



CONSUMERS' ATTITUDES TOWARDS CROSS-BORDER TRADE AND CONSUMER RELATED ISSUES 2016

Executive Summary

March 2017

This report presents the findings of the survey on consumers' attitudes towards cross-border trade and consumer-related issues. It discusses the results of the 2016 edition of the survey, which was carried out by GfK Belgium for the Consumers, Health, Agriculture and Food Executive Agency (Chafea) and the Directorate General Justice and Consumers of the European Commission. The present survey is part of a series of reports within the EU Consumer Programme, which has been performed since 2006 with the aim to monitor national consumer conditions across the EU. For this purpose, the study investigated several indicators of EU consumers' attitudes. These were assessed for 28,100 respondents in the 28 Member States and in Iceland and Norway. For the studied indicators, the present report discusses the overall results, comparisons between Member States and with previous surveys as well as across selected socio-demographic characteristics.

In summary, the present study reports on the current state of European consumers' attitudes and experiences with regard to cross-border trade and consumer-related issues. It provides insights in the magnitude and features of domestic as well as cross-border shopping and identifies areas for improving the consumer experiences. The first key indicator explored in the survey is online purchase behaviour. In total, three out of four European consumers recently bought goods or services online (76.0%). The 2016 survey shows a 10.7 percentage points increase in online shopping compared to 2014, which is in line with the positive evolution observed since 2006. Online shopping is most common in the Northern (78.0%) and Western (88.1%) regions of the EU, whereas in the Southern (59.1%) and Eastern (63.5%) regions the indicator is lower. Most European consumers shop online within their own country (67.4%). A more limited number of Europeans purchase goods or services cross-borders inside the EU (18.9%) or outside the EU (8.4%). The results also show that the proportion of consumers making online purchases cross-border inside the EU has remained constant compared to 2014 (-0.7pp): a slight decrease is observed for consumer located in the EU15 (-1.6pp) compared to an increase (+2.9pp) for consumers in the EU13. The observed rise in domestic online shopping is accompanied by an increased confidence in making online purchases. On average, 72.4% of European consumers report that they are confident in domestic online shopping, which is a 12.4pp increase compared to 2014. Furthermore, despite the relatively constant level of cross-border online shopping, confidence in this type of shopping sharply increased compared to 2014 (+21.1pp).

For effectively protecting online consumers, it is important that individuals know their rights when shopping online. The present survey assessed the level of knowledge about three types of consumer rights: the cooling-off period, the legal guarantees and the regulation with regard to unsolicited products. The overall level of knowledge about these rights is at 49.2%, a 5.8 points increase compared to the previous survey. Whereas this increase is evident in Western and Eastern Europe, the knowledge of consumer rights has decreased in the South (-1.8pp). Europeans in general are best informed about the cooling off period (67.4%) and slightly less informed about faulty product guarantees (45.8%) and unsolicited products (34.5%).

The present report also assesses the trust of European consumers in the protection of their rights in the single market. To study this, the levels of different aspects of trust are measured. First, in terms of consumer protection, the respondents indicated the highest levels of trust in retailers and service providers (75.7%), organizations (72.2%), NGOs (71.7%) and public authorities (69.1%). Lower levels of trust are observed for courts (41.5%) and out of court bodies (52.0%). Overall, all levels of trust have increased in the present study compared to 2014. Most notably, trust in NGOs (+10.0pp) and public authorities (+8.8pp) has increased. Second, the survey investigated trust in product safety, which is considered a key driver of consumer confidence. A high level of trust in product safety is observed in the EU28 (78.0%) and in Western Europe particularly (91.6%). Third, trust in the reliability of environmental claims is assessed, which is at 65.8% and increased with 12.2 points compared to 2014.

When shopping online, some European consumers encounter unfair commercial practices. The survey investigated the exposure to several types of practices that fall within the scope of the Unfair Commercial Practices Directive. The overall findings show that the exposure to such practices originating from domestic (16.8%) and cross-border (2.4%) retailers has decreased compared to 2014 (with 6.9pp and 1.7pp, respectively). In addition to unfair commercial practices, consumers in Europe also face other problems when shopping online. A composite indicator was developed in 2014 to measure the problems encountered by European consumers, with higher values representing higher satisfaction with complaint handling and fewer problems. The overall level of this indicator is at a high level in the EU (88.9%) and it is the highest in the North (90.5%) and West (90.0%) regions. Furthermore, a 1.1 point positive increase is observed in this indicator compared to 2014.

In case problems do occur, the most likely actions taken by consumers are complaining to the retailer (72.2%) or the manufacturer (23.8%). Bringing businesses to court or complaining to public authorities are less likely actions. In some cases consumers do not take any actions when faced with a problem. The main reasons for not taking actions are related to the small sums involved (34.6%) and the idea that complaining would take too long (32.5%).

Based on multivariate analyses conducted, consumers' perceived vulnerability is strongly related to key consumer conditions indicators. Specifically, vulnerability related to socio-economic status is negatively linked to trust in organisations. On the other hand, vulnerability is positively linked to exposure to unfair commercial practices and experiencing shopping problems. Consumers' knowledge of foreign languages is positively linked to their knowledge of consumer rights and numerical skills, while it is negatively linked to consumer trust in general. Internet use is a strong positive predictor of consumers' likelihood to engage in online shopping.

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