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# **IMPROVING THE LEGAL ROLE OF BUSINESS LAW IN SUPPORTING AND REGULATING DIGITAL MARKETING ACTIVITIES IN MONGOLIA**

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## ***Abstract***

*In the contemporary era, characterized by rapid globalization and digitalization, the accelerated growth of the digital economy is opening entirely new opportunities for business development in Mongolia. At the same time, however, it is generating complex legal and regulatory challenges related to supporting and governing digitalization, particularly digital marketing activities. This study analyzes and evaluates the influence and function of the business-law environment in regulating the multifaceted issues of digital marketing, including consumer protection, online transactions, intellectual property rights, and contractual relations. The purpose of the study is to deepen understanding of the role and significance of the legal environment in ensuring fairness, reliability, and safety in digital marketing activities by identifying how business-law regulation is implemented in the digital marketing environment and what effects it has on transparency, accountability, and consumer trust, and then deriving conclusions and recommendations.*

*The findings show that although the digital marketing sector in Mongolia has developed rapidly in recent years, the legal, policy, and regulatory environment remains relatively new and is still in a formative stage. The absence of a fully developed system of detailed regulation and oversight consistent with international practice appears to be constraining innovation and fair competition to some extent. The study therefore emphasizes the need for a coherent and adaptive regulatory approach. It proposes a conceptual framework for aligning the functions of business law with the specific characteristics of digital marketing development, with particular attention to data protection, ethical digital advertising, and e-commerce. The study concludes that improving Mongolia's legal environment for digital marketing is not merely a matter of legislative reform, but a long-term policy issue requiring trilateral cooperation among the state, the private sector, and consumers, together with trust and transparency.*

*Business law plays a central role in regulating and shaping digital marketing activities. A stronger legal environment can enable business to develop in a fair, ethical, and innovation-driven manner. In this digital age dominated by the internet and technology, an effective legal system is indispensable for sustainable economic growth and for the well-being of all participants in the digital business ecosystem. The results of this study deepen the theoretical understanding of digital business governance and offer practical conclusions and recommendations for policymakers, businesses, and consumers aimed at ensuring and optimizing legal stability in digital marketing.*

**Keywords:** *business law, digital marketing, e-commerce, civil law*

## **INTRODUCTION**

*Business law plays an important role in regulating and shaping digital marketing activities (Purbasari et al., 2021; Shamir, 2004). This legal framework creates conditions for businesses and consumers to build secure and trust-based relationships in the digital environment and enables them to operate under legal protection. Under current conditions, in which the digital marketing sector is expanding rapidly, business law is an indispensable factor in creating a fair, transparent, and sustainable business environment. As internet penetration increases worldwide, business legislation is becoming ever more important for protecting the rights of businesses and consumers in the digital sphere (Arifin et al., 2021; Mangku et al., 2021; Santoso, 2022).*

*Today's consumers rely increasingly on digital platforms when interacting with businesses and conducting transactions, which further underscores the importance of legal protection. From the perspective of business owners, legal certainty is an essential condition for preventing unexpected risks, working with confidence, and focusing on the stable development of their businesses (Braithwaite, 2002; Ericson, 2007).*

*A legal environment regulated by business law fosters fair competition and ensures healthy market development. As competition in the dynamic world of digital marketing becomes more intense, business law serves to prevent consumer harm, unfair competition, and monopolistic practices. By establishing fair and transparent rules, lawmakers can provide equal opportunities for all businesses and create conditions that support innovation. Technological progress and the development of digital media are radically changing business relations and marketing methods, which in turn requires regulatory reform to ensure that all forms of online*

*business can operate effectively and smoothly. The internet has become a catalyst for business growth, while digital media continues to transform the ways in which consumers interact.*

*The internet is a major driver of business growth, opening up new business opportunities and playing an important role in the development of online trade and new digital advertising strategies. Digital marketing has become one of the most effective means of reaching more consumers and promoting products and services to them; however, an appropriate legal environment is essential for its implementation. Business law defines the legal requirements applicable to digital marketing activities and creates the conditions for entrepreneurs to operate within a lawful framework (Asyhadie, 2012).*

