

Findings from consumer surveys on Internet Shopping

A comparison of pre and post study consumer research

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1 EXECUTIVE SUMMARY

- 1.1 This report presents results from questions placed by the OFT on telephone and online consumer omnibus surveys¹ in January 2009, relating to consumers' experience of online shopping. It also compares these 2009 findings to those of the original surveys conducted as part of OFT's Internet Shopping market study in 2006. This work is part of an effort to monitor any changes to consumers' attitudes, awareness and confidence about shopping online following OFT's Internet Shopping market study and subsequent activities undertaken in 2007.
- 1.2 Later in 2009 we will publish an analysis of the results of the omnibus surveys presented in this report and also of a web-sweep exercise, to form an overall assessment of market developments on such key issues as awareness of cancellation rights, security concerns and consumer confidence.
- 1.3 Overall, the comparison of the 2009 survey results with those from 2006 suggests that, amongst those who shop online, there have been significant improvements in consumers' awareness of their rights when doing so, that there has been some reduction in concerns around security and delivery, and that consumers are increasingly confident in engaging in Internet shopping. However, there remain some important issues to be addressed. A majority of those who do shop online nevertheless expressed concerns over doing so. Moreover, more than half of all respondents had not shopped online at all over the last 12 months, with a significant proportion of these not doing so because they don't trust shopping on the internet.
- 1.4 Below we present summary findings on key areas of Internet shopping that were addressed by the OFT market study and follow up activities in 2007:

¹ GfKNOP Telebus, and TNS Onlinebus.

Awareness of consumer rights

- The proportion of 2009 telephone omnibus respondents who shop online claiming to be very aware about their consumer rights when shopping online had nearly doubled compared to 2006 (from 12 per cent to 23 per cent), with 63 per cent now stating they are very or fairly aware.
- Fewer internet shoppers in the 2009 telephone research do not know where to go for advice on their rights (16 per cent), compared to 2006 (28 per cent).

Cancellation and refund rights

- The proportion of internet shoppers in the online research who correctly thought they could return an item simply because they had changed their mind had risen from 44 per cent in 2006 to 51 per cent in 2009.
- On the additional questions included in the 2009 research:
 - 79 per cent of internet shoppers participating in the telephone survey felt that retail sites provided accurate information on their rights to cancel their purchase or return faulty goods.
 - 68 per cent responding to the telephone survey agreed there is now better information available on cancellation rights compared to a year ago. However,
 - Only 25 per cent of internet shoppers in the online survey knew the correct answer when asked how long they had to exercise their right to cancel an order, and this had not changed since 2006.

Seller information

- More internet shoppers in the 2009 telephone research said they **always** look for the terms and conditions (+ six percentage points, from 49 to 55 per cent), consumer reviews of the website (+ 15 percentage points, from 21 to 36 per cent) and contact telephone

numbers (+ six percentage points, from 51 to 57 per cent) compared to 2006.

- The proportion of online respondents buying from auctions sites who had tried to identify whether the seller was a trader or a private seller had risen from 65 per cent in 2006 to 70 per cent in 2009.

Consumer confidence

In terms of consumer confidence, the 2009 telephone survey found that:

- 72 per cent of those who shop online have (few, some or many) concerns about doing so. Nevertheless, the proportion of those shopping online with no concerns about using the internet to shop online has more than doubled from 12 per cent in 2006 to 28 per cent in 2009.
- An increased proportion of online shoppers felt that shopping online was as safe as shopping in store (54 per cent in 2009 compared to 26 per cent in 2006). The proportion saying shopping in person was safer than shopping on line had fallen to 41 per cent from 72 per cent in 2006, and
- 85 per cent of online shoppers felt they were very or fairly confident that their consumer rights were protected when shopping online.

Security, privacy and delivery concerns

- There is still significant distrust around internet shopping amongst those that had not engaged in it over the past 12 months. For those that had, the primary concerns in 2009 (as in 2006) continue to be about financial or personal details being divulged and delivery.
- According to the 2009 telephone survey:
 - Only 46 per cent of respondents to the telephone survey had shopped online over the past 12 months, with 31 per cent of respondents having never used the Internet.

- Of the remaining 23 per cent of respondents who had used the Internet but had not shopped online over the past 12 months, 30 per cent did not do so because they did not trust the internet for shopping, 15 per cent did not trust online sellers and 20 per cent were worried about personal security. 49 per cent listed at least one of these options as a reason for not shopping online. These results were not statistically different from those in 2006.
 - The proportion of those who did shop online who were concerned about security issues such as financial details being divulged had fallen from 78 per cent in 2006 to 68 per cent in 2009.
 - Concerns about product delivery had halved (from 24 per cent to 12 per cent), and concerns about product quality fell by five points from 16 per cent in 2006 to 11 per cent in 2009.
 - However, there was no significant change in the number of shoppers experiencing problems since 2006, with around one in five online shoppers reporting a problem. Around half of these related to delivery.
- The 2009 online survey indicated that:
 - The proportion of respondents aware that they were not liable to pay in case of credit card fraud increased from 65 per cent in 2006 to 73 per cent in 2009.
 - In 2006, 70 per cent of internet shoppers checked for the padlock symbol which indicates that information entered on the site is securely encrypted. This had fallen to 61 per cent in 2009.
 - The percentage saying they did not shop online through auction sites because of worries about giving personal details had almost halved (from 47 per cent to 24 per cent).

Ability to search effectively

In the 2009 online survey:

- 60 per cent of internet shoppers had used a price comparison site to search for goods or services to buy online in the previous 12 months (13 percentage points lower than in 2006).

- However, of those that used a price comparison site, the proportion of those that had used more than one price comparison site had risen from 63 per cent in 2006 to 71 per cent in 2009.
- The number of those who had not used a price comparison site because they didn't know how to use them halved from 18 to 9 per cent.

2 INTRODUCTION

- 2.1 The OFT launched a fact finding market study into the Internet Shopping market in April 2006 to assess consumer and business attitudes and experiences, the regulatory framework, and awareness of rights and their enforcement. The report was published in June 2007 and was followed by other work strands that aimed to increase consumer confidence by raising awareness of consumer rights and improving business compliance in the sector.
- 2.2 The Internet Shopping market study report estimated that the UK internet shopping market was growing at 30 per cent per annum and was worth over £21.4bn, and that the previous year over 20 million people had shopped online with nearly a third of them spending over £1,000. It also found that some shoppers could find better deals by searching more effectively, many could do more to protect themselves online, and most did not know that they have cancellation rights when shopping on the internet.
- 2.3 The report found that more could be done to improve consumer confidence to ensure consumers get the most from shopping online. In particular:
- awareness of online shoppers' rights is low for businesses and consumers
 - shoppers have significant fears about security and privacy, which put some off buying online altogether, and
 - by searching more effectively, shoppers can find big savings.
- 2.4 The publication of the report was followed up by work strands focused on increasing awareness of rights and business compliance. These included:
- Publishing a range of summary materials to supplement existing OFT guidance documents and integrating them into the Consumer Direct web site. These included tips for safe shopping online such as

checking if websites are secure, refund policy and cancellation rights. The November 2007 National Consumer Week was used to promote these messages.

- Updating the OFT's advice to business web pages, including a summary of key regulatory requirements and advice for small firms on online security to protect themselves and their consumers by adhering to sensible security practices. This information was emailed out to industry bodies such as APACS for onward distribution.
- Working with the Consumer Education Alliance to distribute materials through web sites.
- Securing the agreement of the top five internet auction sites to provide information to consumers about their rights under the Distance Selling Regulations (DSRs) and to provide clearer identification of traders. Under the DSRs, consumers have the right to receive clear information about goods/services they buy, and cooling off period.
- Securing the agreement of key price comparison sites to give consumer advice and links to the guidance on Consumer Direct.
- Findings from an initial assessment of compliance by a small number of leading web sites were shared with industry bodies – BRC, IMRG, and CBI in the expectation that they would encourage members to address any gaps.
- The OFT co-ordinated a national web-sweep by nearly 100 Trading Standards Departments of the 'top 500' online retailers in December 2007. It published a report and press release on the overall results of the exercise in March 2008. The results indicated that most large UK based online retailers were complying with key consumer protection requirements. However, they also identified room for improvement in some areas, including the provision of adequate contact details, and transparency in cancellation and refund rights. The OFT then informed the top 400 UK retailers of the results and indicated that, in

some cases, TSS officers would follow up their findings by directly advising the retailers on compliance with the regulations.

- 2.5 Sections 3 and 4 present findings from the online and telephone omnibus surveys carried out in January 2009 and compare these to the responses received in the 2006 surveys to indicate how particular market indicators have moved since the above awareness raising activities.

Methodology

- 2.6 In January 2009, telephone and online omnibus surveys² were used to gather evidence on consumer confidence and awareness. Most of the questions (listed in the annexes to this report) were taken from the telephone and e-panel surveys undertaken in November 2006 as part of the market study. This enabled a comparison of the responses pre and post OFT intervention.
- 2.7 A few questions were added to gather more information on consumer confidence.
- 2.8 All changes remarked upon in the below paragraphs are statistically significant at the 95 per cent level of confidence, unless stated otherwise.
- 2.9 Results from the 2006 research may be found in Annexe H to the market study report, available online at www.of.gov.uk/shared_of/reports/consumer_protection/oft921h.pdf.
- 2.10 It should be noted that there are one or two results which suggest that the 2006 sample may have been slightly biased by self-selection. For example, it would appear that 2009 Onlinebus respondents spend less online, use price comparison sites less and are more likely not to have a credit card.

² GfK NOP Telephone omnibus, 16-18 January 2009, 1,001 UK respondents aged 16+ and TNS Onlinebus 13-15 January 2009, 1,037 UK respondents aged 16-64.

