SURVEY ON CONSUMER SATISFACTION WITH THE RETAIL DISTRIBUTION OF GOODS

PRODUCT MARKET REPORT

ICT

BY

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for

THE EUROPEAN COMMISSION
Health & Consumer Protection
Directorate - General

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Chapter 1 - Introduction

1. Preliminary note

The objective of this report is to present the main findings of the survey for the market for **Information and Communication Equipment**. It details consumers' satisfaction with various aspects of this market.

The first level of analysis aims to describe consumers' feelings about the market and about elements that constitute their retailer's services as well as the problems encountered when purchasing its products.

For each question asked in the questionnaire, a chart presents the results at EU and country level. When relevant, we also highlight the differences by distribution channel and socio-demographic profile of the respondent.

The main indicator used in the analysis (which is widely admitted amongst the research experts' community) is the percentage of satisfied and dissatisfied consumers, based on the scores given on a scale from 1 to 10. "Satisfied" are those who gave a satisfaction score of 8 to 10; "dissatisfied" are those who gave a score of 1 to 4. For the clarity of the analysis, we do not show the neutral consumers on the charts or those who could not give an answer to the question ("don't know"). This is why the figures shown in most of the charts do not add up to 100%. If there are particularly large proportions of Don't know answers this is however mentioned in the text.

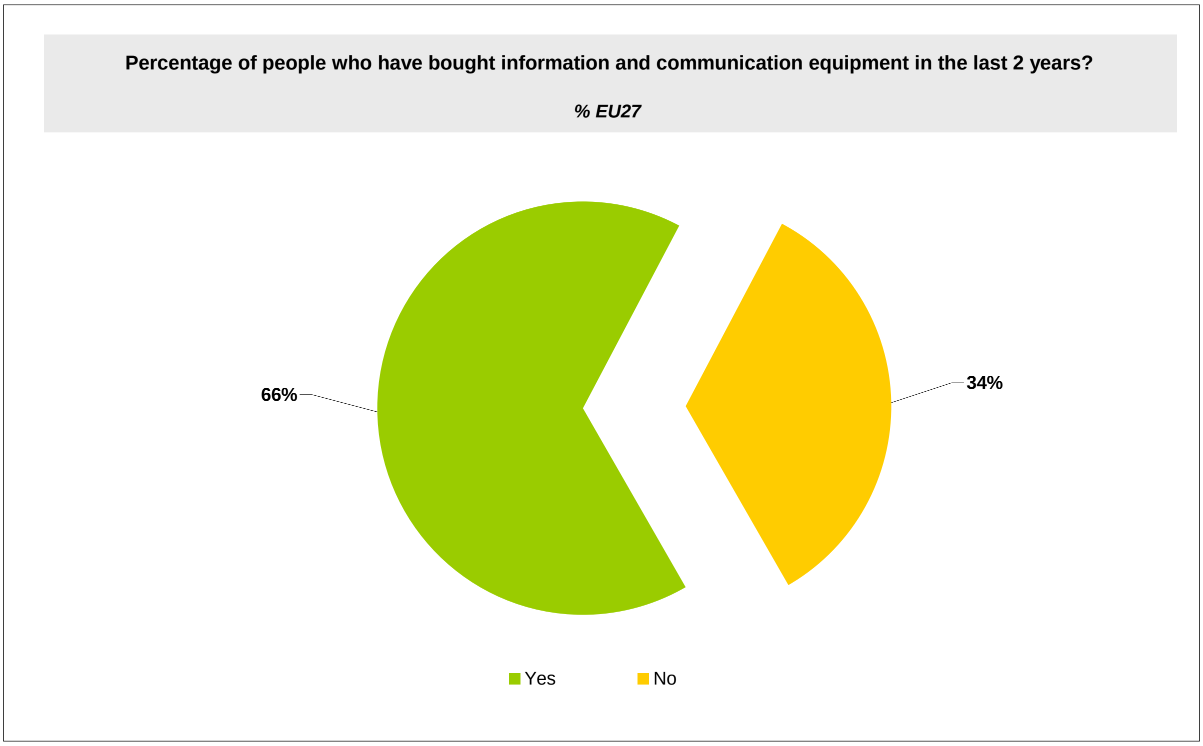
The second level of analysis presented in this report shows the interaction of key satisfaction indicators so as to explain consumers' overall satisfaction.

For more information, the reader will find the overall report and full results of the survey as well as a methodological note on DG SANCO web site:

http://ec.europa.eu/consumers/strategy/cons_satisfaction_en.htm

2. Product bought by consumers in the last 2 years

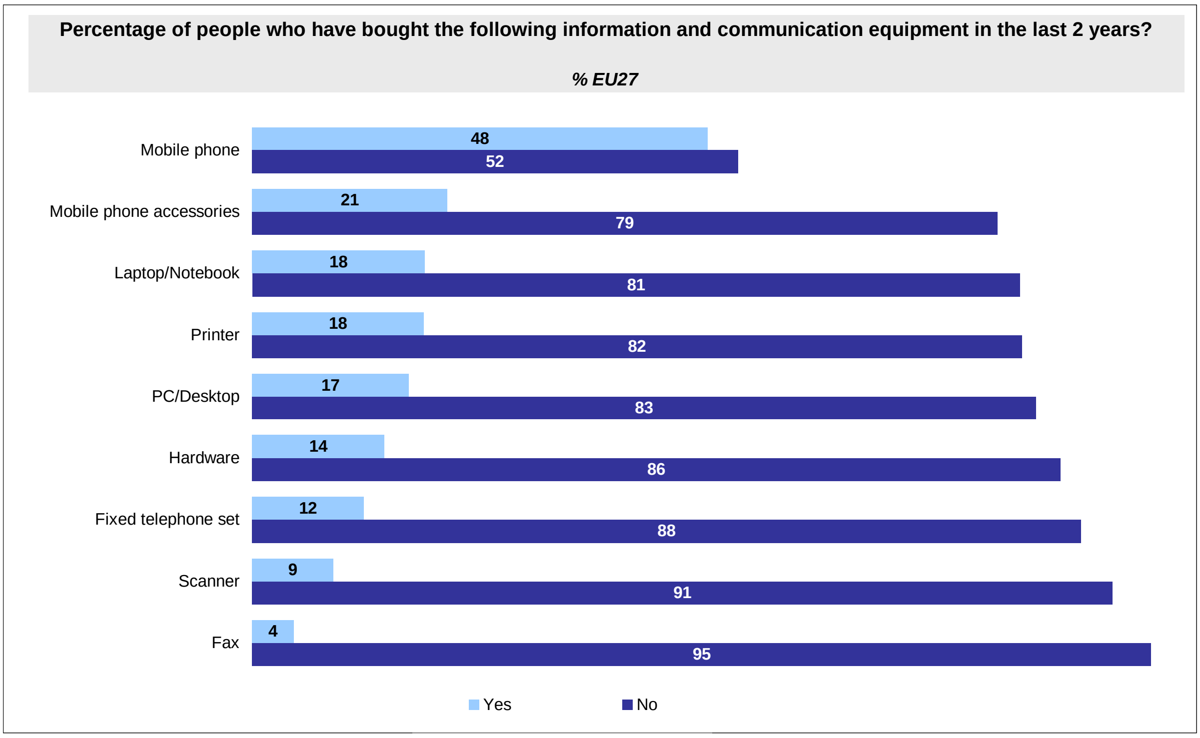
Figure 1 – Product bought by consumers in the last 2 years



Two-thirds of consumers in the EU27 have bought information and communication equipment in the last 2 years.

3. Type of ICT equipment bought by consumers in the last 2 years

Figure 2 – Percentage of people who have bought various ICT equipment in the last 2 years

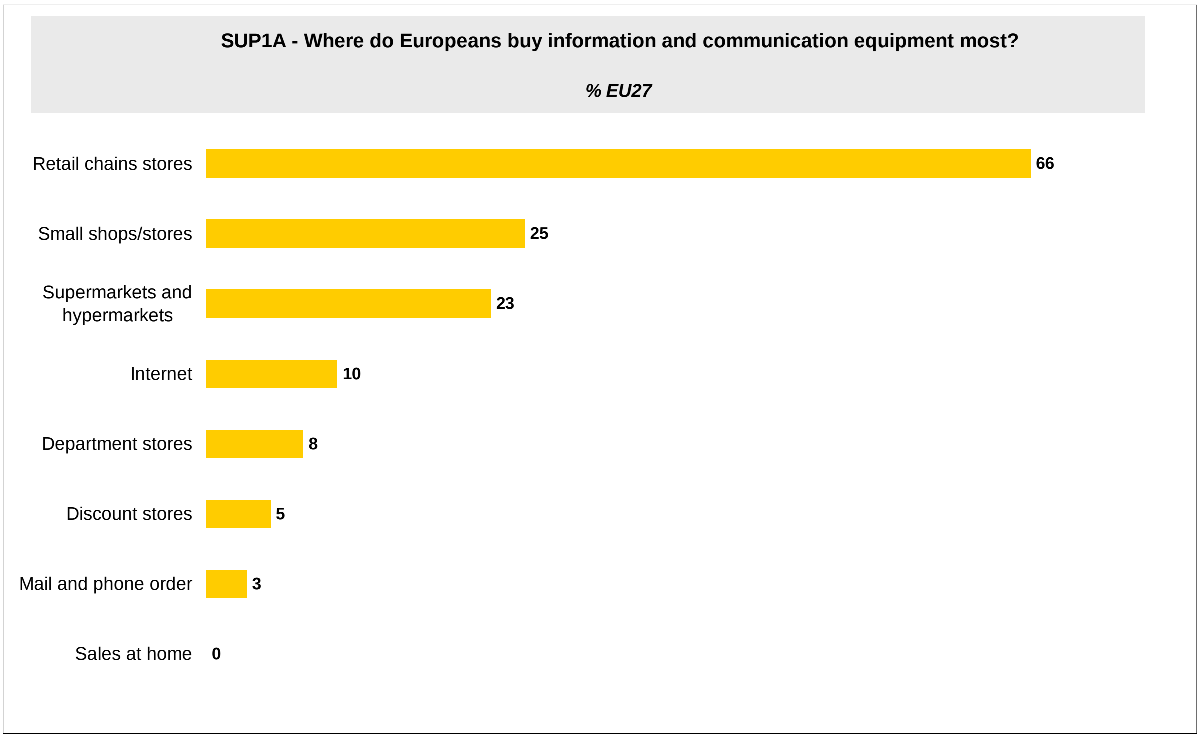


Almost one in two consumers (48%) in the EU27 has bought a mobile phone in the last two years. Linked to this, over a fifth has also purchased mobile phone accessories.

Other ICT products that have been relatively frequently purchased include laptop and desktop computers and printers.

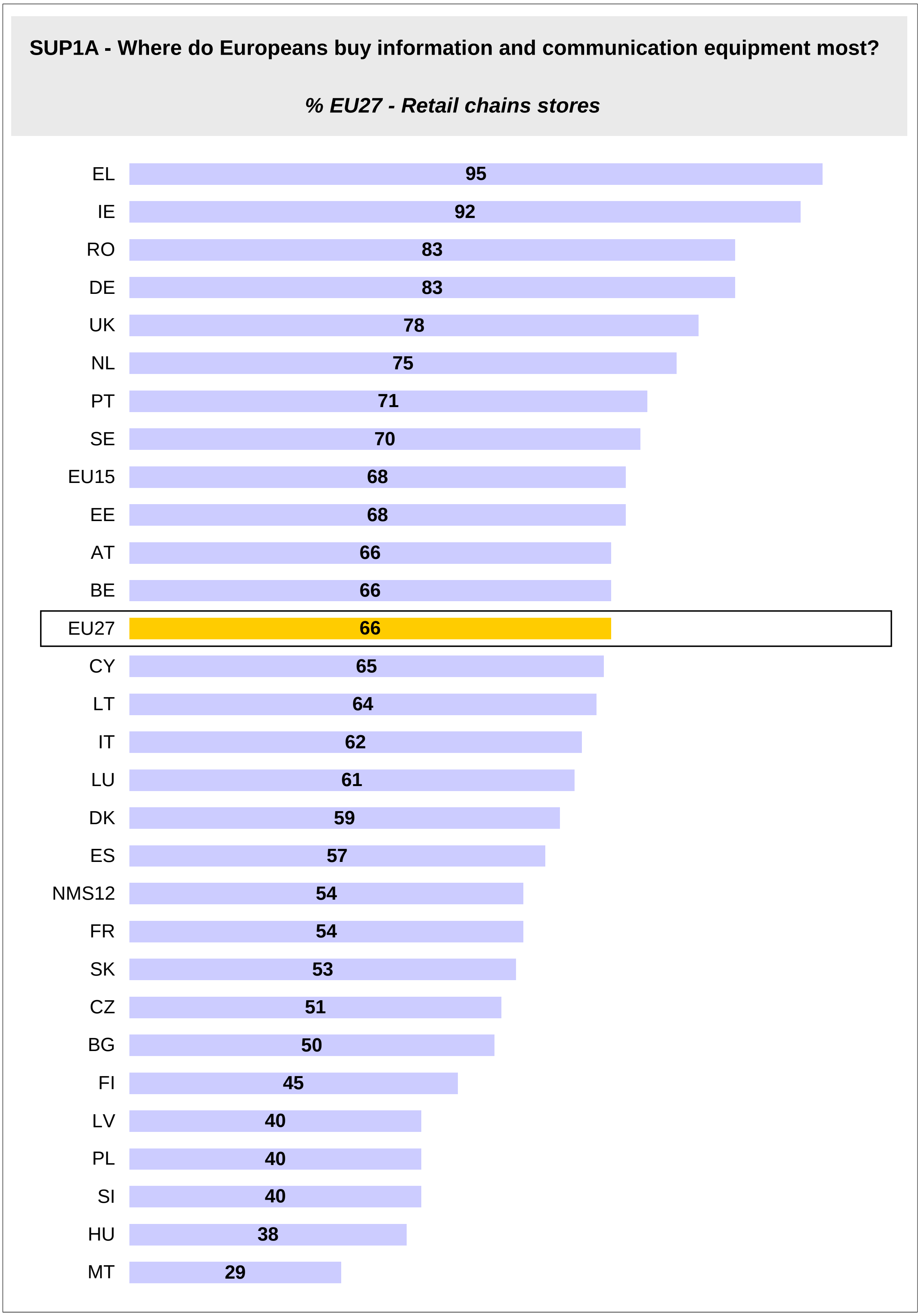
4. Distribution channels used

Figure 3 – Distribution channels mostly used (% EU27)



Respondents were asked to indicate where they have bought ICT equipment most (i.e. usual places). They could indicate several distribution channels. From the results it appears that ICT equipment is mostly purchased in retail chain stores. Around a quarter of EU consumers has also bought them in small shops/stores and in supermarkets and hypermarkets. A relatively high figure is also noted for the Internet (10%).

Figure 4 – Distribution channels mostly used: Retail chain stores (% by country)



Consumers usually buy information and communication equipment in retail chain stores. This is the case for 95% of Greek consumers and for 92% of Irish consumers. They are followed by Romanian people and by the Germans (83% each).

At the other side of the spectrum we find the Maltese (29%) and the Hungarians (38%). They are closely followed by the Slovenes, the Poles and the Latvians (40% each). In those countries, especially in Malta, people would tend to buy ICT in small shops/stores. In Malta, this is the case of 89% of consumers.

In addition, 53% of Bulgarian consumers buy their ICT in supermarkets and hypermarkets and 50% of Danes buy ICT on the Internet (against an EU27 average of only 10%).

Figure 5 – Distribution channels mostly used: Small shops/stores (% by country)

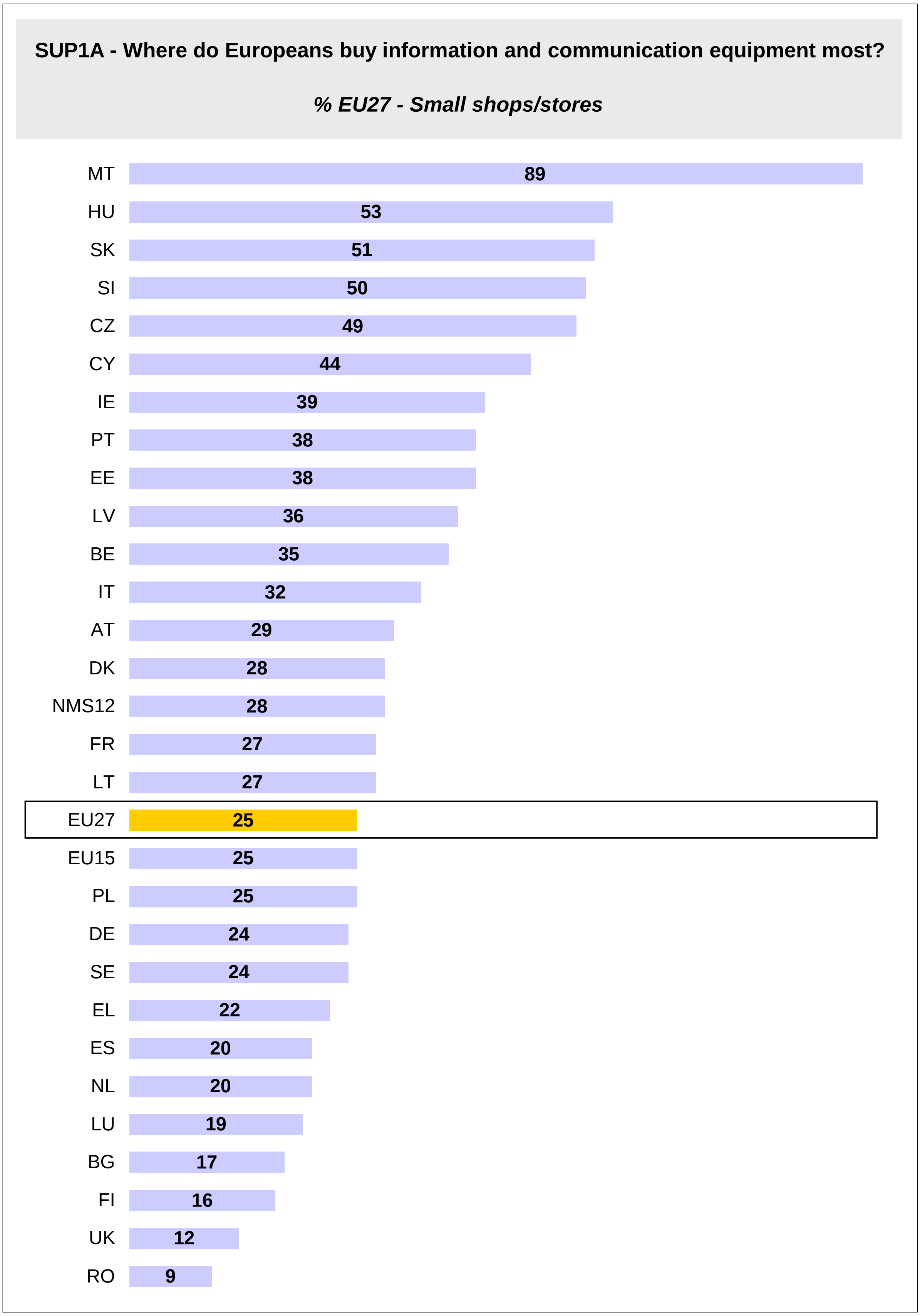
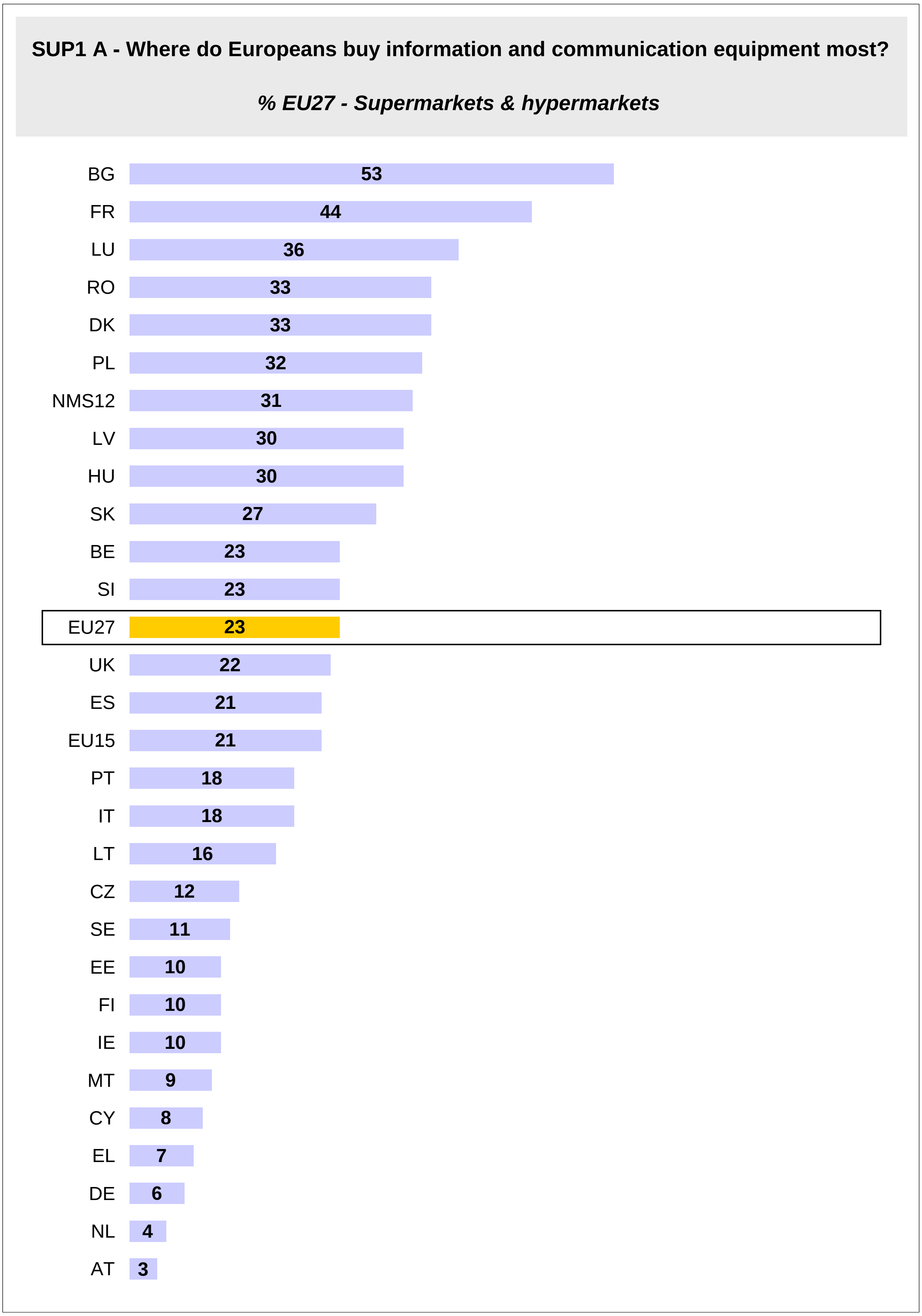
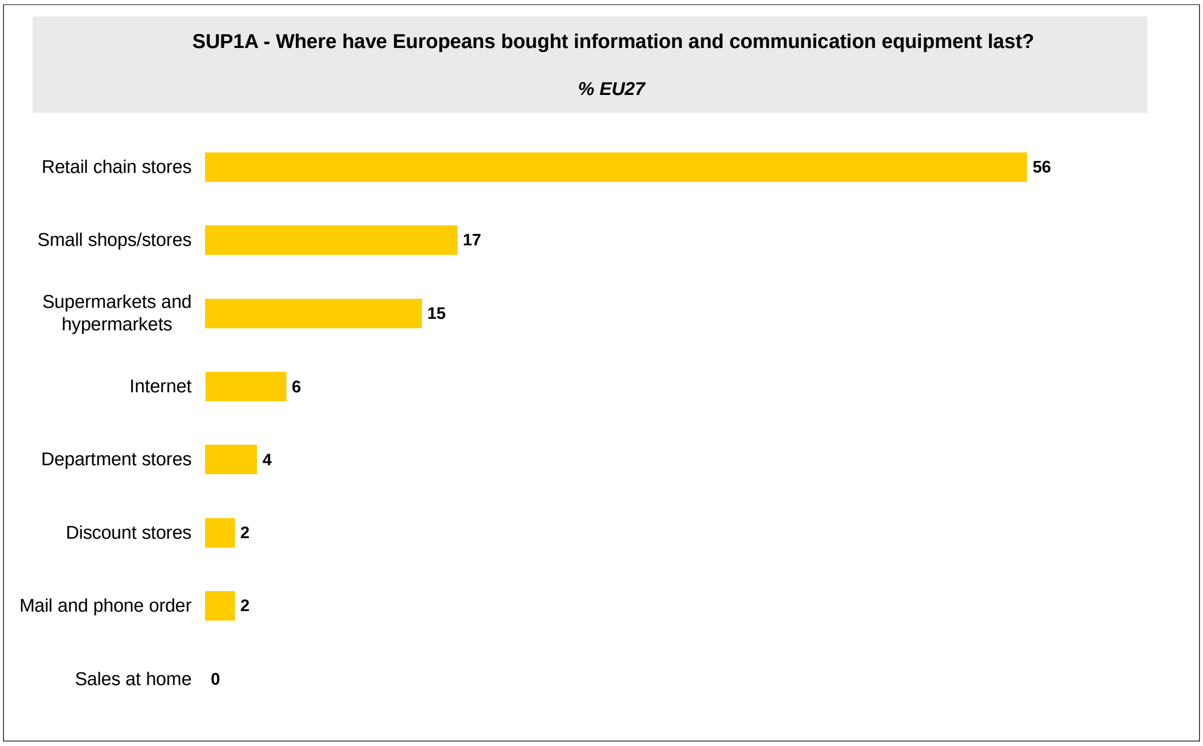


Figure 6 - Distribution channels mostly used: Supermarkets & hypermarkets (% by country)



Consumers were also asked to say where (i.e. only one answer) they last bought ICT equipment. More than one in two consumers mentioned retail chain stores, as shown in the following chart.

Figure 7 – Distribution channel used last (% EU27)



Consumers were then asked to evaluate the product market on different dimensions, based on their last purchase experience. Results are shown in the following chapters.

Chapter 2 – Overall satisfaction

1. Overall satisfaction with the retailer

1.1. OVERALL RESULTS

Three out of four EU consumers are satisfied with their retailer when it comes to buying ICT equipment. Consumers from the New Member States tend to be slightly more satisfied with their retailer than those in the EU15.

The proportion of consumers who are dissatisfied is marginal, whether in the EU15 or in the NMS12.

1.2. DIFFERENCES BY DISTRIBUTION CHANNEL

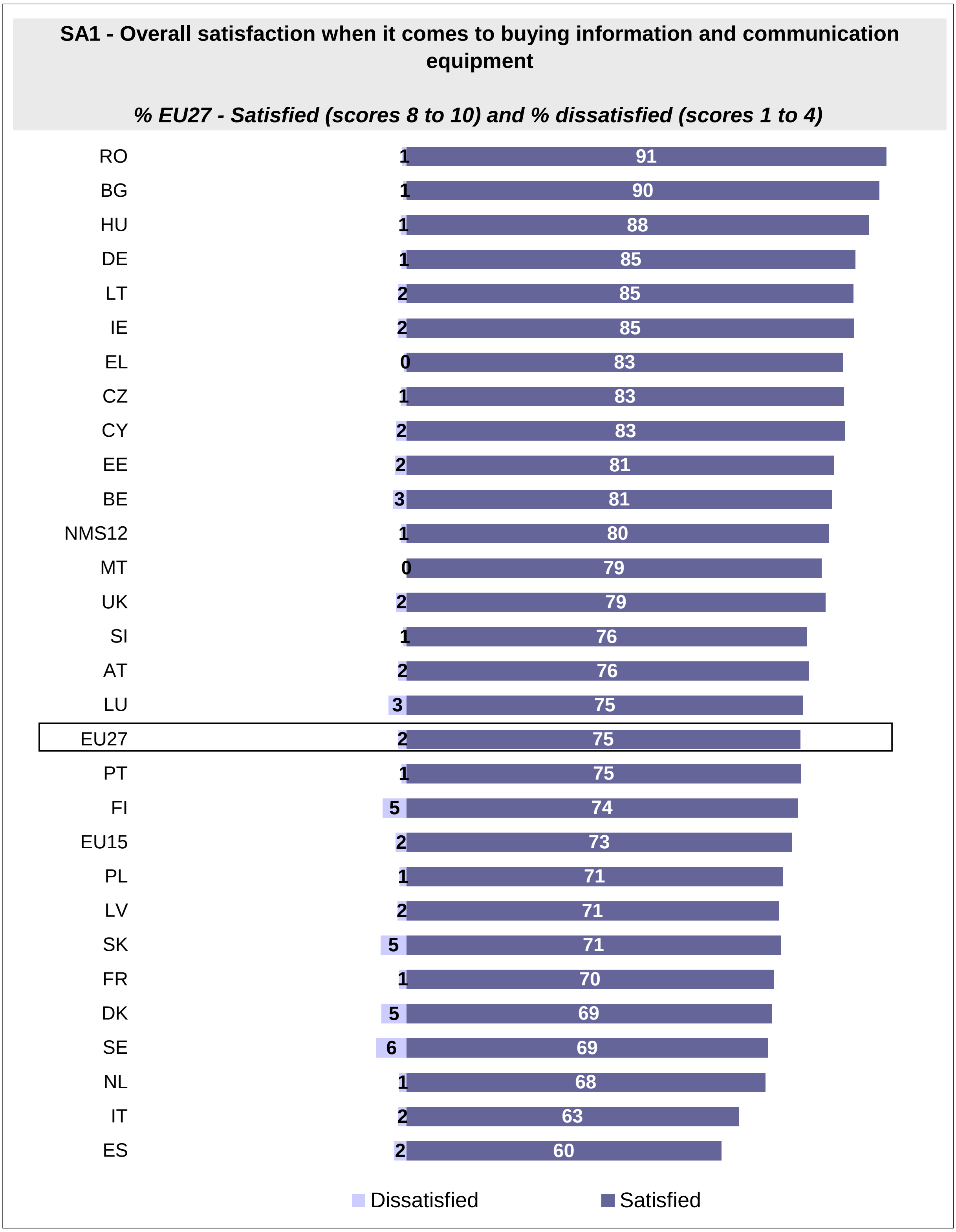
Those who purchase ICT equipment via the Internet and in discount stores seem to be the most satisfied (80% each) with their retailer. The level of satisfaction concerning the retail chain stores, where a majority of consumers buy ICT equipment, is broadly in line with the average satisfaction with retailers (75.4% against an EU average of 74.5%).