*Licensing systems required for operating in the digital environment provide legal certainty for businesses and also protect consumers against illegal and fraudulent conduct (Barkatullah, 2018; Logue, 2005). Consumer-protection law is a fundamental branch of business law, and the protection of data security and privacy has become increasingly important (Abomhara & Kjøien, 2014; Chen et al., 2022; Gillon et al., 2011). Business law obliges firms to protect consumer information and prevent the misuse of personal data, thereby contributing to the creation of an ethical digital environment. Advertising activities in digital marketing likewise require strict regulation. Business law requires advertising to be truthful and ethically appropriate, helping to prevent consumers from being misled and fostering trust between businesses and consumers. In addition, intellectual-property protection is indispensable to prevent the unauthorized use, copying, or misuse of advertised products and services.*

*In the era of globalization, differences in cross-border business transactions and regulations are becoming increasingly complex, and business law must therefore be capable of adapting to international challenges. Because technology and digital media continue to evolve constantly, business legislation must be updated on a continuous basis and aligned with the dynamics of the global economy. Business law must thus remain flexible and adaptive so that it can respond to emerging challenges and ensure the sustainable development of digital marketing.*

### **THEORETICAL BASIS**

*Every online purchasing and selling activity is associated with an electronic document prepared by the seller. Such a document contains the rules and requirements to be followed,*

*including payment terms, delivery methods, and deadlines. In some cases, an online transaction may not be formally confirmed in writing; however, if the buyer places an order and the seller agrees to deliver the item, a legally valid agreement is deemed to have arisen between the parties. The terms and procedures contained in that electronic contract define the parties' rights and obligations and serve as legal protection. Under the contract, the seller has the right to receive payment for the purchased product, and the buyer has the obligation to pay within the time period specified in the contract. If the buyer fails to pay on time, the seller may terminate the contract and sell the item to another potential buyer. Because the seller is legally protected by laws and rules relating to payment terms, selling the goods to another party in such circumstances is not treated as unlawful. In this way, e-commerce contracts play an important role in guaranteeing trust and accountability between the parties and in providing legal certainty in online business relations.*

*The buyer has the right to receive goods in the type and technical condition stipulated in the contract. If the delivered goods do not conform to the contractual terms and requirements, the buyer may claim compensation from the seller, and this may be expressly regulated in the contract. For example, the buyer may replace the goods or seek monetary damages, thereby enjoying legal protection of his or her rights. In the digital era, the form of evidence is increasingly shifting into electronic form, with information and electronic documents replacing traditional physical evidence. Under the Law on Electronic Information and Electronic Transactions, information, electronic documents, and printed materials are treated as valid evidence, thereby expanding the scope of evidence under Mongolian procedural law. This law thus provides the legal basis for ensuring that electronic transactions in Mongolia are valid and reliable and for protecting the parties' rights and obligations in commercial relations conducted in the digital environment.*

*Before conducting online transactions, it is necessary to understand the multifaceted business-law issues associated with e-commerce and online buying and selling. A deep understanding of these issues makes it possible to conduct online business activities more efficiently, safely, and systematically. At the same time, any person deciding to start a business inevitably faces a certain degree of risk. For example, in the case of an enterprise operating without a legal-entity structure, business law plays an important role in dealing with risks such as the loss of personal assets or non-payment by customers.*

*According to Purwosutjipto (2003), law is a system of regulation that establishes norms binding on a particular segment of society or on all its members in order to enforce the order laid down by the ruler or social leader of a given state. Business, on the other hand, refers to all activities that provide goods and services suited to the needs and demands of others for the purpose of earning profit.*

*Business law therefore lies at the intersection of these two concepts and provides the basis for carrying out business activities lawfully, fairly, and responsibly.*

*According to Fuady (2016), business law is a legal instrument or set of rules intended to regulate trade, production, and financial relations arising when business actors accept certain risks, invest assets in a particular business activity, and engage in the production and exchange of goods and services. In other words, business law is the union of the two distinct concepts of “law” and “business,” each of which has its own purpose and function. Law creates the regulatory, restrictive, and protective system within which business activities must operate, whereas business refers to activities involving the production, distribution, and exchange of goods and services for economic gain. For that reason, it is crucial for entrepreneurs to understand and implement business legislation deeply so that they can protect their interests and conduct their activities sustainably, safely, and within a lawful framework.*