3 FINDINGS FROM THE TELEPHONE RESEARCH

- 3.1 The previous telephone survey undertaken in November 2006 interviewed 1,003 UK consumers, 797 of whom were defined as internet shoppers: that is, they had used the internet at some time and had bought goods/services online in the previous 12 months. The January 2009 GFKNOP telephone omnibus interviewed a total of 1,001 UK consumers of whom 69 per cent had used the internet at some time. Two thirds (463) of these respondents had shopped online in the previous 12 months (46 per cent of all respondents). The incidence rates of internet shoppers for the two projects are not comparable as the 2006 sample was set to a quota such that c.10 per cent of respondents had **not** used the internet and that c.10 per cent of internet users should **not** have shopped online in the previous 12 months.
- 3.2 For the third (231) of the 2009 telephone omnibus respondents who had used the internet but not shopped online the top reasons for not doing so were because they didn't trust the internet for shopping (30 per cent), there's no need as there's nothing they can't buy elsewhere (26 per cent), they like to see goods before they buy them (25 per cent) and because they were worried about personal security such as identity fraud or having their credit card details stolen online (20 per cent). The reasons given in 2009 were not statistically different from those in 2006. See Table 3.1 for more details on the other answers to this question.

Table 3.1: Reasons for not shopping online

	<i>Nov-06</i>	<i>Jan-09</i>
Don't trust the internet for shopping	24%	30%
There's no need	27%	26%
Like to see goods before I buy them	26%	25%
Worried about personal security	17%	20%
Don't trust online companies that sell online	-	15%
Don't have a bank account/credit card	5%	3%
Other people shop online on my behalf	-	3%
Want to see goods/try on etc	8%	3%
Don't know my rights when buying online	-	1%
Had a bad experience previously	2%	1%
Online retailers won't generally deliver to my area	-	-
No one in the premises to receive the goods when delivered	2%	-
Other	2%	17%
Base count	86	231

Base: internet users who have not shopped online in the last 12 months

- 3.3 In 2009 top reasons for buying online were because there's a wider choice and/or they can compare more prices online (85 per cent: an increase of nine percentage points since 2006), because shoppers can find what they want more quickly and/or easily (84 per cent) and because they can shop in comfort at home (81 per cent). In 2009, more respondents stated that reasons for shopping online were more product information, special online offers, free delivery, greater choice of second hand goods, and the availability of products not available in the UK or offline.

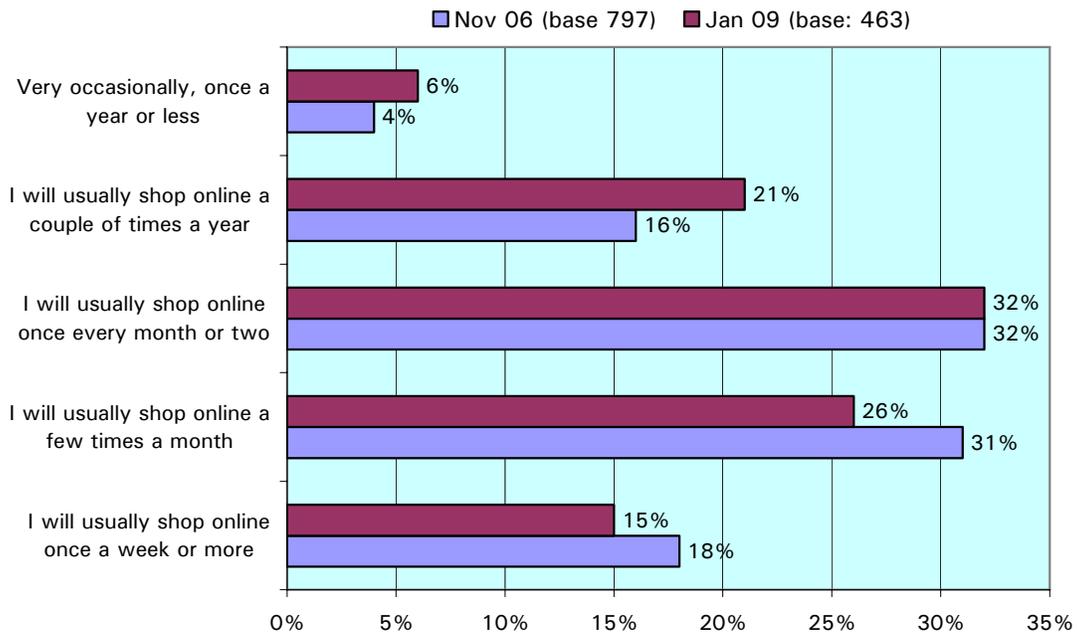
Table 3.2: Reasons for buying online

	<i>Nov-06</i>	<i>Jan-09</i>
Wider choice/ can compare prices	74%	85%
Find what you want more quickly/saves time/'quick and easy	80%	84%
Shop in comfort/ can stay at home	78%	81%
24/7 access	83%	79%
Prices are lower	72%	75%
Don't have to carry/transport the items	68%	72%
More product information to help make decisions	61%	72%
Avoid the crowds/don't have to deal with people	64%	64%
Free delivery of goods	45%	62%
There was a special on-line offer	53%	59%
Can buy products not available in the UK	46%	56%
More choice of second hand items	35%	43%
The item/s are only available on line	38%	39%
Base count	797	463

Base: all internet shoppers

- 3.4 The frequency of internet shopping in the 2009 omnibus was similar to the 2006 survey, with the percentage of shoppers saying they shopped online a few times a year having increased from 16 per cent to 21 per cent.

Chart 3.3: Frequency of online shopping

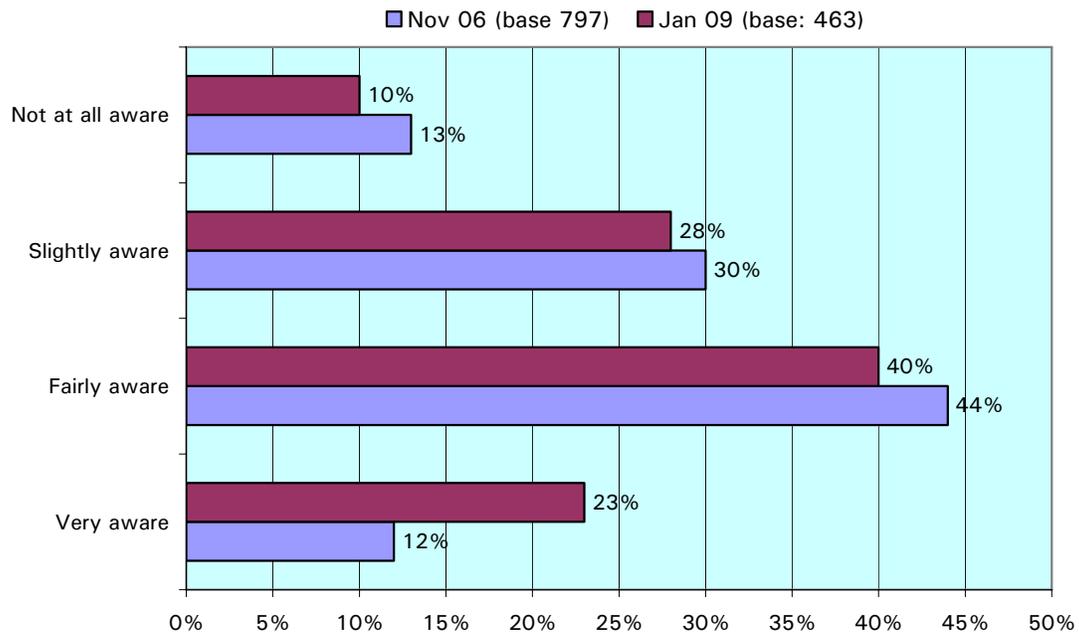


Base: all internet shoppers

Note: 'Don't know' responses are not displayed so figures may not sum to 100 per cent

3.5 The proportion of internet shoppers claiming to be very aware about their consumer rights when shopping online had nearly doubled in 2009 compared to 2006: rising from 12 per cent to 23 per cent. Otherwise, awareness of rights remained unchanged from 2006 levels.

Chart 3.4: Awareness of rights when shopping online



Base: all internet shoppers

Note: 'Don't know' responses are not displayed so figures may not sum to 100 per cent

3.6 In 2009, 41 per cent of internet shoppers said they would look on the internet or use a search engine to search for advice about their rights whilst shopping online: a ten percentage point increase since 2006. The number who would turn to Citizens Advice has also increased: nearly doubling from 12 per cent to 22 per cent. The percentage who mentioned the OFT fell from 11 per cent to three per cent. This is probably indicative of the differences in the 2006 survey which mentioned the OFT as the sponsor, and the recent omnibus, which did not mention the OFT. Most positive of all, is that the number who said they did not know where to go for advice, had fallen from 28 per cent to just 16 per cent.

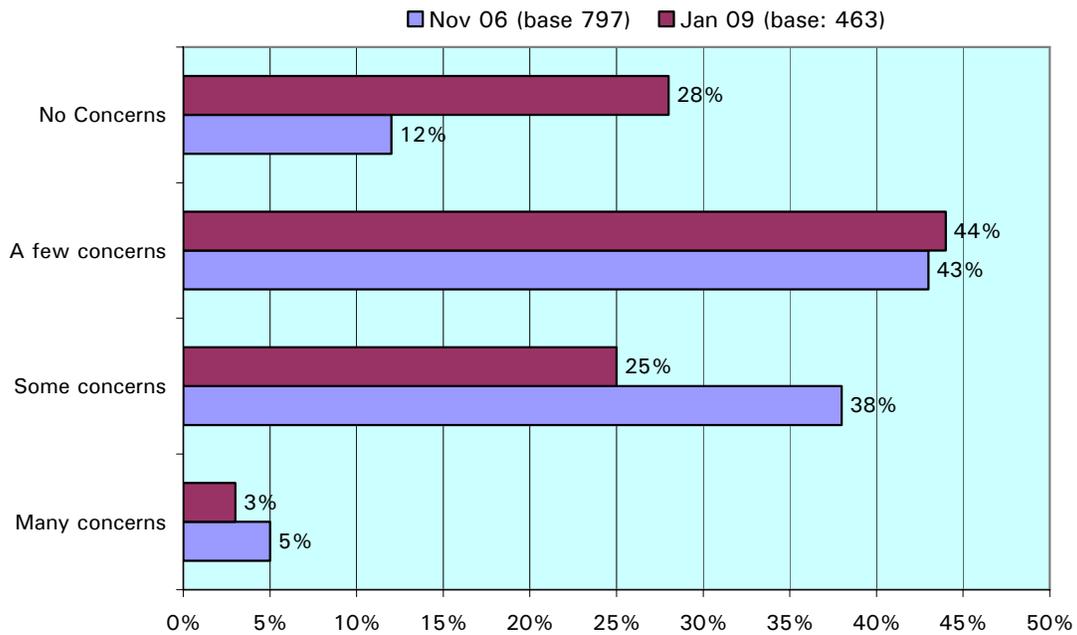
Table 3.5: Where consumers would look for advice about their consumer rights when shopping online

	<i>Nov-06</i>	<i>Jan-09</i>
Internet/Search engine	31%	41%
Citizens Advice bureau	12%	22%
Family/Friends	13%	12%
Consumer Associations/ Consumer interest groups/rights groups	9%	11%
The terms and conditions on the site/item I wanted to buy	8%	8%
Legal Acts/ Statutes	4%	4%
Office of Fair Trading	11%	3%
Consumer Direct	5%	2%
Department for Business Enterprise and Regulatory Reform	4%	1%
Don't know	28%	16%
Base count	797	463

Base: all internet shoppers

- 3.7 The proportion of those shopping online with no concerns about using the internet to shop online has more than doubled, increasing from 12 per cent in 2006 to 28 per cent in 2009.

