

# Business attitudes towards cross-border sales and consumer protection

## Summary

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This document does not represent the point of view of the European Commission. The interpretations and opinions contained in it are solely those of the authors.

Flash Eurobarometer Series  
#224

# Business attitudes towards cross-border sales and consumer protection

Survey conducted by The Gallup Organization  
Hungary upon the request of Directorate-  
General Health and Consumer Protection



EUROBAROMETER

Coordinated by Directorate-General  
Communication

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**THE GALLUP ORGANIZATION**

## Introduction

EU policies have made a significant contribution towards the establishment of the Internal Market. However, while this has created a flourishing business-to-business (B2B) Internal Market, the same cannot be said for business-to-consumer (B2C, or retail) transactions, which remain largely fragmented along national lines. A lack of consumer confidence, but also companies' reluctance to make cross-border offers to consumers, restricts the extent to which EU citizens could benefit from the Internal Market.

In order to assess cross-border trade (or cross-border sales) activity from a retail perspective, the Directorate General 'Health and Consumers' (DG SANCO) decided to poll managers of retail enterprises, with at least 10 employees, on their experience of cross-border transactions and their views about certain consumer protection measures.

In this Flash Eurobarometer survey (no. 224), a total of 7,282 managers in the 27 EU Member States and Norway were interviewed by telephone between the 30 January and 7 February 2008. A previous survey with similar content was carried out in 2006 (Flash Eurobarometer 186).

The sample was randomly selected according to two criteria – the country where the selling company was situated and its size expressed by the number of persons employed – within certain activity sectors that were considered to be likely to have significant retail activity<sup>1</sup> and to be able to sell via distance methods. The underlying objective of the analysis was to provide a picture of the importance of cross-border B2C transactions in the EU. In addition, it looked at retailers' attitudes towards possible obstacles to such transactions, with a focus on the provisions regulating consumer transactions, as well as measures that are likely to facilitate and encourage cross-border trade. The current survey also included an investigation into general product safety / consumer protection issues, within enterprises in the same activity areas.

The targeted number of main interviews varied by the size of the country. In many EU countries, and in Norway, the targeted sample size was 280. However, in France, Germany, Italy, Poland, Romania, Spain and the UK, this was increased to 400. In Cyprus, Luxembourg and Malta, the targeted number of the main interviews was reduced to 75, while in some other countries it was 150 (i.e. Denmark, Estonia, Greece, Latvia, Lithuania and Slovenia). Eighty-five percent of the companies interviewed were small enterprises (from 10 – 49 employees), while 12% were medium-sized enterprises (from 50 – 249 employees). Eighty-eight percent of the companies were independent, 3% were the headquarters of a multinational organisation and a further 9% were members of such a multinational group.

A technical note explaining the manner in which Gallup and its partner institutes conducted the survey is attached in the annex of the full report. It provides further details on the interviewing methods employed, the sampling techniques used and the statistical margins of error.

Due to the low sample sizes on national level, readers should be aware that the Member State level results are only approximate, with a maximum sampling error ranging from about  $\pm 12\%$  (in countries with a sample size of 75) to  $4.7\%$  (where the national sample size is 400), with the sampling error being  $\pm 8.2\%$ . The subsetting of the samples in various "filtered" questions further increases this range. It should also be noted that the survey comparisons are between the EU25 in 2006 to the existing EU27, a factor to be taken into account when assessing trends. Sampling errors for the EU level data are, however, much smaller;  $\pm 1.5\%$  for the total EU sample (both for the EU27 and the EU25) and  $\pm 2\%$  for the euro area.

With the extension of the EU with Bulgaria and Romania, the EU averages might change slightly. But the reader is reminded that the proportion of the population living in these two member states is  $6.4\%$  overall (see survey details for the size of the 15+ population in the EU member states), consequently, even if opinions are radically different in the two new member states, the EU27 average is barely effected. Consequently, the EU25 results for the 2008 are typically very close (within decimal percentage points) to those for the EU27.

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<sup>1</sup> These included hotels and restaurants, transport, finance and real estate; although there were certain types of companies excluded in each sector. See the survey details in the annex for a full list of the sectors included.