1.3. DIFFERENCES BETWEEN EU MEMBER STATES

Romanians (91%) and Bulgarians (90%) are most likely to be satisfied with their retailers whereas the least satisfied consumers are found in Spain (60%) and Italy (63%).

Results are shown in the following chart.

Figure 8 - Overall satisfaction with retailer (% by country)



1.4. DIFFERENCES BY SOCIO-ECONOMIC PROFILE

Results broken down by socio-demographic variables do not show significant differences, except for students who seem less satisfied than the others with their retailer.

2. Value for money of products

2.1. OVERALL RESULTS

Overall, EU consumers seem to be satisfied with their retailer's prices/quality when it comes to information and communication equipment (67% satisfied). Satisfaction is clearly marked among consumers from the New Member States (75% satisfied compared to 64% in the EU15). Very few people are dissatisfied whether in the EU15 or in the NMS12 (2% on average).

2.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Consumers who buy ICT equipment in discount stores are the most satisfied with the value for money offered by their retailer (77% satisfied against an EU average of 67%) while 70% are happy in this respect when purchasing via the Internet. The least satisfied are those who buy these products in department stores (61%).

2.3. DIFFERENCES BETWEEN EU MEMBER STATES

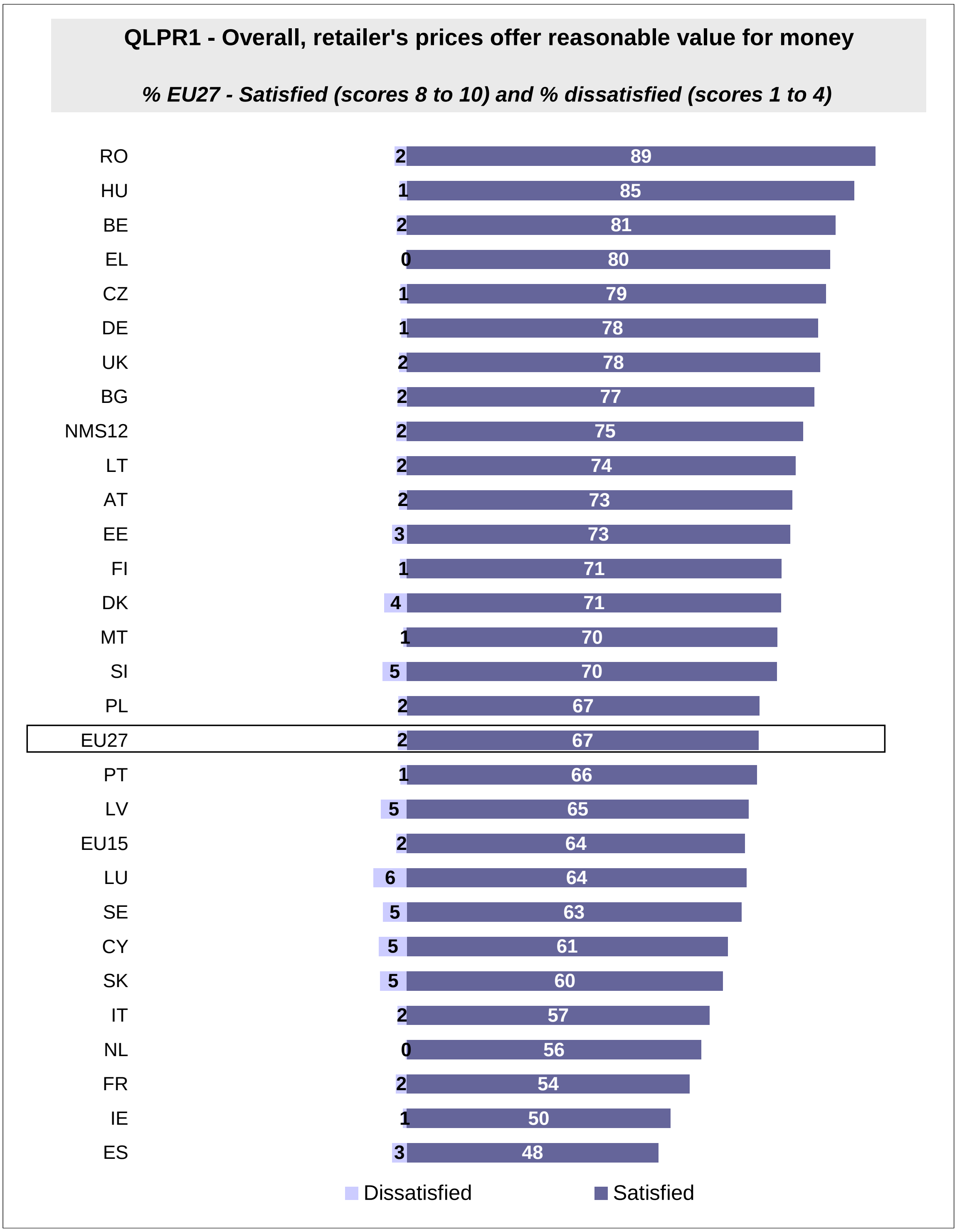
More than three out of four of the consumers in the following countries are satisfied with their retailer's prices when it comes to ICT equipment: Romania (89%), Hungary (85%), Belgium (81%), Greece (80%), the Czech Republic (79%), Germany, the UK (78% each) and Bulgaria (77%).

The proportion of consumers who are satisfied with their retailer's prices is below 50% only in one country, namely Spain (48%). In four other countries, the segment of satisfied consumers is less than 60%: Ireland (50%), France (54%), the Netherlands (56%) and Italy (57%).

The highest proportion of dissatisfied consumers (compared to an EU27 average of 2%) is observed in Luxembourg (6%).

Results are shown in the following chart.

Figure 9 – Overall price and quality (% by country)



2.4. DIFFERENCES BY SOCIO-ECONOMIC PROFILE

Students, unemployed and retired persons tend to be slightly less satisfied than the average European consumer when it comes to evaluating their retailer's value for money on information and communication equipment.

3. Quality of services

3.1. OVERALL RESULTS

Overall, EU consumers seem to be satisfied with the quality of services offered by their retailer when it comes to ICT equipment (73% satisfied). Consumers from the New Member States tend to be slightly more satisfied (79% satisfied) than the others (72% in the EU15). Very few people are dissatisfied whether in the EU15 or in the NMS12 (2% in the EU27).

3.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Those who purchase ICT equipment in department stores (76%) and retail chain stores (75%) seem to be slightly more satisfied with the quality of services offered by their retailer than those who purchase these products through other channels of distribution, particularly supermarkets and hypermarkets (67%).

3.3. DIFFERENCES BETWEEN EU MEMBER STATES

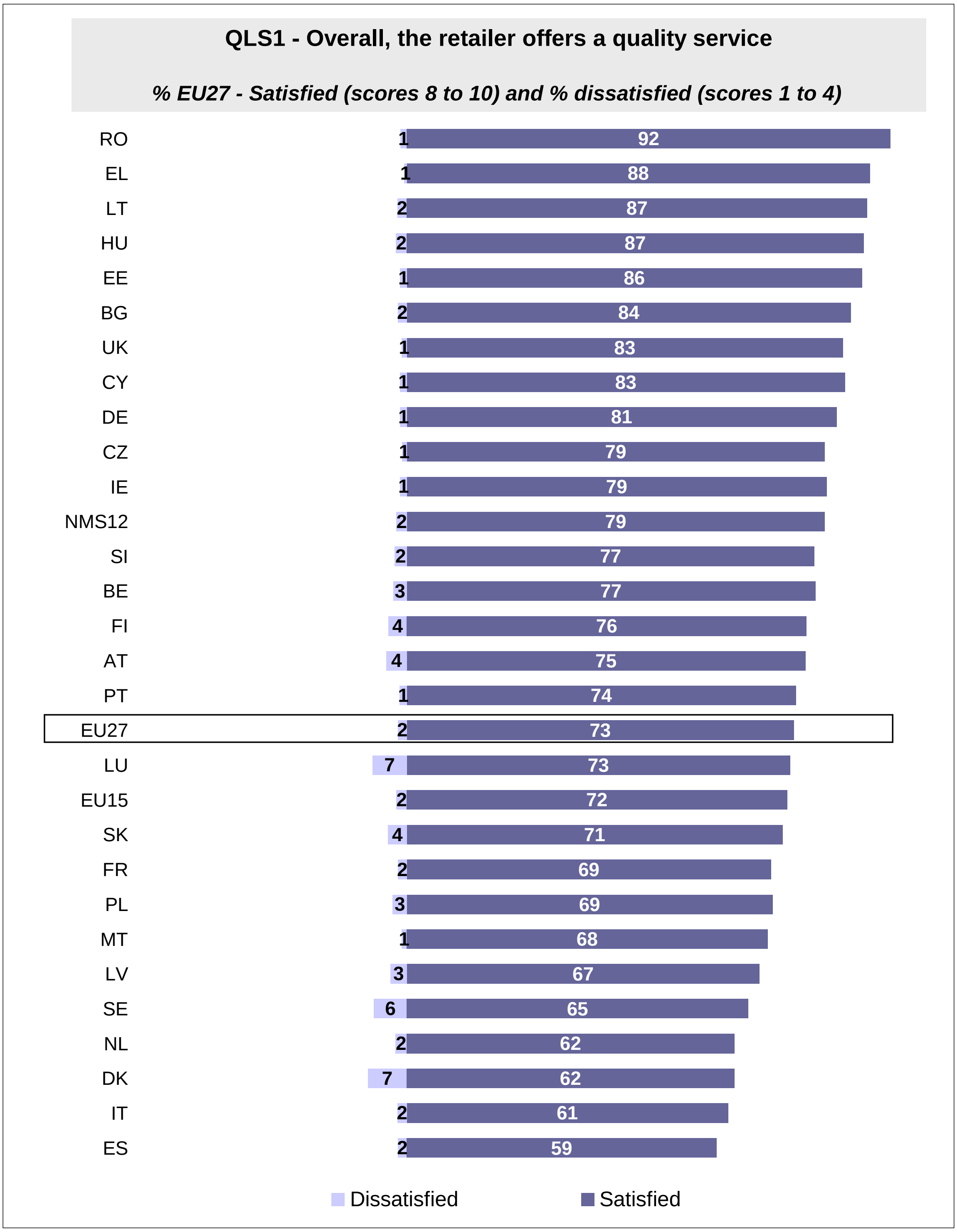
In all EU Member States, the absolute majority consumers are satisfied with the quality of services offered by their retailer, particularly in Romania (92%), Greece (88%), Lithuania, Hungary (87% each) and Estonia (86%).

At the other side of the spectrum, we find Spain where 59% of consumers declare being satisfied with the quality of services offered by their retailer.

In Luxembourg and Denmark, 7% of consumers are dissatisfied (against an EU average of 2%).

Results are shown in the following chart.

Figure 10 – Overall quality service (% by country)



3.4. DIFFERENCES BY SOCIO-ECONOMIC PROFILE

Women tend to be more satisfied than men when it comes to evaluating the quality of service offered by their retailer. In addition, the older the consumer is, the more satisfied they are. As previously observed, students seem to be relatively less satisfied.

4. Respect of consumer protection rules

4.1. OVERALL RESULTS

Overall, consumers think that their retailer is trustworthy and adheres to the rules set in place to protect consumers. In the New Member States, more than 7 in 10 think so, whereas this is the case for 64% of consumers in the EU15.

4.2. DIFFERENCES BY DISTRIBUTION CHANNEL

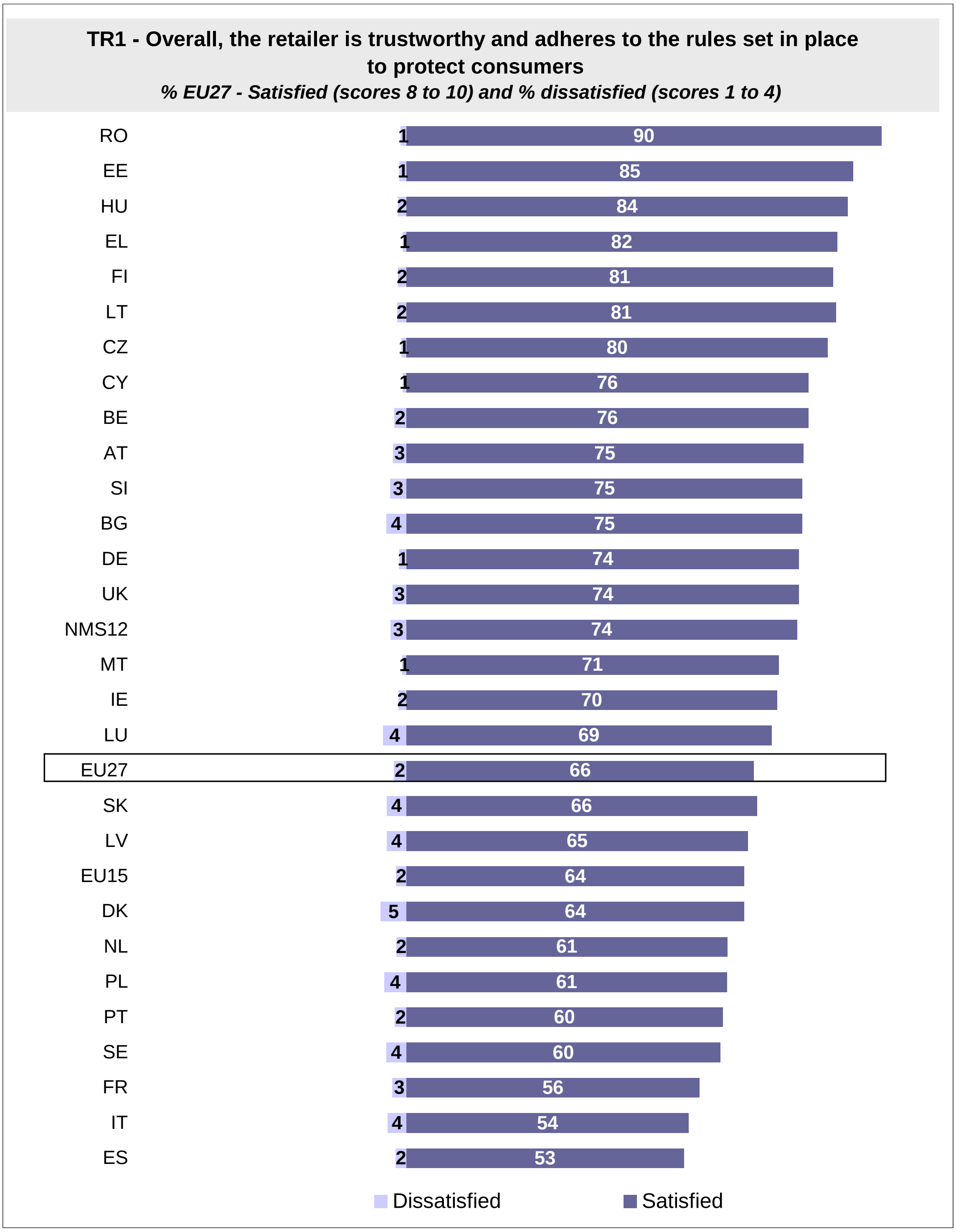
Those who purchase ICT equipment in discount stores (69%), in retail chain stores and in department stores (68% each) are more inclined than the others, especially those who buy these products in supermarkets and hypermarkets (59%), to think that their retailer is trustworthy and adheres to the rules set in place to protect consumers.

4.3. DIFFERENCES BETWEEN EU MEMBER STATES

In each country, at least 50% of consumers think that their retailer is trustworthy and adheres to the rules set in place to protect them. In Romania, they are 9 in 10 to think so. At the other side of the spectrum we find Spain (53%), Italy (54%) and France (56%). Very few EU27 consumers (never more than 5%) declare being dissatisfied.

Results are shown in the following chart.

Figure 11 – Overall trust (% by country)



4.4. DIFFERENCES BY SOCIO-ECONOMIC PROFILE

As observed previously, the older the consumer is the more satisfied with the retailer they are. Again, students, but also those who spent the shortest period in education, seem to be the least satisfied with the way their retailer comply with consumer protection rules.

5. Satisfaction with market

5.1. OVERALL RESULTS

Overall, EU consumers seem to be satisfied with the market for ICT equipments (68% satisfied). As already observed, consumers from the New Member States tend to be more satisfied (74% satisfied) than the others (66% in the EU15). Very few people are dissatisfied whether in the EU15 or in the NMS12 (2% on average).

5.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Consumers who generally purchase ICT equipment in discount stores give a more positive evaluation of the market in general (75% satisfied against an EU average of 68%) than those who purchase these products through other distribution channels. Those who purchase via the Internet and retail chain stores are also relatively more satisfied with the market.

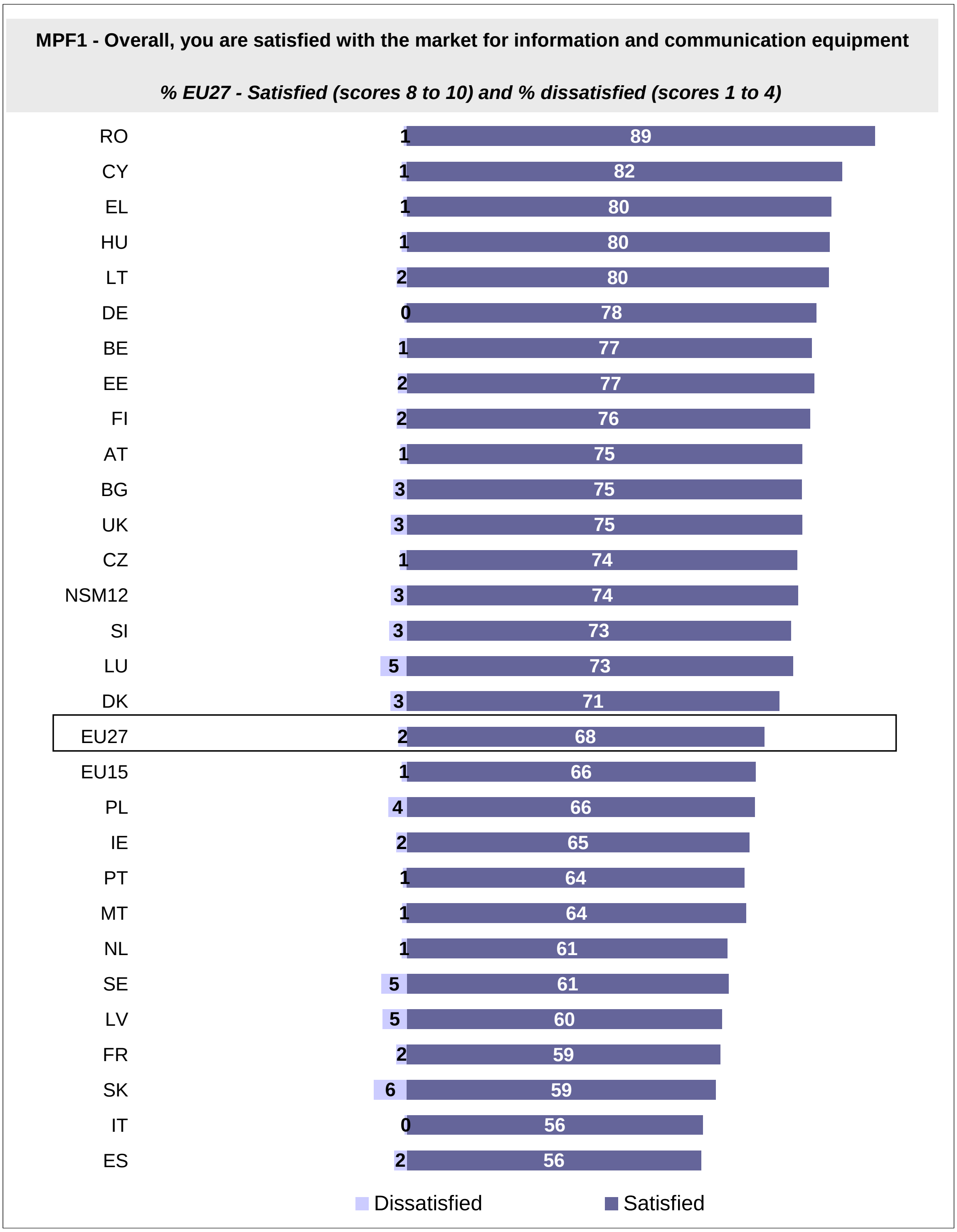
5.3. DIFFERENCES BETWEEN EU MEMBER STATES

In all of the EU27 Member States, more than one out of two consumers is satisfied with the market for ICT equipment. As already observed for other dimensions, the most satisfied consumers are found in Romania (89%), followed by Cypriots (82%), Greeks, Hungarians and Latvians (80% each).

On the other hand, Spaniards, Italians (56% each), French and Slovakians (59% each) are, as already seen before, least satisfied consumers in the EU27's.

Results are shown in the following chart.

Figure 12 – Overall satisfaction with the market (% by country)



5.4. DIFFERENCES BY SOCIO-ECONOMIC PROFILE

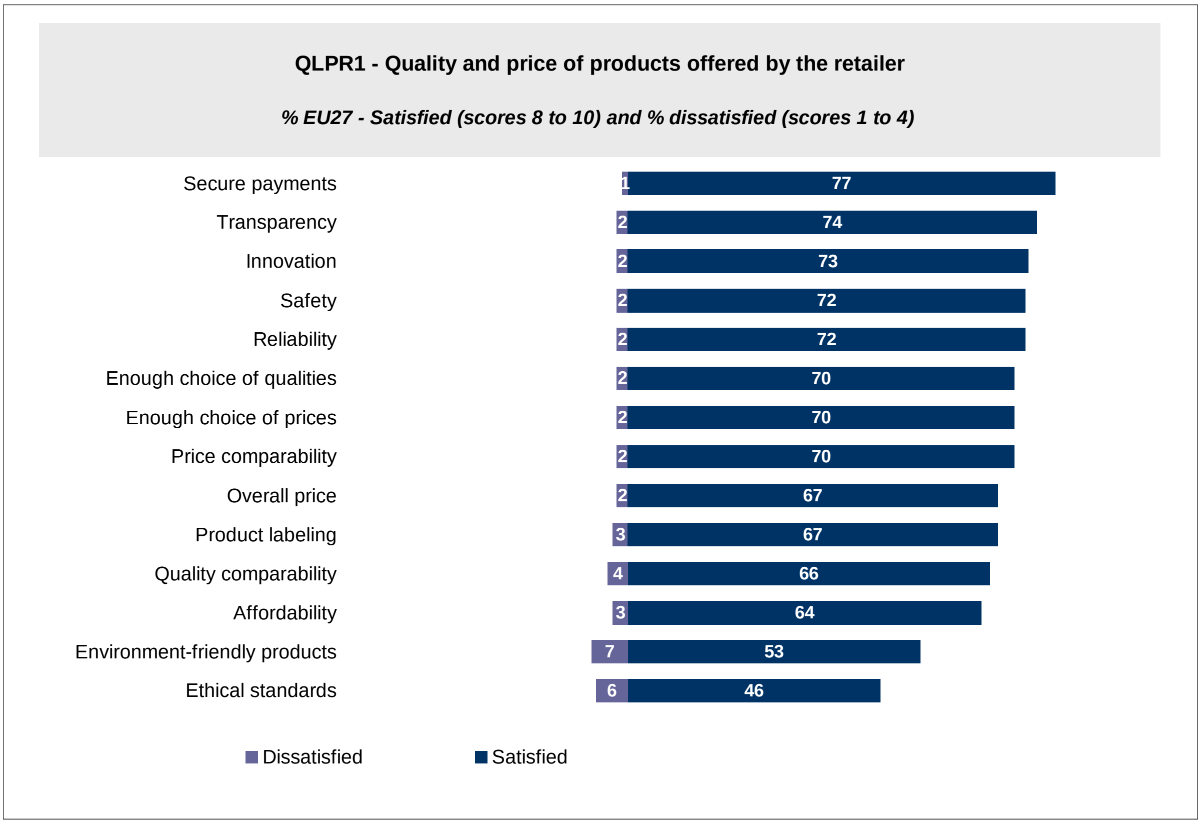
Women tend to be slightly more satisfied than men when it comes to evaluating the market for ICT equipment. The least satisfied consumers are found among students and unemployed as well as among those who have relatively shorter education (studied until the age of 15).

Chapter 3 – Detailed results

1. Quality and price of products

1.1. OVERALL RESULTS

Figure 13 – Overall quality and price of products



Speaking of quality and prices of ICT equipment offered by their retailer, more than 7 consumers in 10 said they were particularly satisfied with:

- Modes of payments i.e. the retailer offers easy and safe ways to pay for their products (77% satisfied)
- Price transparency i.e. prices are clear and accurate so that consumers know exactly what they are going to pay, before they buy the product (74% satisfied)
- Innovation (73% satisfied)
- Safety and reliability of products (72% satisfied)

On the other hand, only 46% of EU27 consumers think their retailer offers a wide enough choice of products that have been produced according to specific ethical standards (e.g. “fair trade”, produced without the use of child labour, etc.) and only 53% think their retailer offers a sufficient selection of environment-friendly products.

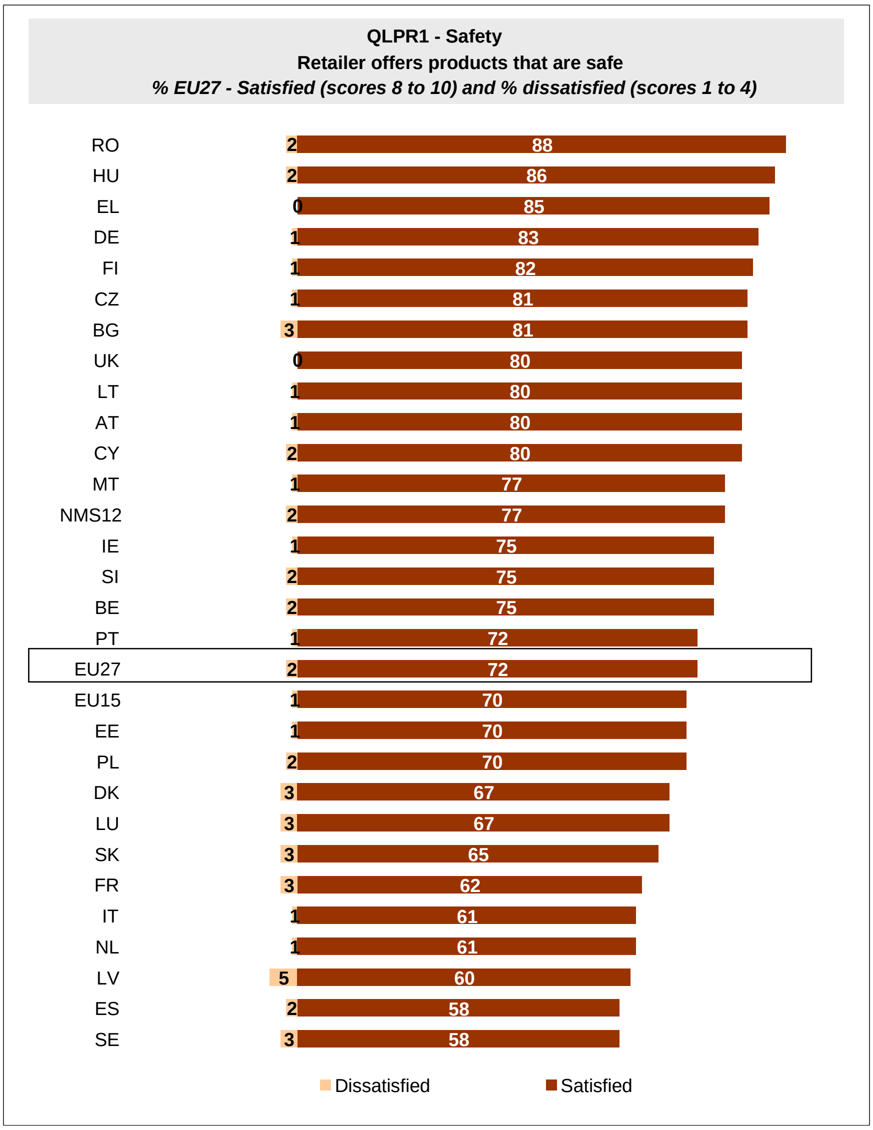
1.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Consumers who purchase ICT equipment in department stores and retail chain stores are generally more satisfied with the aspects of price/quality. Those who purchase via the Internet are particularly satisfied with the choice of prices and quality as well as the ease of comparing prices.