Chart 3.6: Concerns about using the internet to shop online

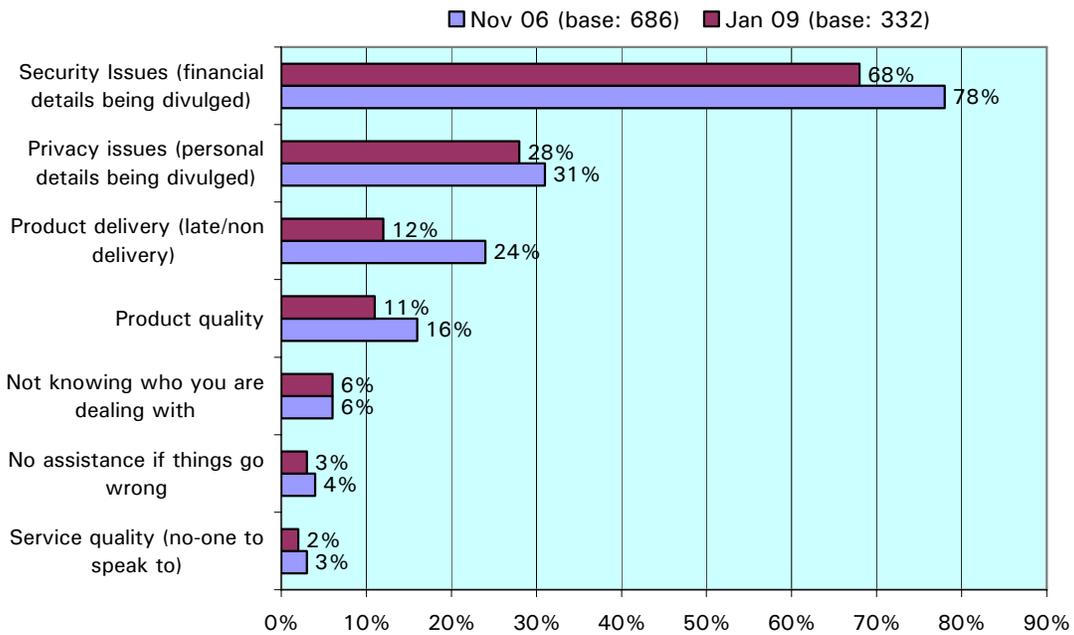


Base: all internet shoppers

Note: 'Don't know' responses are not displayed so figures may not sum to 100 per cent

3.8 As in 2006, top concerns in 2009 about shopping online were about the financial or personal details being divulged and delivery. However, the percentage of internet shoppers concerned about security issues such as financial details being divulged had fallen by 10 percentage points from 78 per cent to 68 per cent. Similarly, concerns about product delivery had halved and concerns about product quality fell by five points from 16 per cent in 2006 to 11 per cent in 2009.

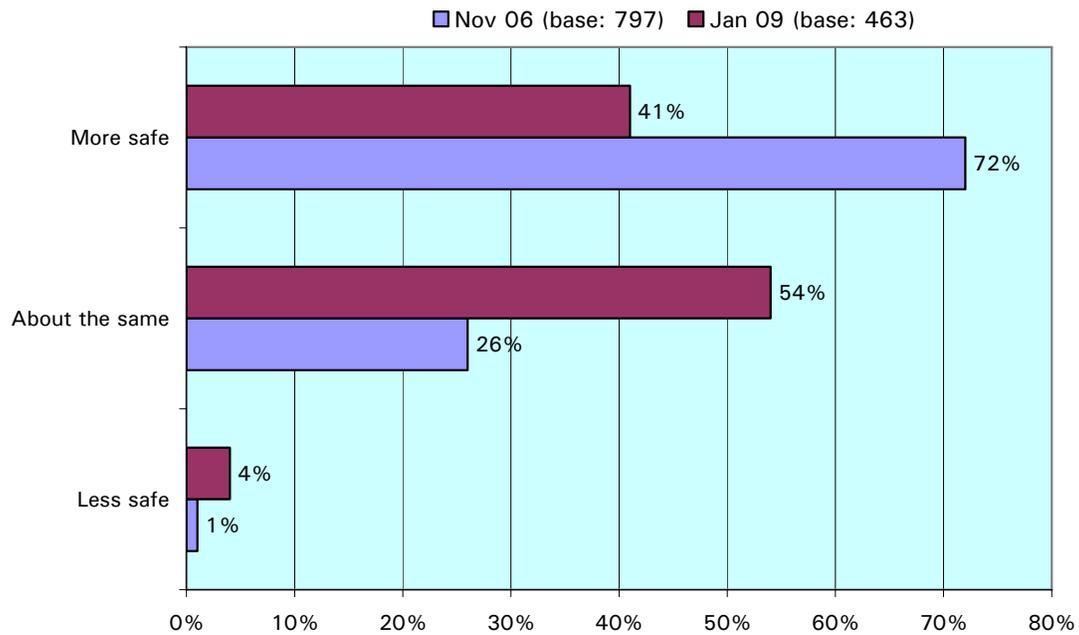
Chart 3.7: Concerns about shopping online



Base: internet shoppers with concerns

3.9 Internet shoppers were asked to think about buying an item such as a DVD or a toaster. They were then asked whether they thought shopping for that item in person in a store or shop is safer, about as safe or less safe than shopping online. The 2009 response to all three categories is different from 2006. Most notably, the majority (54 per cent) now feel that internet shopping is about as safe as shopping in person and the proportion who thought shopping in person was safer than shopping online has fallen by 31 percentage points from 72 per cent to 41 per cent.

Chart 3.8: Whether shopping in a store is safer than shopping online

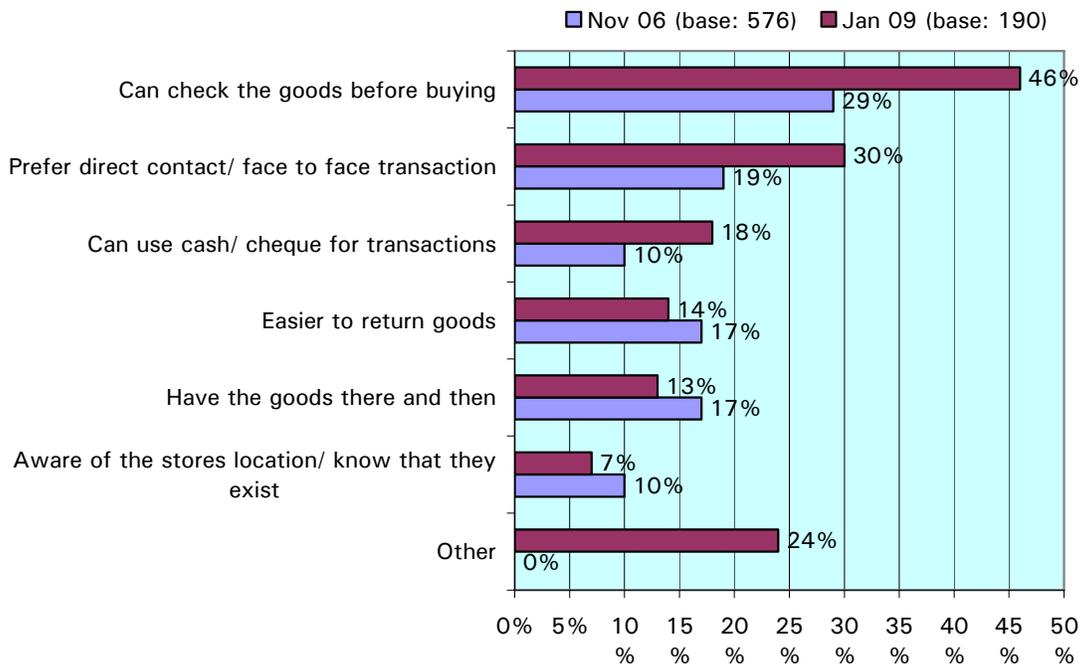


Base: all internet shoppers

Note: 'Don't know' responses are not displayed so figures may not sum to 100 per cent

3.10 Around half (46 per cent) of internet shoppers who felt buying in store safer than shopping online said it was because they could check the goods before buying. Thirty per cent preferred a face to face transaction and 18 per cent wanted to use cash or a cheque. The percentage giving each of these responses has risen in 2009 compared to 2006.

Chart 3.9: Reasons for shopping online being less safe than shopping in a store



Base: Internet shoppers who felt shopping online was less safe than shopping in store

3.11 In 2009, approximately one in five (19 per cent) internet shoppers had experienced what they considered to be (a) problem(s) when shopping online in the previous 12 months. This is not statistically different from the 2006 result of 23 per cent. Nor had there been any change in the type of problems experienced, with around half (48 per cent) of all problems being delivery related.