## Main findings

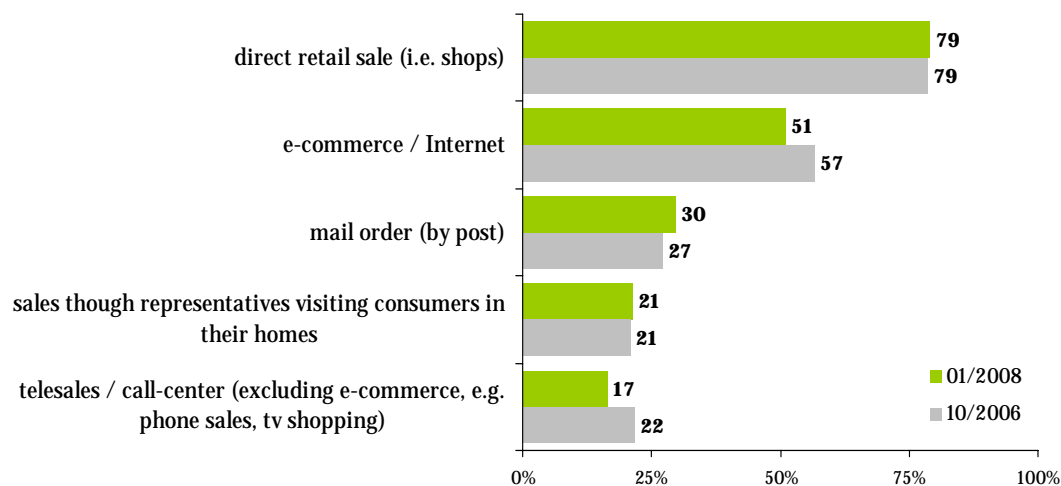
- A significant percentage of EU retailers (21%) are currently conducting cross-border transactions, but this is down from 29% detected in 2006 (that figure referred to the EU25)
- Distance sales methods (especially e-commerce) seem to be the key driver for opening up the retail Internal Market
- Retailers who conduct cross-border trade usually only do this to a few Member States: only 4% of those retailers trade to 10 or more Member States
- Although most EU retailers (note: SMEs employing at least 10 people represented 97% of the sample) sell to customers through shops (79%), a very significant proportion are also engaged in Internet-based sales (51%)
- Three-quarters of EU retailers only sell domestically. Overall, one in five EU retailers (21%) sell cross-border, via distance sales methods, to at least one other EU country; the same proportion (21%) advertise on a cross-border basis. The businesses most likely to be involved in cross-border retailing are medium and medium-large retail enterprises, with a limited number of outlets in other Member States and with existing language capabilities.
- The perceived cost of the insecurity of transactions (potential fraud or non-payment) was seen as the main obstacle to cross-border trade identified by retailers: 63% of respondents that answered the question considered these costs to be a *fairly important* or *very important* obstacle (up 2 percentage points, slightly beyond sampling error, from 2006). Other obstacles were almost equally important with retailers being concerned about:
  - the perceived cost of complying with different national fiscal regulations (up 4 points to 62% compared to 2006, EU25)
  - the perceived cost of complying with different national laws regulating consumer transactions (60% vs. 55% in 2006)
  - the perceived cost of the difficulty in resolving cross-border complaints and conflicts (59%, only a nominal change since 57% in 2006)
  - the extra costs arising from cross-border deliveries (57% vs. 51% in 2006)
  - the cost of ensuring an efficient after-sales service (55%; no change from 2006).
- The costs arising from language differences stood out as being somewhat less important (45%, nominally up from 43% in 2006).
- Retailers with no direct experience of cross-border trade were much more concerned about the possible obstacles to the development of such sales. Retailers agreed that if the provisions of the laws regulating consumer transactions were harmonised throughout the EU, their cross-border sales would increase: 46% (slightly up from 43% in 2006). Forty-one percent said the level of cross-border sales would not change, vs. 39% in 2006. The most spectacular difference is that instead of the 75% who do not currently sell cross-border, only 41% say that they would continue not to do so if regulations were harmonised.
- Sixteen percent of EU retailers said they would be interested in making cross-border sales to 10 or more Member States compared to the current 3%; 12% would do so to 4-10 EU countries (compared to 7% today) and another 16% to 2-3 EU countries (cv. 6% today).
- The majority of EU retailers (almost two-thirds) were not sure from where they would obtain information about consumer regulations in the different Member States (64%, +2 percentage points since 2006, 65% in the euro area).
- As for consumer protection in a domestic context, the overwhelming majority of EU27 retailers felt that they were informed about the legal obligations toward their – domestic – consumers (78%). However, less than one in five of the retailers said they were *fully informed* (19%) on this matter.

- Asked about non-food products, 16% of EU retailers thought that a significant number of products were unsafe, whilst a quarter (25%) believed that all products were essentially safe and over half (55%) felt that only a small number of products were unsafe.
- Fourteen percent of retailers received customer complaints about the safety of a product sold during the past year. Managers reported that they quite frequently carried out tests to ensure that their products were safe to sell (45%); it was also relatively widely reported that the authorities checked the safety of retailers' products (44%). About one in five retailers (21%) indicated that some of their products had been recalled or withdrawn during the past 12 months.

## Cross-border trade among EU retailers

Similar to the previous survey in 2006, most retailers use the traditional method of selling goods to consumers via shops (79%, no change). Half of the retail organisations are also engaged in Internet-based sales (51%). However, this ratio is somewhat lower in the EU27 than it was in 2006 among the EU25 (57%).