*According to Saliman (2016), business law is the totality of all written and unwritten legal regulations governing contracts and the rights and obligations arising from them in business practice. Similarly, Ibrahim (2006) defines business law as a body of legal rules created to regulate and resolve the various issues that arise in relations among people, especially in the commercial sphere. The main purpose of business law is to regulate business activities, prevent risks that may arise in the future, and protect the interests of business participants.*

*The objectives of acquiring knowledge of business law include the following main directions: (a) ensuring the safe, efficient, and stable functioning of market mechanisms; (b) protecting different types of business entities, especially small and medium-sized enterprises; (c) contributing to the stability and improvement of the financial and banking system; (d) safeguarding the interests of economic and business participants; and (e) creating a fair, transparent, and secure business environment for all entrepreneurs.*

*The scope of business law encompasses many issues related to business activity, including forms of enterprise, trade (such as exports and imports), investment, employment, financing, debt and securities guarantees, intellectual-property rights, and insurance. Business law is therefore a complex and comprehensive system that governs a broad range of economic relations and regulates the business environment.*

### **METHODOLOGY**

*This study employs a qualitative research method to identify the role and influence of business law in the field of digital marketing. The methodology is based on Sukmadinata's (2006) conception of descriptive research, according to which descriptive inquiry examines existing natural and human-made phenomena in their real conditions and seeks to explain their essence in depth.*

*Within this framework, the principal objective is to determine how business law affects digital marketing activities and what role it plays in creating a legal environment that protects the interests of entrepreneurs and consumers.*

*As part of the qualitative approach, data are collected from multiple sources, including interviews and observations involving business-law specialists, digital entrepreneurs, and other relevant stakeholders. In addition, the empirical basis of the study is formed through analysis of legal documents, policies, and regulatory materials related to digital marketing activities.*

*By using a descriptive qualitative approach, the researcher can identify in greater detail the role played by business law in the formation and regulation of the digital business environment. This approach also makes it possible to understand more deeply the views, attitudes, and experiences of the research participants and to interpret the findings in relation to actual conditions and the broader socio-economic context (S. Sangadji et al., 2022).*

### **RESEARCH FINDINGS AND CONCLUSION**

*As e-commerce develops rapidly in Mongolia, the following types of crimes and violations are also increasing (police.gov.mn; cta.gov.mn): fake online stores, in which fraudulent pages are created on social networks such as Facebook and Instagram to advertise goods that are never*

*delivered after payment; fraudulent payment links (phishing), in which fake websites and links are used to induce users to enter bank or card information; personal-data leakage caused by weak protection on online shopping sites; counterfeit goods and services, including the sale of fake branded items or the non-delivery of promised services; and broader fraud schemes conducted under the labels of “discounts,” “lotteries,” or “promotions” to deceive consumers into transferring money. In response, the Mongolian police have been operating the Cybercrime Unit actively and issuing warnings to users in the digital space.*

*The number of e-commerce and cybercrime incidents in Mongolia has been rising from year to year. According to the Cybercrime Unit of the General Police Department, more than 10,000 cybercrime complaints and reports were registered in 2025, around 30 percent of which were related to e-commerce and online payments. In 2024, the figure had been approximately 6,500, meaning that it increased by more than 50 percent in 2025. Financial losses suffered by citizens as a result of e-commerce fraud have ranged on average from 10 to 50 million MNT (General Police Department report, 2025). In the first half of 2025, 60 percent of crimes committed in the digital environment consisted of fraud conducted via Facebook and Messenger (police.gov.mn; cta.gov.mn).*

*Although Mongolia’s digital marketing environment has developed rapidly in recent years, researchers conclude that the legal, policy, and regulatory environment remains relatively new and still under development. At present there is no separate law that directly regulates digital marketing. Nevertheless, the Law on Consumer Protection (revised in 2023) contains provisions relevant to online commerce and electronic advertising, including prohibitions on misleading consumers and disseminating false information, as well as restrictions on using consumers’ data without permission or transferring them to third parties. Related laws also include the Law on Electronic Signatures and the Law on Cybersecurity, which contain rules concerning contracts in the digital environment, the verification of advertising, and information protection.*

