Ecommerce Fraud

Today is the era of technology. With the increase of Covid cases, online shopping

becomes a trend. The problem I choose is E-commerce fraud. Now-a-days, with the advancement in technology, there are high risk of scams and credit card stolen in e-commerce. Since, online shopping becomes more common, most of the people rely on a particular thing’s rating and review. With the help of AI, fake reviews can be detected easily.

Some examples of ecommerce fraud are fake reviews, charge back and identity stolen. According to an article, “…. experts anticipate fraud, including chargeback (returning a payment to a customer's credit or debit card) and identity manipulation, will continue to increase due to the coronavirus pandemic. Fraudsters have likely collected more information and are storing it to use later”. One of the top ecommerce retailers is Amazon. Although, Amazon provided numerous jobs to people and business owners, but it also opens the door to fraud. The most common and personal example include, some businesses send money to the amazon user and let them buy their products. In return, they asked to provide reviews with/without pictures. This way the product is automatically reviewed and ready to sell to other customers.

On Contrary, Amazon took a great effort to remove this type of fraud by using AI. According to the Guardian, “Amazon is using artificial intelligence to combat fake product reviews and inflated star ratings. It is employing a new AI machine-learning system that the online retailer built in-house to boost the prominence and weight of verified customer purchase reviews, those marked as helpful by other users and newer, more up-to-date critiques on its site”. Now every review is processed and take a while to upload. Furthermore, “But Amazon also indicated that its system will be capable of differentiating between original products and those modified to fix issues or customer complaints sold through the same listing”. Furthermore, Amazon AI system will be able to keep original and fake reviews separately, AI system is working like a filter to prompt user friendly environment.

Second, AI also helps prevent from scammers for credit card stealing. As covid spread, people start using online platforms for selling their stuff. AI fraud detection and prevention software saw a 40% rise in online retail fraud attempts. In this regard, machine learning is used, which is one of the forms of AI. According to the medium, “A company with access to the data for billions of credit card transactions can use machine learning to quickly distinguish common identifiers for fraud, and use that information to create algorithms which automatically detect future fraudulent transactions. Over time, as more data is collected, the algorithm can be tweaked to become increasingly efficient — a self-learning, artificially intelligent system”.

The most common ethic concern is as Amazon is using AI for each customer review, this made the loyal customers untrusted. Most of the people, don’t like to do review and other do it for information or guidance, but being loyal, it’s still not right.

Citation:

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