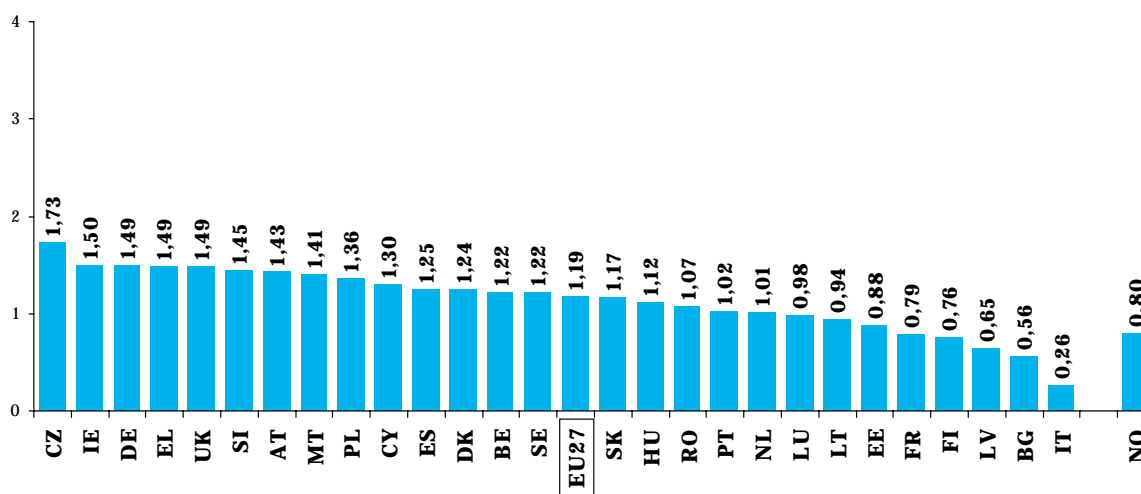
### Sales channels used for retail



Q1. Do you use any of the following sales channels for retail?  
 Base: all respondents  
 % by EU27 in 2008 and EU25 in 2006

When analysing the average number of distance sales channels (i.e. mail order, e-commerce, telesales or sales at a consumer's home) used for retail purposes, it appears that an average retailer in the EU offers at least one of these channels (1.19 for the EU27 and 1.20 when looking at the EU25 Member States ; this figure was 1.26 among the EU25 in 2006). The Czech (1.73), Irish (1.50) and German (1.49) retailers put the most emphasis on utilising multiple distance sales channels, while those in Italy (0.26), Bulgaria (0.56) and Latvia (0.65) seem to show less interest.

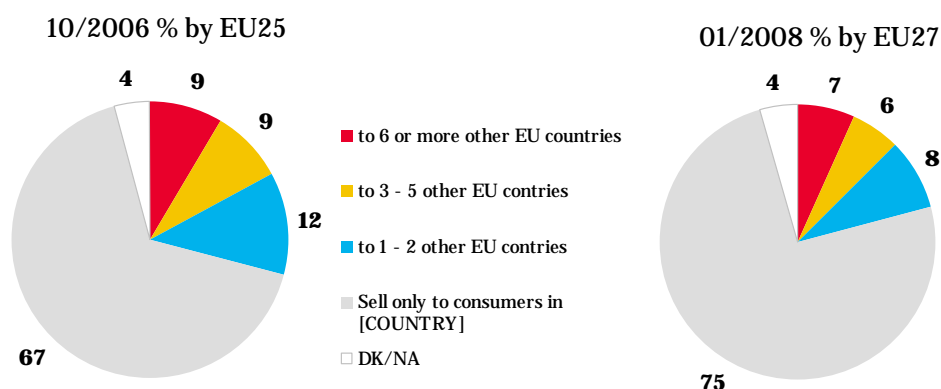
### Number of distant sales channels used for retail



Q1. Do you use any of the following sales channels for retail?  
 Sum of affirmative answers, Q1 a)-d) distant sales methods  
 Base: all respondents  
 % by country

Three-quarters of retailers from the EU27<sup>2</sup> sell in their domestic market using distance sales channels (75%); this ratio is higher than it was in 2006 (67%) among the EU25 countries. Eight percent of retailers within the EU27 claim to be selling goods to final consumers in one or two other EU Member States (down from 12% in 2006), 6% do so to between three and five countries (9% in 2006) and another 7% sell goods to six or more other EU countries (9% in 2006). Selling goods to six or more other EU countries is most commonly found in Malta (18%), Greece (14%), France and Denmark (both 12%), while it is the least common in Romania (no such companies exist), Bulgaria and Italy (both 2%).

### Current cross-border sales to final consumers



Q5. To how many EU countries do you currently make cross-border sales to final consumers?  
Base: all respondents  
% by EU27 in 2008 and EU25 in 2006

Overall, one in five enterprises interviewed in the EU27 (21%, or 22% if only the EU25 states are considered) claimed to be selling cross-border to at least one other EU country. This ratio was 29% in 2006 among the EU25 retail enterprises. Selling cross-border within the EU is more likely for retailers from Luxembourg (45%), Austria and Slovenia (both 36%), while the Romanian retailers (3%) are the least likely to do so. Selling only domestically is most characteristic for Italian and Hungarian (both 91%), Finnish and Romanian (both 90%) retailers. Luxembourgish companies were the least likely to follow this pattern (48%) - Luxembourg being the only country where slightly less than half of the retailers only sell in the home market.

Companies in the *medium-sized / large enterprise* segment are more involved in cross-border trade than the smaller ones (those having fewer than 50 employees).

Enterprise profiles (% by category, across the EU27, DK/NA not shown)		
	Trading cross-border	Not trading cross-border
<b>EU27</b>	22	78
<b>Number of employees</b>		
Small businesses (10-49)	20	80
Medium-sized and large businesses (50+)	29	71
<b>Number of subsidiaries or retail outlets</b>		
In own country only	18	82
1-2 other EU countries	50	50
3+ other EU countries	60	40
<b>Preparedness to use languages with consumers</b>		
One language only	10	90
2 other EU languages	23	77
3 other EU languages	28	72
4 + other EU languages	43	57
<b>Country size</b>		
The "big six" <sup>3</sup>	22	78
Other Member States	22	78
<b>Involvement in e-commerce</b>		
does e-commerce	31	63
does not do e-commerce	10	88

<sup>2</sup> EU25: does not sell cross border: 74%, 1-2 countries: 9%. 3-5 countries: 6%, 6+ countries 7%