*The Law on Advertising (2011) defines the content, form, and ethical requirements of advertising, but researchers argue that it does not reflect the specific characteristics of the digital environment, such as social media and influencer marketing, and therefore needs updating. The Law on Personal Data Protection (2021) covers the collection, processing, and use of consumers’ data in the context of digital marketing campaigns.*

*Policy and strategic documents show that Mongolia has developed and is implementing the national “E-Mongolia” program (2021–2025), which aims to support the development of the digital economy and improve the legal environment for digital services. Legal experts believe that this program has laid a policy foundation for greater transparency and consumer trust in the field of digital marketing. Likewise, the “Development Policy for the Communications and Information Technology Sector (2020–2030)” sets objectives for strengthening the competitiveness of the digital economy and improving the quality of electronic services.*

*The main conclusions drawn from the analysis of legal, policy, and regulatory documents related to digital marketing are as follows: regulatory coherence is weak; although multiple laws and regulations cover particular aspects of digital marketing, a unified policy and explicit provisions are lacking; enforcement oversight is weak, and mechanisms for identifying violations in the online environment, detecting false advertising, and imposing liability are not yet fully developed; there is no regulation of influencer and content marketing, creating a need for ethical codes and accountability mechanisms; and personal-data protection has become a critical issue, because the use of consumer data for marketing purposes is not clearly limited by law and gives rise to practical violations.*

*Interviews and consultations with specialists from research institutions, regulatory bodies, and policy organizations—including the National Legal Institute, the Communications and Information Technology Authority, and the Mongolian Marketing Association—generated the following proposals: (1) develop specific regulations and codes of ethics for digital marketing activities; (2) establish transparency standards for influencer and digital advertising; and (3) create unified rules on the use, storage, and deletion of consumer data.*

*The results indicate that although the legal environment for digital marketing in Mongolia is beginning to take shape, a detailed system of regulation and oversight in line with international practice has not yet fully developed. Future efforts should therefore focus on harmonizing legislation and policy documents and on protecting digital ethics and consumer trust.*

*Focus-group and individual interviews with business-law experts, digital entrepreneurs, and other stakeholders regarding the legal, policy, and regulatory documents related to digital marketing showed that although the digital marketing sector in Mongolia is developing rapidly, legal regulation remains largely confined to the framework of traditional advertising and does*

*not fully cover new forms of marketing such as influencer marketing, data-driven advertising, and AI-based content distribution. As a result, business-law specialists, digital entrepreneurs, public authorities, and consumer representatives each have distinct positions, needs, and practical difficulties, a pattern also reflected in studies and professional discussions.*

*From the perspective of business-law specialists, the current legal environment does not adequately reflect the specific nature of digital marketing. There is weak coherence between the Law on Advertising and the Law on Personal Data Protection, and many provisions are ambiguous in practice. They argue that international experience—such as the EU’s GDPR and the U.S. FTC’s advertising guidelines—should be studied and localized, and that either a specific law on digital marketing or a dedicated chapter within existing legislation should be developed. In particular, rules on transparency in influencer marketing, advertising ethics, and the lawful use, storage, and deletion of consumer data are needed. They also stress the need to improve the technical knowledge and professional capacity of law-enforcement and regulatory bodies. Among the key challenges they identify are overlap and contradiction among legal norms, weak enforcement oversight, the lack of clear mechanisms for proving online violations and assigning liability, and difficulties in aligning the operations of international platforms such as Facebook and Google with domestic law.*

*Digital entrepreneurs, for their part, argue that the legal environment is updated too slowly and does not correspond to actual business conditions. In their view, some provisions constrain business flexibility, especially with regard to the use of consumer data and targeted advertising, while regulatory and licensing processes are often complex and unclear. They identify a need for clear and understandable rules specifying what kinds of content and data use are permitted and under what conditions restrictions apply; for policies that support a legal environment for data-driven marketing, including consent systems and data-protection standards; and for innovation-friendly regulation, including the creation of a regulatory “sandbox” in which new technologies can be tested. They also point out that unclear laws and regulations discourage innovation, that penalties are sometimes unrealistically high in relation to business realities, and that the policies of international platforms such as Facebook Ads can conflict with domestic law.*