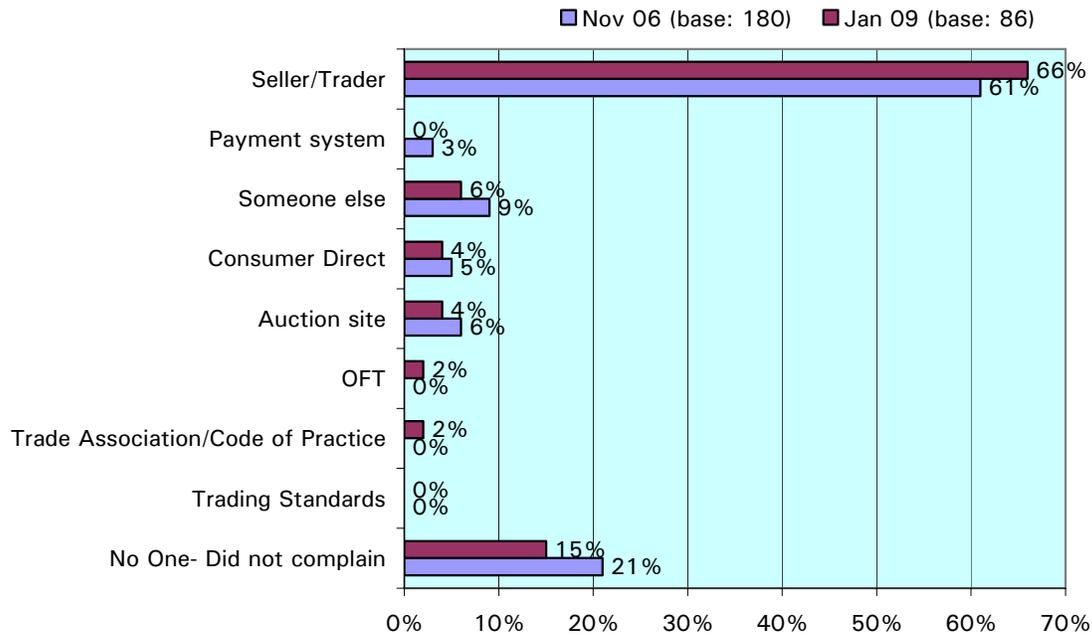
Table 3.10: Problems experienced

	<i>Nov 06</i>	<i>Jan 09</i>
Delivery/delayed/did not arrive	48%	48%
Communication problem	6%	12%
Other	-	7%
Damaged/faulty goods	7%	6%
Details can be hacked	2%	5%
Wrong/ incomplete information	6%	4%
Poor quality of goods	6%	4%
Difficulty contacting them/the right person	8%	3%
Payment issues	8%	3%
Refund delayed/ didn't arrive	7%	3%
Received wrong goods	4%	2%
Difficulty/delay in returning items	6%	1%
Sent item twice/ charged twice	4%	1%
Out of stock	1%	1%
Poor customer service	6%	-
Had to pay to return items	3%	-
Miscellaneous	9%	-
Base count	180	87

Base: internet shoppers who had experienced a problem/problems in the last 12 months

- 3.12 As illustrated in Chart 3.11 there was no statistically significant change in who the shopper contacted in order to resolve their problem with two-thirds contacting the trader/seller and a fifth not contacting anyone about the problem.

Chart 3.11: Who the shopper contacted about the problem

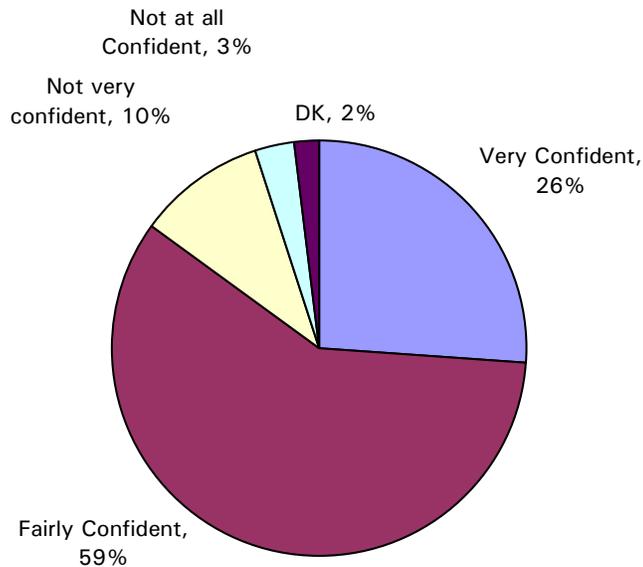


Base: internet shoppers who had experienced a problem/problems in the last 12 months

3.13 In 2009, 69 per cent of shoppers who experienced a problem said it was resolved to their satisfaction. Thirteen per cent said it was not resolved but they were still trying to do so and a further 14 per cent said it had not been resolved and they'd given up trying to do so. Just four per cent said they hadn't resolved the problem but hadn't tried to do so. There are no statistically significant differences to the 2006 response to this question.

3.14 When asked how confident they were that their consumer rights were protected when they shop online, 85 per cent of the 2009 online shoppers questioned declared themselves very or fairly confident.

Chart 3.12: Confidence in consumer rights being protected when shopping online (2009 only)



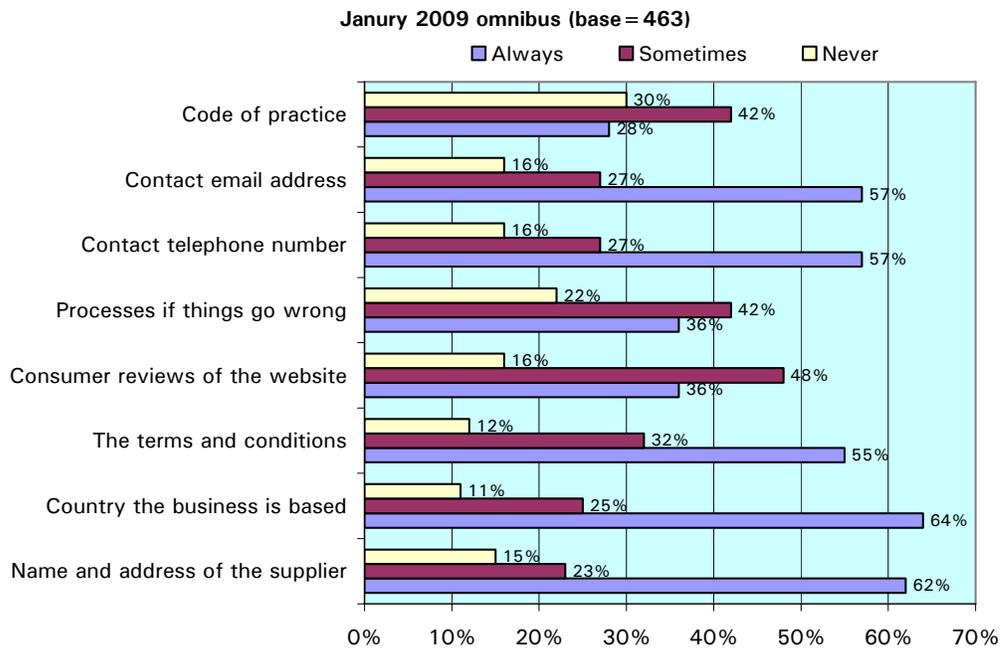
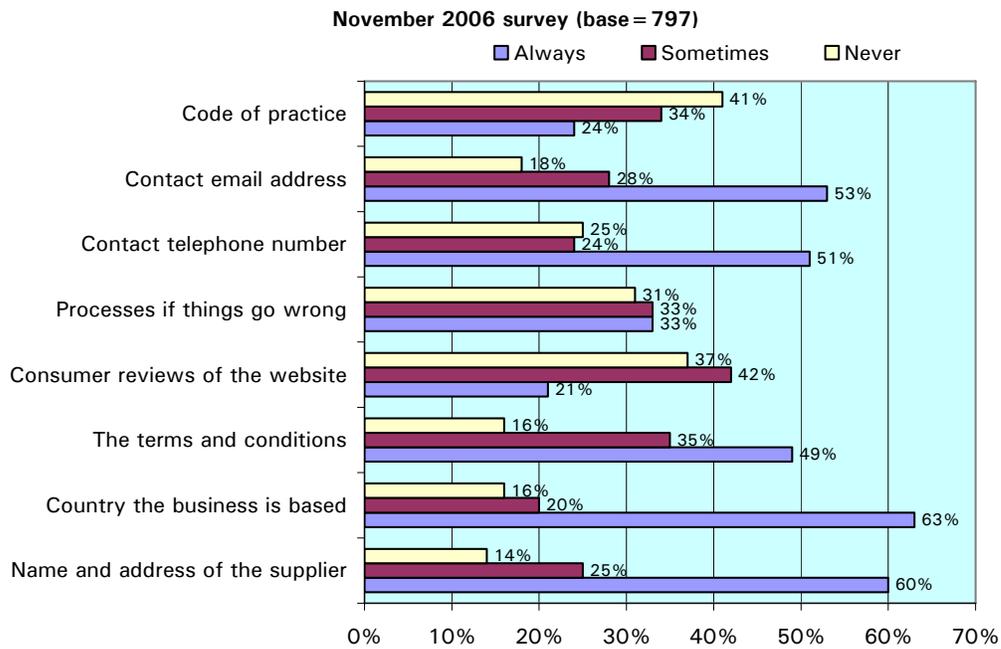
Base: 463, all internet shoppers

- 3.15 In 2009 the majority of internet shoppers (70 per cent) were as confident as they were 12 months previously that their consumer rights are protected when shopping online. Twenty-four per cent were more confident and four per cent said they were less confident that their rights were protected when they shop online than they were 12 months ago.
- 3.16 In 2009, 79 per cent of online shoppers felt that businesses selling their products online provided accurate information on their rights to cancel their purchase or return faulty goods. The majority of internet shoppers (76 per cent) were as confident about there being adequate information available on their rights to cancel an order or return faulty goods when shopping online as they were 12 months ago. Twenty per cent felt more confident and four per cent were less confident that there was adequate information available on their rights to cancel an order or return faulty goods when shopping online than there was 12 months ago.

3.17 Charts 3.13-3.14 on the next page illustrate whether internet shoppers always, sometimes or never look for certain items of information before they buy when deciding whether or not to buy from a site. Key difference between results for 2006 and 2009 include:

- More internet shoppers now claim that they **always** look for the terms and conditions, consumer reviews of the website and contact telephone numbers.
- More internet shoppers now claims that they **sometimes** look to identify the country the business is based in, for consumer reviews of the website, information on processes if things go wrong and a code of practice.
- Fewer internet shoppers now say they **never** look to identify the country the business is based in, for consumer reviews of the website, information on processes if things go wrong, contact telephone numbers and a code of practice.