<sup>3</sup> Germany, France, Italy, Poland, Spain and the UK

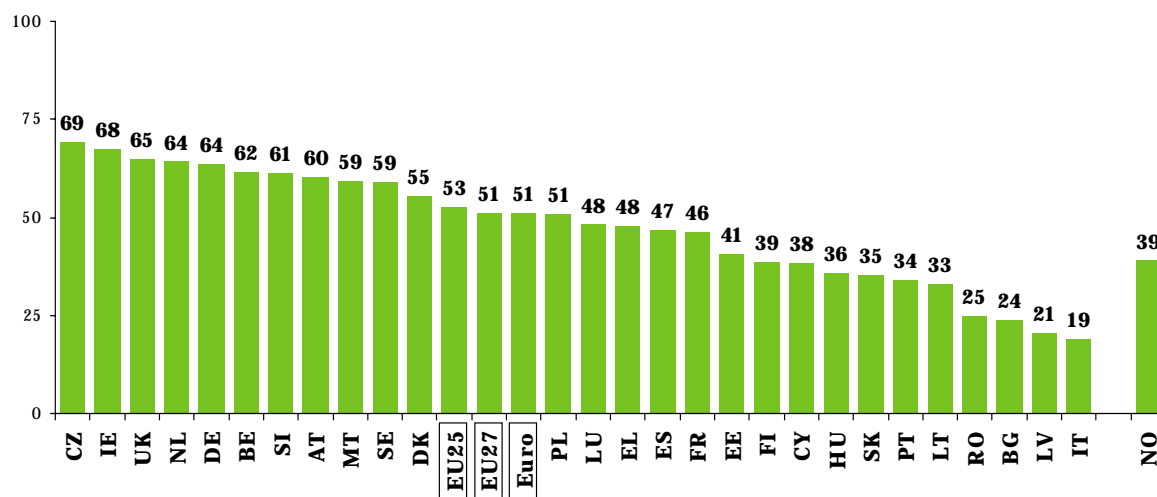
Companies *with outlets in other Member States* are the most likely to be involved in cross-border distance retail trade. Companies most inclined to make cross-border sales are *those that operate a comprehensive network of retail stores* (i.e. stores in at least three other Member States).

Preparedness in terms of *technology* is a key factor: enterprises with current e-commerce facilities are three times as likely to trade cross border (31%) compared to those who do not utilise this sales channel (10%)

Considering **sales to foreign people in domestic outlets**, on average, an estimated 10% of the revenue generated in EU retail stores come from people not permanently living in the Member State where the sales transaction takes place (this average was 9% in October 2006 among EU25 countries). The highest proportion of cross-border trade in shops is to be found in Spain, Cyprus, Malta and Italy.

Turning to the importance of cross-border ‘sales at distance’ sales, for EU (-25 or -27 alike) retailers using the Internet, **cross-border Internet sales** represent 17% of their total Internet sales (this was 16% in 2006 among retailers from the EU25). E-commerce is especially used by foreign consumers from other EU countries in the 12 new Member States, where, on average, 29% of the sales are cross-border e-commerce.

### Sales channels used for retail – e-commerce / Internet



Q1. Do you use any of the following sales channels for retail?  
a) e-commerce / Internet  
Base: all respondents  
% by country

For the 47% of EU retailers that sell through telesales/call centres or mail orders/by post, the proportion of cross-border sales to EU consumers via **mail order sales or telephone sales** is 13%. This average ratio corresponds to the figure found in 2006 when 12% of EU25 retailers’ sales via telesales came from another Member State.

Using **sales representatives** to visit customers in their homes is also a dominantly domestic sales channel: for the 21% of EU27 retailers using this method, 14% of the generated income comes from other EU Member States. This figure was the same in 2006 among the EU25 retailers.

After assessing the proportion of cross-border transactions in the various methods of distance retail channels in use, managers were asked to estimate the total proportion of EU cross-border sales from **all of the distance sales channels** used: i.e. via e-commerce, post, telephone or by home sales. They estimate that about 19% of the revenue generated via distance sales channels comes from customers living in other EU countries. There is a very slight increase in this figure compared to 17% in 2006 (in EU25 countries this ratio is 19% in 2008).

Overall, only 21% of EU retailers **advertise** to at least one *other* EU country. This figure was 24% in 2006 and 22% in 2008 among EU25 retailers. Generally, retailers in the six largest Member States are

a little more likely to only advertise domestically (73%) compared to those in the rest of the EU (69%). In particular, Luxembourgish retailers are advertising to a great extent in other countries (51% advertise to at least one other EU Member State). Such activity is also higher-than-average in Slovenia (42%) and Slovakia (37%). The Romanian (4%) and Finnish (9%) retailers are the least likely to say that they advertise to at least one other EU country.

Advertisement in another country and cross-border sales are closely interconnected: about two thirds of cross border advertisers report having cross border (distance) sales activity as well (64%), and vice versa, 65% of those who sell cross border using distance methods indicate that they advertise in at least one other country.

Another important precursor of the ability to trade cross border is the number of **languages** that the companies are prepared to use in their transactions with consumers. Almost all (90%) of the minority of retailers that are only prepared to work in one language report that they are not making cross-border sales with other EU Member States. The level of cross-border trade increases linearly with the number of languages where the retailers have proficiency.

