

SAFE SHOPPING

Foreign portals: cheap stuff, big risks?

These websites offer deep discounts, and let you buy things not easily available, but be mindful of the risks

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Delhi-based finance professional Vikash Kharkia, 28, likes to look for cheap deals on the Internet for electronic gadgets, watches and other things of interest. His favourite site these days is Wish.com, a San Francisco-headquartered website, that directly sources and sells products from China worldwide. Kharkia uses its app on his smartphone. He has bought a "sleek" LED watch and an OTG (on-the-go) cable from the website. "I liked both the products but the batteries of the watch, which cost me ₹140, went dead in 2-3 months. Buying a new set of batteries would have cost me ₹160. So I decided to just throw away the watch. But can you get something cheaper than this elsewhere?" he said.

Kharkia is one of the many Indian consumers who look for value deals online on websites such as Ali Baba Group's Allexpress, US-based consumer electronics company Bestbuy.com, and others. Many of them sell products, which can range from shower curtains to electronic goods, from companies and manufacturers based in China. The low cost is attracting buyers and the websites are slowly gaining popularity. Let's take a look at how good these deals are for you.

How does it work?

When you visit the website or app of Allexpress, Wish.com, Dealamachine.com, Lightinthebox.com, Banggood.com, among others, nearly everything is sold at a discount. These products are usually from unknown brands and are available in many varieties. For example, a pair of Cute Novelty Newborn Baby shoes on Allexpress.com are available starting ₹194, after a discount of 40% on the MRP. The shoes are available in 11 colours. In India, the products that are shipped free are usually delivered via China Post and India Post. The cost of shipping is determined by the supplier. Usually, the higher the charge, faster will be the delivery. Allexpress gives the option to raise a request for a refund due to non-delivery after the mentioned date of delivery has passed.

Many products on these websites are shipped free, but others are not. While shoppers would prefer free shipping, you must note that if you choose this option, you cannot track your shipment.

There are other useful features on these sites. Allexpress, for example, offers a buyer protection feature called 'Purchase Protection of Order'. If you don't get your order on time or it's not what you had asked for, you can try and resolve the issue with the supplier, failing which, you can ask for a refund. For refund due to dissatisfaction with the product, there is an option to settle with the seller since the cost of

WAYS TO SHOP ONLINE SAFELY

- SECURED WEBSITES:** Shop on more popular, especially secured, websites. The address should start with 'https'. Read reviews and comments of users.
- TRANSACTION LIMIT:** You can set a secured limit on foreign transactions, which can be enabled or disabled via an SMS or Net banking or both.
- PAYMENT GATEWAY:** Check if the payment gateway on the website is secured. Use websites such as mywot.com to check authenticity.
- INSURANCE:** You can buy an insurance on your credit card, which would safeguard you from any misuse.
- VIRTUAL CREDIT CARD:** This is a virtual add-on credit card issued on the primary card. Details such as card number, 'valid from' and expiry dates, and CVV number are visible online.
- VIRTUAL KEYBOARD:** With this software-based keyboard you can type details instead of using a physical keyboard.



sending the product back would be higher than the original price in most cases.

So, how are these websites able to sell products so cheap? "For many of the products available on these sites, where the item is not from a known brand, chances are that these are sourced from stock lots and are unsold inventory. A lot of these are unavailable in India, and that adds to the appeal," said Arvind Singhal, managing director at retail consulting firm Technopak Advisors Pvt. Ltd.

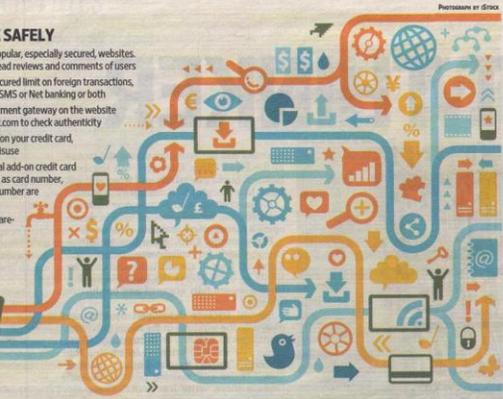
There are products such as a temperature sensor LED light water faucet in three colours for ₹119 on Allexpress or a pair of slimming silicone foot massage magnetic toe ring for ₹69 on Wish.com. The uniqueness of these products also attracts customers.

Mumbai-based business-owner Swati Srivastava, 28, recently bought some stationary and electronics from Wish.com for her brother Sagat, 21, a student. "We bought 4-5 things for about ₹1,200 from the website only because they wouldn't be easily available in India. We didn't need them urgently and were okay to wait. Also, they were really cheap," she said.

Uniqueness and the low cost are the main attractions.

"A lot of these products are either unavailable in the Indian market or if something similar is available, it's at a marked-up price as the local seller might also be sourcing the item from these sites and adding cost and selling it. These sites have the infrastructure and price advantage available in China to offer low pricing," said Sudhanshu Gupta, assistant vice-president-business at e-commerce and mobile payment solutions company Paytm. Alibaba Group and its affiliate Ant Financial hold stake in One97 Communications Ltd that owns Paytm.

