

FRUSTRATED CONSUMERS RATHER THAN HAPPY SHOPPERS

Online marketplaces: consumers' real-life experiences

Consumers have a lot of confidence in online marketplaces, which are a very popular choice for quick online purchases. But in reality, consumers are often confronted with unlawful practices by merchants. This is the finding of numerous studies by the Federation of German Consumer Organisations (Verbraucherzentrale Bundesverband e.V. – vzbv) and the individual consumer associations of Germany's federal states.

CONSUMER EXPERIENCES: CONSUMERS ARE UNABLE TO ENFORCE THEIR RIGHTS

Consumers use the Early Warning Network (EWN) of the German consumer associations and vzbv to report on their experiences with online marketplaces.¹

A consumer from the Saarland region ordered a projector on an online marketplace, but it was **not delivered**. Nonetheless, **the selected payment service provider is now demanding payment**. So far, the consumer has been **unable to reach anyone** from the online marketplace.

A consumer from Bavaria reports: "Yet again, I've bought an electronic device where, after delivery, I've found the **CE marking** printed on the box but **nothing** on the device itself. There was no **manufacturer or model information** either. The device's power supply unit doesn't have a CE marking at all and doesn't indicate the manufacturer. [...] If you search for '80W LED UV lamp' on the online-marketplace, you'll find loads of them. Apparently, it's always the same product, which was also delivered to me and listed by different suppliers."

¹ The Early Warning Network (EWN) of the German consumer associations and vzbv is a system for the qualitative documentation and analysis of significant cases arising in connection with the provision of consumer advice. Advisors provide detailed descriptions of the facts, on the basis of which cases are categorised and subjected to qualitative analysis. It is therefore not possible to quantify the data from the EWN or make inferences as to the frequency of such cases in consumer advice centres overall or in the general population.

A consumer from Brandenburg ordered and **paid for [...]** a lathe costing around 850 US dollars on an online marketplace, **but did not receive it**. The merchant maintains that it never received the money. The online marketplace says that it cannot help because it is **merely a platform** for merchants. There are **no addresses for the merchant** and **no legal notice** on the website.

A consumer from Hessen reports: "I ordered some clothes online. The website was in German and the items were sent from Cologne. The package contained instructions in German about how to return the items. As instructed, I notified the seller that I wished to return [...]. In response, I received a **generic email in English** setting out various options, including a returns service. It asked to **send the same information again, but this time in English**. I then got an email telling me that I had to **send the items back to China and pay not only the return costs but also any customs fees due at my end [...]** As an alternative, I was offered a discount of 10 percent of the value of the goods."

ONLINE SHOPPING PROBLEMS – RESULTS OF A REPRESENTATIVE SURVEY CONDUCTED IN SEPTEMBER/OCTOBER 2020 ON BEHALF OF VZBV²

- ❖ Problems with orders or purchases of products outside the EU on online marketplaces (41 percent) are more frequent than they are for products within the EU (23 percent); see *chart 1*.
- ❖ However, the nature of the problems is the same in both cases: The most frequent complaints were problems with delivery (long delivery times, goods not delivered) and poor-quality goods; see *chart 2*.

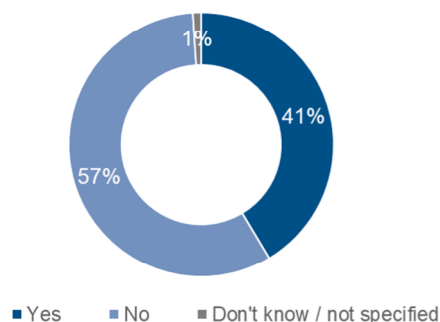
² Ergebnisbericht „Globaler Online-Handel“ [report on the results of a global e-commerce survey] of vzbv dated 24 November 2020, available for download at <https://www.vzbv.de/sites/default/files/downloads/2020/11/24/ergebnisbericht-globaler-onlinehandel.pdf> (downloaded on 24 November 2020).

Method: Online survey. Total sample: People aged 16 or older who have bought something on an online marketplace at least once in the past twelve months. Sample size: 2,848 people. Survey period: 25 September to 8 October 2020. Statistical error tolerance: max. +/- 1.8 percentage points in the total sample. Institution: hopp Marktforschung, Berlin.