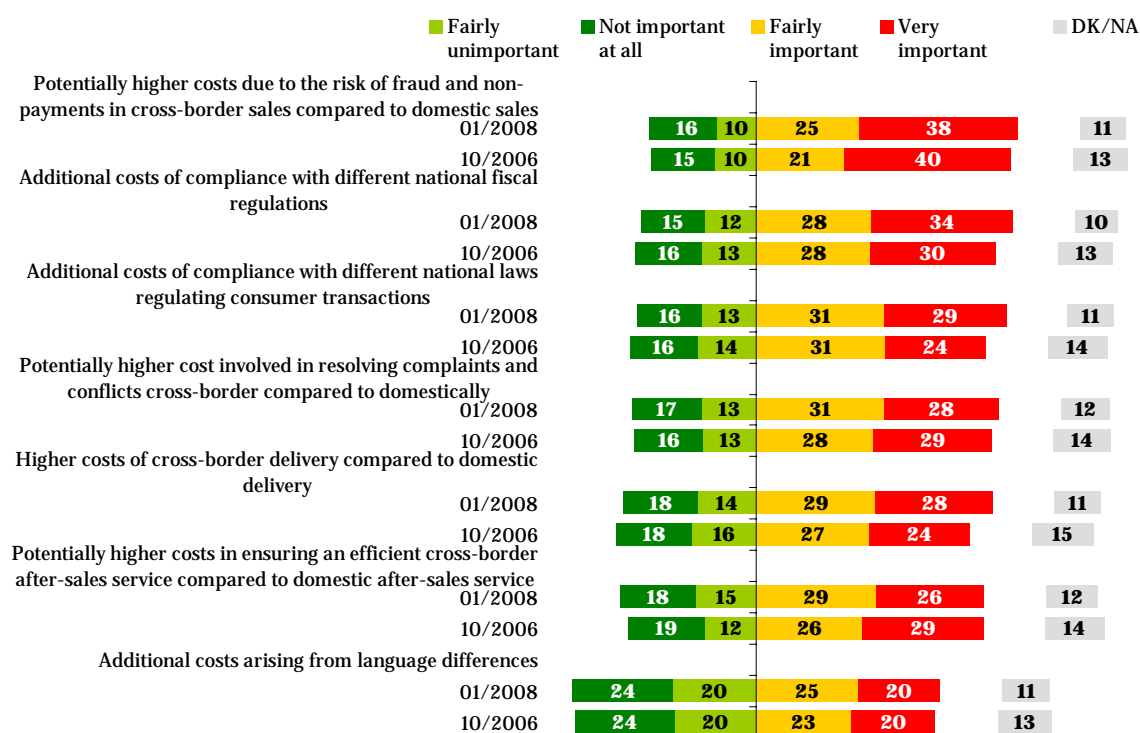
In several Member States, the ability to speak several languages is the norm. At the top end of the scale are Estonia (93%), Finland (90%), Luxembourg (88%) and Malta (87%), where business people universally speak at least two languages. They are followed by four further countries where more than three-quarters of retailers are able to conduct business in more than one language (i.e. Austria, Netherlands, Slovakia and Latvia). Note that Austria belongs to a group in which only speaking the national language is not necessarily a barrier to cross-border trade. At the opposite end of the spectrum are countries - such as the UK and Ireland - that rely heavily on the fact that their native language is widely spoken in other Member States. In these countries, the vast majority of the retailers say they are only able to conduct business in English.

## Obstacles to cross-border trade

A sizeable proportion of the retail businesses in the EU are, however, not interested in developing cross-border sales (around 25% at the EU27 level). The managers of such firms often refused to discuss barriers to cross-border trade as they did not find them relevant to their business. Throughout the analysis of practical and legal barriers to distance cross-border retailing within the EU below, we only present the results among those respondents that did not immediately reject the possibility of making cross-border sales. The question formulation regarding the obstacles that could be important in cross border trade was asked slightly differently (with more emphasis on the cost aspect instead of difficulties in general) in 2008 than 2006, however the problem areas tested were the same. This allows a comparison across the two time points, but the reader should be aware of this difference in question formulation.

Overall, the most important **practical** obstacle to cross-border trade identified by the retailers is the perceived cost of fraud and non-payments (of respondents that expressed at least a minimal interest in cross-border trade, 63% consider it to be a *fairly important* or *very important* barrier). This ratio was similarly high (61%) in 2006 among EU25 retailers.

### Practical obstacles to B2C cross-border trade



Q11(2008)/Q15(2006). [...] Please tell me how important do you think these obstacles are to cross-border sales.  
Base: those who did not spontaneously claimed that they are not interested at all in cross-border trade  
% by EU27 in 2008 and EU25 in 2006

Other obstacles – apart from language difficulties, the area of least concern - are almost equal in terms of their perceived importance: retailers are concerned about different national fiscal regulations (62% vs. 58% in 2006 among the EU25), the differences in national laws regulating consumer transactions (60% vs. 55% in 2006), the difficulty in resolving cross-border complaints and conflicts (59% vs. 57% in 2006), the extra costs arising from cross-border deliveries (57% vs. 51% in 2006) and the difficulties in ensuring an efficient after-sales service (55%; no change from 2006). As indicated, only the costs arising from language differences seem to have less importance (45% vs. 43%).