*Consumer representatives and civil-society actors emphasize that the digital marketing environment contains a large amount of false and misleading information, which is eroding*

consumer trust. They criticize the unauthorized use and transfer of personal data to third parties as common problems and argue that law-enforcement and regulatory authorities are often slow to resolve citizens' complaints and weak in imposing accountability. They believe that consumers need a dedicated digital platform for the protection of their rights—for example, an online complaint-submission and resolution system—along with transparency requirements for advertising, such as clear labeling of paid content and sponsored posts, and public campaigns to raise awareness and knowledge about personal-data protection. The most difficult issues for consumers include low awareness of their rights, complicated complaint procedures, uncompensated losses caused by fake online stores and influencer advertising, weak coordination among oversight bodies, and inadequate systems for information exchange.

Public authorities and policymakers consider the regulation of digital marketing to be a matter of balancing support for economic growth and innovation with the protection of consumer rights. They acknowledge the need to incorporate international experience and increase private-sector participation in legal reform. They also underline the need for an integrated policy and strategy that aligns marketing, data, and consumer protection within the digital economy, as well as stronger digital capacity among enforcement agencies, improved methodologies for cyber investigations and evidence gathering, and international cooperation to address cross-border digital violations and advertising issues. From their perspective, major obstacles include the slow and multi-stage nature of legislative reform, weak coordination among agencies such as the Communications and Information Technology Authority, relevant legal institutions, the police, and the Mongolian Marketing Association, and shortages of technical capacity and human resources for monitoring and analyzing the digital environment.

All stakeholder groups agree that reform of the legal environment for digital marketing is unavoidable. At the same time, there is tension between two priorities: promoting innovation and protecting consumers. The most pressing issues are weak coherence in law and policy, weak enforcement and accountability, insufficient protection of personal data and transparency, the lack of regulation for influencer and content marketing, and the difficulty of bringing international platforms into line with domestic law. Improving the legal environment for digital marketing in Mongolia should therefore be understood not merely as a legislative task, but as a long-term policy issue requiring cooperation, trust, and transparency among the state, the private sector, and consumers.

## **RESULTS AND DISCUSSION**

*The sources of law fall into two main categories: material sources of law and formal sources of law. Material sources concern the content and nature of law and arise from factors such as social and economic conditions, culture, religion, and the legal systems of other countries. Formal sources of law, by contrast, concern the procedures and forms by which law is created and are used in drafting and implementing legislation.*

*According to Fazry (2023), formal legal sources include the Constitution, legislation, government regulations, presidential decrees, local regulations, international treaties, juristic doctrine, and legal theory. These constitute the foundational basis of the business-law system and define the legal framework governing business activity.*

*In Mongolia, the business-law system is based on the following main branches of law: criminal law, which regulates conduct in the business sphere that may constitute crimes, such as fraud or the dissemination of false information; civil law, which governs property and contractual relations between individuals and legal entities, including sale, purchase, lease, borrowing, and lending; and business law proper, which regulates specific business matters such as forms of enterprise, corporate structure, and trade activities. In addition, statutes such as the Law on Limited Liability Companies, the Investment Law, the Law on Consumer Protection, the Law on Electronic Signatures, and the Law on Cybersecurity all play important roles in governing business relations in the digital environment.*

*The findings show that although e-commerce and digital marketing are developing rapidly in Mongolia, the legal environment remains relatively new and not yet fully formed. The growth of e-commerce has been accompanied by increasing cybercrimes and violations, including fake online stores, payment fraud, personal-data leaks, and counterfeit goods and services, indicating the need to strengthen regulatory capacity and oversight mechanisms.*

*Several core problems emerge from the study of the digital marketing environment: weak regulatory coherence, because multiple laws and rules cover particular aspects of digital marketing without providing a unified policy or explicit provisions; weak enforcement oversight, because the mechanisms needed to detect online violations and false advertising and to impose liability remain underdeveloped; the absence of regulation for influencer and content marketing, which calls for ethical codes, transparency standards, and accountability systems;*