- ❖ Where problems arose with purchases from outside the EU, a large majority of the people affected (80 percent) contacted the merchant or shop directly; see *chart 3*. However, more than a third (36 percent) were unable to resolve the problem in this way; see *chart 5*.

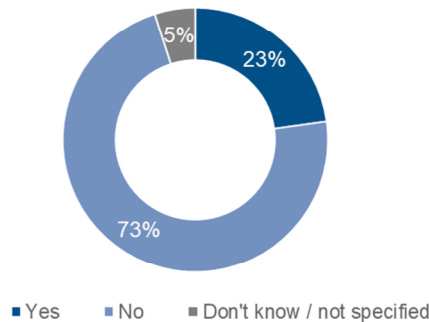
Chart 1:

41 PERCENT HAVE HAD PROBLEMS WITH ORDERS FROM OUTSIDE THE EU.



Basis: 1,218 people who have bought goods outside the EU; closed question
 Question: "Have you ever had problems with orders or purchases on online marketplaces from outside the EU (e.g. China, Turkey, United States)?"

23 PERCENT HAVE HAD PROBLEMS WITHIN GERMANY OR ELSEWHERE IN THE EU.



Basis: 2,037 people (who have used online marketplaces in the past twelve months); closed question
 Question: "Have you ever had problems with orders or purchases on online marketplaces within Germany or elsewhere in the European Union?"

Chart 2:

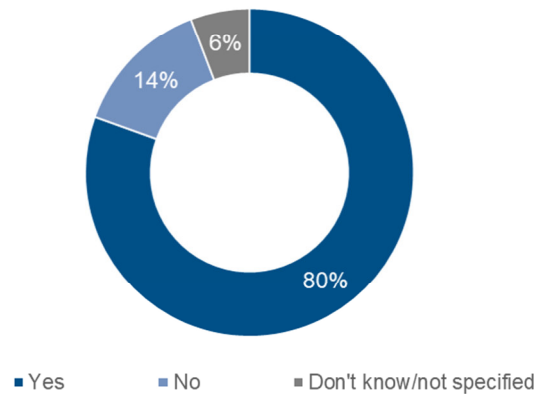
MOST FREQUENT COMPLAINTS: LONG DELIVERY TIMES, GOODS NOT DELIVERED AND POOR-QUALITY GOODS.



Basis: 502 people who have had problems with purchases from outside the EU and 464 people who have had problems with purchases within the EU; half-open question; figures in percent; multiple answers permitted. Only answers with 5 percent or higher are shown in the case of purchases from outside the EU
 Question: "Which of the following problems have you had with orders or purchases on online marketplaces from outside the EU (e.g. China, Turkey, United States)?" and "Which of the following problems have you had with orders or purchases on online marketplaces within the EU?"

Chart 3:

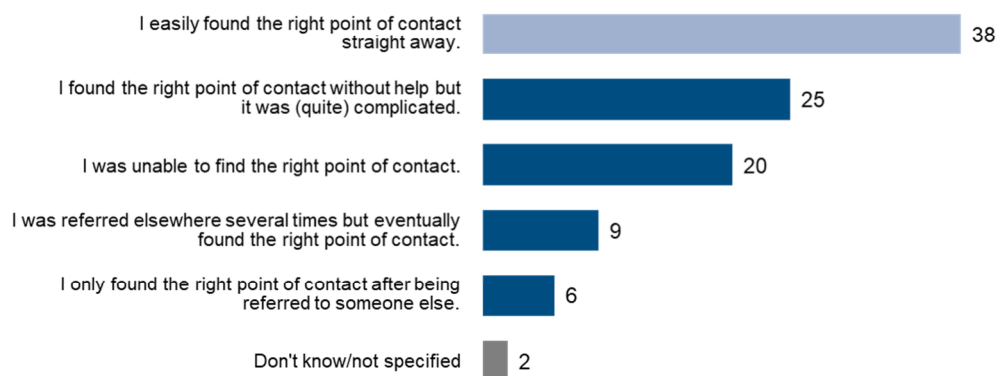
4 OUT OF 5 OF THOSE SURVEYED HAVE TRIED TO RESOLVE PROBLEMS BY REACHING OUT TO THE POINT OF CONTACT.



Basis: 502 people who have had problems with purchases from outside the EU; half-open question
 Question: "Did you try to resolve this problem by reaching out to the point of contact?"