1.3. DIFFERENCES BETWEEN EU MEMBER STATES

A) SAFETY

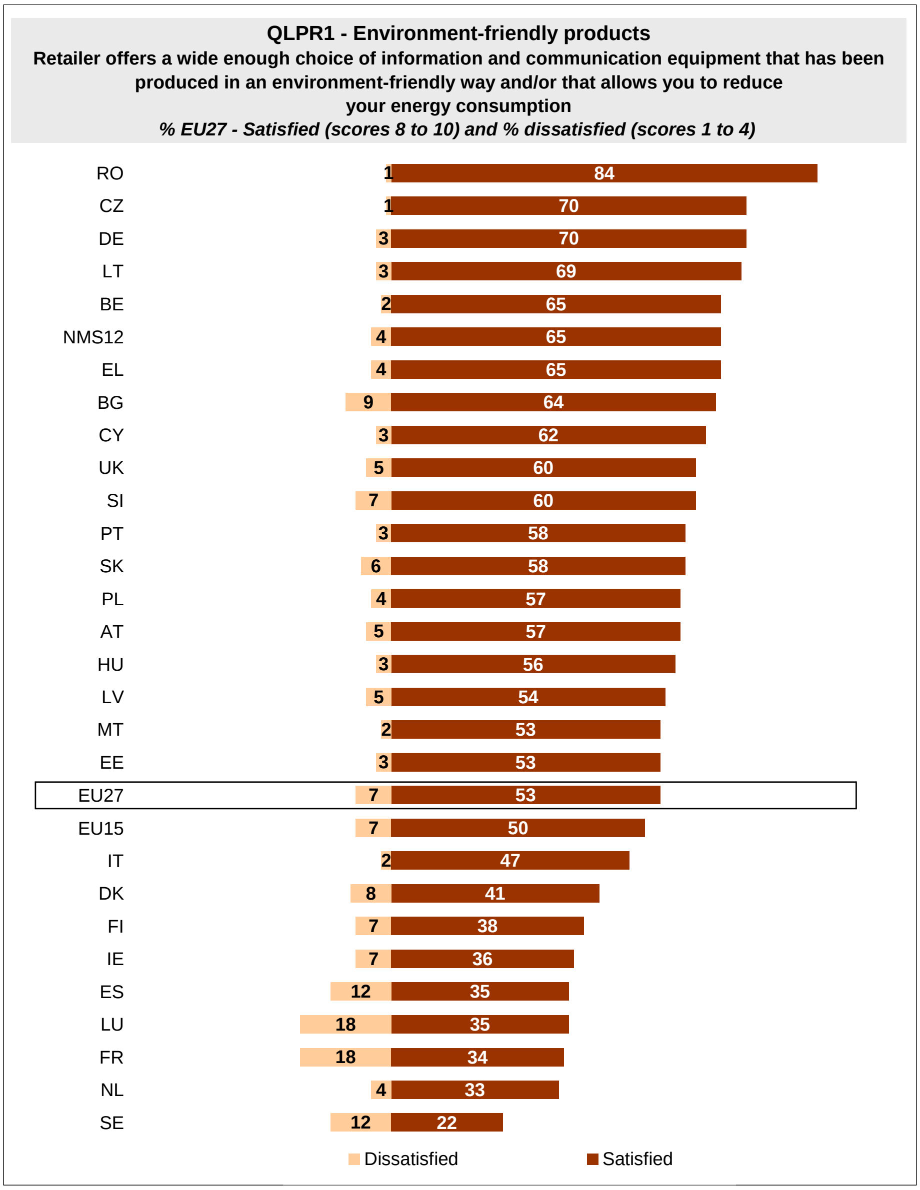
Figure 14 –Quality and price of products: Safety (% by country)



On average, more than 7 consumers in 10 believe that the ICT equipment offered by their retailer is safe. This is particularly the case in Romania (88% satisfied consumers), Hungary (86%) and Greece (85%) while the least satisfied consumers are found in Sweden and in Spain (58% each).

B) ENVIRONMENT-FRIENDLY PRODUCTS

Figure 15 – Quality and price of products: Environment-friendly products (% by country)

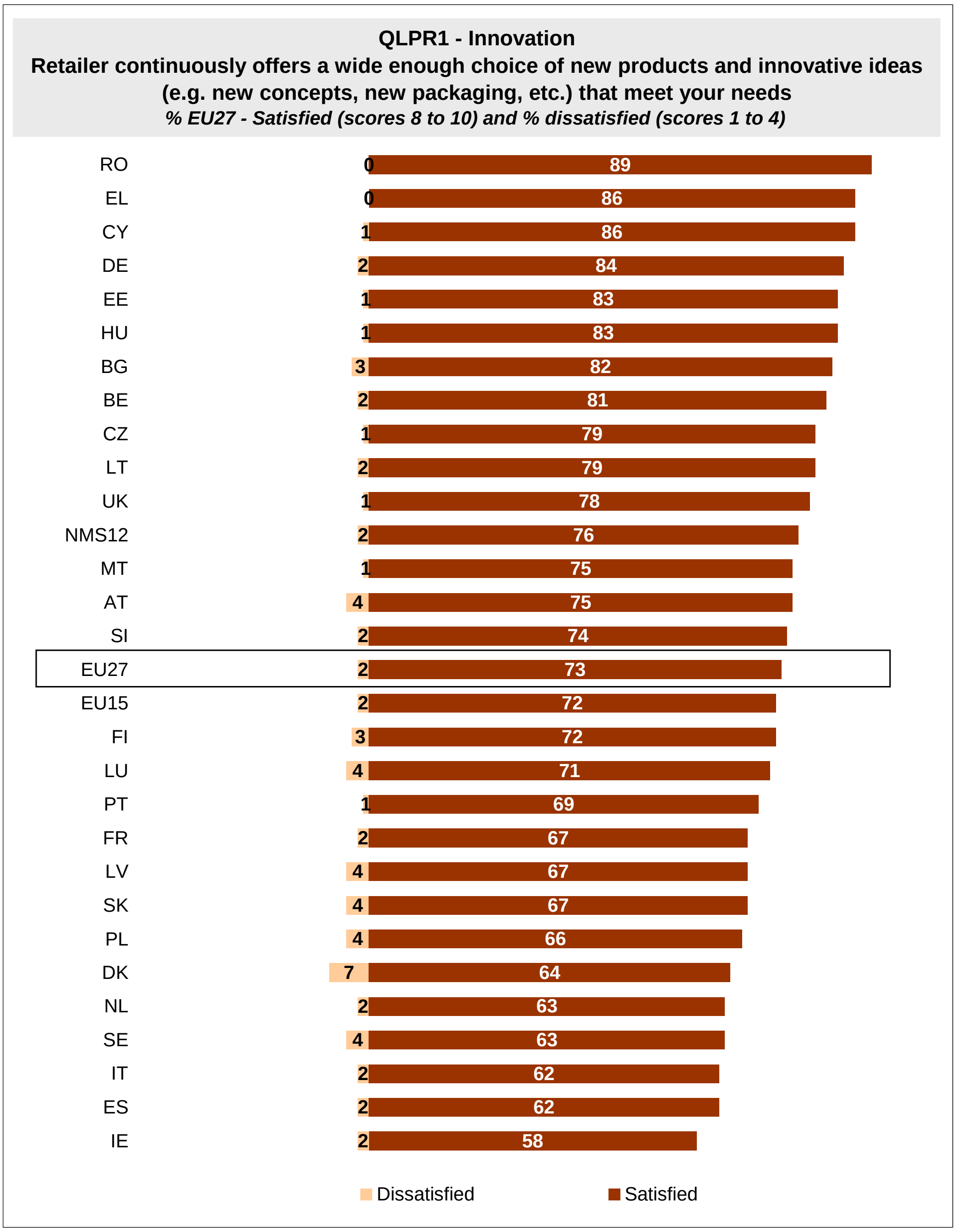


In France and in Luxembourg consumers are more dissatisfied than the average European consumer (18% against an EU average of 7%) with the way ICT equipment is produced in terms of environmental standards. They think that their retailer offers ICT equipment that has not been produced in an environment-friendly way. At the same time, 84% of Romanian consumers are satisfied with the way ICT equipment is produced (53% in EU27) while there are only 22% in Sweden to think so.

It is also interesting to note the high proportion of people who could not answer the question in some countries ("don't know"), compared to an EU average of 10.5%. This is especially the case of Sweden (37%) and Denmark (34%).

C) INNOVATION

Figure 16 – Quality and price of products: Innovation (% by country)

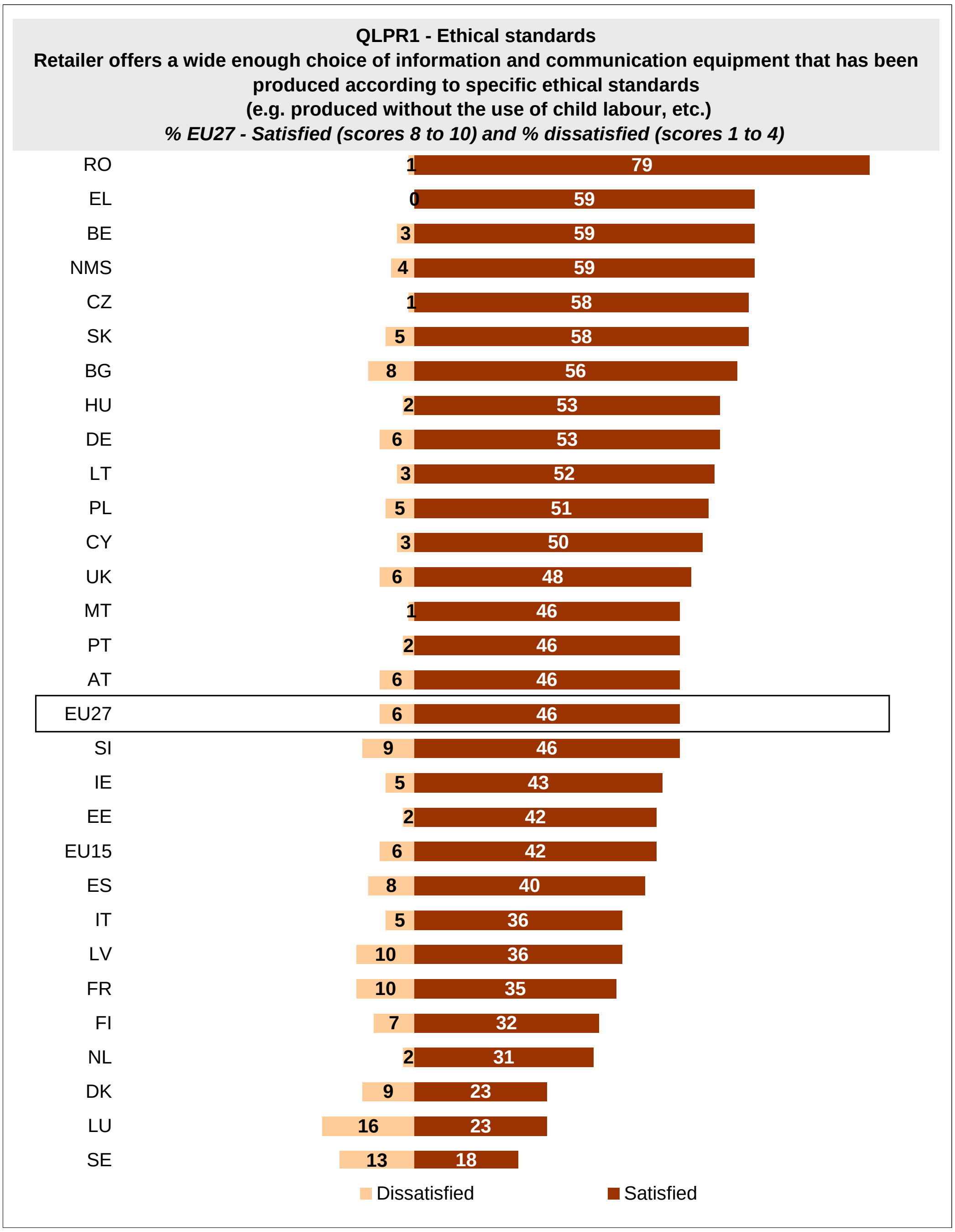


Romanian (89%), Greek and Cypriot (86% each) consumers are very satisfied with the choice of new products and innovative ideas their retailer of ICT equipment offers (73% in EU27). There are only 58% of consumers who think so in Ireland.

It is also interesting to note the low proportions of dissatisfied consumers (never above 7%) and people who could not answer the question (1.1% “don’t know”).

D) ETHICAL STANDARDS

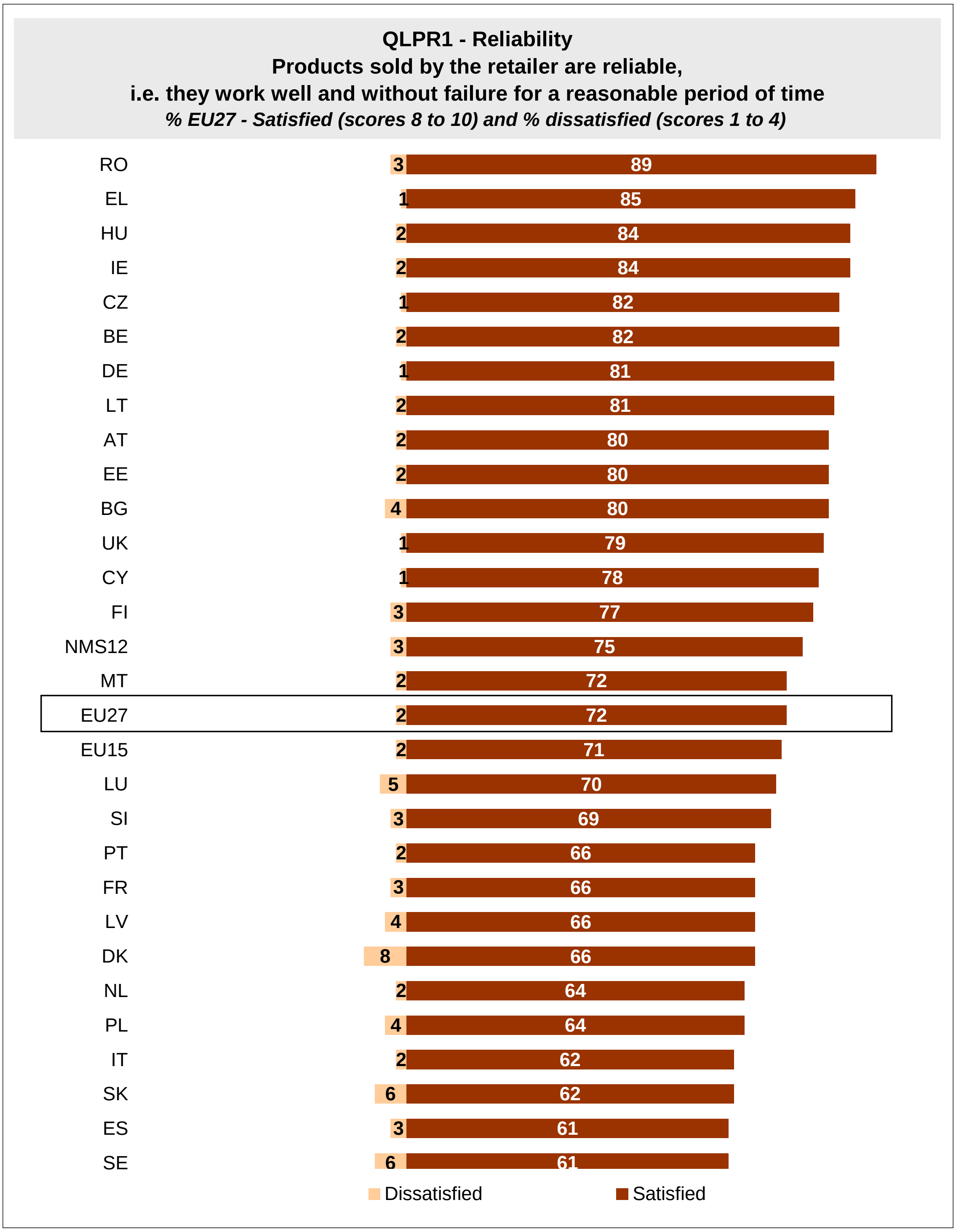
Figure 17 – Quality and price of products: Ethical standards (% by country)



A lack of choice of products that have been produced according to ethical standards of production is a source of dissatisfaction for some consumers. This is particularly the case in Luxembourg (16%) and in Sweden (13%). Although 79% of Romanian consumers (with an EU average of 46%) are satisfied in this respect, there are only 18% of consumers in Sweden and 23% in Luxembourg and Denmark who subscribe to this view.

E) RELIABILITY

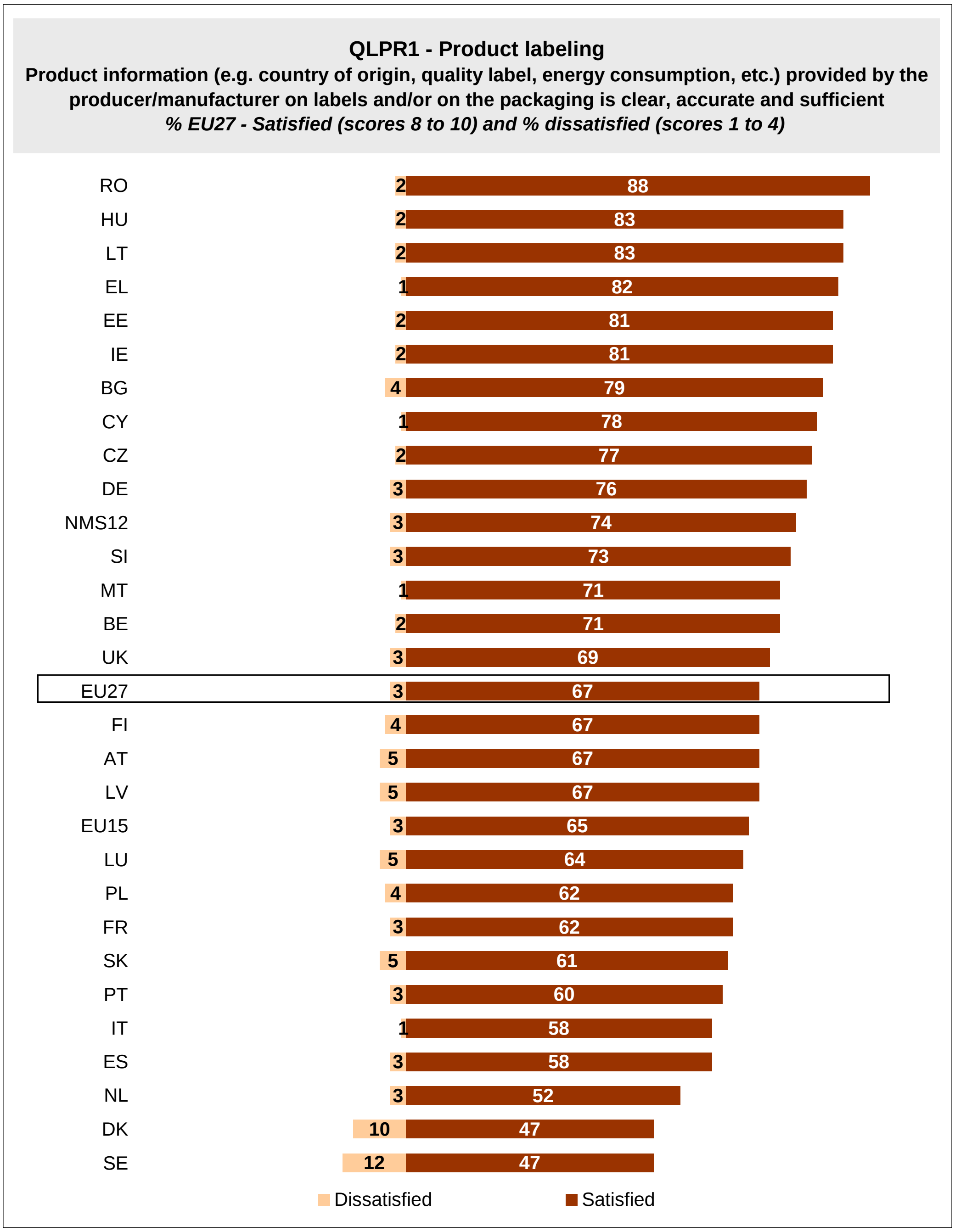
Figure 18 – Quality and price of products: Reliability (% by country)



More than 8 consumers in 10 in Romania, Greece, Hungary, Ireland, the Czech Republic, Belgium, Germany and Lithuania (against an EU average of 72%) are satisfied with the reliability of their ICT equipment. At the other side of the spectrum, there are only 61% of Swedish and of Spanish consumers who think so. On the other hand, only 2% of European consumers are dissatisfied with the reliability of their ICT equipment.

F) PRODUCT LABELING

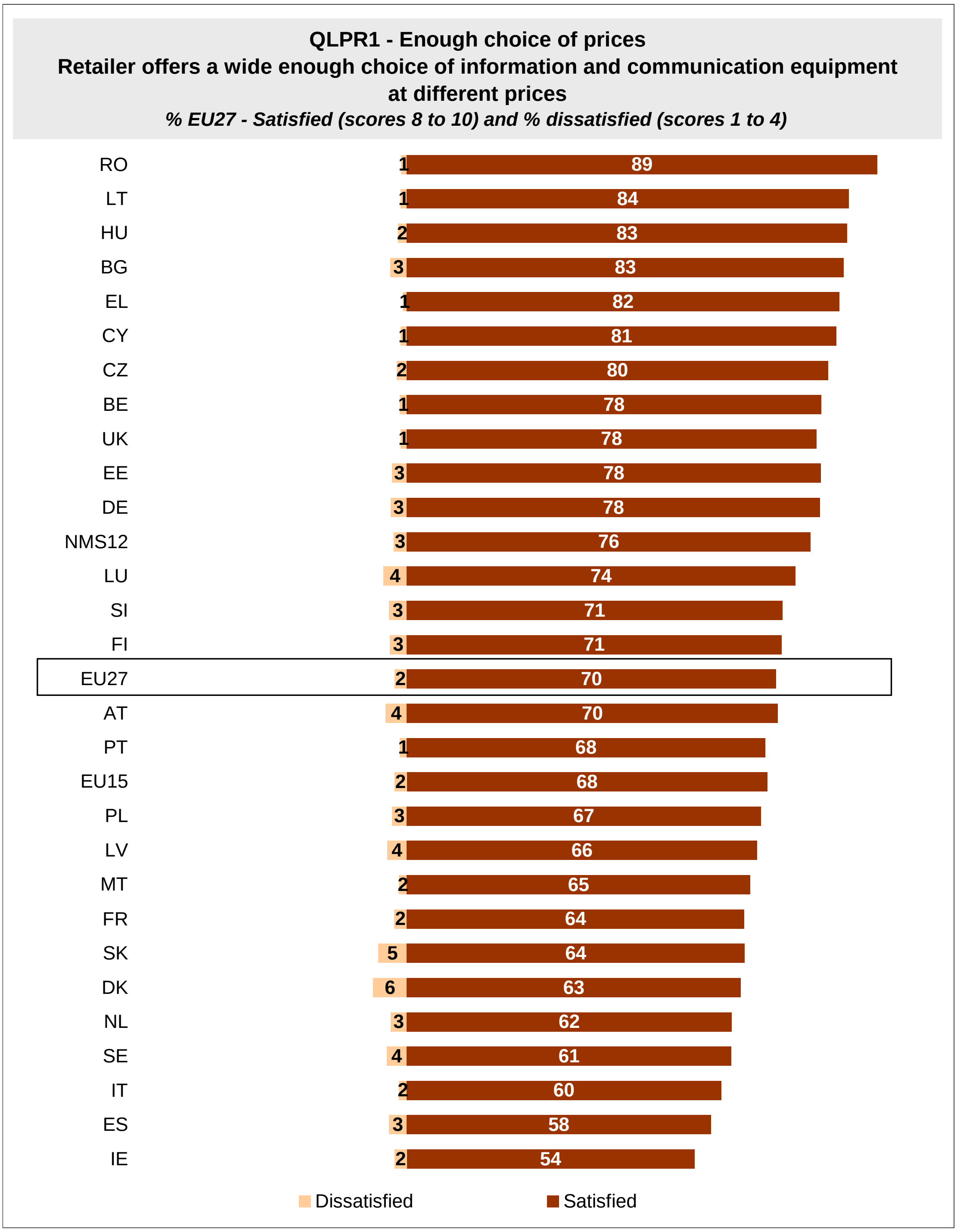
Figure 19 - Quality and price of products: Product labeling (% by country)



12% of Swedish consumers and 10% of Danish consumers (against an EU average of 3%) are dissatisfied with product labeling at their retailer. Furthermore, those are the only two countries where less than 1 consumer in 2 are satisfied with the labeling (47% each). However, labeling is not a problem for more than 8 consumers in 10 in Romania, Hungary, Lithuania, Greece, Estonia and Ireland.

G) ENOUGH CHOICE OF PRICES

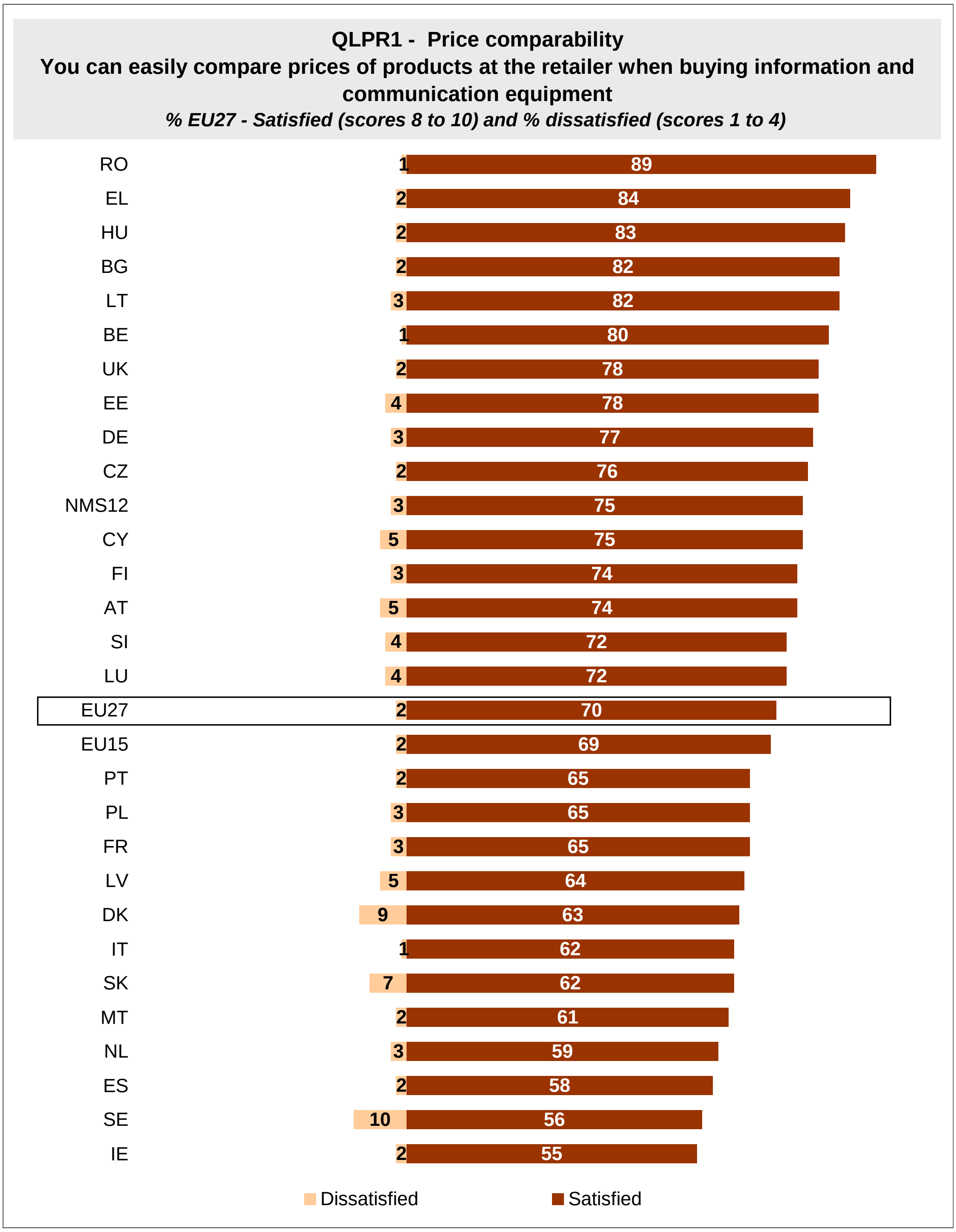
Figure 20 – Quality and price of products: enough choice of prices (% by country)



Almost 9 consumers in 10 in Romania (against an EU average of 70%) are satisfied with the choice of prices of ICT equipment offered by their retailer. This is also the case of more than 8 consumers in 10 in Lithuania, Hungary, Bulgaria, Greece and Cyprus. At the other side of the spectrum, we find Ireland and Spain with less than 60% satisfied consumers. The number of dissatisfied consumers is very low across countries (never more than 6% dissatisfied consumers).