**Obstacles appear to be less important for those already involved in cross-border retail trade;** in every single question, those who have no direct experience with cross-border trade are much more concerned than those familiar with this form of sales. The ratio of those saying the obstacles are (fairly

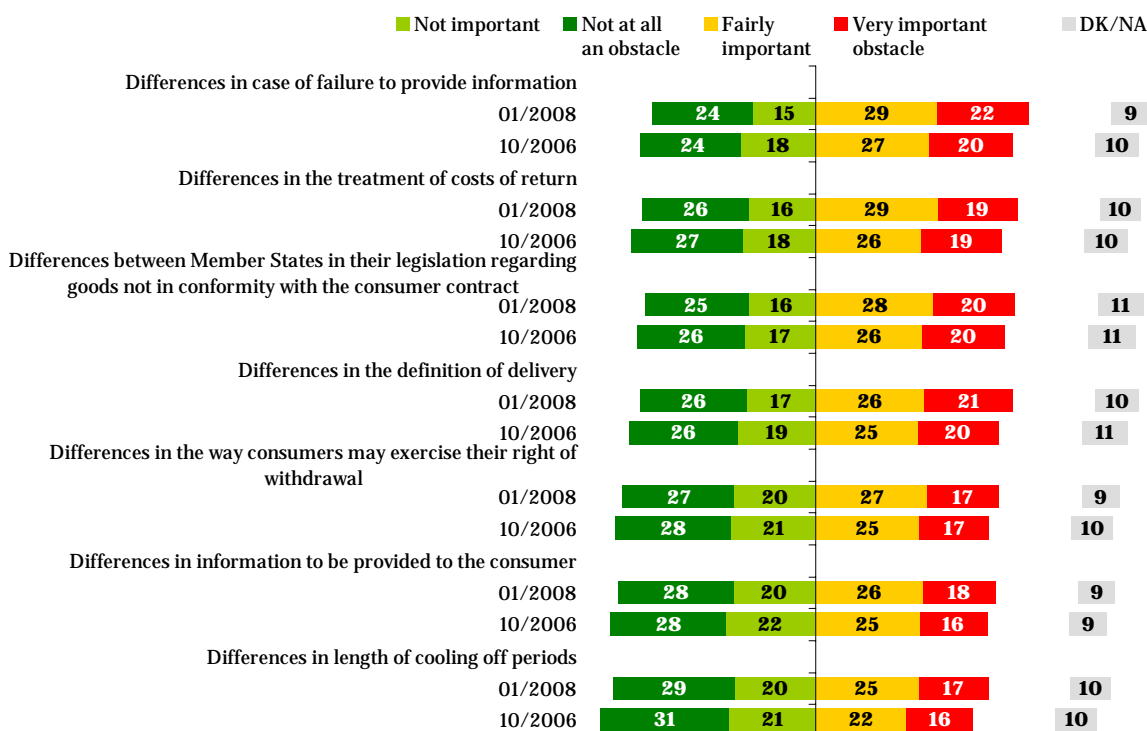
or very) *unimportant* range between 41% and 62% for different aspects among those involved. Consequently, those who say they are not trading cross-border are more likely than the previous group to consider all the obstacles important (the range of the ratio of very or fairly important replies is between 50% and 68%). Those who are not trading cross border are also more likely than those who are to say they do not know how to answer the question.

As we saw, **divergent rules regulating consumer transactions** are among the reasons that prevent retailers from engaging in distance cross-border sales to EU consumers. Seven possible examples of differences in provisions regulating consumer transactions were tested. A short explanation for each was provided, in case the respondents had difficulties in interpretation.

The most obvious finding, reflected in the chart below, is that respondents tended not to differentiate much in their opinions about the various regulatory aspects. It seems that differences in regulations related to *failure to provide information*, or to *treatment of costs of return* are slightly more of a worry for retailers than the difference in the *cooling-off periods*, but the variations are not large.

Compared to 2006, each regulatory factor is now considered *important* by more retailers: the differences are between 2 and 4 percentage points. The legal differences in the case of the failure to provide information, in the treatment of the costs of return and in the length of cooling-off periods are now seen as obstacles by more EU retailers. Consequently, the ratios of those retailers who consider these problems to be unimportant are slightly lower than they were two years ago.

### Legal obstacles to B2C cross-border trade



Q10(2008)/Q13(2006). [...] How important do you think these are as an obstacle to cross-border sales?  
 Base: those who did not spontaneously claimed that they are not interested at all in cross-border trade  
 % by EU27 in 2008 and EU25 in 2006

Retailers who are trading cross-border are less concerned by the regulatory differences presented, as compared to the opinion of those who have no experience of this kind of activity (the retailers trading cross border are more likely than those who are not trading to state that the legal differences presented to them *are NOT important obstacles*). Again, those who are not trading cross border are the most reluctant to give an answer to these questions: they are more likely than those with cross border sales to say they do not know how important these legal differences could be in regard to cross-border trade. One should not forget even those retailers who report cross border activity predominantly trade with

only one or two other countries – so they might speak of their challenges in those countries – they might consider the barriers more important in countries where they are currently not trading. The survey did not address this aspect, attitudes were asked generally, not in a country-specific manner.

## Measures to facilitate cross-border trade

There are several ways to facilitate cross-border retail trade in the Internal Market, i.e. to encourage both retailers and consumers to engage in such transactions. This survey asked retailers for their opinions in relation to two possible areas of assistance:

- whether harmonisation of the provisions regulating consumer transactions would encourage them to increase / establish cross-border sales activities, and
- whether they knew where to find relevant information about consumer protection rules in other EU countries.