Chart 4:

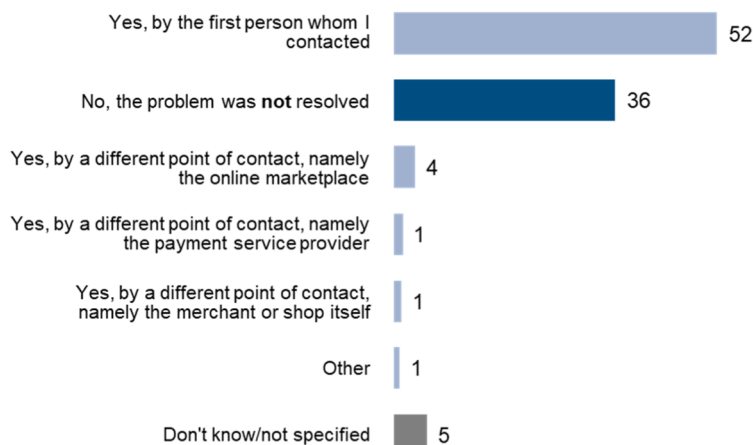
60 PERCENT OF THOSE SURVEYED WHO HAD MADE CONTACT HAD DIFFICULTIES, WITH 20 PERCENT UNABLE TO FIND THE RIGHT POINT OF CONTACT.



Basis: 404 people who have made contact about problems with purchases from outside the EU; closed question; figures in percent
 Question: "How easy was it for you to find the right contact person for your problem?"

Chart 5:

36 PERCENT OF THOSE SURVEYED WHO MADE CONTACT SAY THAT THEIR PROBLEM WAS NOT RESOLVED.



Basis: 404 people who have made contact about problems with purchases from outside the EU; closed question; figures in percent
 Question: "Was your problem resolved as a result of making contact? If yes, by whom?"

CHEAP CLOTHING FROM ASIA – SURVEY AND STUDY IN CONNECTION WITH THE 2018 DIGITAL WORLD MARKET WATCH PROJECT³

- ❖ Just under half (49 percent) of all internet users had, at some point, bought products online that had been sent from Asia.
- ❖ Almost one in two (45 percent) of the people surveyed were not always aware when they placed an order that they were buying goods from Asia.
- ❖ Test purchases were carried out in nine online shops that were selling products from Asia. Thirteen items of clothing were then examined. Ten of the thirteen items were made or cut poorly.
- ❖ Problems arose with several suppliers when the buyer withdrew from the contract, **with three of the nine merchants not accepting the withdrawal**. In four cases, information about the reasons for the withdrawal was explicitly requested. Two providers rejected the withdrawal several times and offered to

³ In the period 25 July to 15 November 2017, the Brandenburg Consumer Association examined the offerings of online shops in Asia. Clothes were ordered from nine online shops: edressit.com, floryday.com, jjshouse.de, light-inthebox.com, milanoo.com, shein.com, tide-buy.com, vbridal.de and wish.com. The shops were chosen on the basis of the complaints received by the German consumer associations. The consumer advocates bought a total of 13 items of clothing ranging in price from €4.75 to €62.26. They assessed whether the shops kept to the advertised delivery times and whether goods were labelled properly. They also evaluated the quality of the products and tested the returns process.

About the survey: Conducted in the forsa.omninet online panel. Total sample: German-speaking internet users aged 18 or older in private households in Germany. Sample size: 1,006 people. Survey period: 16 to 22 October 2017. Statistical error tolerance: max. +/- 3 percentage points in the total sample. <https://www.vzbv.de/pressemitteilung/billig-kleidung-aus-asien-marktwaechter-raten-zur-vorsicht-beim-online-shopping>.

send vouchers or pay back some of the value of the goods instead. In some cases, the test buyers had to contact the providers by email five to seven times in order to obtain the address for returning the items.