And since anyone can buy from these websites, for personal use or to sell, many small businesses in India are taking this route to source products. It saves them the cost of travelling or importing, and they can re-sell with a mark-up margin, said



Deal seeker: Vikash Kharkia, who shops online on foreign websites for low-cost and unique things, says quality can be an issue.

Singhal. Rapid growth of e-commerce on both domestic and foreign websites has led to higher card usage, and it acts as the main driver for card companies.

"There is proportionate increase in card usage on both domestic and foreign e-commerce portals. Total segment has grown by 10-20% and usage has increased around 50% in both segments in the last one year," said Sangram Singh, head-cards and merchant acquiring business, Axis Bank Ltd.

Time to pay

All purchases are prepaid via credit or debit card or Net banking. There is no option for cash on delivery yet. Gupta said in the future, with cloud technology, Paytm's mobile-wallet could be available on some of these sites. When buying from Indian websites, one has to enter a one-time password (OTP) as well if using a card to make a payment. But when buying from foreign websites, this extra layer of authentication may not be required.

However, the lack of this authentication bothered Srivastava. "My friends have been conned on other sites in the past where the websites started debiting the amount of the order on a monthly basis. So, when we ordered our things and were not asked for the OTP, I got worried

(since the product comes after 15 days), can affect the packaging.

Kharkia, for instance, said the packaging of the watch he had ordered was torn. At times, the postal department may not deliver at your doorstep and you may have to visit the post office to get your package.

It is advisable to go through the user comments and reviews on the app or site before buying a product to know of other's experiences.

The other, and more important aspect, is safety of the transaction. A ₹200-product not turning up or not being what you expected is a smaller worry than your financial details such as card number being compromised. So, it's important to keep your cards and other details safe.

The deals may be attractive but there is a high chance of fraud or misuse of your financial details when disclosed online.

"When someone uses her card details online, there are chances of phishing. It is always advisable to check the authenticity of the website and whether the payment gateway is verified. Also check the global certification of the payment gateway," said Amit Jaju, executive director, forensic technology and discovery services, EY India.

Phishing involves similar looking websites that are set up by hackers and a malware that redirects users to the fake website instead of the genuine one to extract online banking credentials and card details.

You can also buy insurance for your credit card, or even use virtual cards, said Jaju.

A virtual credit card (VCC) is an add-on credit card issued on your primary credit card. All relevant details such as the card number, the 'valid from' and expiry dates, and the CVV number are visible online.

"In India, virtual credit cards are not very popular, but they are good for consumers who are fearful of losing control of their personal information. These cards allow consumers to shop using a temporary number connected to their existing account, which functions for the length of

the transaction," said Rujiv Raj, co-founder and director, Credit-Vidya, a credit advice and planning company.

Many Indian banks offer different ways to safeguard card usage. HDFC Bank Ltd, for instance, offers NetSafe. A customer can create a virtual card (NetSafe Card) from an existing credit or debit card number. She can also enable or disable international usage on the card via Net Banking.

Axis Bank offers Secure, an EMV (Europay, MasterCard, and Visa) chip-based debit card. "Customers can block all cards in their wallet with a single phone call," said Singh. The bank also offers 'Total Control', a platform that allows debit card users to modify limits, choose between domestic or international usage, switch on or off the card and even replace it.

Apart from these products and features, one can also put a limit on her credit or debit card's international transactions. "A limit on transactions, both domestic and foreign, safeguards the customer from any misuse of her financial details," said Kunal Roy, general manager and head-payments and unsecured loans, ICICI Bank Ltd. The bank allows its card holders to set such limits for all transactions through an SMS or Net banking, he added. Then there is the zero liability programme in which if a card is misused, a customer does not have to pay, and an inquiry is settled within 15 days, Roy added. This is offered by other banks as well. Further, remember to use a virtual keyboard for added security.

"The customer should use a virtual keyboard (if available), while entering personal or credit card information. These are designed to provide secured online transactions. Also, type the URL of the website in the browser bar and avoid accessing it through links sent via emails," said Vijay Jaiswal, chief executive officer, SBI Cards and Payments Services Pvt. Ltd.

Mint Money take

Deals on foreign websites are attractive and let you buy things that are unavailable in India or at a much lesser price. But remember the risks of quality, delivery time and exposure of card or banking details on an unsecured website.

Always use safe payment options and read customer reviews on a particular product before buying it. The basics don't change.

Check if the website itself is secured or not—the address should start with 'https' instead of 'http'. You can check the payment gateway's verification on websites such as mywot.com.

Also, never share your banking details with anyone. Create a separate login ID to register with a website instead of using your Facebook or Google+ logins, which many sites and apps prompt you to do. And lastly, go for more popular and established websites, than an unknown one.

With safety in place, there's no reason why you shouldn't buy that LED faucet, or the baby shoes or the periodic table shower curtain that the Big Bang Theory's Sheldon Cooper has.