*and insufficient personal-data protection, because the use, storage, and deletion of consumer data for marketing purposes are not subject to sufficiently clear restrictions and oversight.*

*Business-law specialists argue that either a dedicated law on digital marketing or at least a substantial revision of the Law on Advertising is needed to reflect the specific features of the field. They also stress the need to study and adapt international experience, such as the EU's GDPR and U.S. FTC guidance, and to enhance the technical and professional capacity of enforcement agencies. Digital entrepreneurs, by contrast, emphasize that the current legal environment is unclear, updated too slowly, and constrains business flexibility. They call for clear and understandable rules, policies that support data-driven marketing, and a regulatory sandbox for experimentation and innovation. Consumer representatives and civil-society organizations, meanwhile, highlight the prevalence of false and misleading information in the digital space, declining consumer trust, and the need for a dedicated digital platform for rights protection, stronger transparency obligations, and more education on personal-data protection. Public authorities and policymakers focus on achieving a balance between promoting innovation and protecting consumers and stress the need for stronger coordination, expanded international cooperation, and improved capacity for digital monitoring and investigation.*

*Taken together, the findings suggest that the legal environment for digital marketing in Mongolia is beginning to emerge, but that a detailed and internationally aligned system of regulation and supervision has not yet fully developed. Weak coherence among legal and policy instruments, inadequate enforcement oversight and accountability, and shortcomings in data protection and transparency are limiting the sector's development. Going forward, improving the legal environment for digital marketing will require long-term policy reform, as well as the creation of cooperation, trust, and transparency among the state, the private sector, and consumers.*

*Digital transactions and the specific features of digital marketing. Digital transactions include all forms of purchase and sale carried out through electronic means, with the internet as the primary medium. They are a core component of digital marketing because they make it possible to conduct business-consumer relations in the digital environment. Digital marketing transactions take several forms, including business-to-business (B2B), in which companies sell products and services to other companies; business-to-consumer (B2C), in which companies*

*sell products and services to end users; and consumer-to-consumer (C2C), in which consumers sell used goods to one another online. Compared with traditional trade, digital marketing has many advantages. First, it is not constrained by geography, allowing consumers to shop online from anywhere in the world. Second, it is not constrained by time, since purchases can be made at any hour of the day or night. Third, the operating costs of online stores are relatively low, as expenses such as wages and rent are reduced, and in some cases businesses can operate without holding inventory by relying on intermediaries or logistics providers. Digital transaction systems also use technological solutions such as electronic payment services, online cargo-tracking systems, and automated management tools, making transactions and logistics simpler and more transparent. In addition, digital marketing allows businesses to analyze consumer behavior and purchasing habits and optimize their strategies accordingly. Perhaps its greatest advantage is flexibility: anyone with sufficient equipment and internet access can manage an online business from anywhere, creating new opportunities and competitive advantages especially for small and medium-sized enterprises.*

### ***The Role of Business Law***

*The findings show that digital marketing activities differ fundamentally from traditional forms of trade and business and create new types of relations rooted in the digital environment. In this new environment, business law performs the essential task of regulating digital transactions, electronic contracts, consumer protection, and data security. As noted above, civil law, criminal law, and business law form the legal foundation of digital marketing and play important roles in ensuring fairness, transparency, and safety in the digital environment. Based on the research methodology, the roles of these legal branches in digital marketing can be described as follows.*

- 1. The role of civil law in digital marketing. Civil law has the fundamental function of defining the rights and obligations of the parties involved in digital marketing relations and regulating contractual relations. The findings indicate that disputes most commonly arise around e-commerce contracts, the terms of online services, and consumer-rights issues. Accordingly, the role of civil law in digital marketing includes, first, regulating contracts of sale for goods and services conducted online and defining the rights and obligations of the parties, thereby providing legal protection against the risk of non-conforming goods or services; second, determining duties and liabilities among participants in digital marketing, protecting consumer rights and clarifying sellers' responsibilities; and third, governing cooperation agreements in influencer*

marketing, affiliate marketing, and relationships among platforms and content providers so as to protect the parties' rights and obligations and ensure contractual transparency.