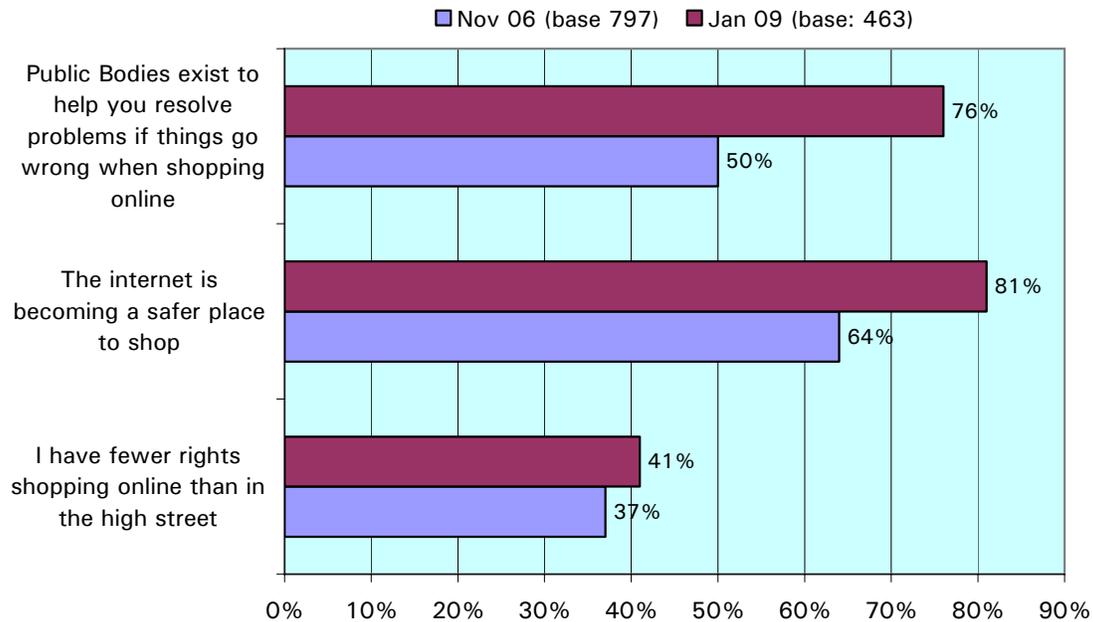
Charts 3.13 and 3.14: information consumers look for before deciding to buy from a website



Base: all internet shoppers

3.18 As illustrated in Chart 3.15, in 2009 more internet shoppers agreed that the internet is a safer place to shop and that public bodies exist to help resolve problems if things go wrong when shopping online than they did in 2006.

Chart 3.15: internet shoppers agreeing strongly/agreeing with general statements on consumer confidence



Base: all internet shoppers

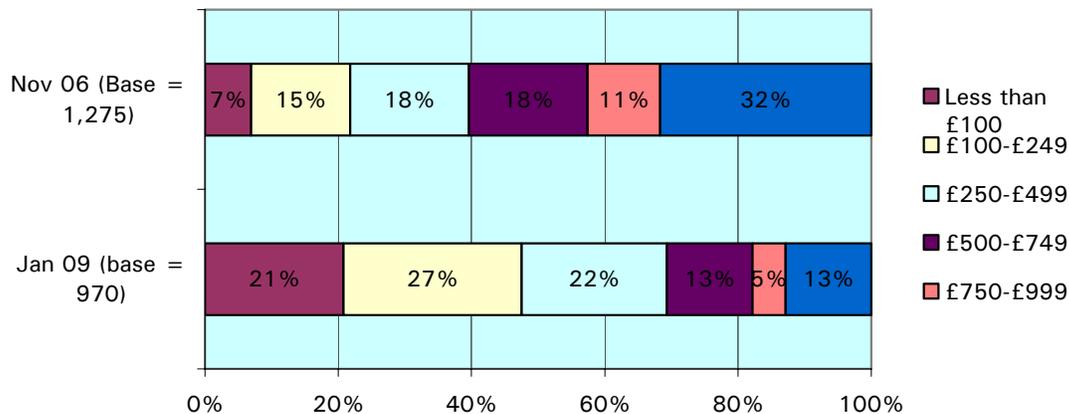
3.19 In 2009, 60 per cent of internet shoppers agreed that it is difficult to resolve problems when shopping online compared with shopping on the high street. Sixty-eight per cent agreed there is now better information available on their rights to cancel an order or return faulty goods to help them make informed decisions when shopping online compared to a year ago. This was a new question for 2009.

4 FINDINGS FROM THE ONLINE RESEARCH

4.1 In November 2006 1,275 e-Panel members who had shopped online during the previous 12 months responded to our online survey conducted by TNS. In January 2009, 93 per cent (970) of the 1,037 UK consumers responding to the TNS Onlinebus had shopped online in the previous twelve months.

4.2 As illustrated in Chart 4.16, internet shoppers said they have been spending less in the 12 months previous to January 2009 than they had in November 2006. The percentage who said they spent less than £100 had trebled from seven per cent to 21 per cent and the proportion who said they had spent £100 - £249 had nearly doubled from 15 per cent to 27 per cent. In contrast, the percentage saying they had spent more than £1,000 online fell by more than 50 per cent (32 per cent to 13 per cent).

Chart 4.16 the amount spent online in the 12 months to January 2009

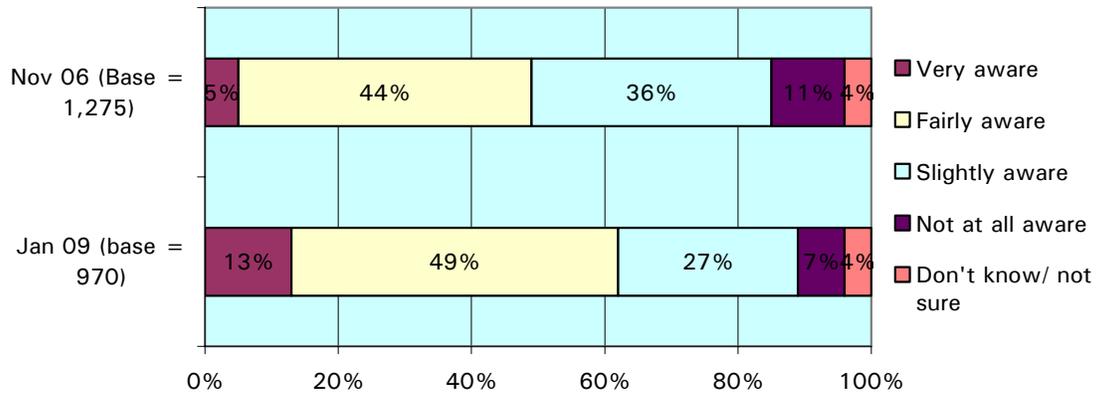


Base: all internet shoppers

This could be indicative that the e-Panel members who chose to complete the 2006 survey (demonstrating a personal interest in the topic) spent more online than Onlinebus respondents or it could be that the lower spending is a result of the current financial climate. Both of these suggested explanations are entirely speculative.

4.3 Internet shoppers felt more confident about their awareness of consumer rights in 2009. The net proportion claiming to be very or fairly aware had risen from 49 per cent in 2006 to 62 per cent in 2009 and the proportion claiming to be slightly or not at all aware had fallen from 47 per cent to 34 per cent.

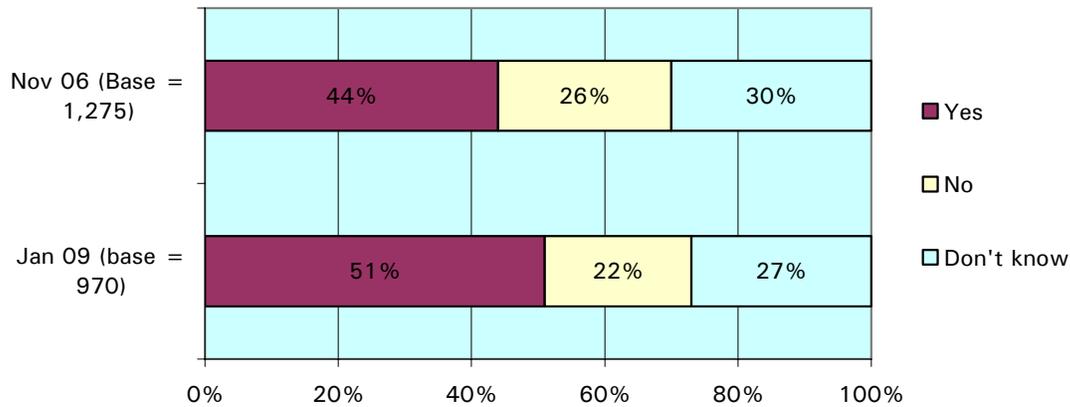
Chart 4.17: awareness of consumer rights when shopping online



Base: all internet shoppers

4.4 The proportion of internet shoppers who correctly thought they could buy a small electrical item online and then cancel it if they had simply changed their mind has risen from 44 per cent in 2006 to 51 per cent in 2009.

Chart 4.18: Can an item be cancelled if you simply change your mind?