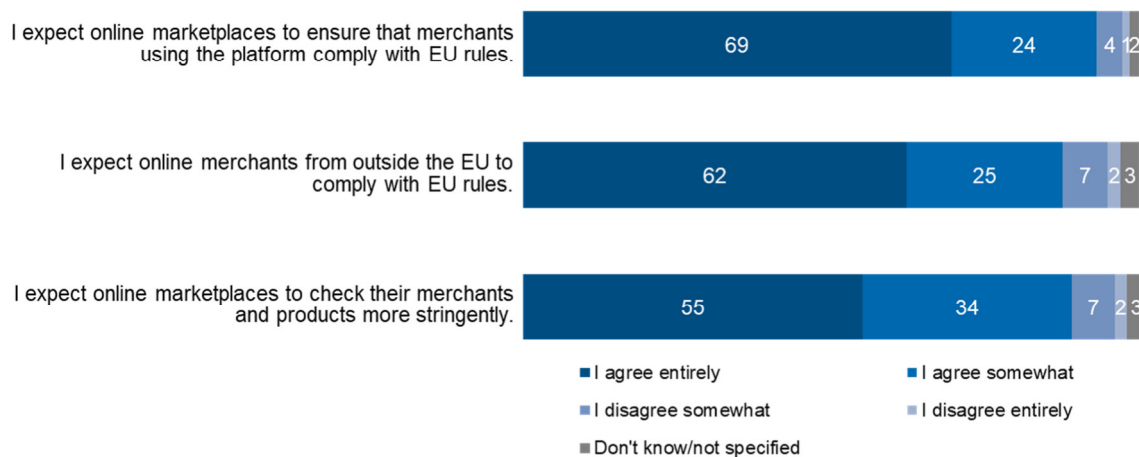
CONSUMERS BELIEVE THE RESPONSIBILITY IS ON ONLINE MARKET-PLACES⁴

When it comes to resolving problems with orders placed on online marketplaces, the three main expectations are as follows; see *chart 6*:

- that online marketplaces ensure that merchants using the platform comply with EU rules (93 percent of those surveyed said they agreed 'entirely' or 'somewhat')
- that online merchants from outside the EU comply with EU rules (87 percent of those surveyed said they agreed 'entirely' or 'somewhat')
- that online marketplaces check their merchants and products more stringently (89 percent of those surveyed said they agreed 'entirely' or 'somewhat')

Chart 6:

THE RESPONDENTS CLEARLY EXPECT ONLINE MARKETPLACES AND MERCHANTS TO ENSURE COMPLIANCE WITH EU RULES.



Basis: 2,848 people (who have used online marketplaces in the past twelve months); closed question; figures in percent
 Question: "To what extent do you agree with the following statements about orders placed on online marketplaces?"

⁴ Ergebnisbericht „Globaler Online-Handel“ [report on the results of a global e-commerce survey] of vzbv dated 24 November 2020, available for download at <https://www.vzbv.de/sites/default/files/downloads/2020/11/24/ergebnisbericht-globaler-onlinehandel.pdf> (downloaded on 24 November 2020).

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EXPECTATIONS REGARDING PRODUCTS BOUGHT ON ONLINE MARKET-PLACES⁵

❖ On online marketplaces, consumers primarily expect⁶:

- products to match the product description (89 percent),
- consumer rights to be upheld (86 percent) and
- products to be safe and not present any form of hazard (84 percent).

❖ However, only 40 percent of consumers expect products on online marketplaces to be cheaper than in bricks-and-mortar shops.⁷

❖ Consumers are also overwhelmingly in favour of European customs authorities conducting stricter checks on the safety of products ordered online, even if this means:

- goods take longer to be delivered (80 percent),
- more products are held back at customs (78 percent) or
- additional fees are charged (74 percent).

Contact

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⁵ Ergebnisbericht „Globaler Online-Handel“ [report on the results of a global e-commerce survey] of vzbv dated 24 November 2020, available for download at <https://www.vzbv.de/sites/default/files/downloads/2020/11/24/ergebnisbericht-globaler-onlinehandel.pdf> (downloaded on 24 November 2020).

Method: Telephone interviews (CATI Omnibus // Dual Frame). Total sample: German-speaking population aged 18 or older in private households. Sample size: 1,022 interviews. Survey period: 23 to 27 October 2020. Statistical error tolerance: max. +/- 3 percentage points in the total sample. Institution: Kantar, Bielefeld.

⁶ Ergebnisbericht „Globaler Online-Handel“ [report on the results of a global e-commerce survey] of vzbv dated 24 November 2020, available for download at <https://www.vzbv.de/sites/default/files/downloads/2020/11/24/ergebnisbericht-globaler-onlinehandel.pdf> (downloaded on 24 November 2020).

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