H) PRICE COMPARABILITY

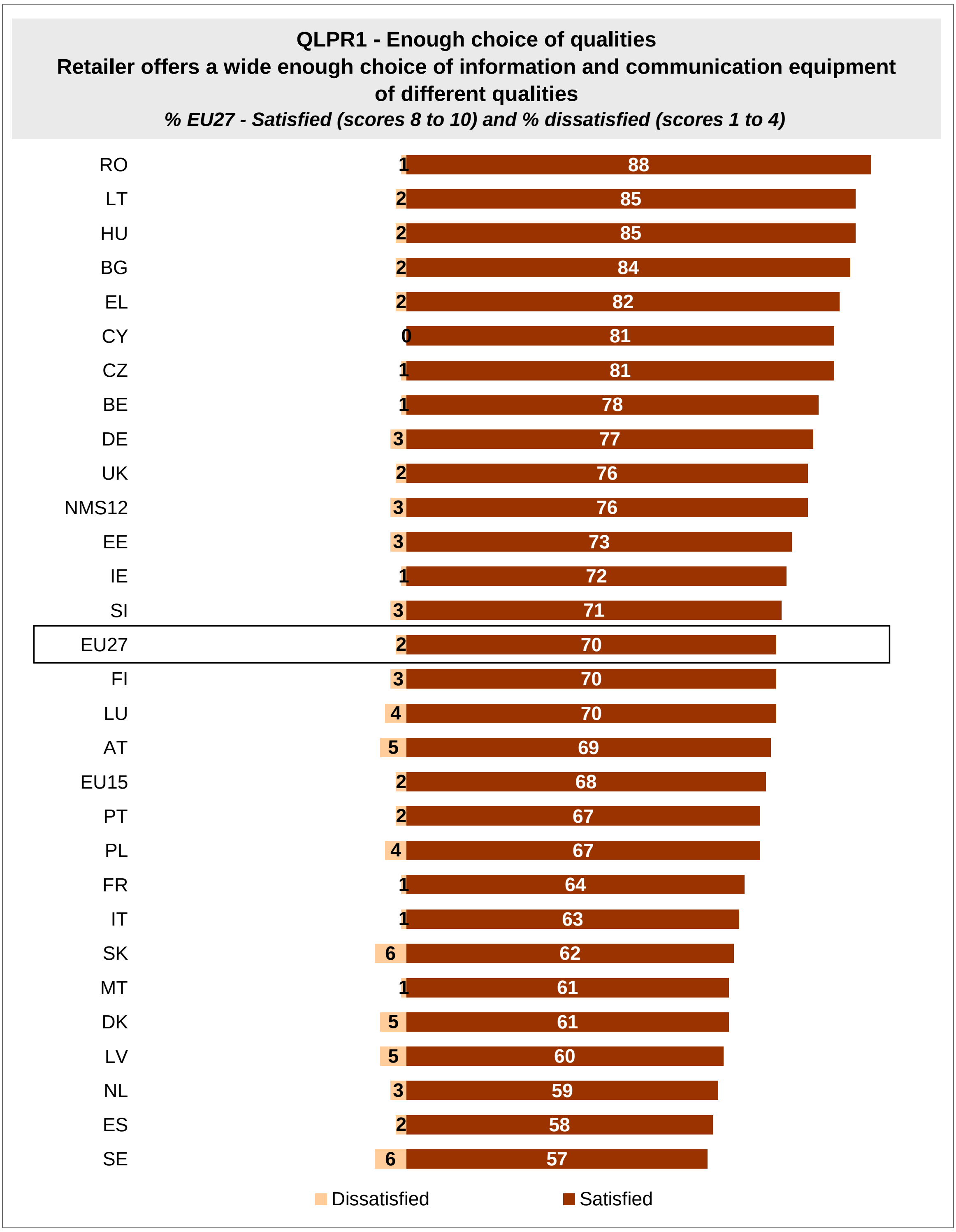
Figure 21 – Quality and price of products: price comparability (% by country)



In all EU Member States, the majority of consumers are satisfied when it comes to the price comparability. The most satisfied consumers are found in Romania, Greece, Hungary and Bulgaria (more than 8 consumers in 10). The least satisfied consumers are found in Ireland (55%), Sweden (56%), Spain (58%) and in the Netherlands (59%).

I) ENOUGH CHOICE OF QUALITIES

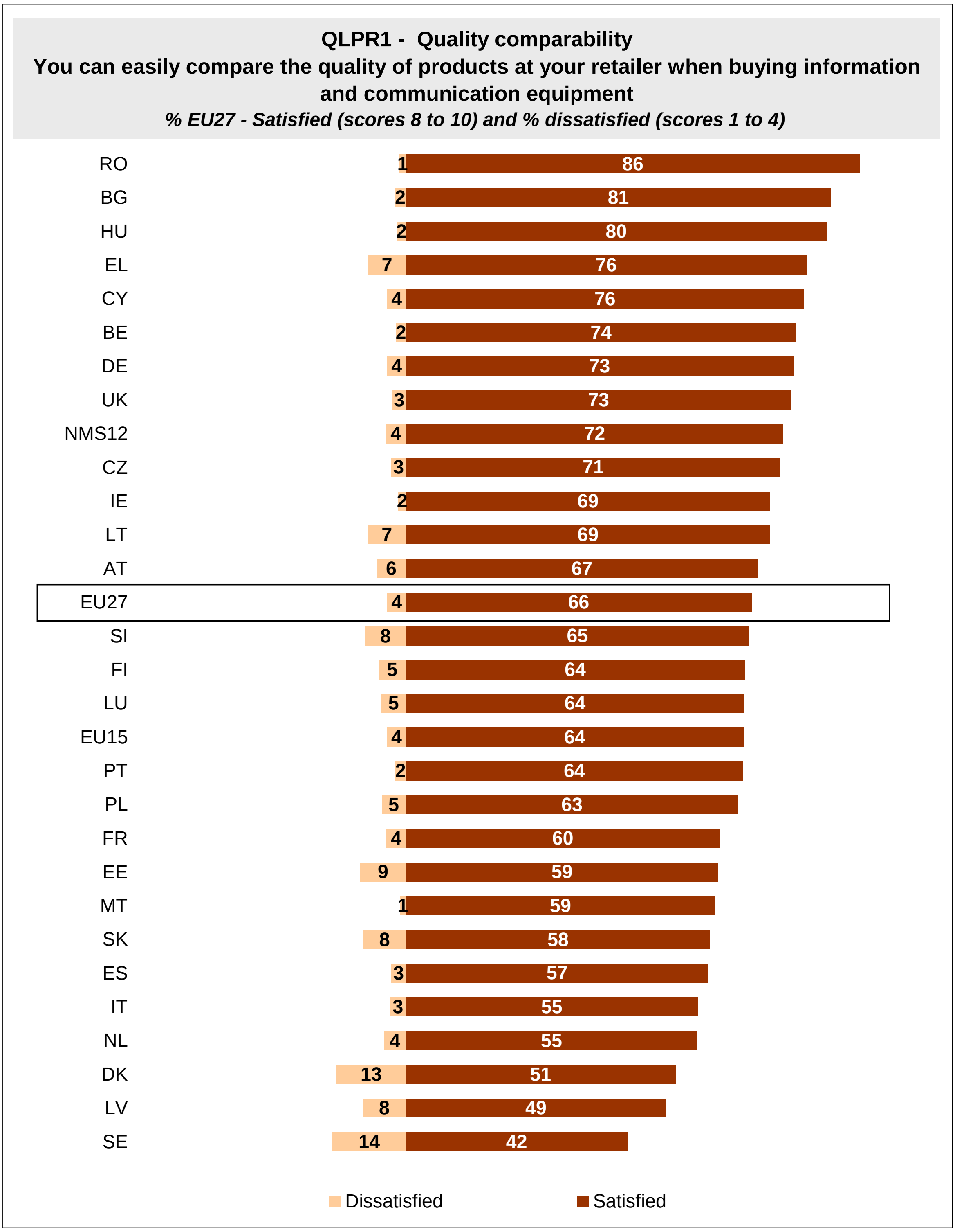
Figure 22 – Quality and price of products: enough choice of qualities (% by country)



Romanian consumers are once again the most satisfied (88%) with the choice of qualities of ICT equipment offered by their retailer (against an EU average of 70%). Answer patterns are quite similar to what was observed for "enough choice of prices"; the Romanian consumers are followed by the Lithuanian, Hungarian and Bulgarian consumers.

J) QUALITY COMPARABILITY

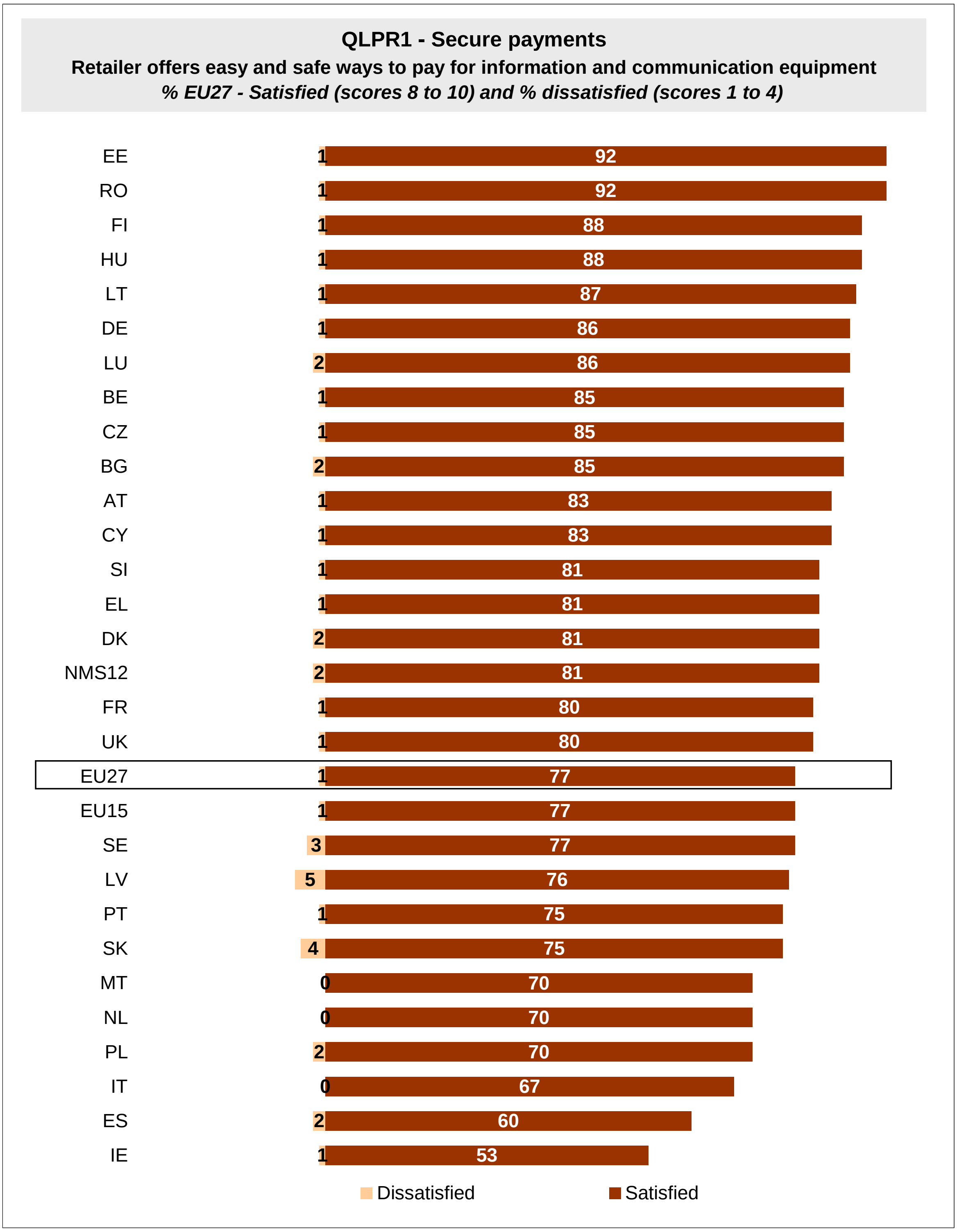
Figure 23 – Quality and price of products: quality comparability (% by country)



Except Swedes (42%) and Latvians (49%), the majority of consumers are satisfied when it comes to quality comparability. The most satisfied consumers are found in Romania (86%), Bulgaria (81%) and Hungary (80%). It is also interesting to note the relatively high proportion of dissatisfied consumers (compared to an EU average of 4%) in Sweden (14%) and in Denmark (13%).

K) SECURE PAYMENTS

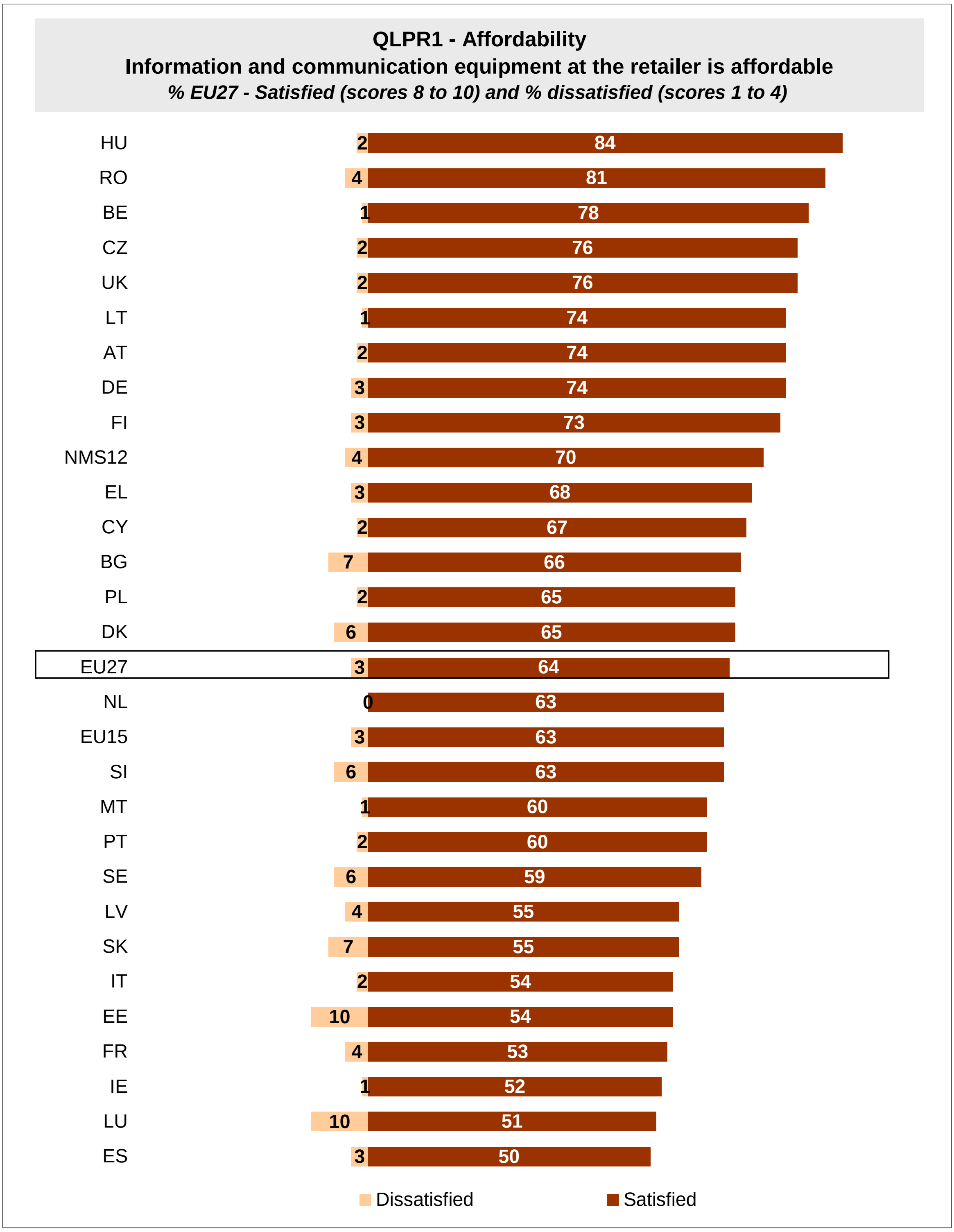
Figure 24 – Quality and price of products: secure payments (% by country)



In all EU Member States, the absolute majority of consumers are satisfied with the modes of payments offered by the retailers. This is the case of 92% of Estonian and Romanian consumers. At the other side of the spectrum we find Ireland (53%), Spain (60%) and Italy (67%).

L) AFFORDABILITY

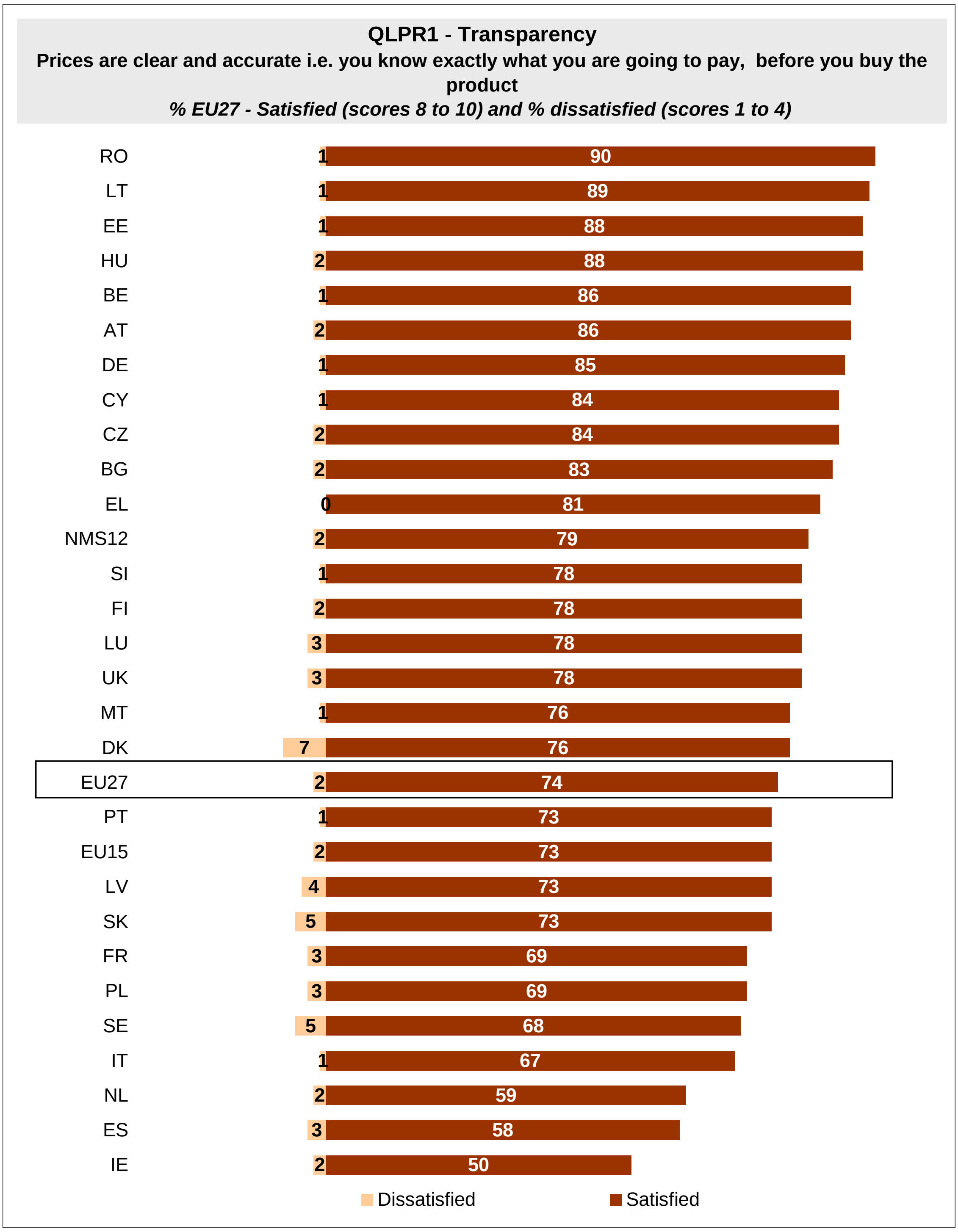
Figure 25 – Quality and price of products: affordability (% by country)



ICT equipment is affordable for more than 8 consumers in 10 in Hungary and Romania (against an EU average of 64%). At the other side of the spectrum, we find Spain (50%), Luxembourg (51%), Ireland (52%), France (53%), Estonia, Italy (54% each), Slovakia and Latvia (55% each).

M) TRANSPARENCY

Figure 26 – Quality and price of products: transparency (% by country)

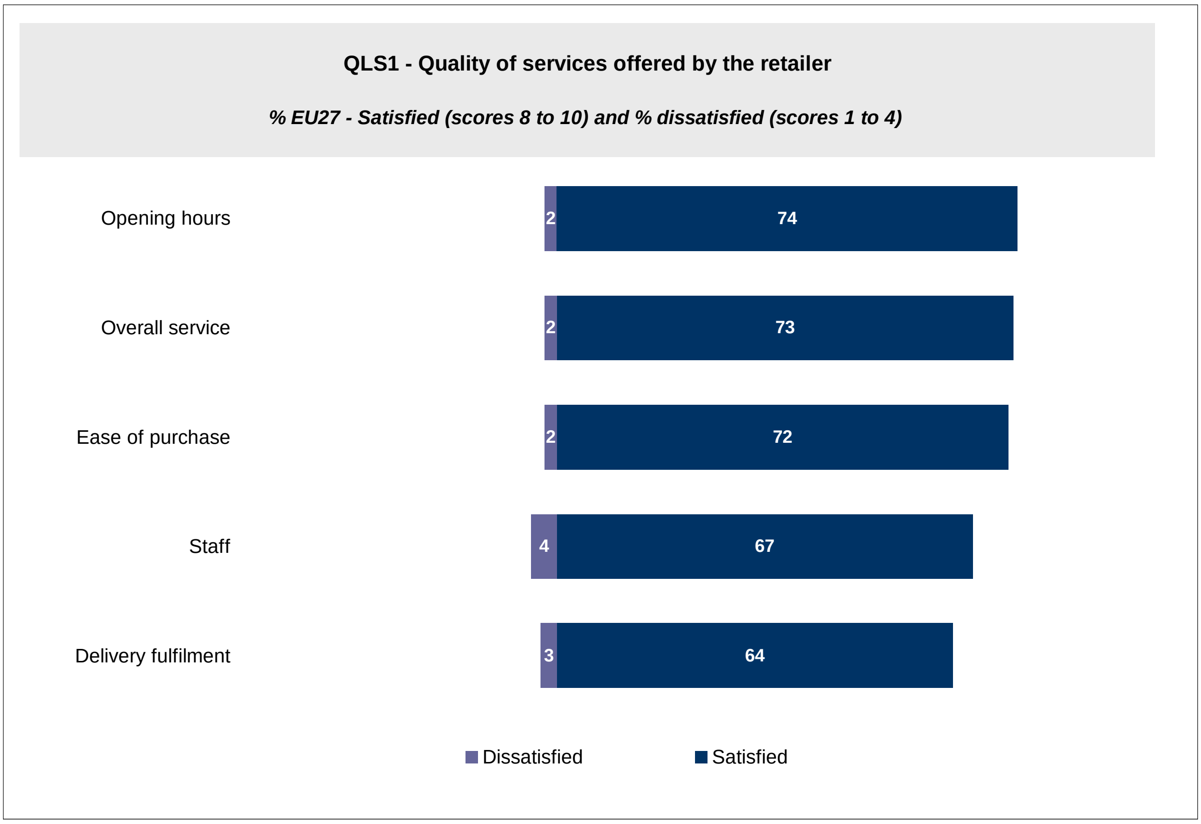


For almost 3 consumers in 4, prices are clear and accurate. This is particularly the case for Romania where 90% of consumers are satisfied in this respect. Ireland, Spain and the Netherlands are found at the bottom of the list with less than 60% satisfied consumers. However, it is interesting to note the globally low proportion of dissatisfied consumers (never more than 7%).

2. Quality of services

2.1. OVERALL RESULTS

Figure 27 – Quality of services (% EU27)



As mentioned before, more than 7 consumers in 10 are overall satisfied with the quality of services offered by their retailer. The elements with which consumers are the most satisfied are:

- Opening hours i.e. they can do their shopping when it is convenient for them (74% satisfied);
- Ease of purchase i.e. it is quick and easy to find the product they want at their retailer (72% satisfied).

2.2. DIFFERENCES BY DISTRIBUTION CHANNEL

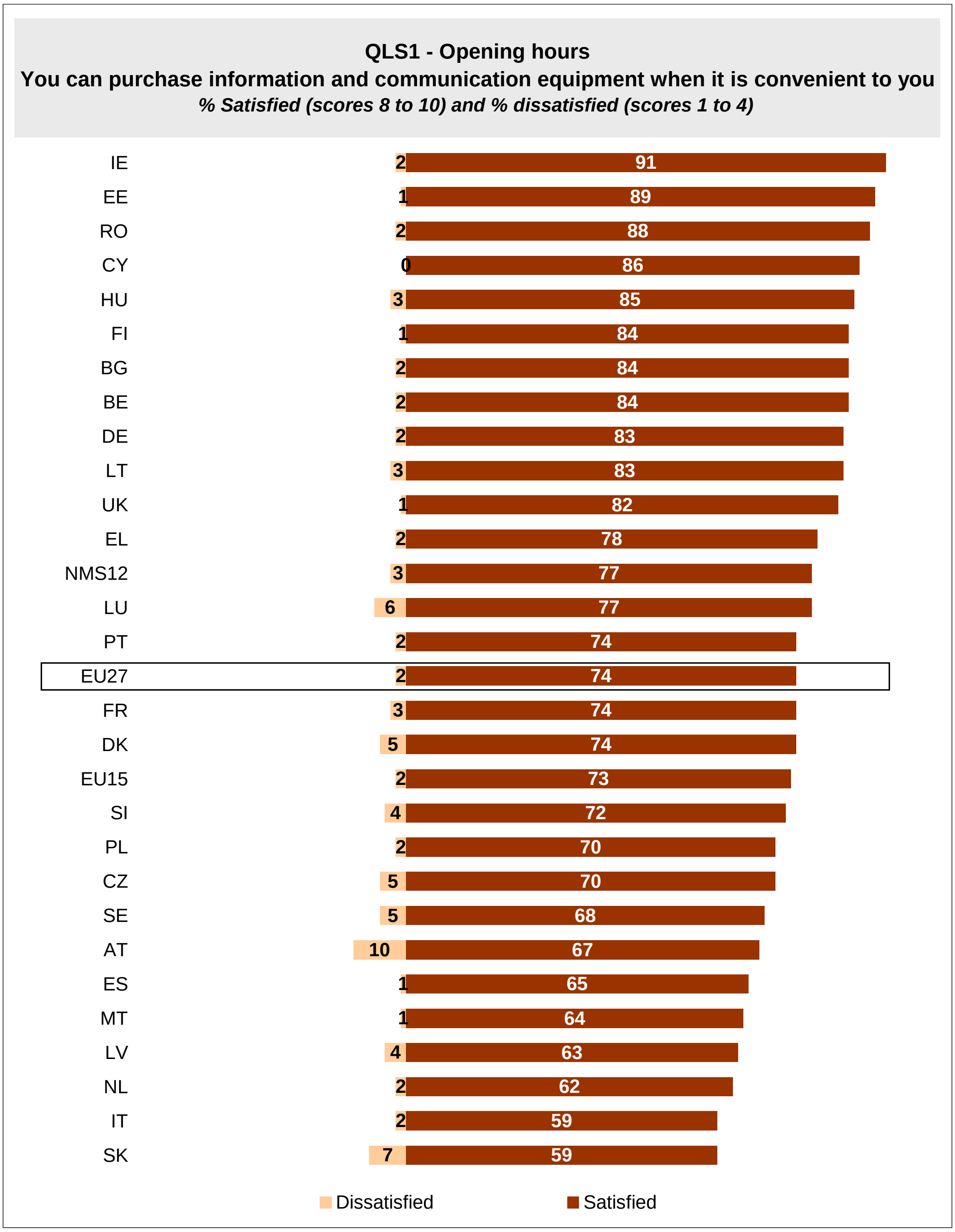
Consumers tend to think that super/hypermarkets, retail chain stores and department stores (more than 74% each) have more convenient opening hours than small shops/stores (64%). However, the latter have a more helpful staff according to more than 71% of consumers (against 54% for discount stores).

Those who have purchased ICT equipment in the Internet are the most likely to be satisfied with the opening hours, ease of purchase and delivery fulfillment while, naturally, the score for the staff is lower than those given to the other distribution channels.