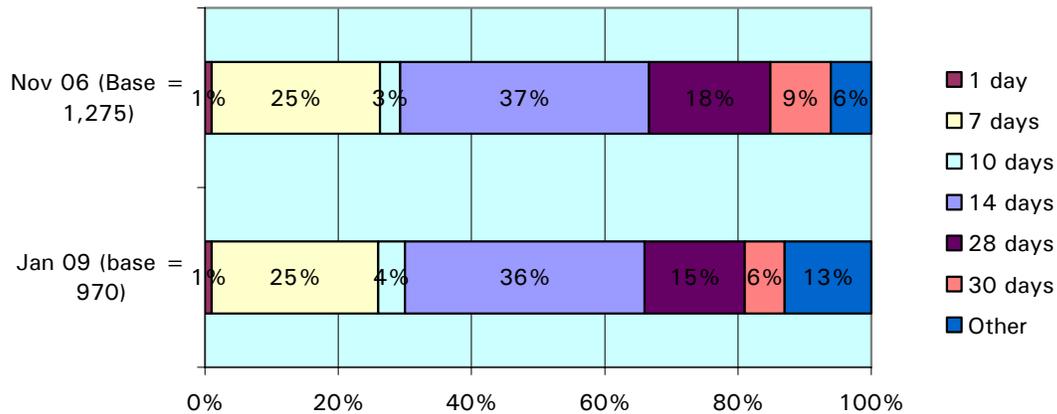
Base: all internet shoppers

4.5 In January 2009, 15 per cent of internet shoppers said they had cancelled an online purchase because they'd changed their mind. This is not statistically different from the 2006 result. Just over one third (36 per cent) of the online shoppers responding to the 2009 Onlinebus who had cancelled an online purchase had not received a full refund including outward postage and packaging.

4.6 When asked how long they had in which to exercise their rights to cancel an item, 25 per cent of respondents in both the 2006 and 2009 surveys replied that they had seven days. This approximates the correct answer, which is that cancellation rights end seven working days after the day on which the goods were received³. Thus 75 per cent of respondents did not know the correct answer and there has been no change in this result since 2006.

³ This assumes that the supplier has provided to the buyer in writing or in another durable medium various information, including cancellation rights, at or before delivery (Regulation 11(2) Distance Selling Regulations).

Chart 4.19: minimum period after delivery for cancellation



Base: all internet shoppers

Note: 'Don't know' responses are not displayed so figures may not sum to 100 per cent

4.7 In January 2009, 60 per cent of internet shoppers had used a price comparison site to search for goods or services to buy online in the previous 12 months. This was 13 percentage points lower than in 2006. However, the proportion of those who had used price comparison sites that had used more than one price comparison site had risen from 63 per cent in 2006 to 71 per cent in 2009.

4.8 The main reason for using more than one price comparison site was still to find the best price. However, as seen in Table 4.20, fewer respondents in the 2009 survey said that this was to find the best price, increase the variety of retailers or because price comparison sites may be biased by businesses paying for their listing position.

Table Chart 4.20 Reasons for using more than one price comparison site

	<i>Nov-06</i>	<i>Jan 09</i>
To find the best price	83%	76%
Price comparison sites differ in the retailers they include	62%	59%
To increase the variety of retailers to choose from	61%	53%
Price comparison sites differ in the product information they provide	46%	43%

To look at a greater range of consumer reviews	43%	42%
Because results from one price comparison site may be biased by businesses paying to be included/nearer the top of lists	46%	36%
Other	-	2%
Weighted base	933	413

Base: all internet shoppers who use more than one price comparison site

4.9 Those who hadn't used a price comparison site in the last 12 months were asked why. As in 2006 the top answer was still because respondents prefer to shops from sites they know. The number saying they didn't know how to use price comparison sites halved from 18 per cent to nine per cent and the proportion who had used them before and don't find them user friendly fell from 12 per cent in 2006 to seven per cent in 2009. Table 4.21 outlines the results to this question in more detail

Table 4.21 reasons for not having used a price comparison site

	<i>Nov-06</i>	<i>Jan 09</i>
I prefer to shop from sites I know	43%	51%
I prefer to use search engines	24%	20%
I don't think the prices vary that much on these sites	16%	15%
I don't trust them to 'produce unbiased results	14%	14%
The type of products I buy do not vary in price	7%	11%
I don't have time	11%	10%
I don't know how to use them	18%	9%
I've used them before and don't find them user friendly	12%	7%
Other	-	12%
Weighted base	342	387

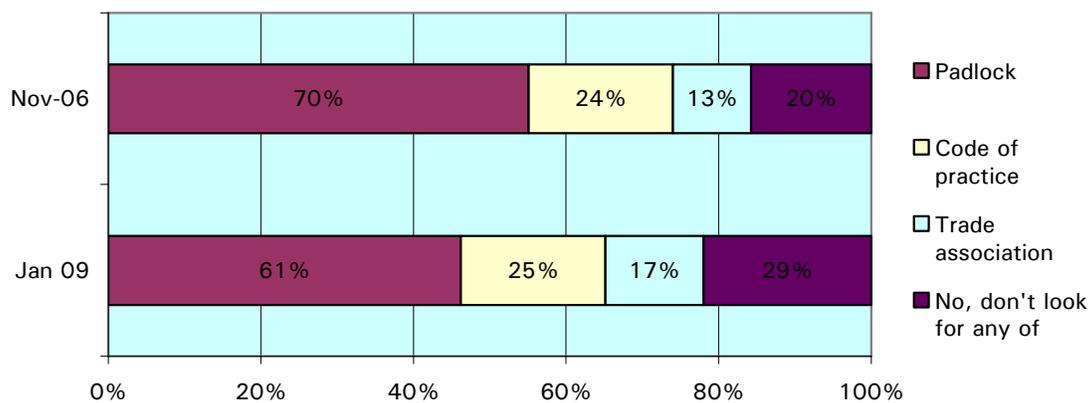
Base: all internet shoppers who have not used a price comparison site in the last 12 months

4.10 Two thirds (66 per cent) of respondents said they had a credit card in January 2009. This was 19 percentage points lower than the 2006 response. It may well be that fewer internet shoppers have credit cards or it may be that the behaviour demographics of the Onlinebus respondents is different to those of the self selected e-Panel respondents. Respondents were asked to consider whether or not it was true that 'if I buy goods worth over a certain limit over the internet using a credit card and something goes wrong, the credit card company legally

has to provide me with protection'. In 2009 the proportion saying that this was true increased from 65 per cent in 2006 to 73 per cent.

4.11 The proportion of internet shoppers checking whether the padlock symbol is present on a website fell from 70 per cent in 2006 to 61 per cent in 2009. During the same time, the number of internet shoppers not looking for the padlock symbol or whether a trader belongs to a Code of Practice or trade association has increased by around 50 per cent, rising from 20 per cent to 29 per cent in 2009. There was a very slight increase in the number checking to see whether a trader was a member of a trade association.

Chart 4.22: use of indicators of a secure site



Base: all internet shoppers

4.12 Nearly three quarters (73 per cent) of respondents to the 2006 e-Panel survey had ever bought something through an auction bid from eBay. This was not statistically different from the result of 72 per cent in 2009. However, the proportion of respondents who had ever bought something at a fixed price on eBay fell from 73 per cent in 2006 to 68 per cent in 2009 (whilst 32 per cent of respondents had never bought something at fixed price from eBay: up five percentage points on the previous survey). As it does not make logical sense for the number who have never done something to increase so quickly we must assume that this change is accounted for by behavioural differences in the two

respondent groups. Use of other auction sites remains very limited (two per cent or less).

Chart 4.23: use of auction sites

	<i>Nov-06</i>	<i>Jan 09</i>
Auction bid		
eBay	73%	72%
QXL	2%	1%
EBID	2%	1%
Bidz	1%	1%
Other	-	2%
Never	24%	27%
Fixed price		
eBay	73%	68%
QXL	2%	-
EBID	2%	-
Bidz	1%	-
Other	-	2%
Never	24%	31%
Weighted base	1,275	970

Base: all internet shoppers

4.13 When asked why they had not bought something from an auction site, the proportion of respondents choosing each option was less than previously. In particular, the percentage saying they did not shop online through auction sites because of worries about giving out personal details from this type of site or not understanding the bidding procedure had fallen by around 50 per cent. Table 4.24 presents the results to this question in full detail.

Chart 4.24: reasons for not buying from an auction site

	<i>Nov-06</i>	<i>Jan 09</i>
Concerned about the risk of fraud/security of payment on this type of site	49%	34%
Worried about giving out personal details/possibility of identity theft on this type of site	47%	24%
Worried that I would not receive goods or services from this type of site.	53%	30%
I do not trust the sellers on these sites	31%	26%
I wouldn't be able to tell if the seller was genuine	53%	35%
I would be worried that I would receive the wrong goods or services	36%	22%
I would have difficulty in returning unsuitable/damaged goods or services	37%	30%
I would have difficulty resolving problems which may occur	43%	29%
I can end up bidding too much/Paying more than I wanted to	19%	16%
I don't understand the bidding procedure	26%	10%
I have never thought about buying from an auction site	32%	25%
Prefer goods that are in shop condition	45%	40%
Weighted base	240	230

Base: all internet shoppers who had not bought something from an auction site

4.14 In 2006, 65 per cent of internet shoppers who had bought something from an auction site and had tried to identify whether the seller was a trader/business or a private seller. This had risen by five percentage points to 70 per cent in 2009. When asked how they would distinguish whether a seller was a trader or business or a private seller, there were large increases between 2006 and 2009 in the proportion who say it tells them on the site (up from 49 per cent to 64 per cent) or by looking at feedback (up from 37 per cent to 52 per cent, see table 4.45).

