation to one specific ethical theory. Classical ethical theories can be used in combination in order to obtain the most ethically correct answer possible for each scenario, taking place in Web environment. Effective solutions a lot depends on managers in enterprises because in general they are the most important decision makers

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The article has been reviewed.
Received in April, 2014; accepted in June, 2014.