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PARTNERSALBANIA FOR CHANGE AND DEVELOPMENT

GUIDANCE E-COMMERCE & DIGITAL PAYMENTS

THE CONSUMER PERSPECTIVE

This document has been produced by RisiAlbania. Risi is a youth employment project of the Swiss Agency for Development and Cooperation SDC, implemented by Helvetas and Partners Albania for Change and Development. The views and conclusions contained here do not necessarily reflect neither those of the Swiss Government nor the Swiss Agency for Development and Cooperataion SDC.

E-COMMERCE & DIGITAL PAYMENTS

THE CONSUMER PERSPECTIVE

GUIDANCE

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Helvetas and Partners Albania for Change and Development are implementing the RisiAlbania youth employment project, supported by Swiss Agency for Development and Cooperation (SDC).

RisiAlbania supports the creation of quality jobs in the local IT sector. The project has supported the growth of e-commerce in Albania by assisting businesses in adopting digital payment solutions and enhancing their online presence. To enhance competitiveness and access to higher-value markets, RisiAlbania has facilitated the certification of local companies with international standards such as ISO 27001 (Information Security Management) and ISO 27701 (Privacy Information Management). Recognising the potential of the business processing outsourcing (BPO) sector, the project has worked to position Albania as a value-added destination for outsourcing services.

TABLE OF CONTENTS

PART 1 - THE BASICS

What is e-commerce? 04

Why e-commerce? 04

What is a digital payment? 05

Is buying online safe? What rights and protections do I have? 06

PART 2 - TIPS FOR BUYING SAFELY ONLINE 07

PART 3 - INSIDER INSIGHTS 08

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PART 1 - THE BASICS

What is e-commerce?

E-commerce is the buying and selling of goods and services online over the internet. Retail shopping, everything from clothing to electronics items, is the most common form of e-commerce globally and in Albania.

More and more Albanian businesses and consumers are transacting online. About 40% of the population in Albania made an online purchase in 2023, the most popular purchases were clothing and footwear, food deliveries and cosmetics[1].

Why e-commerce?

E-commerce offers several important benefits for consumers:

Benefits of e-commerce	
Convenience	Shop anytime, anywhere, without having to visit a physical shop.
Wide Selection	E-commerce sites provide access to a vast range of products, often with more variety than physical shops offer.
Price Comparison	E-commerce platforms such as Amazon and Alibaba make it easy to compare prices across different sellers, helping consumers find the best deals and save money.
Home Delivery	Online purchases are delivered directly to the consumer's door, saving time and effort.
Easy returns and refunds	Many e-commerce sites have hassle-free return and refund policies, making it easier for consumers to return items that don't meet their expectations. Consumers in Albania have the legal right to return products bought online and receive a full refund.

[1] Source: INSTAT Survey on ICT usage in Households and by Individuals

What is a digital payment?

A digital payment is a financial transaction conducted electronically using a computer or mobile phone, with no exchange of hard cash. Digital payments use computer networks, the internet, and electronic devices like smartphones, tablets, or computers to facilitate the transfer of funds. Examples of digital payment methods include digital wallets, online banking transfers, and credit or debit card transactions (see below). Digital payments make online shopping easy, fast, and safe. They allow consumers to make instant purchases without the hassle of handling cash.

Digital Payment Method	Pros & Cons
Credit & Debit Cards most widely accepted and used e-commerce payment method, facilitated by Visa, Mastercard and American Express	✓ widely accepted; quick & convenient. ✗ transaction fees for merchants, risk of fraud.
Online Bank Transfer involves customer signing into their online banking app and manually making the payment	✓ secure & reliable; suitable for large transactions. ✗ requires customer to have bank account (accessible online); may involve high transaction fees.
Digital Wallets services like PayPal, Apple Pay, Google Pay, and Samsung Pay which allow customers to store (and pay with) multiple payment options (including cards and bank transfer)	✓ Fast transactions; convenient (call store & pay with multiple cards); enhanced security features. ✗ Dependency on mobile device; transaction fees can be high.
Mobile Payments Mobile-specific payment methods such as QR code payments	✓ Quick and easy; immediate payment; customer doesn't require access to credit/debit card. ✗ Security can be an issue; requires compatible mobile device & internet access.

Is buying online safe?
What rights and protections do I have?

Online consumers in Albania benefit from several layers of consumer protection such as the right to clear information on prices, shipping and delivery costs, the right to withdraw from an online purchase contract and what to do when things go wrong. Various measures and regulations are in place to protect consumers, ensuring that these rights are safeguarded when shopping online. These measures align with broader EU standards on consumer protection, data privacy and cybersecurity.