2. *The role of criminal law in digital marketing. Criminal law has the function of limiting and punishing unlawful acts committed in the digital environment, including fraud and information theft. The findings show that fraud associated with e-commerce is increasing year by year, which indicates the need to improve implementation and oversight in criminal-law enforcement. In this context, criminal law treats as offenses actions such as deceiving consumers through fake websites, fake online stores, phishing pages and links, and fraudulent payment systems aimed at stealing personal data. Criminal law also protects intellectual-property rights by imposing liability for the illegal use, copying, and dissemination of content, brands, trademarks, patents, and other intellectual assets in the digital marketing environment. This is an important instrument for supporting fair competition and protecting innovation in the digital sphere.*
3. *The role of business law in digital marketing. Business law plays the leading role in regulating e-commerce, business transactions, forms of enterprise, electronic contracts, payment systems, and related matters within the field of digital marketing. The findings indicate that business-law regulation has a significant impact on ensuring the sustainable development of the digital economy and increasing business trust. Business law defines the form, registration, and liability structure of enterprises operating in the digital environment, thereby creating the conditions for e-commerce actors to conduct business within a lawful framework. It regulates contracts of sale, lease, and service concluded electronically and clarifies the parties' rights and obligations, forming the basis for transparency and trust in digital transactions. Finally, the findings show that consumer-data protection and the lawful use of such data are emerging as new areas of business law, in which the implementation of the Law on Personal Data Protection and the Law on Cybersecurity plays an important role.*

*A clearer articulation of the role of business law will make the digital marketing environment more stable, fair, and secure. The results and discussion therefore suggest that improving the legal environment for digital marketing requires stronger coherence among civil, criminal, and business law, stronger institutional capacity among enforcement bodies, and policy reform aimed at protecting consumer trust. In this way,*

*the legal environment for digital marketing can become not only a support for business growth and innovation, but also the foundation of a transparent and accountable digital economy that protects consumer interests.*

## **CONCLUSION AND RECOMMENDATIONS**

*Based on the theoretical foundation, methodological analysis, and empirical results of the study, business law performs a strategically important and central role in regulating, shaping, and protecting digital marketing activities. By establishing a strong legal environment for digital marketing, business law creates the conditions for the development of fair, transparent, ethical, and innovation-based marketing strategies.*

*In today's economic conditions, marked by rapid globalization and digitalization, business law has become an indispensable institutional pillar for the sustainable development of the digital business ecosystem, economic growth, and the protection of the rights, interests, and well-being of stakeholders.*

*Although the rapid development of the digital economy has fundamentally changed the structure of the business environment and created new forms of relations such as e-commerce, online advertising, and data-driven marketing, weak coherence in legal regulation and insufficient enforcement oversight continue to present obstacles to the sustainable development of digital marketing.*

*The findings indicate that the role of business law in the digital marketing environment appears in the following main dimensions. First, the influence of legal regulation: the study shows that legal regulation has a direct effect on issues such as data protection, consumer rights, and the transparency of digital advertising. Civil law regulates electronic contracts and consumer-rights relations; criminal law restricts offenses such as online fraud and information theft; and business law ensures trust in the digital environment by defining electronic transactions, enterprise liability, and standards of business ethics. Second, the function of business responsibility: the lack of alignment between organizations' internal policies, ethical principles, and data-protection rules and external legal requirements negatively affects consumer trust. Most participants in the study emphasized weaknesses in transparency and accountability in the digital marketing environment and argued that business ethics and control mechanisms need to be strengthened. Business law therefore has the role of restoring*

*consumer trust and legally securing systems of accountability. Third, regulatory coherence and implementation: weak coherence among laws, regulations, and policy documents, combined with inadequate oversight, is constraining innovation and fair competition. The study indicates that coordination among public institutions, effective monitoring systems, and international cooperation are all important in establishing the legal environment for digital marketing.*

*Taken together, the findings clearly demonstrate the need to align the role of business law with the actual conditions of the digital economy. Inadequate legal regulation and weak enforcement oversight are negatively affecting business trust and consumer protection. Business law must therefore become a key instrument for ensuring the stability of the digital economy, increasing trust in electronic transactions, and improving the monitoring of legal implementation.*