A question asked that in the case that regulations concerning consumer transactions were harmonised across the EU, to how many member states would retailers sell their products. This number was then compared to the number of EU countries they currently sell their products to – using distant sales methods.

The most spectacular difference is that instead of the 75% who do not currently sell cross border, only 41% indicate that they would do the same even if regulations were harmonised. This figure is a clear illustration and indication of interest, but it is far from being an actual prediction of the outcome should such harmonisation take place. The striking difference is not to be treated on face value, however it clearly indicates that retailers would be much more open to engage in cross border sales if the risks of failing to comply with various national regulations could be eliminated by establishing EU level rules in this regard.

In another question the survey inquired managers if they think such a harmonisation would increase **the level** of their cross-border sales: at the EU27 level, 46% of businesses say that their cross-border sales would increase (30 % say that they would increase a little, and 16% say that it would increase significantly).

However, comparing the data from the two waves, considering the fact that the questions were asked slightly differently, the figures show no significant change. In 2006, 43% of retailers thought their cross-border sales' proportion would increase (46% felt this way in this survey, see above), while 4% said it would decrease a lot or a little (3% now say the same about the level of their cross-border sales). In the current survey, 41% said the level of cross-border sales would not change, a figure that is essentially unchanged since 2006 (39%).

Those who currently conduct cross-border trade were more likely to say – on an unprompted basis, as this answer was not an option – that nothing would change compared to those without cross-border experience (43% vs. 35%). Almost the same number of retailers trading cross-border agree that such harmonisation of regulations could somewhat (or even significantly) facilitate cross-border activity (42%). However, the majority of retailers not trading cross-border (57%) expect such an influence.

Those who use e-commerce are more optimistic (with 51% anticipating an increased sales volume) than those who do not (40%), but these tend to be those

<b>If the provisions of the laws regulating transactions with consumers were the same throughout the 27 EU Member States, do you think that the level of your cross-border sales would ... (% , EU27)</b>		
	<b>Trading cross-border</b>	<b>Not trading cross-border</b>
Decrease a lot or a little	3	4
Increase a little	27	38
Increase a lot	15	19
[Would not change]	43	35
DK/NA	12	4

who already have cross-border experience (57% vs. 49% of those e-traders who currently only sell domestically).

At the country level, retailers in Greece (84%), Sweden (85%), Estonia (80%) and Finland (78%) are especially optimistic about the possible effects of harmonisation on the level of cross-border sales. Retailers in Italy and Hungary (both 30%) and Austria (33%) are the least confident in regard to the positive effects of such a measure. Italian (64%), Hungarian (59%), French (58%) and Austrian (55%) retailers were also the most likely to think that their cross-border sales' level would not change.

Optimism is slightly higher among the medium-sized and large businesses (55% say it could increase cross-border sales activity vs. 44% among smaller businesses). Current e-traders are more optimistic (51%) compared to those who do not use e-commerce (40%). However, the largest number (63%) of those who say compliance with different regulations (would) imply significant extra costs for them are the most positive that harmonisation could increase the level of their cross-border sales.

**It is essential for cross-border retailers to be up-to-date regarding the various laws that regulate consumer transactions.** Two-thirds of EU retailers are not sure where to obtain information on consumer regulations in the different Member States (64%; this figure did not significantly change from 62% in 2006 among EU25 retailers). However, one-third (33%; 35% in 2006) of those interviewed said they knew where to turn to if they needed such information.

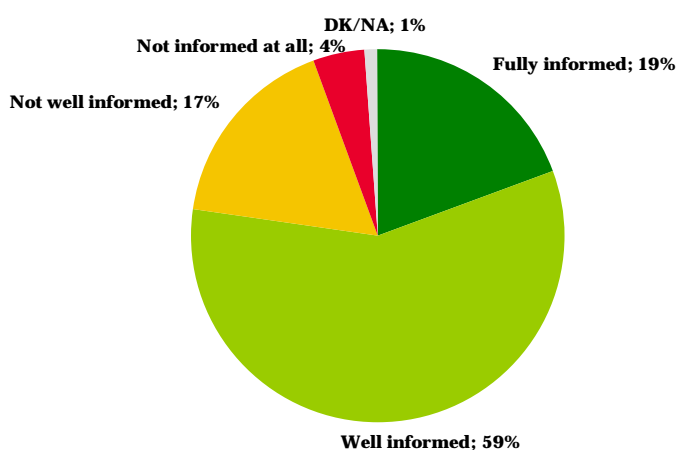
Just over half (59%) of those who are currently active in cross-border distance sales say they do not know where to find such information. However, this figure reaches two-thirds for those companies who are not currently trading cross-border, which could show a lack of interest or indicate a barrier: retailers might refrain from such business as they do not know where to find the relevant information. The ratio of those who *know* where to find this information is 39% among those retailers who trade cross-border and 31% among those who do not.

There are only three countries where the ratio of retailers who know where to find relevant information about consumer protection regulation in EU outnumbers the ratio of those who do not know: in Latvia (58% vs. 41%), the Czech Republic (45% vs. 33%) and Austria (51% vs. 45%). However, in the Czech Republic the ratio of those who cannot answer the question is relatively high (22%) – the highest among the countries in the analysis.