The key piece of legislation is the new **Consumer Protection Law of 2018 (Law no. 71/2018).** This law applies to online transactions, ensuring that consumers have the same rights online as they do in traditional commerce. It establishes the rights of consumers which includes the right to be informed, the right to safety, and the right to seek redress.

Since online customers are unable to inspect a product before purchasing it, the right of withdrawal from the transaction is particularly important. Consumers in Albania have the right to withdraw from an online purchase within 14 days of receiving the goods, without providing a reason and gives consumers the right to return products and receive a full refund.

Pre-Purchase Protection Information disclosure requirements				**Post Purchase Protection**		
Merchant's address	Product Specifications	Delivery Conditions and/ or Payment Process	Complaint Procedures	Withdrawal without reason	Options for redress (including full refund)	Online dispute resolution
✓	✓	✓	✓	✓	✓	✓

Consumers can file complaints with the **Consumer Protection Commission (CPC)** if they feel their rights have been violated during an online transaction. The CPC can investigate and act against businesses that breach the consumer protection law. Regulations also require that online payment systems used by e-commerce platforms in Albania comply with security standards to protect consumers' financial information and reduce the risk of fraud.

Consumers are increasingly aware of the value of their personal data. Albania has a comprehensive regulatory and institutional framework to ensure the privacy of the data of Albania citizens. Albania's **2024 law on Personal Data Protection** (Law No. 124/2024) is aligned with the EU's **General Data Protection Regulation (GDPR)** legislation and ensures that consumer data is handled securely and confidentially by businesses, including e-commerce platforms. For example, it requires businesses to obtain consent before collecting personal data and to use this data only for legitimate purposes. Consumers also have the right to access, correct, or delete their personal information.

PART 2 - TIPS FOR BUYING SAFELY ONLINE

USE SECURE WEBSITES AND APPS

Ensure the website's address starts with "https://" rather than just "http://". The "s" indicates that the site uses encryption to protect your data.

Only install trustworthy apps from official app stores.

CHOOSE THE SELLER CAREFULLY

Online reviews can help you decide what to buy and where. Check several sources and consider where a review is posted, who wrote the review, and the reviewer's history to ensure the review is genuine

Be suspicious if you do not find an address or phone number you can phone and the terms and conditions of the sale.

PROTECT YOUR DIGITAL DEVICES

Keep your antivirus and antispyware software up-to-date and the firewall active

Don't connect to public or unknown wi-fi networks when purchasing online

Don't click on links or download content from unknown sources

MONITOR YOUR DIGITAL PAYMENTS ACCOUNTS

Review your credit card and bank statements regularly for any unauthorized transactions.

Immediately contact your bank or card issuer if you spot any suspicious or unfamiliar charges. Credit card issuers in Albania offer what's called zero liability protection which means that if a consumer's credit card is used fraudulently online, they are not held responsible for unauthorized charges, provided the incident is reported promptly.

READ TERMS & CONDITIONS

Pay particular to any added costs, such as postage or customs costs, particularly if the webshop store is based outside Albania.

Check the conditions and costs applying to returns or exchanges. Albanian law guarantees that you have 14 days to return any product bought online.

PART 3 - INSIDER INSIGHTS

Gjirafa50, the region's largest online retailer for consumer electronics, has grown by 93% CAGR from 2016 to 2024, while **GjirafaMall**, Kosovo's largest online marketplace, has expanded at an even more impressive 187% CAGR from 2017 to 2024. This growth is a direct result of a clear, data-driven strategy focused on customer experience, operational excellence, and market leadership. **GjirafaTravel** is another online service for ticketing around the region.