2.3. DIFFERENCES BETWEEN EU MEMBER STATES

A) OPENING HOURS

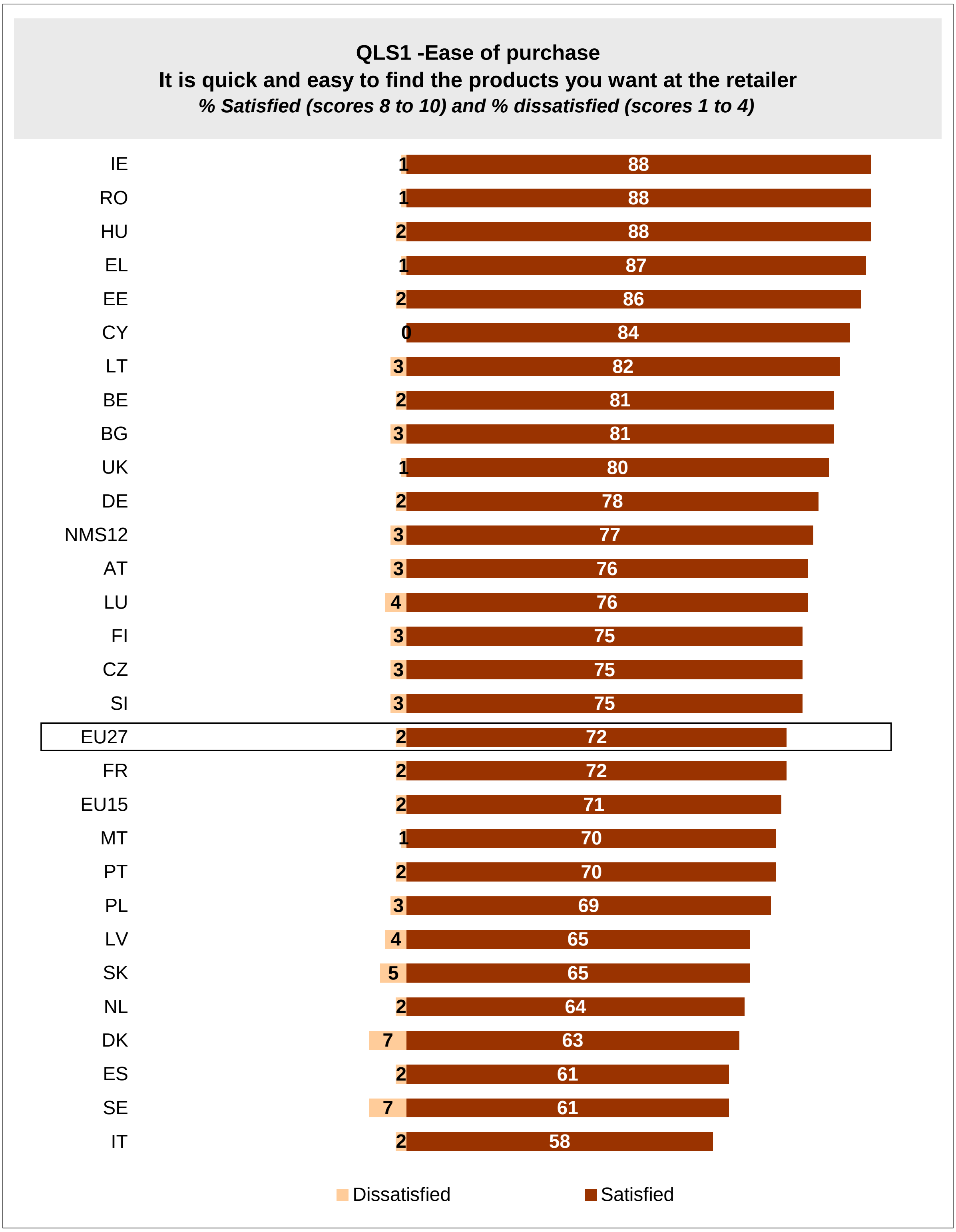
Figure 28 – Quality of services: opening hours (% by country)



In all EU Member States at least 50% of consumers are satisfied with the opening hours of their retailer. In Ireland, more than 90% of consumers are satisfied. On the other hand, there are only 59% satisfied consumers in Slovakia and in Italy.

B) EASE OF PURCHASE

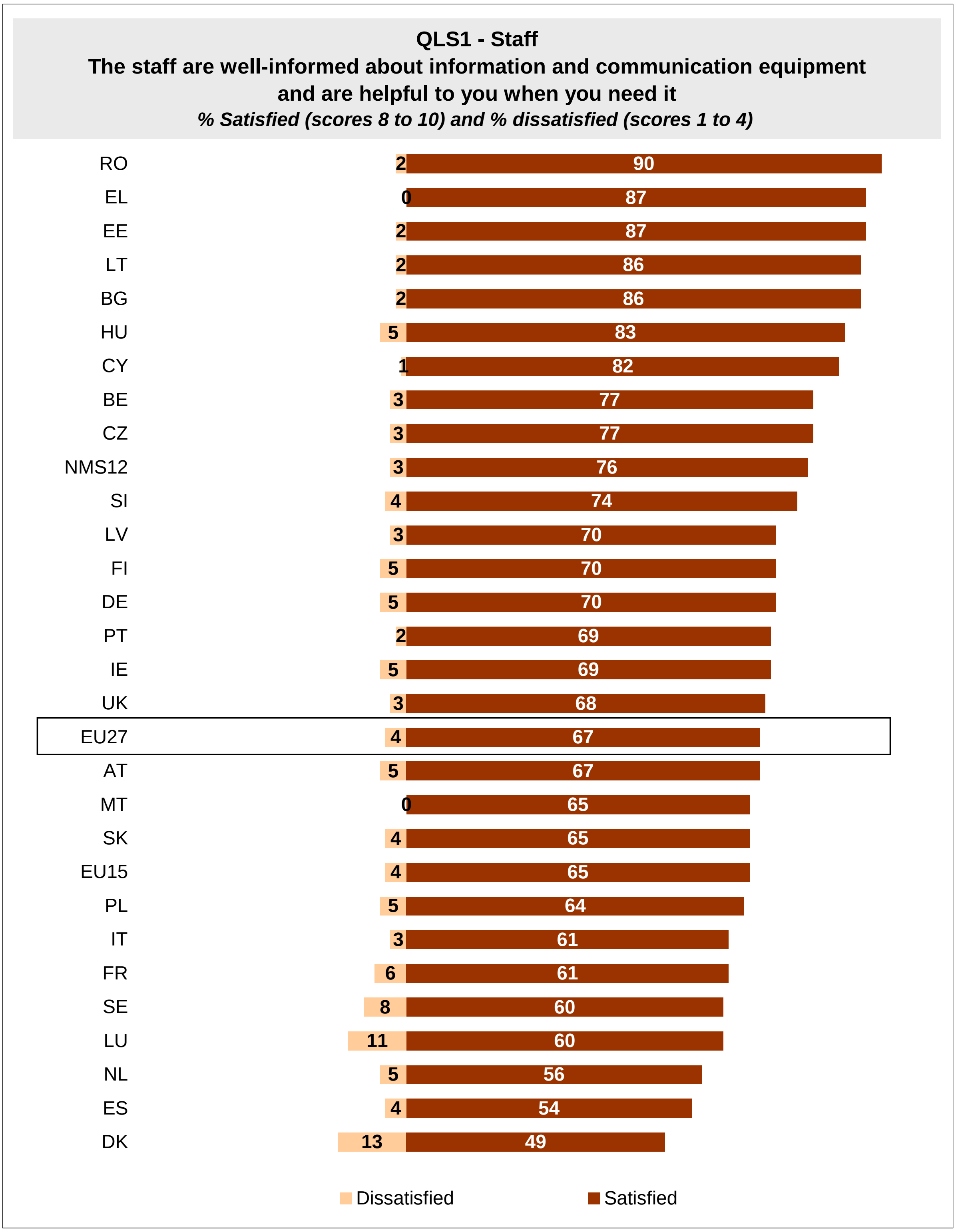
Figure 29 – Quality of services: ease of purchase (% by country)



In all but one EU country, at least 6 consumers in 10 think that it is quick and easy to find the product they want at their retailer. The only exception is Italy, where 58% of consumers are satisfied. Levels of dissatisfaction are low across all countries.

C) STAFF

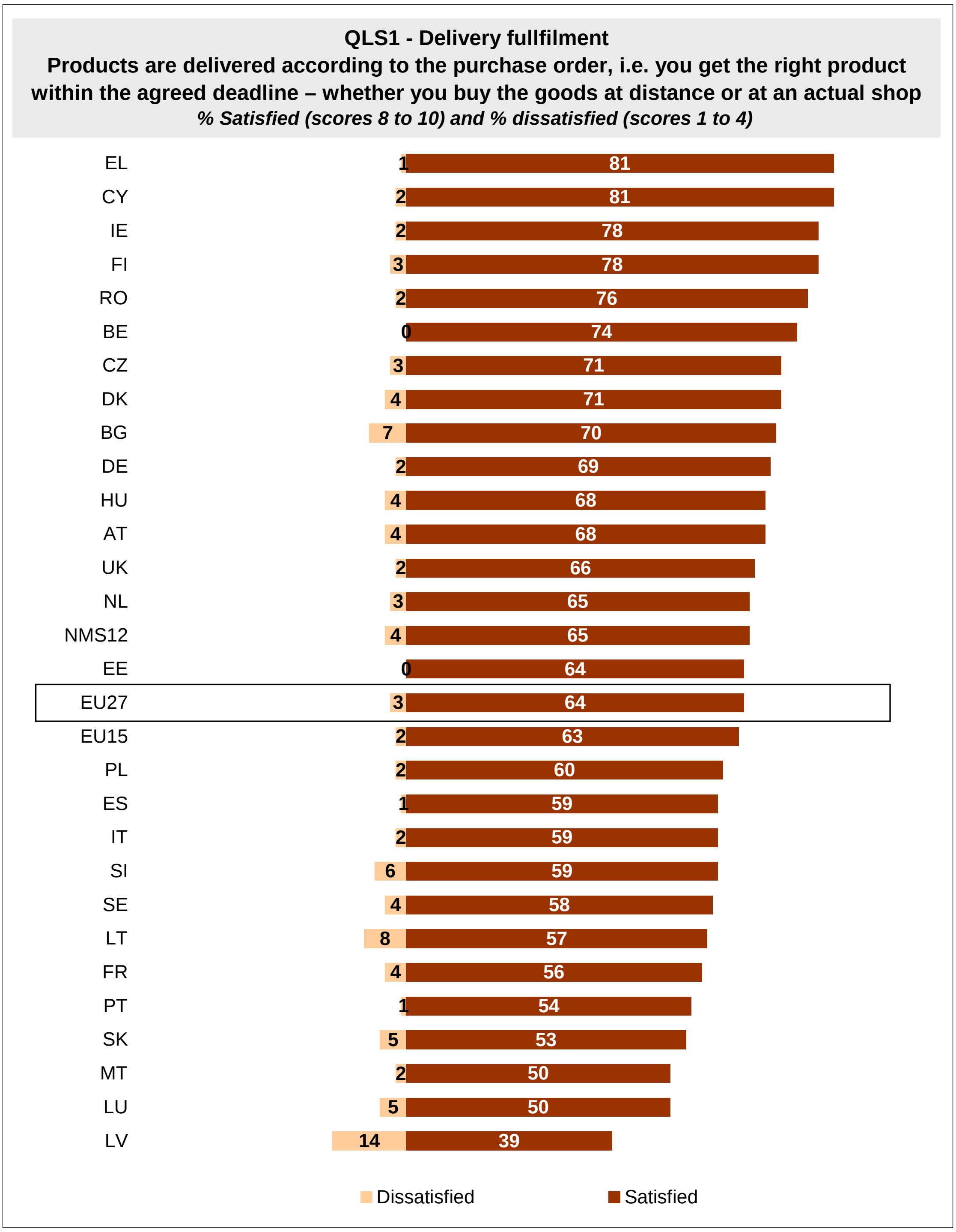
Figure 30 – Quality of services: staff (% by country)



Denmark is the only country where less than 50% of people are satisfied with their retailer's staff. At the other side of the spectrum, 9 on 10 Romanian consumers are satisfied with their retailer's staff. The highest levels of dissatisfaction are recorded in Denmark (13%) and Luxembourg (11%).

D) DELIVERY FULFILMENT

Figure 31 – Quality of services: delivery fulfillment (% by country)

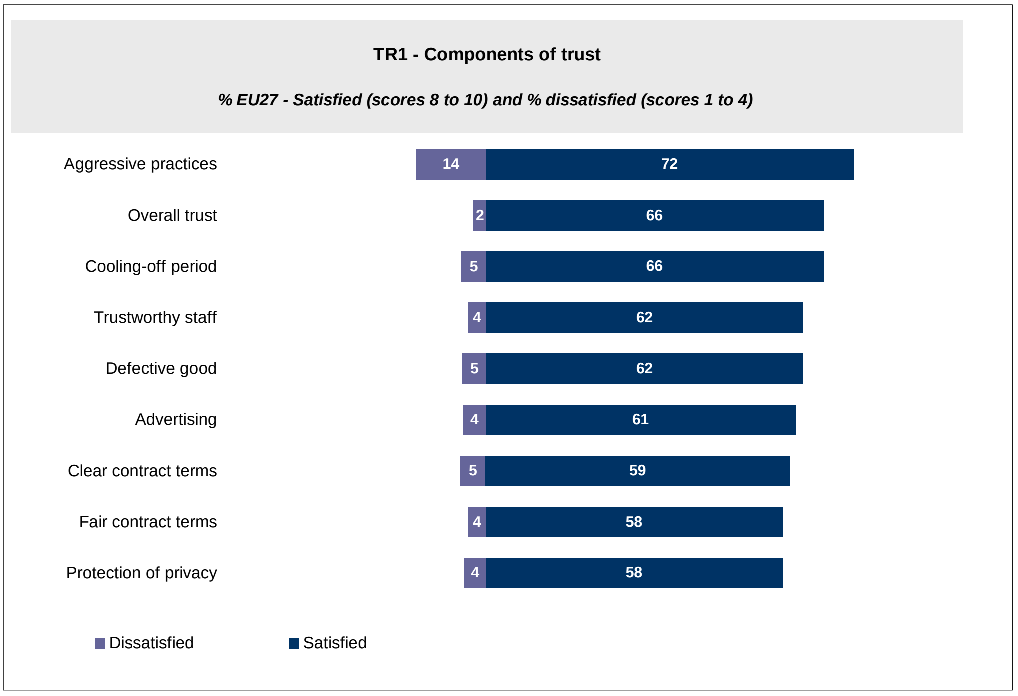


50% or more consumers in every country are satisfied with delivery fulfillment. Cypriots and Greeks have the most positive views (81% satisfied) while, at the lowest level, less than 40% of Latvians express their satisfaction in this respect. More than one in ten consumers could not say whether they agree or disagree with the statement that products are delivered according to the purchase order. This is especially the case in Luxembourg (36%), Malta (29%), Estonia (28%), Lithuania (28%), Portugal (22%) and Slovakia (22%).

3. Trust

3.1. OVERALL RESULTS

Figure 32 – Trust (% EU27)



Overall, two-thirds of EU27 consumers trust their retailer when buying information and communication equipment. The most satisfying element that contributes to this trust is the fact that retailers do not resort to aggressive selling practices. Indeed, more than 7 consumers in 10 have not felt unduly coerced or pressurized buy their retailer to buy ICT equipment (however this element also has the highest recorded levels of dissatisfaction). To a lesser extent, people also think that:

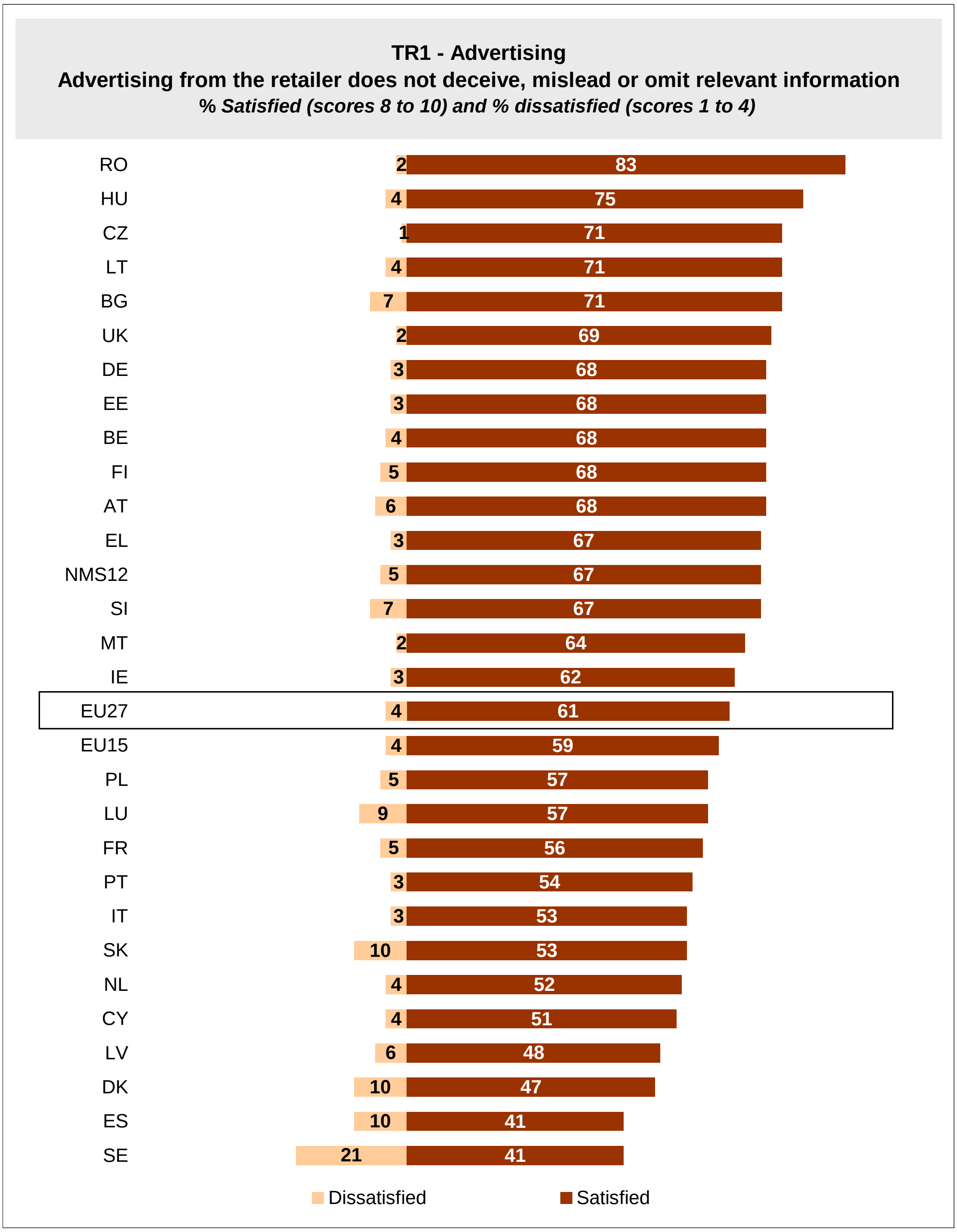
- Their retailer would let them use the right to return something within the cooling-off period;
- Their retailer's staff is trustworthy;
- Their retailer would be ready to replace, repair, reduce the price or give they their money back if their good was defective or not fit for purpose;
- Advertising does not deceive, mislead or omit relevant information.

3.2. DIFFERENCES BY DISTRIBUTION CHANNEL

Consumers tend to be most satisfied with discount stores when it comes to trust and consumer protection issues. This is especially the case for advertising (76% against an EU average of 51%). Furthermore, consumers are less satisfied with super/hypermarkets concerning fair and clear contract terms, trustworthy staff and aggressive practices. Trust issues seem to be relatively problematic for those consumers who purchase their ICT equipment via the Internet. These consumers are the least satisfied when it comes to advertising, privacy issues and trusting their retailer to replace etc. defective products.

A) ADVERTISING

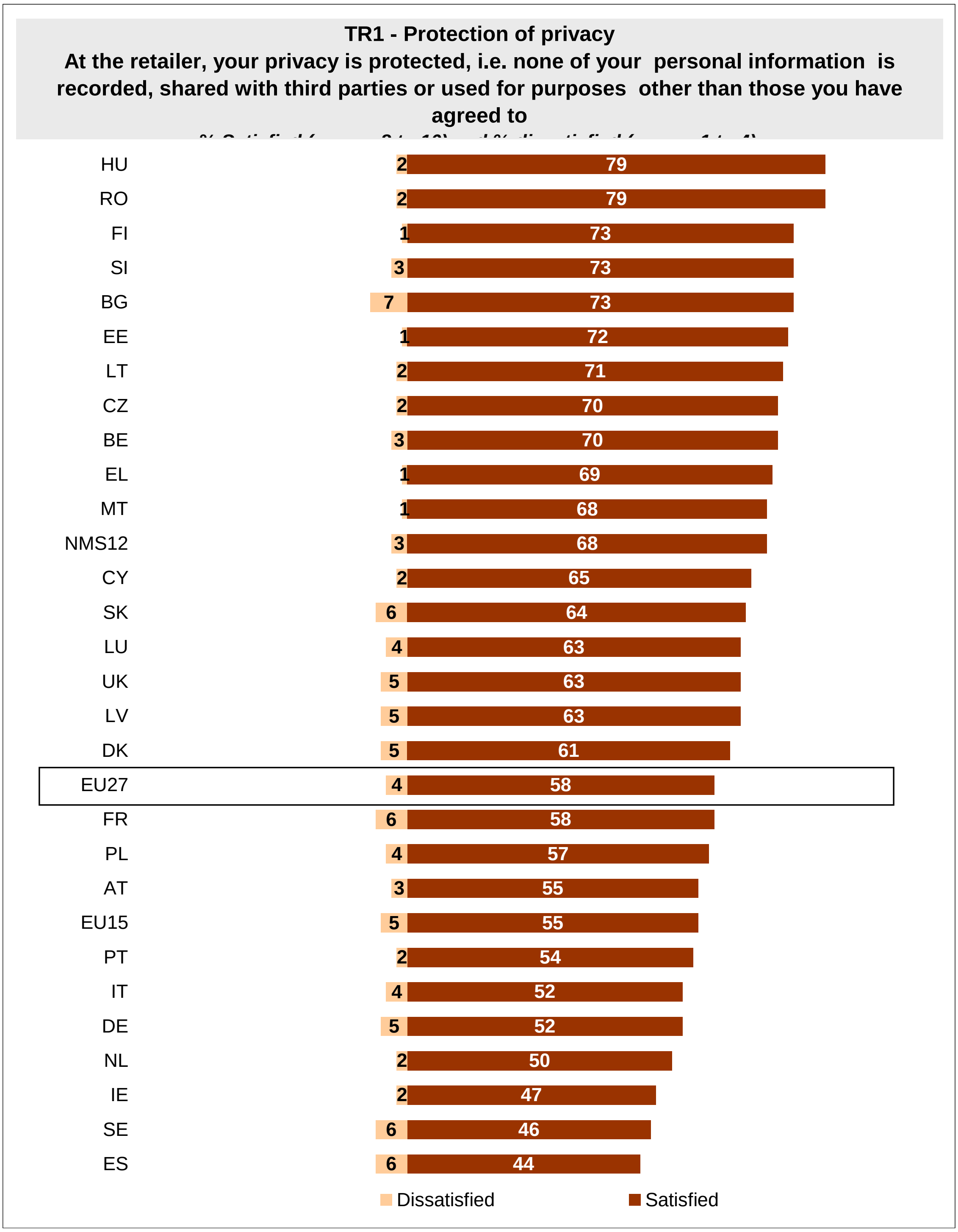
Figure 33 – Trust: Advertising (% country)



In general, EU consumers tend to think that advertising from their retailer do not deceive, mislead or do not omit relevant information. This is particularly the case for Romanians (83%), Hungarians (75%), Czech consumers, Lithuanians and Bulgarians (71% each). However, less than 50% share this view in Sweden, Spain, Denmark and Latvia. In addition, in Sweden more than one fifth of consumers are dissatisfied with the advertising from their retailer (against an EU average of 4%). It is also interesting to note the high proportion of "Don't know" answers (compared to the EU average of 5%) especially in Denmark (22%) and Cyprus (19%).

B) PROTECTION OF PRIVACY

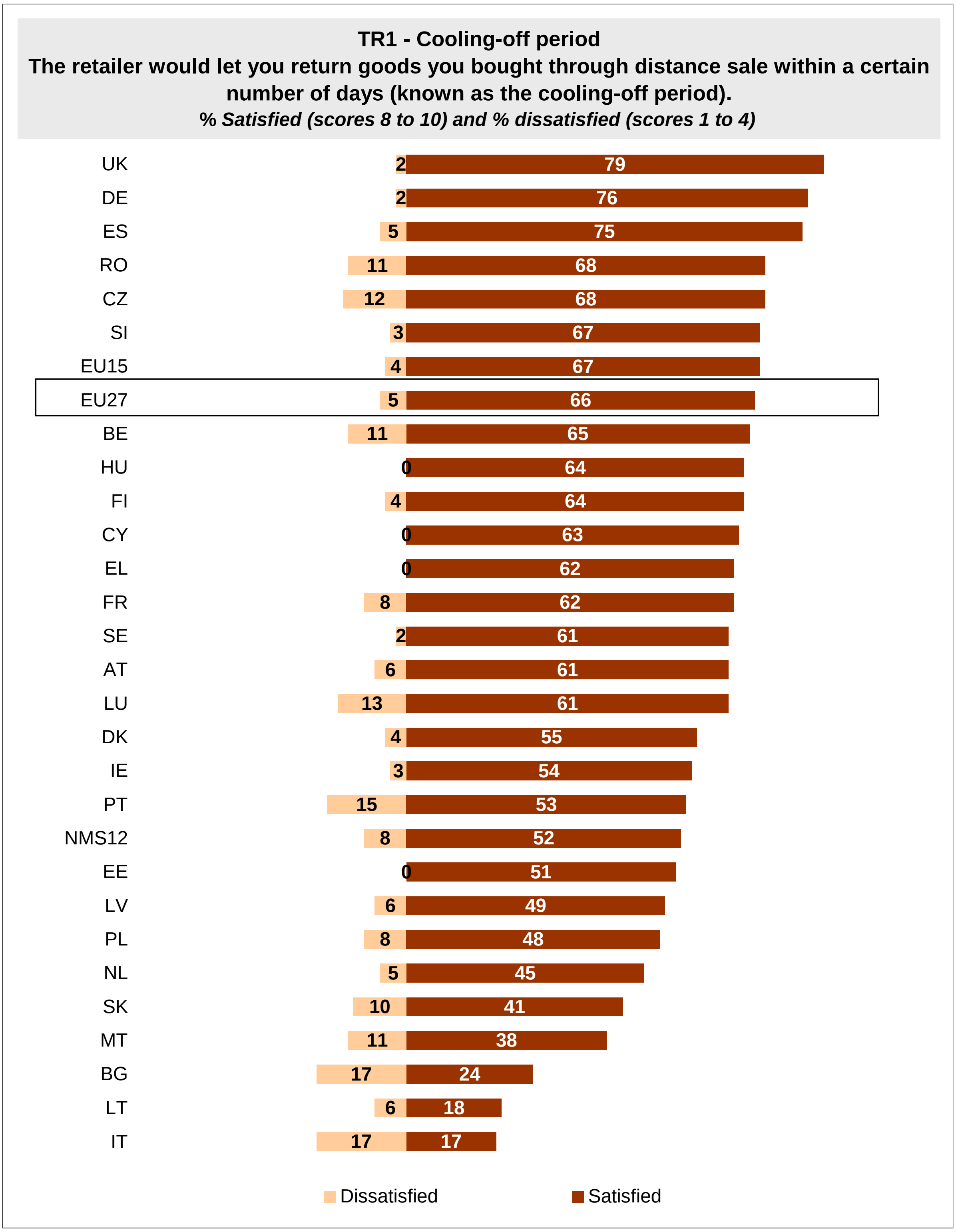
Figure 34 – Trust: Protection of privacy (% country)



Overall, consumers seem to feel that their privacy is protected on the market for ICT equipment. In most countries, over half of consumers are assured of privacy protection and levels of dissatisfaction remain low across the countries. It is only in Spain, Sweden and Ireland where less than 50% of consumers are satisfied with the way their retailer uses their personal information. Here again, we observe relatively high proportions of "Don't know" answers: 12% at EU level, with a peak in Sweden (27%).