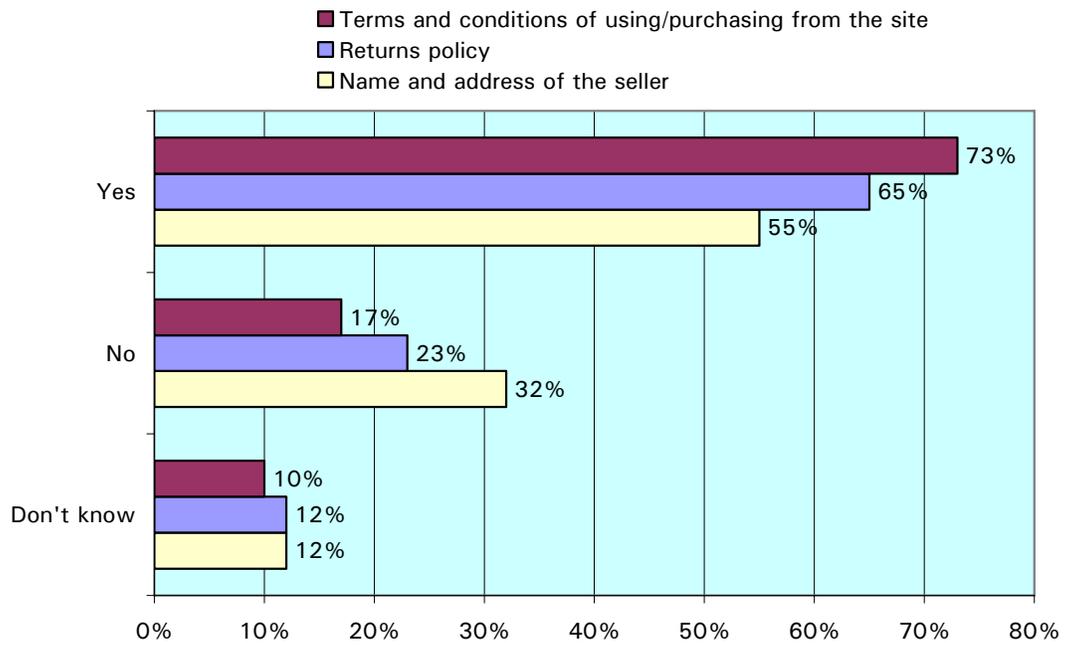
Table 4.45: how to tell if the seller is a trader/business or private seller

	<i>Nov-06</i>	<i>Jan 09</i>
By looking at the number of goods they sell	60%	52%
It normally tells you on the site	49%	64%
By looking at the feedback the seller gets	37%	52%
A trader/business will often have a link to a shop site	70%	72%
The look of the site- if it looks professional it will be a trader/business	20%	15%
The trading policies for traders/businesses tend to be more detailed (for example, returns policy, payment policy)	44%	43%
If goods are new, it is usually a trader/business	25%	19%
By looking at the user name	22%	22%
I don't know	6%	2%
Weighted base	1,035	520

Base: internet shoppers who had bought something from an auction site and tried to identify whether the seller was a trader/business or a private seller

4.15 In the 2009 Onlinebus respondents who had bought from an auction site in the last 12 months were asked whether auction sites generally provide enough information on a range of items. Fifty-five per cent said that auction sites generally provide the name and address of the seller, 65 per cent said that they generally provide the returns policy and 73 per cent said that they generally provide the terms and conditions of using/purchasing from the site. Around one in ten (10-12 per cent) replied 'don't know' to each of these answers as illustrated in Chart 4.25. This was a new question for the 2009 Onlinebus.

Chart 4.25: Whether Online Auction Sites generally provide enough information (2009 only)



Base: all internet shoppers who had bought from an auction site in the last 12 months (n = 723)

A TELEPHONE OMNIBUS QUESTIONS

1 ONLINE SHOPPING

ALL ADULTS 16+ Section Answered-----01 ASK Q1

I now have some questions about the internet...

- Q.1 Have you ever used the internet? CODE ONE ONLY
- Yes ----- 01
- No----- 02

ASK Q.2 IF USE THE INTERNET (CODE 01 AT Q1) OTHERS TO NEXT SECTION

- Q.2 In the last 12 months, that is since January last year, have you bought goods and/or services online, for example, CDs, electrical items, travel and accommodation services, groceries, etc. but not internet banking transactions or financial services? CODE ONE ONLY
- Yes ----- 01
- No----- 02

ASK ALL WHO HAVE NOT USED THE INTERNET TO BUY GOODS/SERVICES (CODE 02) AT Q.2. OTHERS GO TO INSTRUCTION AT Q.4

- Q.3 And why have you not used the internet to buy goods and/or services online? DO NOT READ OUT. CODE ALL THAT APPLY
- There is no need – there's nothing you can't buy elsewhere----- 01
- Don't trust the internet for shopping ----- 02
- Worried about personal security (credit cards details, identity fraud) online ----- 03
- Don't trust online companies that sell online----- 04
- You don't know your rights when buying online ----- 05
- Don't have a bank account/credit card----- 06
- Online retailers won't generally deliver to my area----- 07
- Like to see goods before I buy them----- 08
- Had a bad experience previously ----- 09
- Other people shop online on my behalf ----- 10
- No one in the premises to receive the goods when delivered/live in flats/work late ----- 11
- Want to try on goods ----- 12
- Don't have a PC/internet access ----- 13
- Other----- 14
- Don't know ----- DK

ASK Q.4 IF BUY ONLINE (CODE 01) AT Q.2. OTHERS GO TO NEXT SECTION

Q.4 What were the main reasons for buying online is it because...? READ OUT. ROTATING ORDER, CODE ALL THAT APPLY

- You can have 24/7 access ----- 01
- You don't have to carry/transport the items ----- 02
- You can avoid the crowds/don't have to deal with people ----- 03
- You can find what you want more quickly/saves time/quick and easy ----- 04
- You have a wider choice/can compare prices----- 05
- There is more product information to help make decisions----- 06
- Prices are lower ----- 07
- There was a special online offer----- 08
- The item/s you want are only available online----- 09
- Free delivery of goods ----- 10
- More choice of second hand items ----- 11
- Can buy products not available in the UK ----- 12
- You can shop in comfort/Stay at home ----- 13
- Other----- 14
- Don't know ----- DK

Q.5 Which of the following statements best describes how often you shop online? READ OUT. CODE ONE ONLY

- I will usually shop online once a week or more ----- 01
- I will usually shop online a few times a month----- 02
- I will usually shop online once every month or two----- 03
- I will usually shop online a couple of times a year ----- 04
- I shop online very occasionally, once a year or less ----- 05

Q.6 Thinking generally about online shopping, how aware do you think you are about your consumer rights when shopping online? Are you? READ OUT. REVERSING ORDER. CODE ONE ONLY

- Very aware ----- 01
- Fairly aware ----- 02
- Slightly aware----- 03
- Not at all aware ----- 04
- Don't know/Not sure ----- DK

Q.7 If you needed advice about your consumer rights when shopping online, where would you look for advice...? DO NOT READ OUT. CODE ALL THAT APPLY

- Internet search engine ----- 01
- Family/Friends ----- 02
- Citizens Advice Bureau ----- 03
- Office of Fair Trading----- 04
- Consumer Associations/Consumer interest groups/rights groups ----- 05
- The terms and conditions on the site/item I wanted to buy----- 06
- Consumer Direct ----- 07
- Legal Acts/Statutes ----- 08
- Department for Business Enterprise and Regulatory Reform ----- 09
- Other----- 10
- Don't know ----- DK

Q.8 Thinking about using the internet to shop online, would you say that you had...? READ OUT. REVERSING ORDER. CODE ONE ONLY

- Many concerns about shopping online ----- 01
- Some concerns about shopping online ----- 02
- A few concerns about shopping online ----- 03
- No concerns about shopping online ----- 04
- Don't know ----- DK

ASK Q.9 IF MANY/SOME/FEW CONCERNS (CODES 01-03) AT Q.8. OTHERS GO TO Q.10

Q.9 What are you most concerned about...? DO NOT READ OUT. CODE ALL THAT APPLY

- Security issues (financial details being divulged) ----- 01
- Privacy issues (personal details being divulged)----- 02
- Product delivery (late/non delivery)----- 03
- Product quality ----- 04
- Not knowing who you are dealing with----- 05
- No assistance if things go wrong ----- 06
- Service quality (no-one to speak to)----- 07
- Other----- 08
- Don't know ----- DK

ASK ALL (INTERNET SHOPPERS)

Q.10 Now I would like you to think about buying an item such as a DVD or toaster. Can you tell me whether you think shopping in person in a store or shop is more safe, about the same or less safe than shopping online? CODE ONE ONLY

- More safe ----- 01
- About the same ----- 02
- Less safe ----- 03
- Don't know ----- DK

ASK Q.11 IF MORE SAFE (CODE 01) AT Q.10. OTHERS GO TO Q.12

Q.11 Why do you think buying in a store or shop in person is more safe than shopping online? DO NOT READ OUT. CODE ALL THAT APPLY

- Can check the goods before buying----- 01
- Prefer direct contact/face to face transaction ----- 02
- Have the goods there and then ----- 03
- Easier to return goods----- 04
- Can use cash/cheque for transactions----- 05
- Aware of the stores location/know that they exist ----- 06
- Other----- 07

ASK ALL (INTERNET SHOPPERS)

Q.12 Have you experienced what you consider to be any problems when shopping online in the last 12 months, for example problems with delivery, returns, communication etc.? CODE ONE ONLY

- Yes ----- 01
- No----- 02

ASK Q.13 IF EXPERIENCED PROBLEMS (CODE 01) AT Q.12. OTHERS GO TO Q.16

Q.13 And thinking about the most recent problem, what was the key issue? DO NOT READ OUT. CODE ONE ONLY

- Delivery – delayed/did not arrive ----- 01
- Difficulty contacting them/the right person----- 02
- Payment issues----- 03
- Damaged/faulty goods----- 04
- Refund delayed/didn't arrive ----- 05
- Communication problem ----- 06
- Poor customer service ----- 07
- Wrong/incomplete information ----- 08
- Difficulty/delay in returning items----- 09
- Poor quality of goods----- 10
- Sent item twice/charged twice ----- 11
- Received wrong goods----- 12
- Had to pay to return items ----- 13
- Details (card/order) were hacked/cloned----- 14
- Out of stock----- 15
- Various----- 16
- Other----- 17

Q.14 And who, if anyone, did you complain to about this problem? DO NOT READ OUT. CODE ALL THAT APPLY

- Seller/trader – sent an e-mail to the company/company website contact/
phone call ----- 01
- Trade Association/A trade associations Code of Practice ----- 02
- Auction site----- 03
- Payment system ----- 04
- Office of Fair Trading----- 05
- Consumer Direct----- 06
- Trading Standards----- 07
- Credit card company ----- 08
- Someone else ----- 09
- No-one, did not complain ----- 10

Q.15 Was the problem resolved to your satisfaction? DO NOT READ OUT. CODE ONE ONLY. INTERVIEWER IF NO, ASK: 'Are you still trying to resolve the problem or have you given up?