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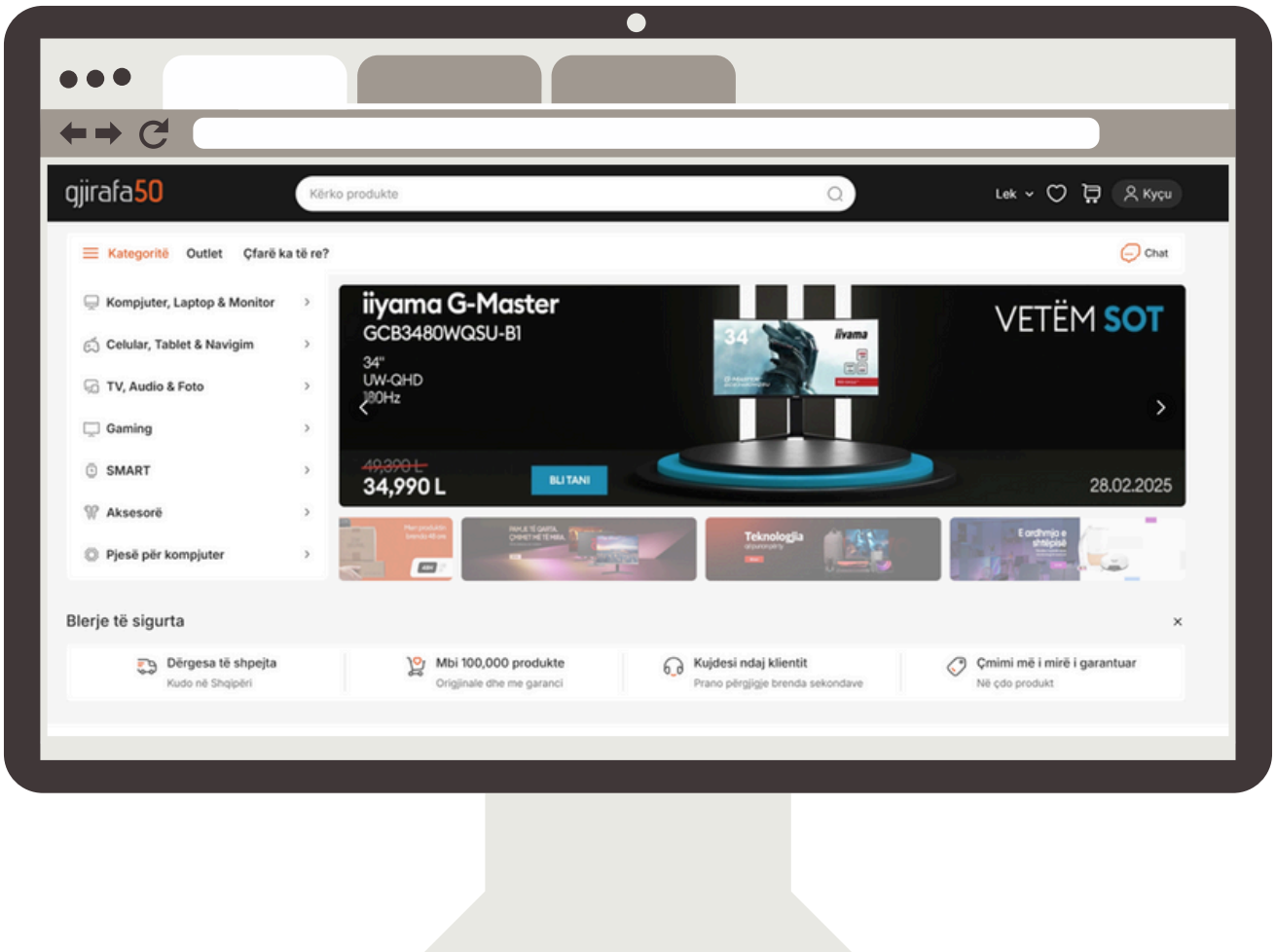
GJIRAFA50 GJIRAFAMALL GJIRAFATRAVEL

Digital payments play a crucial role in enhancing the shopping experience on Gjirafa. The advantages of digital payments include:

- **Speed and convenience:** Digital transactions enable fast and seamless purchases, significantly improving efficiency for customers.
- **Enhanced security:** Secure payment methods protect customer data and mitigate the risks associated with handling cash.
- **Consumer empowerment:** Offering multiple payment options fosters trust and enhances customer satisfaction.



Consumer protection measures employed by Gjirafa include:

- Advanced security measures such as robust encryption and security protocols to protect customer data.
- Strict quality assurance protocols ensuring that only high-quality products are offered to consumers
- Dedicated and responsive customer support to assist with inquiries and ensure they are resolved efficiently.
- Transparent return policies: Clear and fair return policies enhance consumer confidence and satisfaction.

Gjirafa recommends the following actions to consumers to protect themselves when transacting online:

- **Use secure payment methods:** Choose credit cards or trusted digital wallets over cash transactions for enhanced security.
- **Protect personal information:** Refrain from sharing unnecessary personal details during the checkout process.
- **Check reviews and ratings:** Validate product quality and seller credibility by reviewing feedback before making a purchase.
- **Be cautious and wary of unrealistic deals:** If an offer appears too good to be true, conduct research to confirm its legitimacy before proceeding.

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