C) COOLING-OFF PERIOD

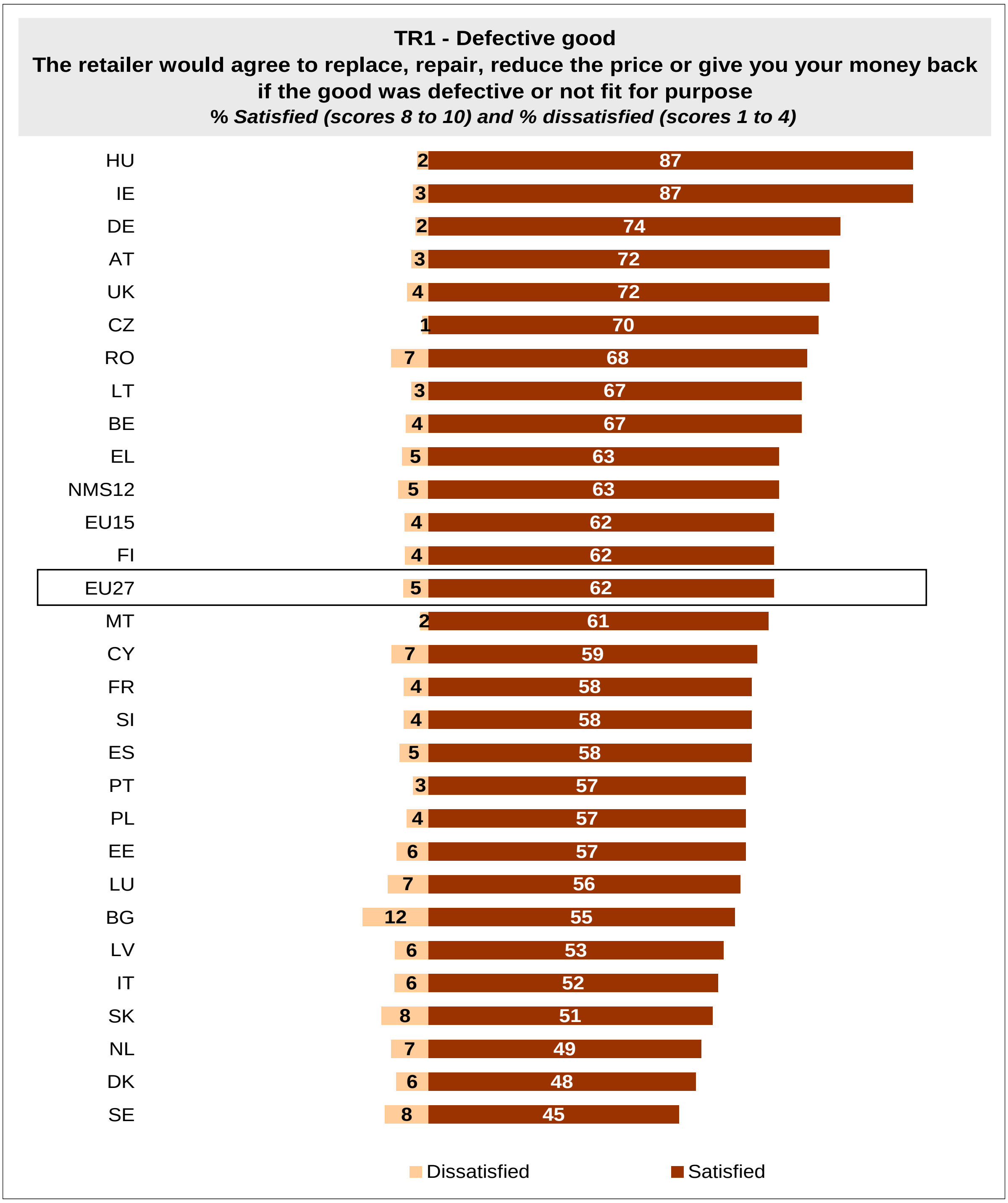
Figure 35 – Trust: Protection of privacy (% country)



This question was asked to respondents who had purchased ICT equipment at distance (Internet, post/phone, sales representative). Consequently, low sample sizes (<50 in most countries) do not allow a country-by-country analysis of the cooling-off period.

D) DEFECTIVE GOOD

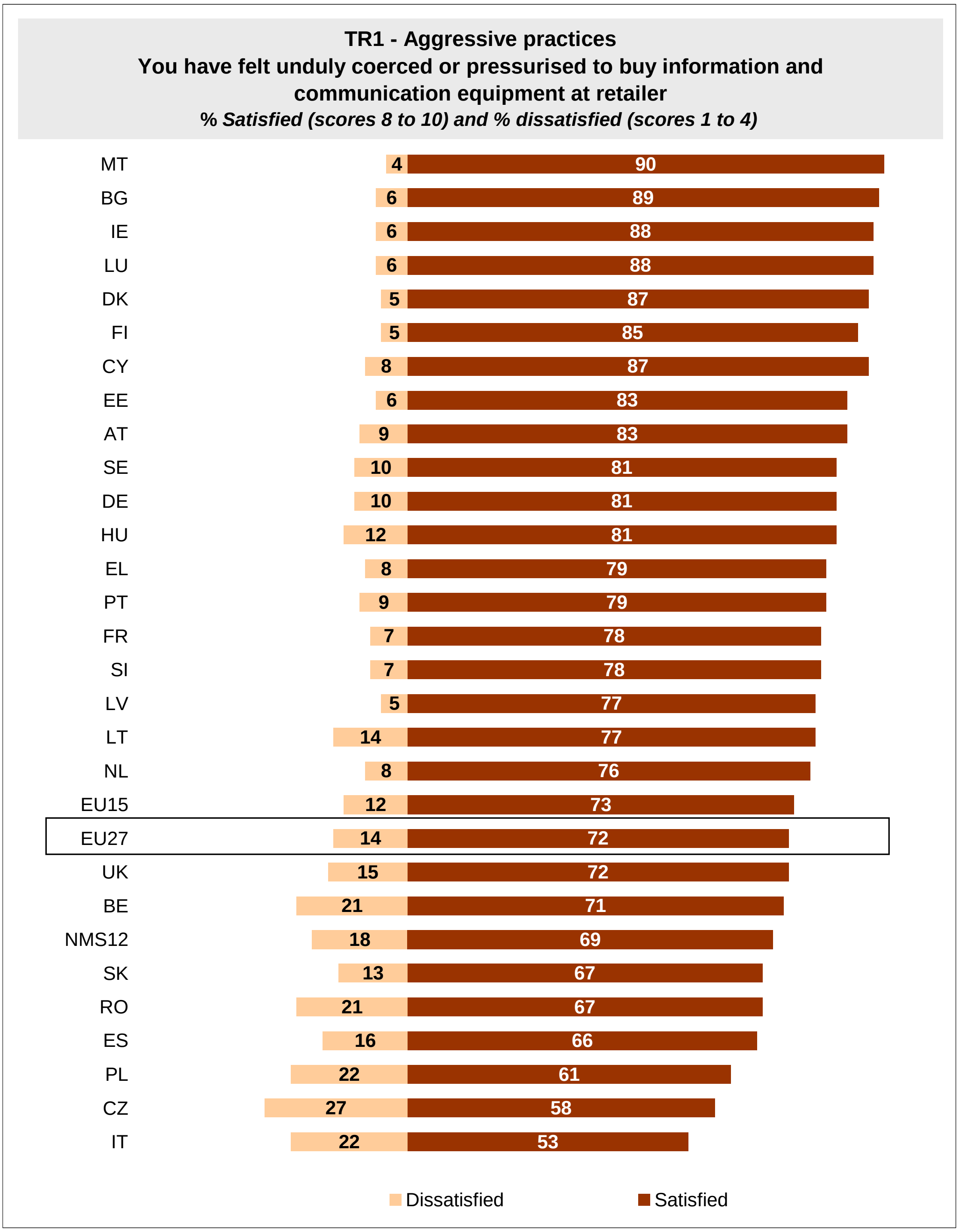
Figure 36 – Trust: Defective good (% country)



In almost all EU countries, the majority consumers trust that their retailer would agree to repair, replace, reduce the price or give them their money back if the good was defective or did not fit for purpose. The only exceptions are Sweden, Denmark and the Netherlands where less than 50% of consumers trust their retailer in this respect. Here again, we observe relatively high proportions of "Don't know" answers (against an EU average of 8%): peaks can be observed in Denmark (31%), Estonia, Sweden and Luxembourg (23% each).

E) AGGRESSIVE PRACTICES

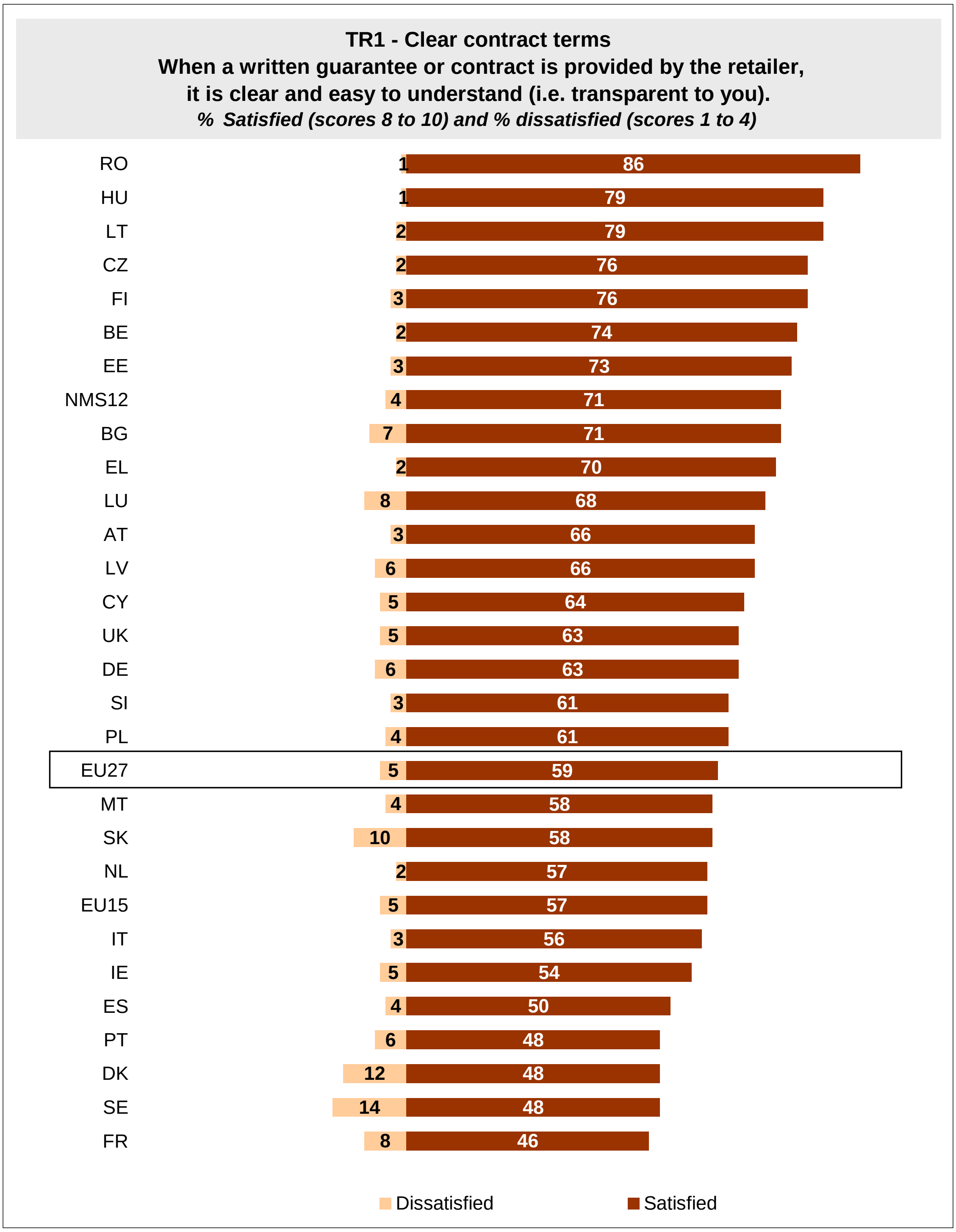
Figure 37– Trust: Aggressive behaviour (% country)



Although aggressive selling practices do not seem to be a problem for a great majority of consumers in the EU, it is interesting to note the relatively high proportion of dissatisfied consumers (compared to an EU average of 14%) in the Czech Republic (27%), Italy (22%), Poland (22%), Romania (21%) and Belgium (21%).

F) CLEAR CONTRACT TERMS

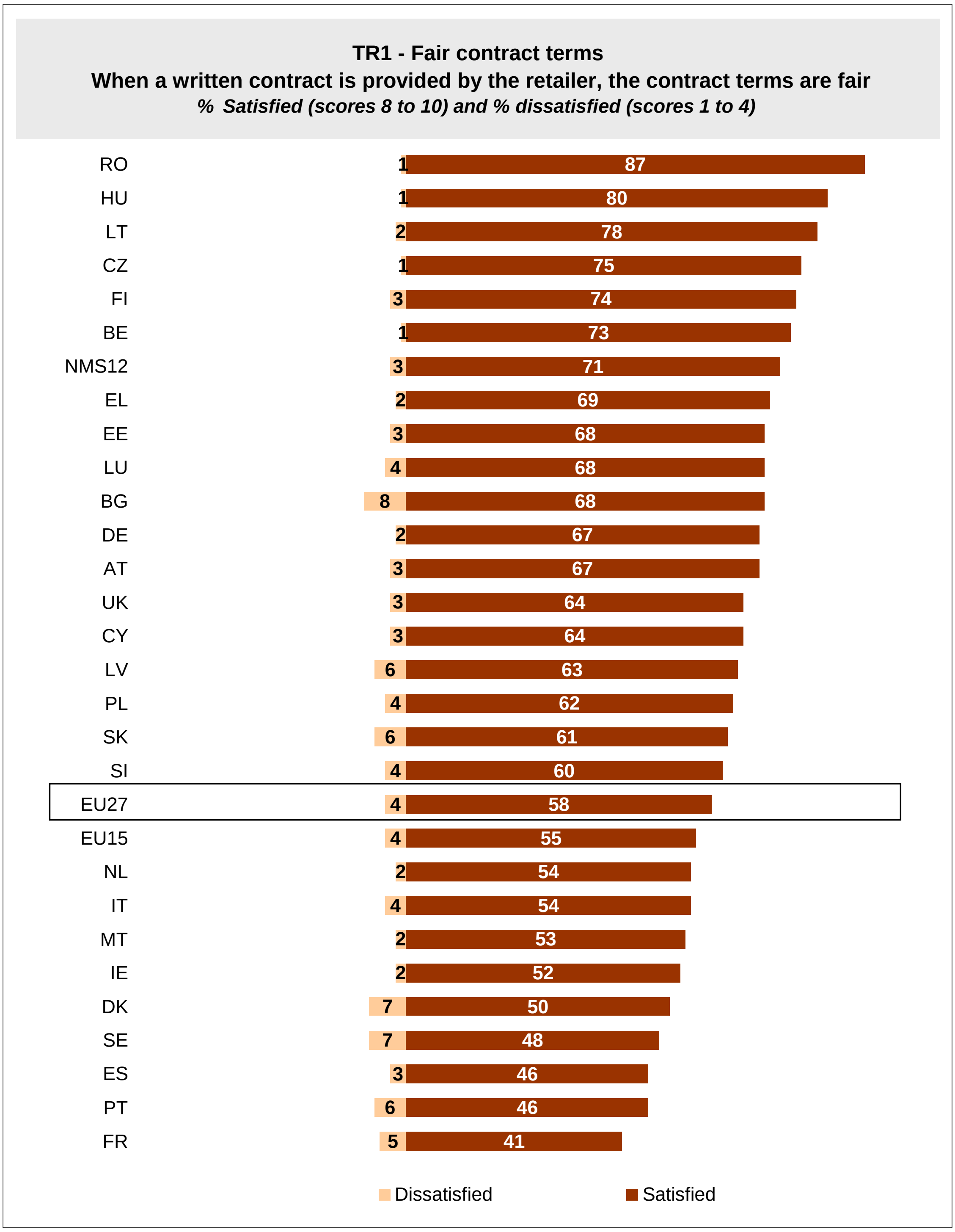
Figure 38 – Trust: Clear contract terms (% country)



In almost all the countries, consumers are satisfied with the clarity of the contract provided by their retailer when it comes to buying ICT equipment. The only exceptions are France, Sweden, Denmark and Poland, where less than 50% of consumers are satisfied with the clarity of contract terms.

G) FAIR CONTRACT TERMS

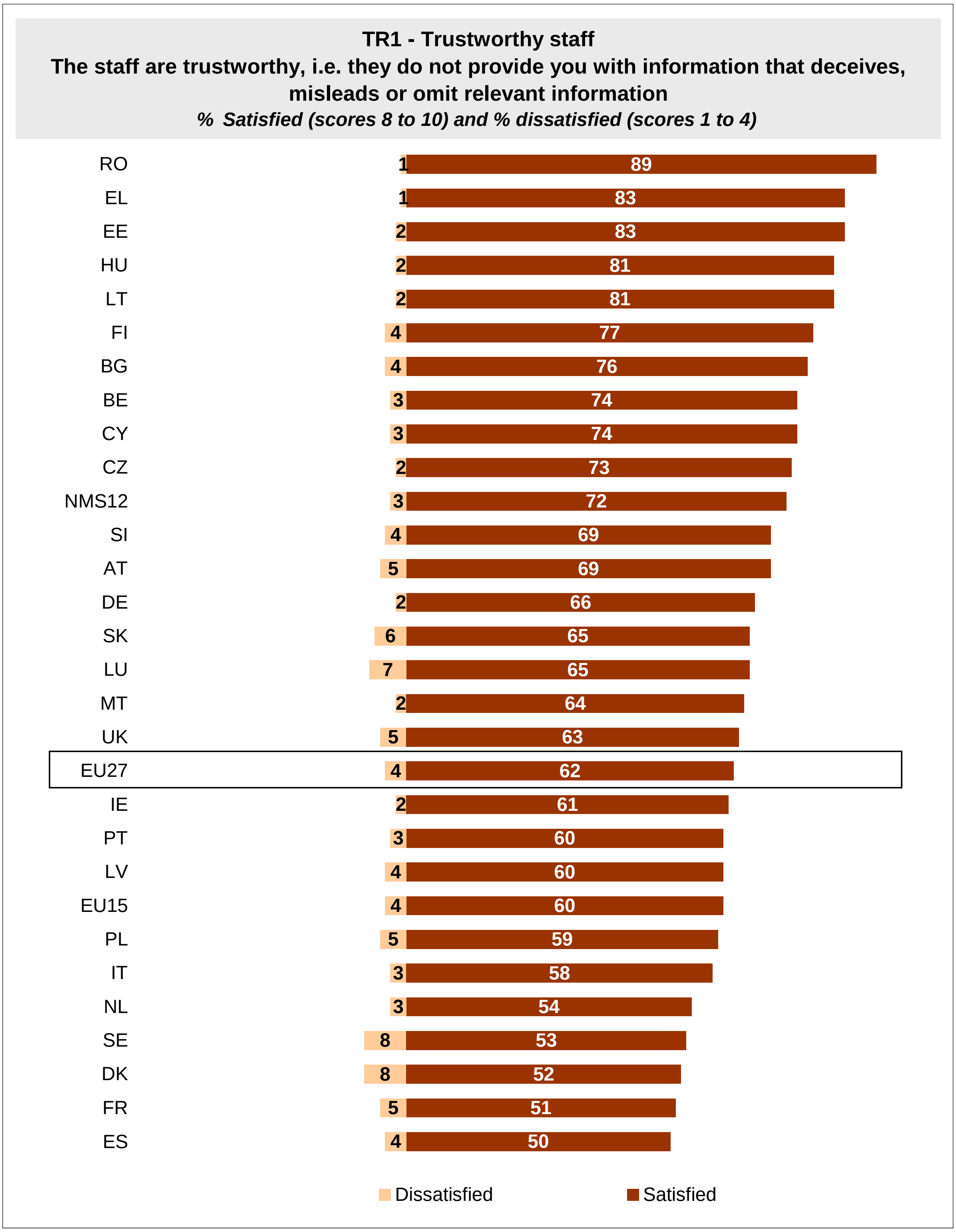
Figure 39 – Trust: Fair contract terms (% country)



As previously observed, Romanians tend to be the most satisfied consumers when it comes to trust and consumer protection. Here again, 87% of them trust the fairness of contract provided by their retailer. At the other side of the spectrum, the only countries where less than 50% of consumers are satisfied are France (41%), Portugal (46%), Spain (46%) and Sweden (48%). It is also interesting to note that the NMS12 consumers are globally speaking much more satisfied than the EU15 consumers (71% against 58%).

H) TRUSTWORTHY STAFF

Figure 40 – Trust: trustworthy staff (% country)

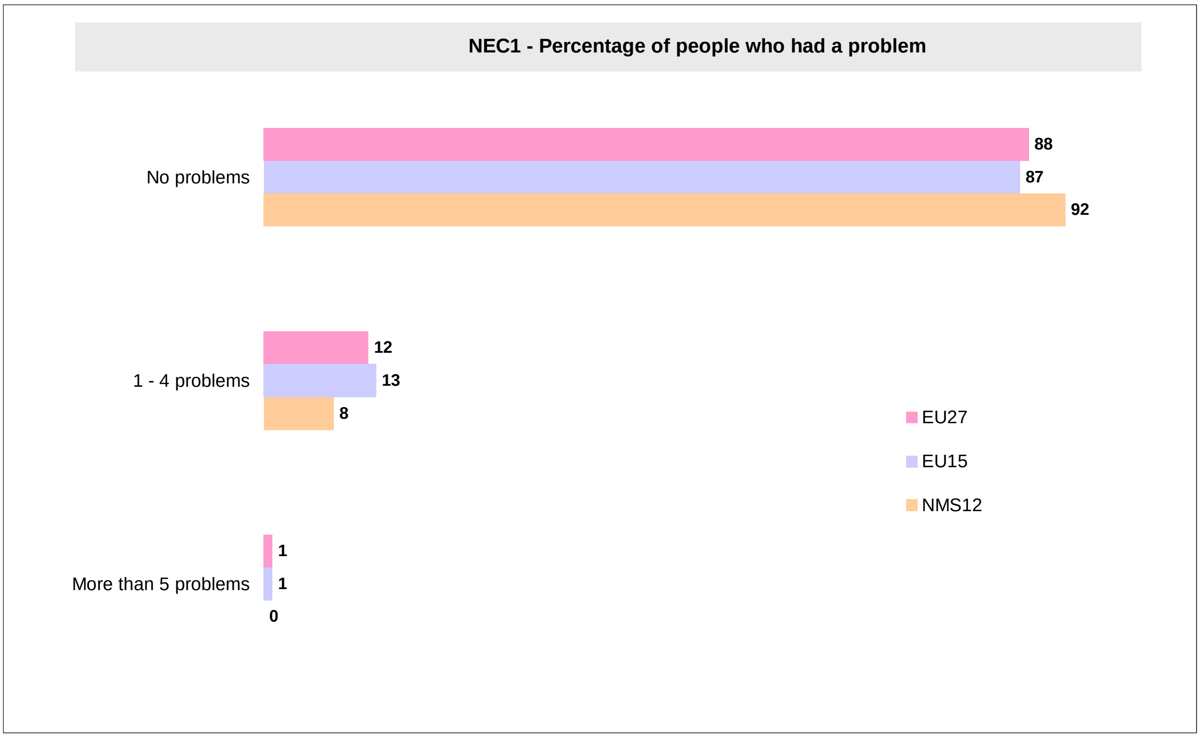


Overall, more than 6 consumers in 10 trust their retailer's staff. Nearly 90% Romanian consumers trust them, whereas just above half of consumer in Spain, France, Denmark, Sweden and the Netherlands share this opinion.

4. Negative experiences

4.1. NUMBER OF PROBLEMS

Figure 41 – Number of problems with the product



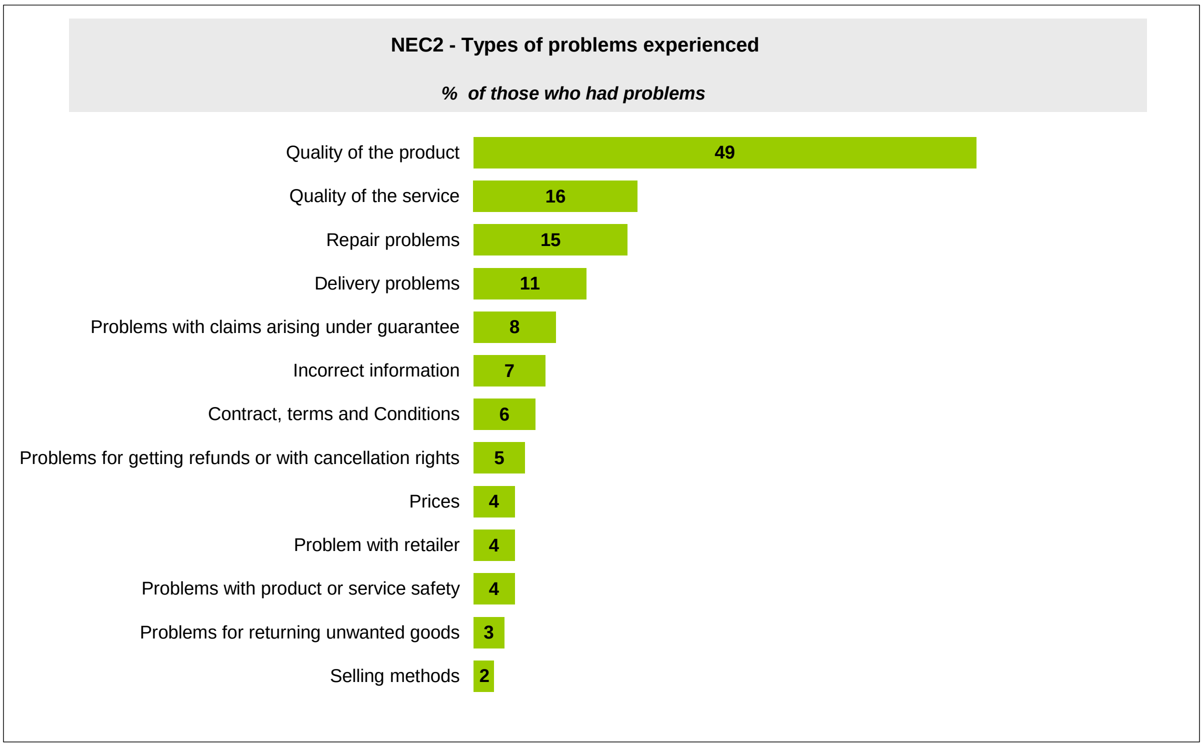
12% of consumers in the EU27 have experienced problems when purchasing ICT equipment in the last 12 months. Consumers in the EU15 are more likely to report that they have had problems than consumers in the 12 newest Member States.

There is no significant difference in the results by distribution channel when speaking of experienced problems.

4.2. TYPES OF PROBLEMS

A) OVERALL RESULTS

Figure 42 – Types of problems experienced with the product (% EU27 of those who had a problem)



Of the consumers that have experienced problems, almost one out of two consumers have experienced problems with the quality of products (e.g. defective/damaged products). The quality of the service (e.g. poor, no service provided, wrong product) and repair problems (e.g. failure or delay) come second and third, but they only concern respectively 16% and 15% of the cases.

Problems with the quality of product are the most frequent type of problem regardless of the distribution channel. Delivery problems seem to be more common when the product is purchased via the Internet while consumers who bought ICT equipment in super/hypermarkets are more likely to report problems with the quality of service. [1]

B) DIFFERENCES BETWEEN EU MEMBER STATES

Danish, French, Finnish, Swedish and Irish consumers are the most likely to report that they have had one or more problems in the last 12 months. The quality of product seems to be the most common type of problem across the countries but due to the small bases at country level, further statistical analysis cannot be carried out.

[1] It should be noted that the bases for discount stores and department stores are too small for a reliable analysis.

4.3. COMPLAINTS HANDLING

A) OVERALL RESULTS

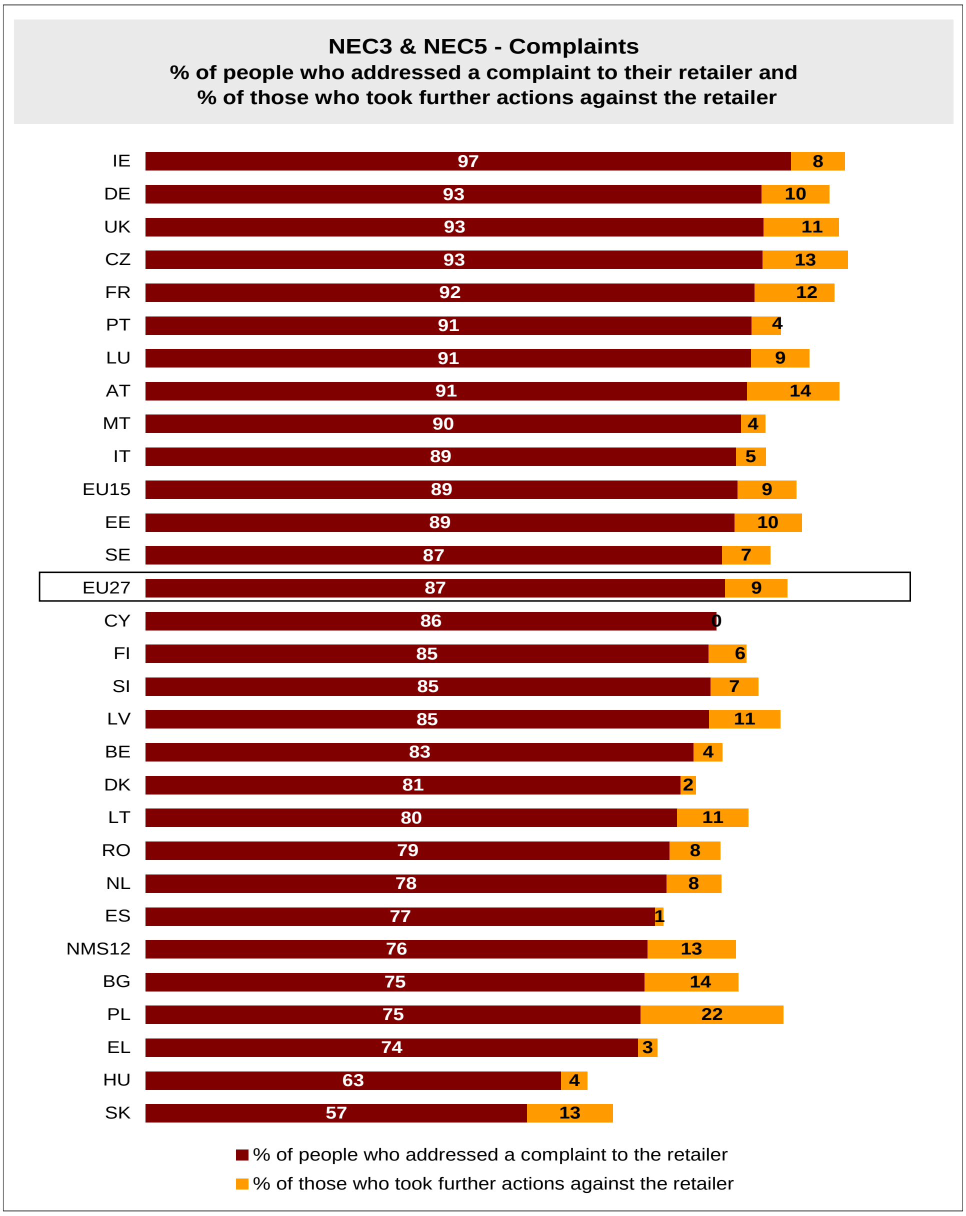
Consumers in the NMS12 less frequently address their problem or discuss it with a representative of their retailer than consumers in the EU15 (76% against 89% in the EU15). At the same time, they tend to be less satisfied with the way their complaint is handled (42% satisfied against 56% in the EU15) and they are also more likely to take further actions against the retailer (13% against 9% in the EU15) – presumably as a result of the low satisfaction with the solutions of problems provided by the retailer.