- Yes ----- 01
- Not yet, but still trying to resolve it ----- 02
- No, and have given up trying to resolve it ----- 03
- No, but haven't tried ----- 04

ASK ALL (INTERNET SHOPPERS)

Q.16 How confident are you that your rights as a consumer are protected when shopping online? For example, your rights to cancel your purchase and receive a full refund or return faulty goods. READ OUT, REVERSING ORDER. CODE ONE ONLY

- Very confident----- 01
- Fairly confident----- 02
- Not very confident ----- 03
- Not at all confident----- 04
- Don't know ----- DK

Q.17 In general do you feel that businesses selling their products online provide accurate information on your right to cancel your purchase or return faulty goods? CODE ONE ONLY
 Yes ----- 01
 No----- 02
 Don't know ----- DK

Q.18 Would you say you feel more confident that your consumer rights are protected when shopping online nowadays than you were 12 months ago, less confident, or about the same? READ OUT, REVERSING ORDER. CODE ONE ONLY
 More confident ----- 01
 Less confident ----- 02
 About the same ----- 03
 Don't know ----- DK

Q.19 When shopping online nowadays compared to 12 months ago, would you say you feel more or less confident that there is adequate information available on your rights to cancel an order or return faulty goods, or do you feel about the same? READ OUT, REVERSING ORDER. CODE ONE ONLY
 More confident ----- 01
 Less confident ----- 02
 About the same ----- 03
 Don't know ----- DK

Q.20 When deciding whether to buy from a site do you always, sometimes or never look for each of the following...? READ OUT, ROTATING ORDER. CODE ONE ONLY FOR EACH

	Always	Sometimes	Never
Name and address of the supplier before you buy	01	02	03
Country the business is based in before you buy	01	02	03
The terms and conditions before you buy	01	02	03
Consumer reviews of the website before you buy	01	02	03
Processes if things go wrong before you buy	01	02	03
Contact telephone number before you buy	01	02	03
Contact e-mail before you buy	01	02	03
Code of practice before you buy	01	02	03

Q.21 Do you strongly agree, agree, disagree or strongly disagree with the following statements? READ OUT, ROTATING ORDER. CODE ONE ONLY FOR EACH

	Strongly Agree	Disagree	Strongly Disagree	Don't know
I have fewer rights shopping online than in the high street	01	02	03	04 DK
The internet is becoming a safer place to shop	01	02	03	04 DK
Public Bodies exist to help you resolve problems if things go wrong when shopping online	01	02	03	04 DK
It is difficult to resolve problems when shopping online compared with shopping on the high street	01	02	03	04 DK
There is now better information available on my rights to cancel an order or return faulty goods to help me make informed decisions when shopping online compared to a year ago	01	02	03	04 DK

B ONLINEBUS QUESTIONS

Changing the subject.....

Base: All respondents

Q1 In the last 12 months, have you used the internet to buy goods or services online? *Please pick one option only.*

SINGLE CODE

Yes	1
No	2

DP: ASK Q2 IF YES (CODE 1) AT Q1, ALL OTHERS SKIP TO NEXT SECTION
--

Base: All who have bought something online in past 12 months

Q2 If you think about all the goods or services that you have bought online in the last 12 months, approximately how much do you think you have spent? *Please pick one option only.*

SINGLE CODE

Less than £100	1
£100-£249	2
£250-£499	3
£500-£749	4
£750-£999	5
£1000 +	6

Base: All who have bought something online in past 12 months

Q3 Thinking generally about online shopping, how aware do you think you are about your consumer rights when shopping online? Are you... *Please pick one option only.*

SINGLE CODE

Very aware	1
Fairly aware	2
Slightly aware	3
Not at all aware	4
Don't know/not sure	5

Base: All who have bought something online in past 12 months

Q4 If you buy a small electrical item online, for example a digital camera, and it is delivered on time, is not faulty and is exactly what you ordered, can you cancel it if you have simply changed your mind?
Please pick one option only

SINGLE CODE

Yes	1
No	2
Don't know	3

Base: All who have bought something online in past 12 months

Q5 Have you ever returned an item which you bought online simply because you'd changed your mind?

Please pick one option only

SINGLE CODE

Yes 1
No 2

DP: ASK Q6 IF YES (CODE 1) AT Q5, OTHERS SKIP TO Q7

Base: All who have returned goods bought online due to change of mind

Q6 Did you receive a full refund including outward postage and packaging?

Please pick one option only

SINGLE CODE

Yes 1
No 2

Base: All who have bought something online in past 12 months

Q7 In general, what is the minimum number of days after delivery that the consumer has to exercise the right to cancel the order? *Please type your answer in the box*

DP: MAXIMUM ANSWER OF 99

Base: All who have bought something online in past 12 months

Q8 In the last 12 months, when using the Internet, have you used a used a price comparison site to search for goods or services to buy online for example, Kelkoo?

Please pick one option only

SINGLE CODE

Yes 1
No 2

DP: ASK Q9 IF YES (CODE 1) AT Q8, ALL OTHERS GO TO Q11

Base: All who have used a price comparison website in the past 12 months

Q9 Do you usually use more than one price comparison site to search for a specific item?

Please pick one option only

SINGLE CODE

Yes 1
No 2

DP: ASK Q10 IF YES (CODE 1) AT Q9, OTHERS SKIP TO Q11

Base: All who use more than one price comparison website

Q10 Why do you use more than one Price comparison site?

Please pick select all that apply

MULTICODE, ROTATE

- | | |
|--|---|
| To increase the variety of retailers to choose from | 1 |
| To find the best price | 2 |
| Because results from one price comparison site may be biased by businesses paying to be included/nearer the top of lists | 3 |
| Because price comparison sites differ in the retailers they include | 4 |
| Because price comparison sites differ in the product information they provide | 5 |
| To look at a greater range of consumer reviews | 6 |
| Other | 7 |

DP: ASK Q11 IF NO (CODE 2) AT Q8, ALL OTHERS GO TO Q12

Base: All who have not used a price comparison website in the past 12 months

Q11 In the last 12 months, why have you not used a price comparison site when buying goods or services online?

Please pick as many as apply

MULTICODE, ROTATE

- | | |
|--|---|
| I prefer to shop from sites I know | 1 |
| I prefer to use search engines | 2 |
| I don't know how to use them | 3 |
| I don't think the prices vary all that much on these sites | 4 |
| I don't trust them to produce unbiased results | 5 |
| I've used them before and don't find them user-friendly | 6 |
| I don't have time | 7 |
| The type of products I buy do not vary in price | 8 |
| Other | 9 |

Base: All who have bought something online in past 12 months

Q12 Do you own a credit card?

Please pick one option only

SINGLE CODE

- | | |
|-----|---|
| Yes | 1 |
| No | 2 |

DP: ASK Q13 IF YES AT Q12, ALL OTHERS GO TO Q14

Base: All who have bought something online in past 12 months and own a credit card

Q13 Please state whether you think the following statement is true or false:

'If I buy goods worth over a certain limit over the internet using a credit card and something goes wrong, the credit card company legally has to provide me with protection.'

Please pick one option only

SINGLE CODE

True	1
False	2
Don't know	3

Base: All who have bought something online in past 12 months

Q14 Do you look for any of the following 'codes' or 'signs' when you are buying goods or services from a website?

Please pick as many options as apply

MULTICODE, ROTATE

Code of practice	1
Padlock	2
Trade association	3
No, don't look for any of these	4 - FIX

Base: All who have bought something online in past 12 months

Q15 Have you ever bought anything through an Auction Bid from any of the following online auction sites?

Please pick as many options as apply

MULTICODE, ROTATE

eBay	1
QXL	2
EBID	3
Bidz	4
Other (please write in) _____	5 - FIX
Have never bought anything through an auction bid from an online action site	6 - FIX, SINGLE CODE

Base: All who have bought something online in past 12 months

Q16 Have you ever bought anything at a fixed price from any of the following online auction sites?

Please pick as many options as apply

MULTICODE, ROTATE

eBay	1
QXL	2
EBID	3
Bidz	4
Other (please write in) _____	5 - FIX
Have never bought anything through an auction bid from an online action site	6 - FIX, SINGLE CODE

DP: ONLY ASK Q17 IF NOT BOUGHT ANYTHING (CODE 6) AT Q15 AND Q16, OTHERS SKIP TO Q18

Base: All who have never bought anything from an online auction site

Q17 Why have you never bought from an online auction site?

Please pick as many options as apply

MULTICODE, ROTATE

I'd be concerned about the risk of fraud/security of payment on this type of site	1
I'd be worried about giving out personal details/possibility of identity theft on this type of site	2
I'd be worried that I would not receive goods or services from this type of site	3
I do not trust the sellers on these sites	4
I wouldn't be able to tell if the seller was genuine	5
I would be worried that I would receive the wrong goods or services	6
I would have difficulty in returning unsuitable/damaged goods or services	7
I would have difficulty resolving problems which may occur	8
You can end up bidding too much/Paying more than you wanted to	9
I don't understand the bidding procedure	10
I have never thought about buying from an auction site	11
I prefer goods that are in shop condition (for example, unopened unused, premium condition)	12
Other	13

DP: ASK Q18 IF PURCHASED FROM AN ONLINE AUCTION SITE (CODES 1-5) AT Q16 OR Q17, OTHERS SKIP TO Q20

Base: All who have bought something from an online auction site

Q18 When buying from an online auction site do you ever try to identify whether the seller is a trader/business or a private seller?

Please pick one option only

SINGLE CODE

Yes	1
No	2

DP: ASK Q19 IF YES (CODE 1) AT Q18, ALL OTHERS SKIP TO Q20

Base: All who try to identify if they are buying from a private or business seller

Q19 How would you tell if the seller is a trader/business or a private seller?

Please pick as many options as apply

MULTICODE, ROTATE

- By looking at the number of goods they sell- a large number of sales will be a trader/business 1
- It normally tells you on the site 2
- By looking at the feedback the seller gets 3
- A trader/business will often have a link to a shop site 4
- The look of the site- if it looks professional it will be a trader/business 5
- The trading policies for traders/businesses tend to be more detailed (for example, returns policy, payment policy) 6
- If goods are new, it is usually a trader/business 7
- By looking at the user name 8
- Other 9
- I don't know 10 - **FIX**

Base: All who have bought something online in past 12 months

Q20 Do Online Auction Sites generally provide enough information regarding the following:

Please pick one option for each statement

SINGLE CODE

	Yes	No	Don't know
The returns policy	1	2	3
The terms and conditions of using/purchasing from the site	1	2	3
The name and address of the seller	1	2	3

-END-