## Consumer protection, product safety

Apart from the discussion of various obstacles to cross border retail activities – including problems related to various consumer protection regulations across the EU – the survey inquired retailers about consumer protection issues in their **domestic context** as well. **Informed about legal obligations towards consumers**

The overwhelming majority of the EU27 retailers feel they are informed about the **legal obligations toward their – domestic – consumers** (78%). However, less than one in five of them say they are *fully informed* (19%) about this matter. On the other hand, one in five EU27 retailers say that they are not informed (not well and not informed at all) about these obligations (21%), while only 4% feel that they are *not informed at all*.



Q15. How well are you informed about your legal obligations towards consumers arising from consumer protection legislation in your country?  
Base: all respondents  
% EU27

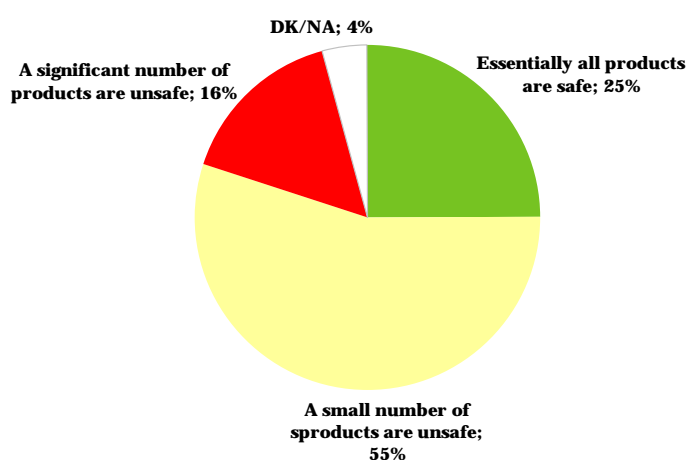
The retailers that feel the best informed (including those who are fully or at least well informed) are from Bulgaria (94%), Hungary and Estonia (both 92%), where more than nine out of 10 retailers answered positively. The Bulgarian (48%), Estonian (37%) and Hungarian (34%) retailers are also the most likely to consider themselves *fully* informed.

Looking at company characteristics, there are no particularly noteworthy variations. The most informed tend to be those companies using Internet / e-commerce but only on the domestic market (80%) and the least informed are those companies who have outlets in other EU countries (73%) – these results are all within a rather narrow - 7 percentage point - range.

Asked about non-food products, a quarter of EU27 retailers agree that essentially all **products marketed in their country are safe** (25%). Sixteen percent of retailers think that a significant number of products are unsafe. The majority of the EU27 retailers share the assessment that a small number of such products currently marketed in their countries are unsafe (55%). In total, most managers (80%) indicated that essentially no products or just a small number of them are unsafe.

There are only two countries in the EU where the retailers who think that essentially all products are safe outnumber those with a less optimistic view: Slovenia (61% say all products are safe vs. 37% who selected another option) and Luxembourg (53% vs. 37%). Perceptions are spread evenly in Romania; the difference between the two groups is minimal (47% and 49%). At the same time, the retailers in these three countries were the most likely to state that essentially *all products are safe*.

### Safety of the non-food products currently marketed in [COUNTRY]



Q20. Considering all non-food products currently marketed in [COUNTRY], do you personally think that ...?  
Base: all respondents, % EU27

The Greek (42%), Italian (37%) and Latvian (32%) retailers were the ones most likely to state that *a significant number of products are unsafe* in their country.

Regarding **retailers experience with product safety related actions**, according to managers' reports, retailers in the EU quite frequently carry out tests to make sure that the products they are selling are safe (45%); it is also relatively widely reported that the authorities checked the safety of the products that retailers are selling (44%). Involvement in other product-safety related actions is much more infrequent. Even so, a relatively high proportion, about one in five retailers, indicated that some of the products they were selling had been recalled or withdrawn (21%) during the past 12 months. Fourteen percent of retailers received customer complaints about the safety of a product they sold during the same period.

## ADR mechanisms

Very few retailers at the EU level use **Alternative Dispute Resolution** (ADR) mechanisms (only 3% say they use ADRs regularly and 16% claim to have some experience with them). These figures have not changed dramatically from 2006: 3%, and 13%, respectively. The reason for not using ADR mechanisms is now seen to be more a case of lack of retailer interest (48% do not use such mechanisms but “know some of them”) than the fact that they are unaware of ADRs (30%). This represents a change since 2006, when awareness levels were lower. On the other hand, results confirm that more retailers know about and use ADR.

Retailers in Malta (32%), Norway (29%) and Italy (27%) are the most likely to have some practical experience with ADR mechanisms, but even there, rather few retailers use them regularly (10%, 6% and 11%, respectively). Frequent reliance on such mechanisms are also common, in relative terms, in Sweden and Slovenia (both 26%), Denmark (25%), Germany (24%) and France (23%), where the ratios of “yes” answers were above the EU27 average. The proportion of those not using ADR mechanisms is the highest in Estonia (94%) and Hungary (91%), but eight out of 10 retailers also answered negatively in Latvia, Bulgaria, Finland, Romania, Greece, Ireland, Poland, the Netherlands, Lithuania and Portugal.

Medium-sized and large enterprises are more likely than small ones to have experience with ADRs (27% vs. 18% respectively) and are also more likely to use them regularly (5% vs. 3% respectively). Not independently from the above described pattern, e-traders are slightly more likely to have such experience (23%) compared to the average. The use of out-of-court dispute resolution mechanisms is not widespread in any retail segment in the EU.