B) DIFFERENCES BETWEEN EU MEMBER STATES

Consumers who said that they have experienced problems with their retailer were asked to indicate whether they have addressed a complaint to their retailer. They were also asked to say whether they took further actions. Results of these two questions are combined in the following chart[2]

[2] As a consequence, some results may add up to more than 100%.

Figure 43 – Complaints (% by country)



Most EU consumers who have experienced problems have addressed a complaint to their retailer. Nearly all Irish consumers did this while only around 60% of Slovakians and Hungarians did so.

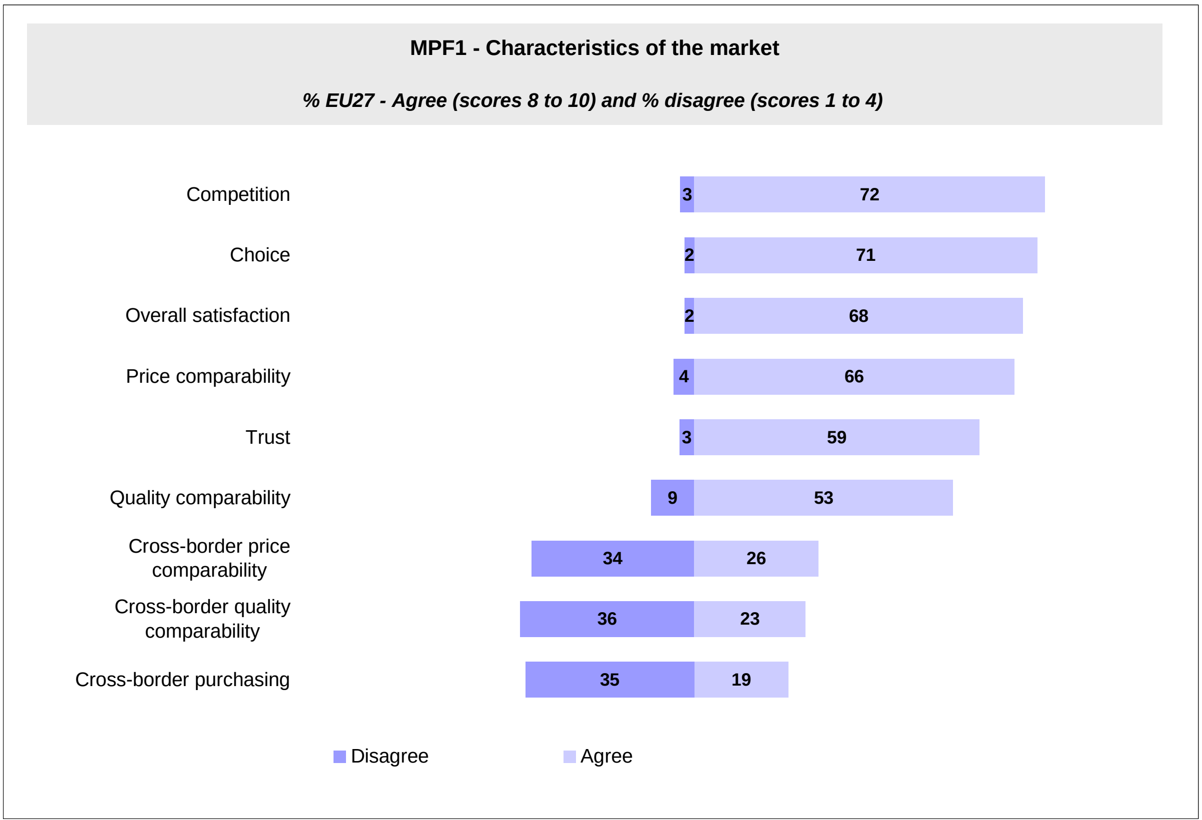
The small sample sizes do not allow a country-by-country analysis of how complaints are handled.

5. Market factors and commitment

5.1. SATISFACTION WITH THE MARKET

A) OVERALL RESULTS

Figure 44 – Satisfaction with the market characteristics (% EU27)



Overall, consumers are satisfied with the market for information and communication equipment. They are mostly satisfied with:

- The competition on the market, i.e. there is a wide enough choice of retailers that they can purchase ICT equipment from conveniently;
- The choice of information and communication equipment, i.e. the products they want are available.

However, 35% think cross-border purchasing is not worthwhile. The same proportion of EU27 consumers thinks also that cross-border price and quality comparisons are difficult.

B) DIFFERENCES BETWEEN EU MEMBER STATES

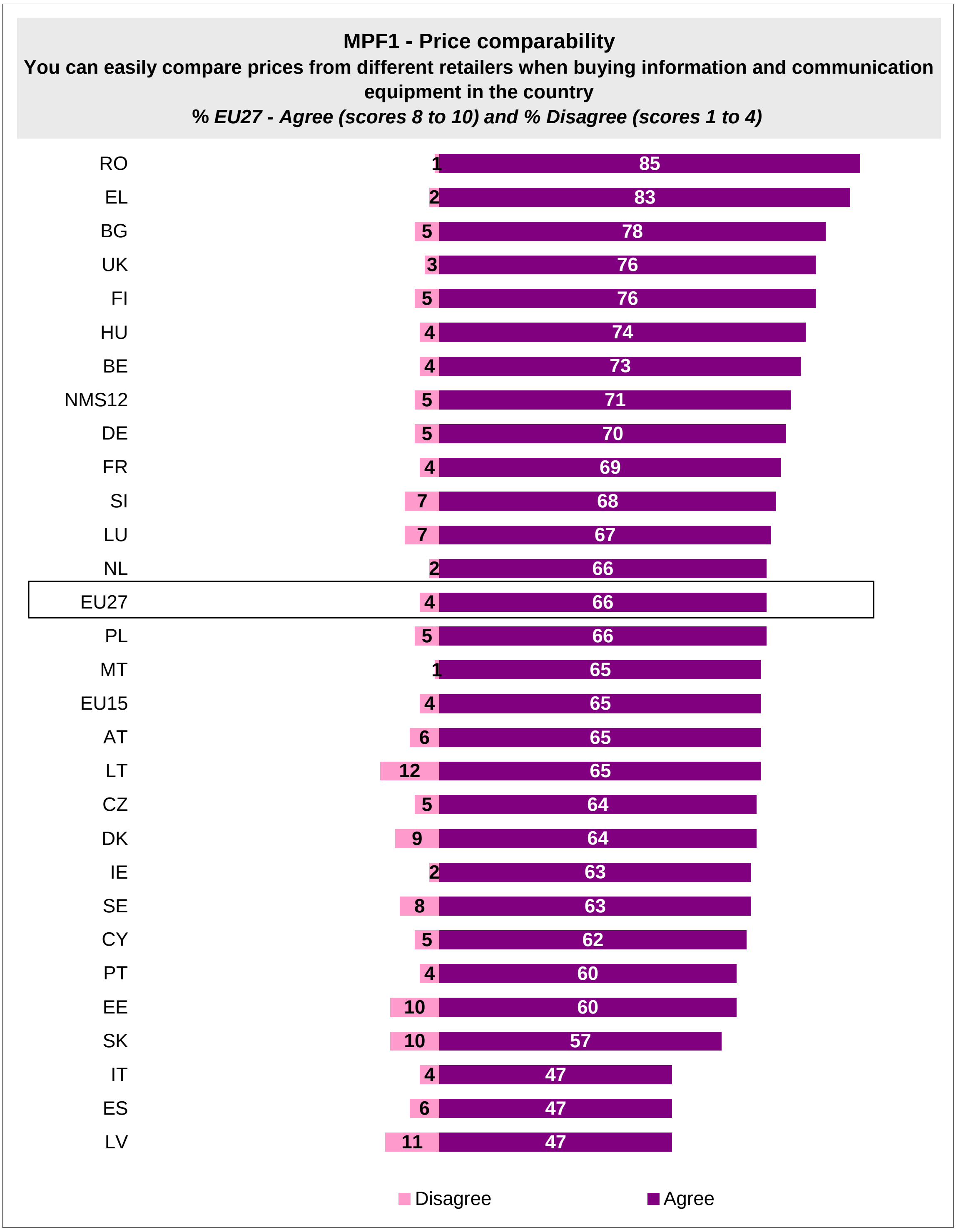
1. Competition

Figure 45 - Satisfaction with the market characteristics: competition (% by country)

More than 7 EU consumers in 10 are satisfied with the choice of retailers available on the market for ICT equipment. Romanians, Cypriots, Greeks and Finns (86% and more) are the most satisfied consumers in this respect. At the other side of the spectrum we find Italians (53%), Spaniards (55%), Slovakians (56%) and Latvians (59%). In addition, 11% (against an EU average of 3%) of Slovakian consumers are dissatisfied with the competition situation on the market.

2. Price comparability

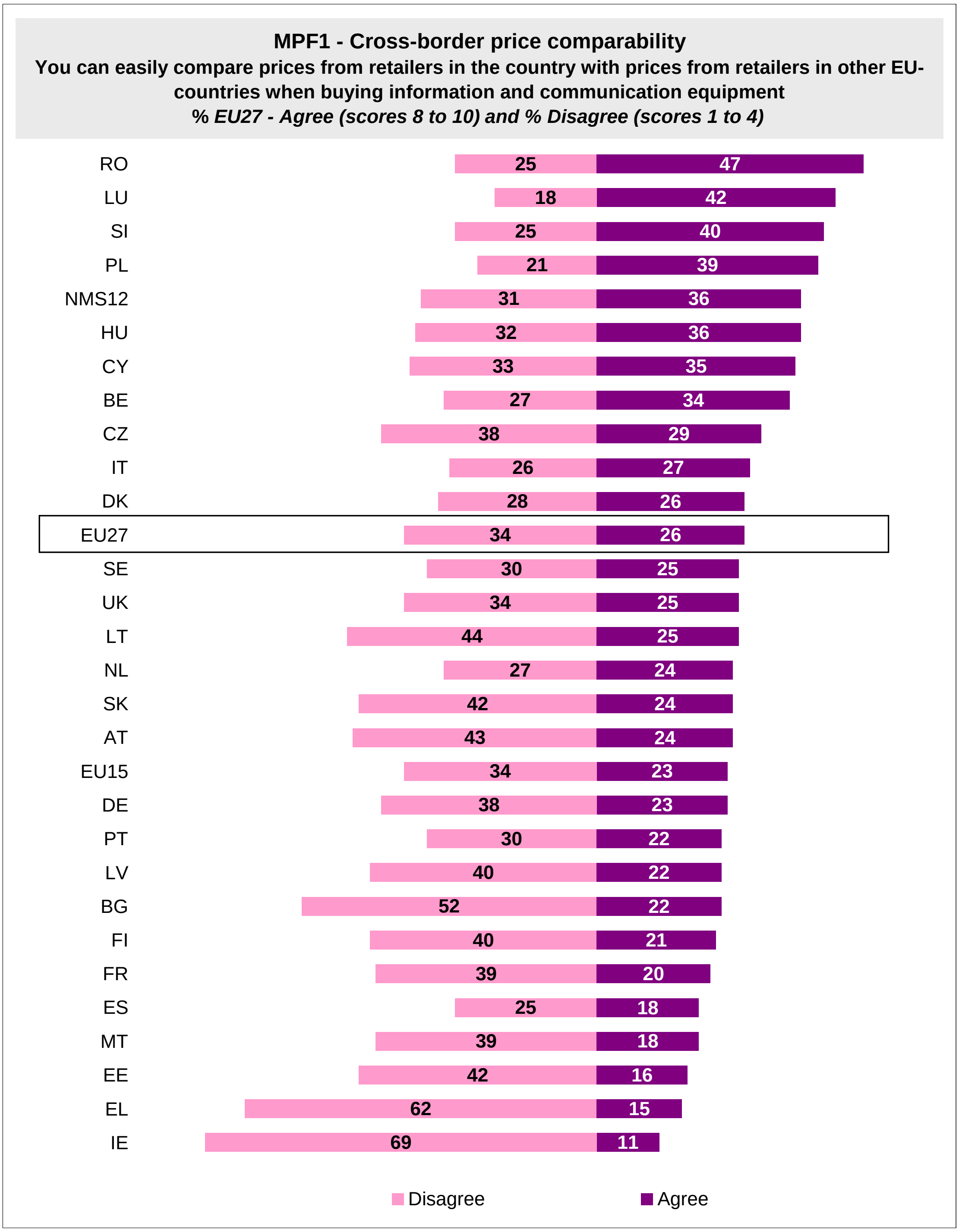
Figure 46 - Satisfaction with the market characteristics: price comparability (% by country)



Two thirds of EU27 consumers are satisfied with the possibility to compare prices from different retailers in the market. This is the case especially in Romania (85%) and Greece (83%). Latvians, Spaniards and Italians (47% each) are the least satisfied consumers in this respect.

3. Cross-border price comparability

Figure 47 - Satisfaction with the market characteristics: cross-border price comparability (% by country)



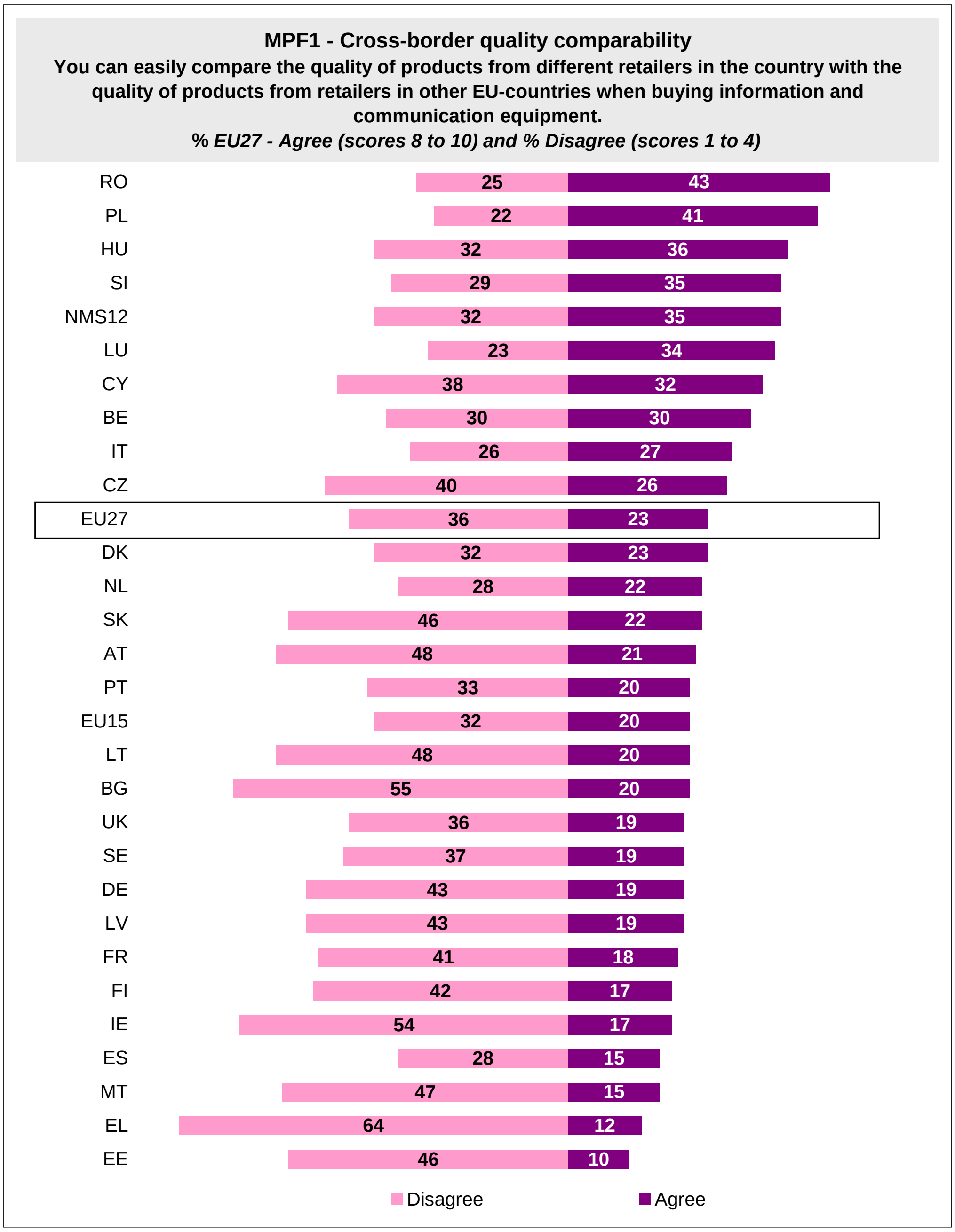
From the survey results it appears that cross-border price comparability is difficult aspect to evaluate for a relatively high proportion of people in the EU. Whereas in the EU the average proportion of "Don't know" answers is 13%, it goes up to 28% in Denmark and Estonia, 22% in Sweden and 21% in Malta and the Netherlands.

In addition, most of those who gave an answer to this question think that cross-border price comparability is not easy (34% against 26% of consumers who think it is easy). This is especially the case in Ireland (69% not easy), Greece (62%) and Bulgaria (52%). Conversely, over 40% of Romanians and Luxembourgers find it easy to compare prices cross border.

Finally, it should be noted that consumers in the 12 newest Member States are significantly more likely to say that they can easily compare prices cross-border than respondents in the EU15.

4. Cross-border quality comparability

Figure 48 - Satisfaction with the market characteristics: cross-border quality comparability (% by country)

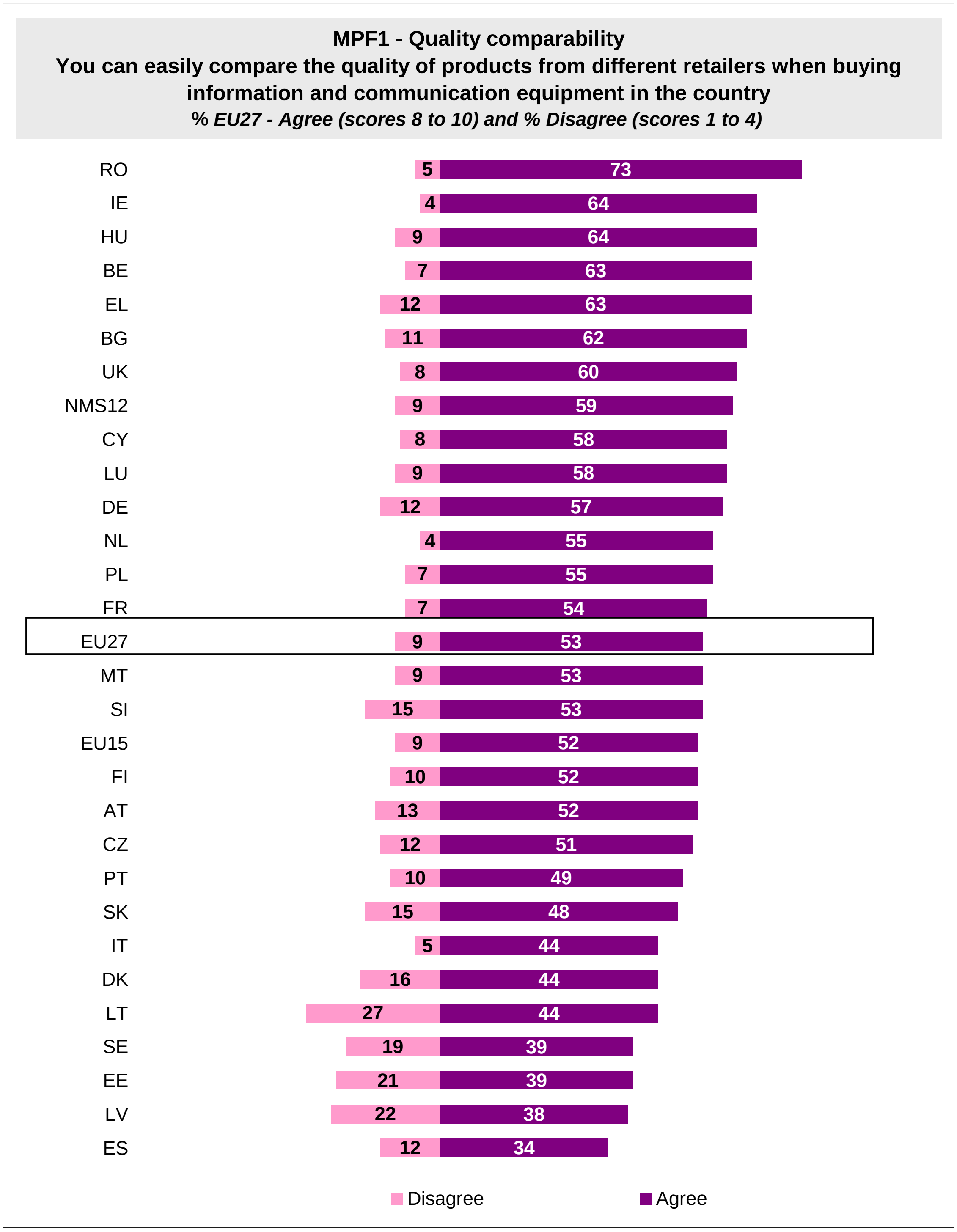


Cross-border quality comparability is not easy either for a majority of consumers. Consequently, we can observe high proportions of "Don't know" answers (13% on average), with peaks in Estonia (29%) and in Denmark (28%). Again consumers in the new Member States are slightly more positive in their evaluations than consumers in the EU15 (59% against 52%).

Overall, similar answer patterns emerge at national level as is observed for cross-border price comparability above.

5. Quality comparability

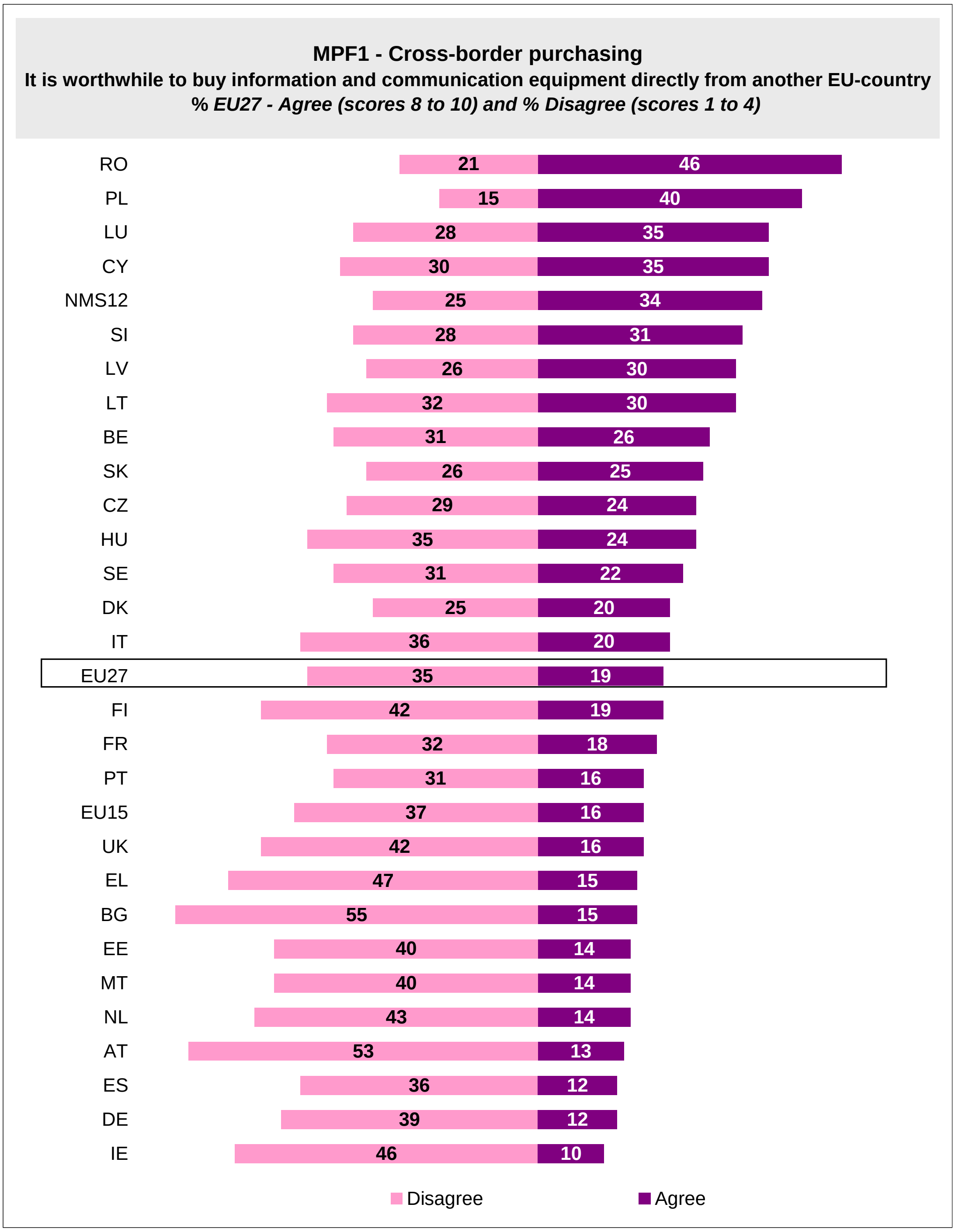
Figure 49 - Satisfaction with the market characteristics: Quality comparability (% by country)



Just above half (53%) of EU consumers think it is easy to compare the quality of products from different retailers. 9% of them have the opposite opinion. Quality comparability seems to be particularly a problem in the three Baltic countries (between 21% and 27% dissatisfied consumers) and, to a lesser extent, in Sweden (19%), Denmark (16%), Slovakia and Slovenia (15% each).

6. Cross-border purchasing

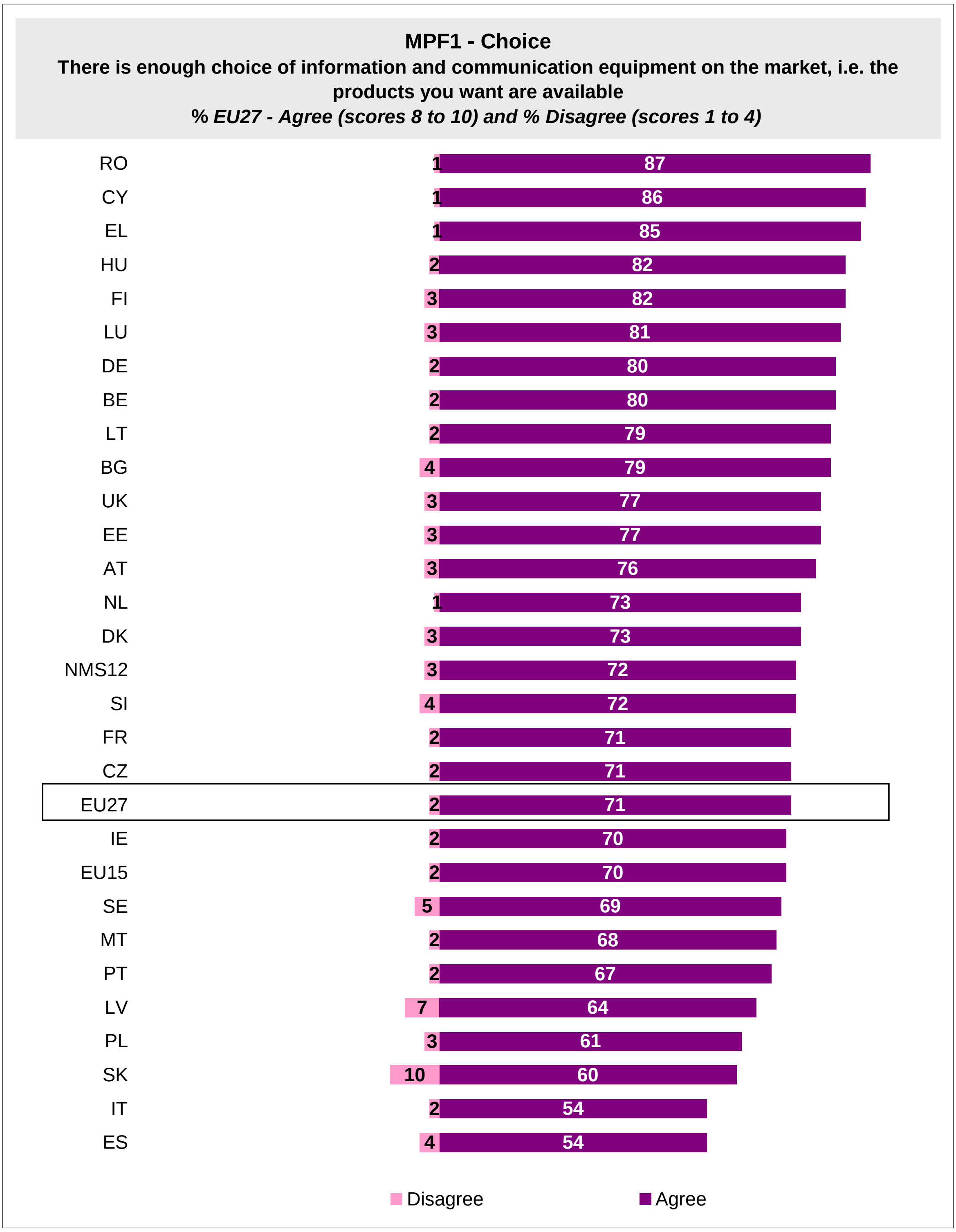
Figure 50 - Satisfaction with the market characteristics: Cross-border purchasing (% by country)



35% of EU consumers think it is not worthwhile to buy ICT equipment from another EU country. The absolute majority of Bulgarians (55%) and Austrians (53%) are of this view while Romanians (46%) and Poles (40%) hold the most positive views on the prospects of cross-border. In addition, this question seems to be difficult to answer for 18% of EU consumers, especially for Danes (39%), Irish people (33%), Estonians (32%), Slovakians (31%), the Portuguese (26%) and Swedes (25%).