*At the same time, the discussion highlights that excessive regulation can restrict business flexibility even while promoting innovation, meaning that business law must create a balance that supports innovation while ensuring responsible competition within a lawful framework. Adapting international best practices to Mongolia's national context is likewise an important condition for improving the legal environment of digital marketing.*

*The findings further show that weak oversight of implementation and poor coordination among institutions undermine fairness in the digital environment. Business law must therefore do more than establish legal norms; it must also strengthen enforcement monitoring and systems of accountability so as to ensure fairness and transparency in digital space.*

*Finally, the study confirms that business law has a strategic role in ensuring the sustainable development of the digital business ecosystem, economic growth, and consumer welfare. Business law should therefore be understood not merely as a legal framework in the narrow sense, but as a comprehensive institutional system that supports sustainable economic growth and innovation, protects consumer rights, and ensures fair competition.*

## **RECOMMENDATIONS**

- 1. Undertake legal reform. It is necessary to develop special laws and regulations tailored to the characteristics of digital marketing and to implement an integrated policy that*

- combines data protection, electronic advertising, and consumer-rights issues. This will make the digital environment clearer, more understandable, and more accountable.*
2. *Ensure regulatory coherence. It is important to improve coordination among business law, information-technology law, and consumer-rights legislation and to eliminate overlap and contradiction. Better information exchange and supervisory coordination among state institutions will make enforcement more effective.*
  3. *Strengthen accountability systems. Organizations should implement internal controls, ethical codes, and data-protection policies in line with international standards. This will increase consumer trust and protect the reputation of digital businesses.*
  4. *Localize international experience. It is advisable to study the good regulatory practices of jurisdictions such as the European Union, the United States, and South Korea and adapt them to national conditions. In particular, localizing standards for data protection and transparency in digital advertising will make the digital environment more reliable.*
  5. *Expand cooperation between policymakers and businesses. The state, private sector, and professional associations should work together to create a system for jointly developing the legal environment for digital marketing. This will improve alignment among law, policy, and business practice and support the sustainable development of the digital economy.*
  6. *Increase the level of legal education and awareness. Participants in digital marketing—business owners, marketers, and consumers—often lack sufficient legal knowledge, which leads to violations and misunderstandings. The state and professional associations should therefore jointly implement legal education, training, manuals, and online programs on digital rights and responsibilities.*
  7. *Improve the legal environment for electronic contracts and evidence. The legal validity of electronic contracts, electronic signatures, and digital evidence should be clarified and the legal basis for using them in dispute resolution should be strengthened. This will increase trust in electronic transactions and reduce business risks.*
  8. *Establish cybersecurity and data-protection standards. Because digital marketing faces high risks of data leakage, hacking, and information breaches, national cybersecurity standards and criteria should be established and made binding on business organizations.*
  9. *Create an online platform for consumer complaints and dispute resolution. A unified system for submitting and resolving electronic complaints should be established to*

*protect consumer rights and resolve disputes quickly. This will increase consumer trust and make enforcement more effective in practice.*

10. *Create a legal environment that supports innovation and startups. A regulatory sandbox should be introduced to support experimentation with new forms of digital marketing and technological innovation, allowing flexible regulation for innovative businesses.*
11. *Expand international cooperation and information exchange. To address cross-border legal violations related to digital marketing, Mongolia should cooperate more closely with international organizations, exchange information, and establish joint mechanisms to combat cybercrime.*
12. *Increase transparency in oversight and implementation. The activities of institutions responsible for enforcing laws and regulations should be made more transparent and open, and systems should be established to publish annual implementation reports for the public.*

*Business law is the foundation for developing digital marketing activities within a lawful, fair, accountable, and transparent framework. The results of this study show that legal reform, stronger regulatory coherence, and stronger accountability systems are key conditions for supporting sustainable growth and innovation in the digital economy while protecting consumer rights. If these recommendations are implemented, Mongolia will be able to improve the legal environment for digital marketing, strengthen the stability of business law, and make a tangible contribution to the development of the electronic economy.*

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