7. Choice

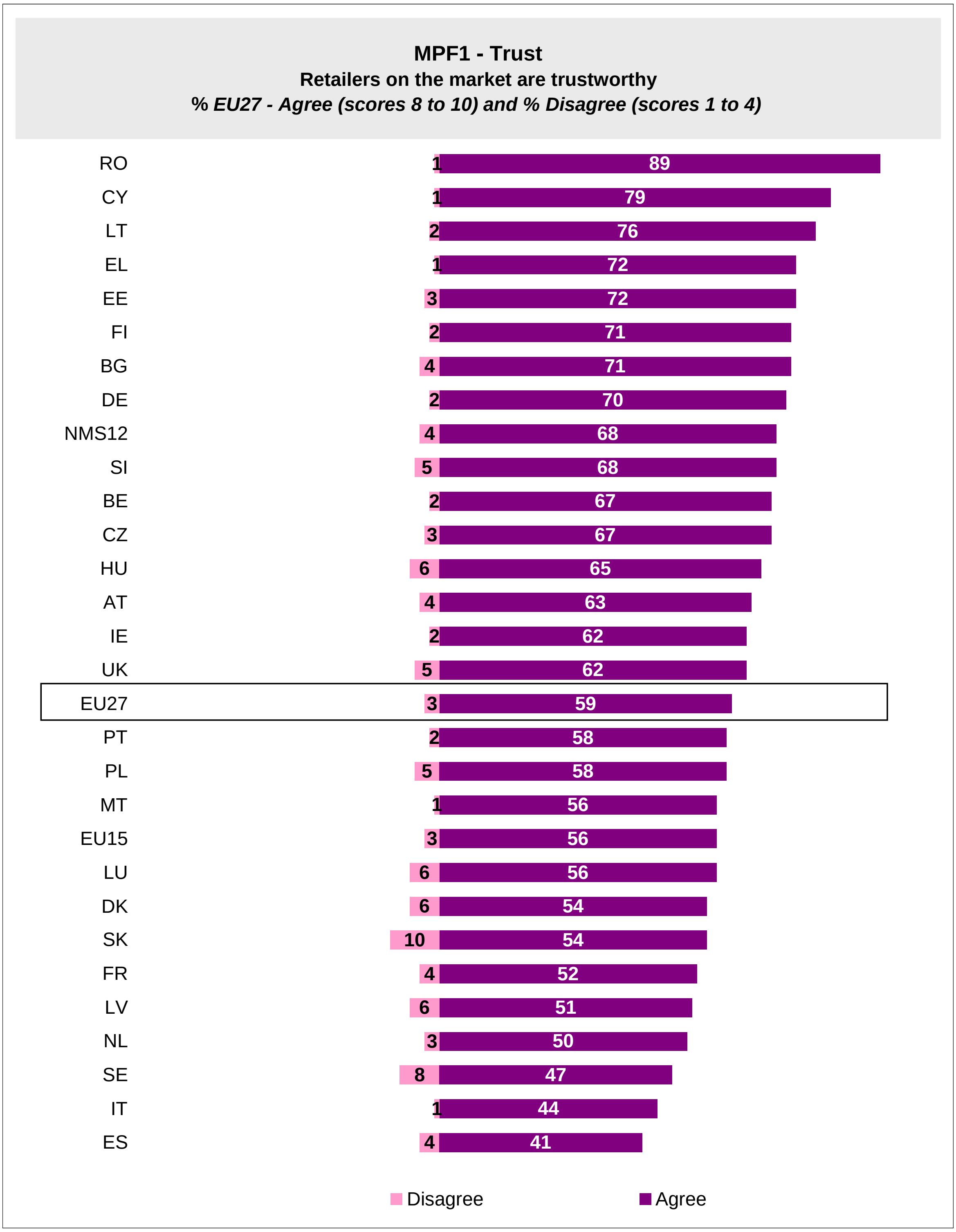
Figure 51 - Satisfaction with the market characteristics: choice (% by country)



There is enough choice of ICT equipment on the market, according to more than 7 Europeans in 10. Romanians, Cypriots, Hungarians, Finns and people of Luxembourg are the most satisfied (more than 80%). At the other side of the spectrum, we find Spain and Italy with only 54% satisfied consumers. Slovakians are most likely to express dissatisfaction (10%) in this respect.

8. Trust

Figure 52 - Satisfaction with the market characteristics: trust (% by country)



Retailers on the market for ICT equipment are trustworthy, according to almost 6 Europeans in 10. Romanians (89%), Cypriots (79%) and Lithuanians (76%) are the most satisfied consumers, whereas the least satisfied consumers are found in Spain (41%), Italy (44%) and Sweden (47%).

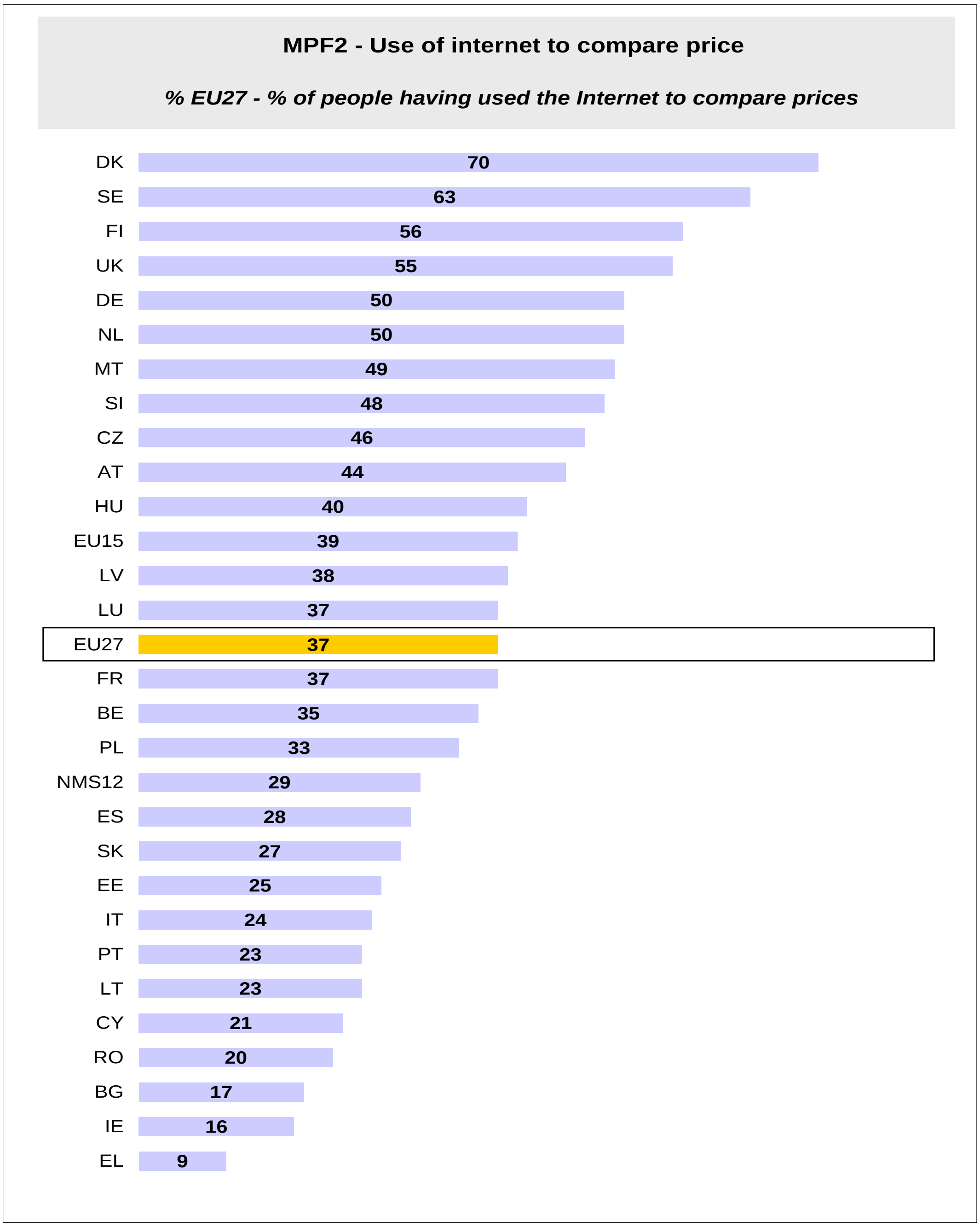
5.2. PRICE COMPARISON ON THE INTERNET

A) OVERALL RESULTS

37% of EU consumers have used the Internet to compare prices of ICT equipment. Consumers in the EU15 obtain a higher score than consumers in the NMS12 (39% against 29%). There are no significant differences in the results broken down by distribution channel with the obvious exception of those who purchased their ICT equipment via the Internet. In this group of consumers, 96% has used the Internet to compare prices.

B) DIFFERENCES BETWEEN EU MEMBER STATES

Figure 53 – Use of internet to compare price (% by country)



Nordic consumers are the most likely to use the Internet to compare prices: Denmark (70%), Sweden (63%) and Finland (56%) rank in the top three. Although the NMS12 average is lower than that seen for the EU15, the two countries with the lowest scores are EU15 countries: Greece (9%) and Ireland (16%).

The use of Internet for price comparisons is undoubtedly partly linked to Internet penetration rates across the countries[3].

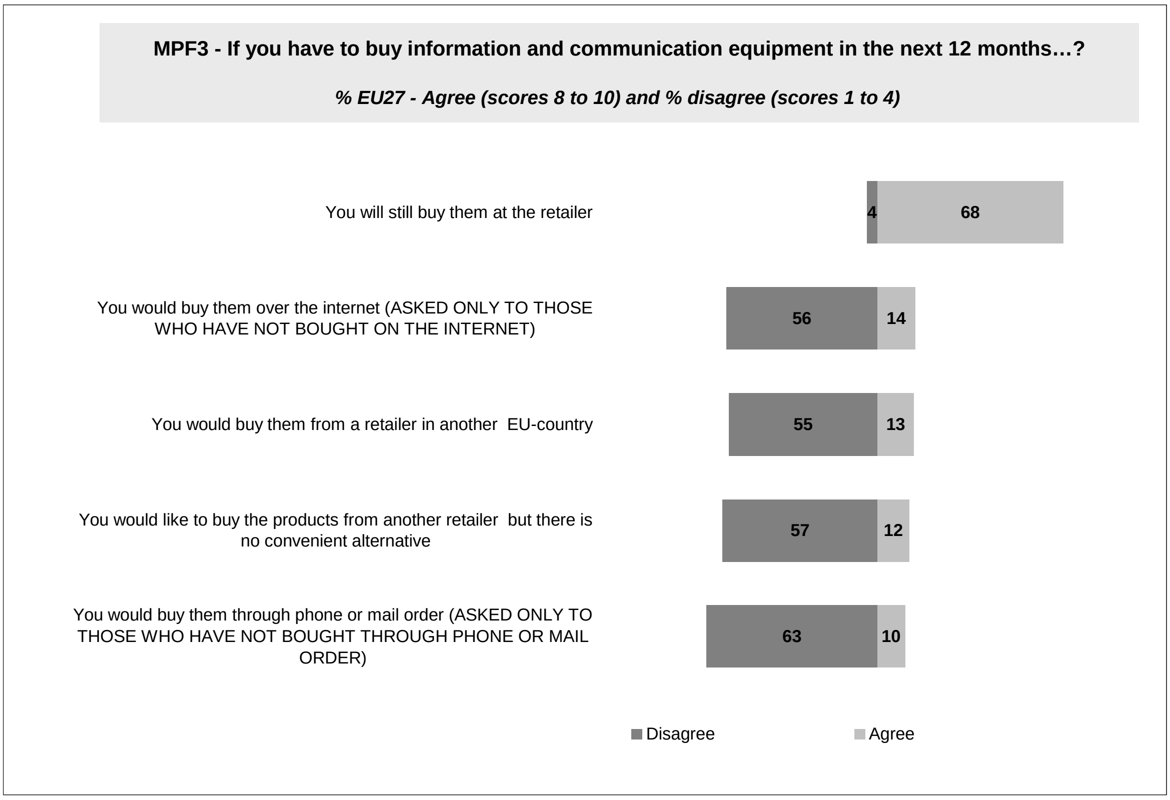
[3] Eurostat: Internet usage in 2008 – Households and Individuals at http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-QA-08-046/EN/KS-QA-08-046-EN.PDF

5.3. COMMITMENT

A) OVERALL RESULTS

In addition to the evaluation of consumers' past experience, the survey also explored their possible future purchase behaviour when it comes to ICT products. To do so, respondents were asked to indicate, on a scale from 1 to 10, the extent to which they agree with each of the 5 following statements listed on the chart below.

Figure 54 – Commitment in the next 12 months (% EU27)

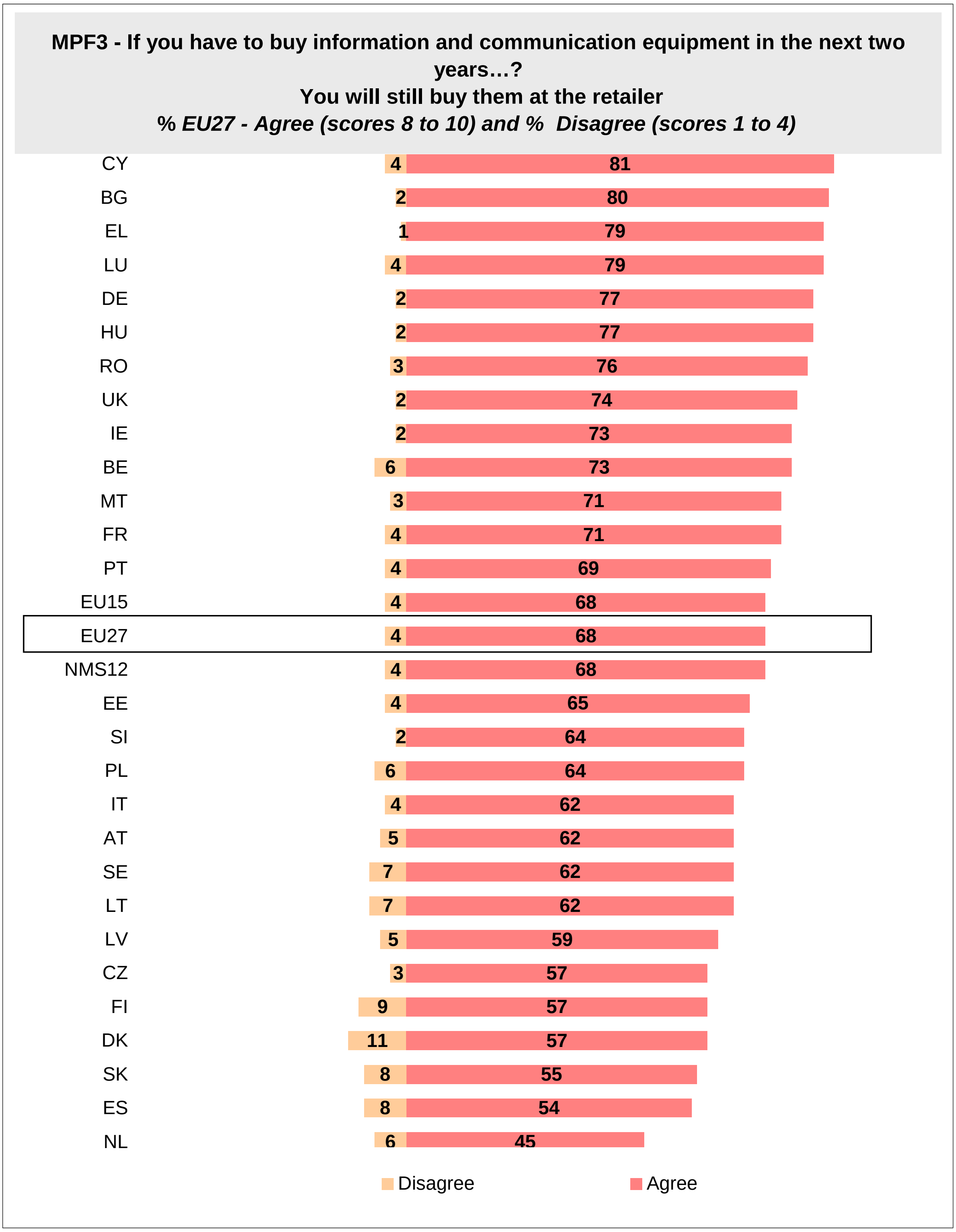


Almost 7 European consumers in 10 do not intend to change their retailer when it comes to buying information and communication equipment. 12% say that they would like to use another retailer but there is no convenient alternative.

Some potential can be however seen among the other purchase channels: 14% of those who purchased ICT products on the Internet (6% of EU consumers) would consider to do so in the future. 13% would buy these products from a retailer in another EU country and 1 in 10 at distance through phone or mail order.

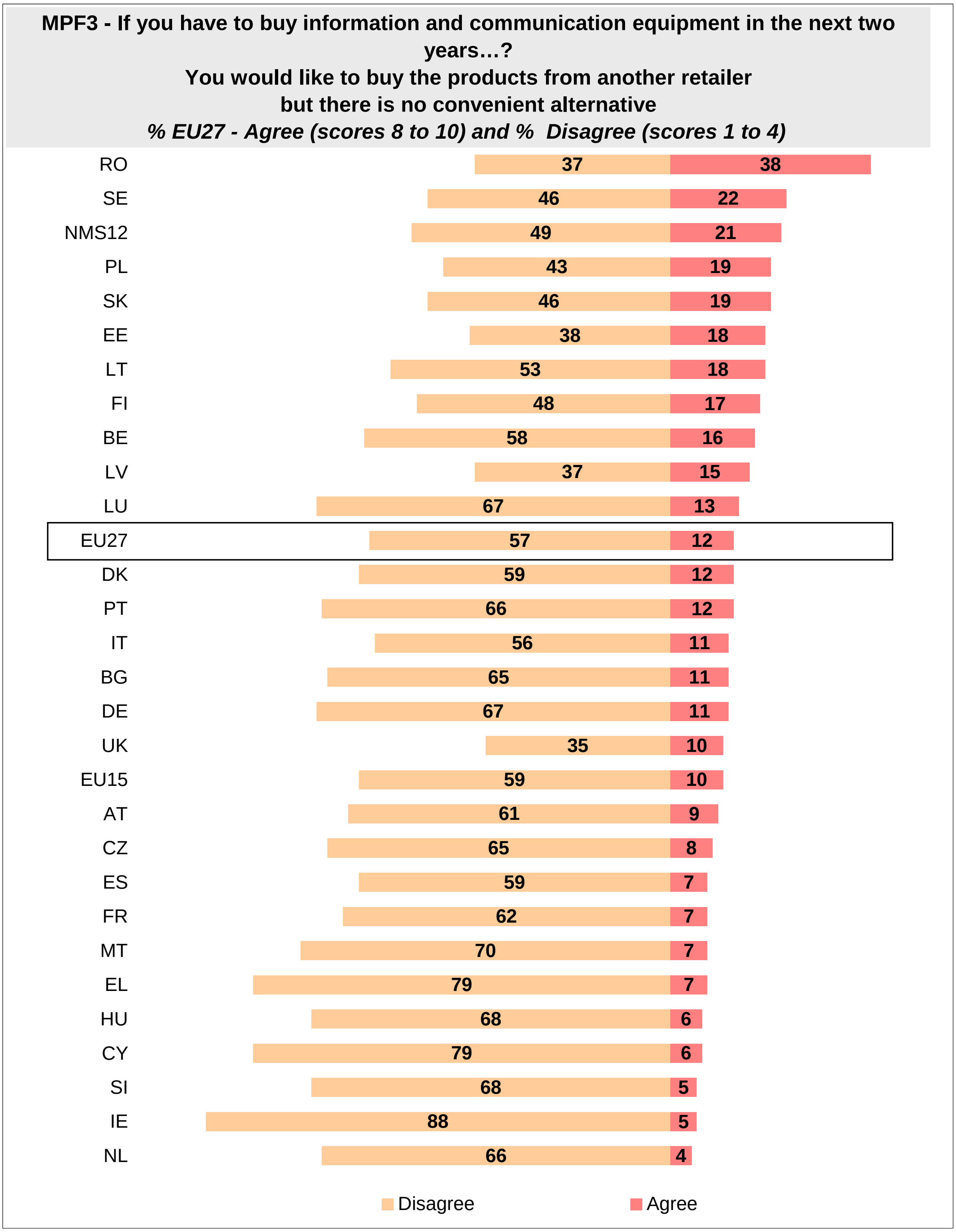
B) DIFFERENCES BETWEEN EU MEMBER STATES

Figure 55 – Commitment in the next 12 months to still buy at the retailer (by country)



Commitment to one retailer is quite high in all EU countries (68% on average), except in the Netherlands (45%). Around 1 consumer in 10 in Denmark and Finland are likely to change their current retailer.

Figure 56 - Alternatives (by country)



More than one third of Romanians would like to buy ICT equipment from another retailer but they feel there is no convenient alternative. To a lesser extent, this is the opinion of more than one fifth of Swedes. It is interesting to note the significant difference between the NMS12 (21% would buy from other retailer) and the EU15 (10%).

Chapter 4 – Priority actions

1. What matters most to consumers?

1.1. SHORT NOTE ON THE MODEL

The **statistical model** which has been specifically built for DG SANCO offers a range of possible added-value analysis and allows to explain in particular the contribution of observed variables to overall satisfaction, i.e. the elements that matter most to consumers.

The satisfaction model uses two types of variables:

- Driving factors, i.e. variables explaining satisfaction: Price/Quality – Service – Trust - Market factors. The construct 'Price/Quality' represents all items that enable consumers to evaluate the value for money offered by the retailer. 'Service' includes all the items associated with the quality of service. 'Trust' includes all the items that influence the level of trust towards the retailer. 'Market factors' includes items that are relevant to competition in the market, comparability across retailers, choice, etc.
- Performance indicators: variables that are a consequence of satisfaction, i.e. commitment – complaints

The model indicates the level of contribution made by each variable to overall satisfaction. This contribution is calculated through a regression analysis, which determines the weight of each variable. These weights can take a value ranging from 0 to 1. The more a weight is close to 1, the more the variable is contributing to overall satisfaction, or, in other words, the more this variable matters to consumers.

<u>For example</u>, if the regression coefficients are the following: 0.4 (Price/Quality), 0.35 (Service) and 0.25 Trust). This means that price is the variable that contributes to satisfaction most, i.e. this is the most important element for consumers when evaluating a product market.

The construct 'Market factor' being highly correlated (coefficient varying between 0.6 and 0.8) with Price/Quality, Service and Trust, we will exclude it from the regression equation. This enables to isolate the individual effect of Price/Quality, Service and Trust on the overall satisfaction.

1.2. REGRESSION WEIGHTS

The calculated regression weights for the market for ICT equipment are the following:

PRICE/QUALITY	SERVICE	TRUST
0.15	0.35	0.31

This means that the **quality of service** (and its components) is the element that matters most to consumers. Trust towards the retailer also plays a role while price/quality has a rather limited impact on the overall satisfaction.

1.3. PERFORMANCE INDICATORS

The correlation coefficients of Commitment and Complaints with Satisfaction are the following:

COMMITMENT	COMPLAINTS
0.52	- 0.27

Satisfaction has a relative positive impact on consumers' commitment to their retailer. The correlation coefficient shows that satisfaction explains commitment to a fair extent (52%). In other words, consumers who are satisfied are less likely to switch to another retailer.

On the other hand, there is not a strong statistical correlation between Satisfaction and Complaints. This means that low satisfaction does not result directly to more complaints.

2. Two-dimensional analysis

The **two-dimensional analysis** is one of the most common approaches to be carried out on consumer satisfaction data and helps in the presentation of the final results. The aim of this analysis is to summarise the **opportunities for action** (i.e. areas where the market does not perform so well and where actions to change the situation are needed in order to improve consumer satisfaction) and **areas where no action is needed** (i.e. areas where the market performs well and where no action is required), on a simple mapping system that takes into account:

- **the proportion satisfied consumers with each components of Price / Quality, Service and Trust**;
- **the regression weights of the 3 drivers of satisfaction** (Price/Quality, Service and Trust). As mentioned before, these coefficients express **the relative importance** (contribution) of each of these 3 drivers in the overall satisfaction. The regression weight can have a value ranging from 0 to 1.

This mapping system is particularly useful in providing a visual representation of **priority areas for improvement** for the European Commission and DG SANCO to take into account.

The diagram on the next page shows the areas where priority actions are needed to improve consumers' satisfaction with **the market for ICT equipment**.

Average[4]: 66.1%

Importance +

Satisfaction -

Priority actions

DELIVERY FULFILMENT 6

OVERALL TRUST 6
COOLING-OFF PERIOD* 6
DEFECTIVE GOOD 6
TRUSTWORTHY STAFF 6
ADVERTISING 6
CLEAR CONTRACT TERMS 5
FAIR CONTRACT TERMS 5
PROTECTION OF PRIVACY 5

Ideal situation

OPENING HOURS 73,9 %

OVERALL SERVICE 73,2 %

EASE OF PURCHASE 72,4 %

STAFF 66,7 %

AGGRESSIVE PRACTICES

Low importance area

QUALITY COMPARABILITY 65, 5%

AFFORDABILITY 64, 0%

ENVIRONMENT-FRIENDLY PRODUCTS 52, 9%

ETHICAL STANDARDS 45, 7%

Long term actions

SECURE PAYMENTS 77, 4%

TRANSPARENCY 74, 1%

INNOVATION 72, 5%

RELIABLITY 71, 6%

SAFETY 71, 5%

ENOUGH CHOICE OF PRICES 69, 9%

PRICE COMPARABILITY 69, 9%

ENOUGH CHOICE OF QUALITIES 69, 9%

PRODUCT LABELING 67, 0%

OVERALL PRICE 66, 5%

Satisfaction +

Importance –

*Asked only to those who purchased at distance

OVERALL OBSERVATIONS

[4] Average proportion of satisfied consumers on all items relating to the 3 drivers of satisfaction i.e. Price/quality, Service and Trust.

On average, 66.1% of consumers are satisfied with all aspects relating to Price/Quality, Service and Trust.

Concerning the three dimensions used in the model, consumers are the most satisfied with the quality of service (70%), followed by aspects of price/quality (67%). They are relatively less satisfied with trust issues (63%).

Consequently, it can be said that the market for ICT equipment is performing well when it comes to the quality of service given that it has the greatest impact on overall satisfaction and at the same time consumers are the most satisfied with this dimension. Trust, on the other hand, can be seen as an issue. Indeed, consumers are the least satisfied with the aspects of consumer protection and yet, this is a relatively important dimension for consumers.

SPECIFIC AREAS OF INTEREST

SERVICE

The quality of service is contributing the most to the overall satisfaction. Since the level of satisfaction on this dimension is high, it is here that we find the explanation for the positive outcome of the overall evaluation of the market for ICT equipment. Particularly convenient opening hours, ease of the purchase process and knowledgeable staff are assets of this market.

At the same time, satisfaction with the delivery fulfillment falls under the average satisfaction and leaves space for improvement. It should be also noted that the level of satisfaction concerning staff is just above the average satisfaction and could fall into the area of priority actions in the future and, therefore, should be carefully followed.

TRUST

Components of trust are the most imminent sources of low satisfaction in the market for ICT equipment. This concerns all the areas of trust which are covered in this study with the exception of aggressive practices (which does however have the highest level of dissatisfaction). Particularly the protection of privacy, fair and clear contract terms as well as advertising receive relatively low satisfaction scores whilst being important contributors of overall satisfaction.

PRICE/QUALITY

Even if price/quality aspects are not seen as important contributors to overall satisfaction as the other two dimensions, they constitute a firm basis for the overall satisfaction with the market for ICT equipment. Consumers are particularly satisfied with secure payments and transparency. Consequently, the high quality of these aspects should be maintained in the long-term in order to keep up the performance of the market.

CONCLUSIONS

Considering the observations presented above, the following can be seen as potential areas in which the market for ICT equipment could be improved:

- Special focus on delivery fulfillment, i.e. that consumers get what they are expecting without delay;
- Improving consumers' confidence in the consumer protection in the market, concerning particularly privacy issues and contract terms.

On the other hand, the positive elements of the market that must be maintained are:

- Transparency, accuracy and quality of the payment process;
- Ease of the purchase process;
- Well-trained staff since this has the potential to fall into the priority area of actions area if satisfaction falls.