

Great potential of cross-border shopping going unfulfilled, says EU report

EU Consumer Commissioner Meglena Kuneva today announced the results of two new EU wide surveys on retailers' and consumers' attitudes towards cross-border shopping. The figures show that even though e-commerce is taking off at national level, cross-border e-commerce is failing to keep pace. The share of EU consumers that have shopped across border has remained stable since 2006 (at around a quarter of the population). Even though consumers are increasingly confident about shopping cross-border, fewer retailers seem to be offering them this opportunity. Currently, 75% of retailers sell only to consumers domestically, but the reports show that if rules were harmonised almost half of these (34% more) would be interested in selling cross-border.

"Our goal is that the consumers should be able to benefit from buying the best quality at the cheapest price – no matter where in the internal market these goods or services might be on sale. And it should be easy for the retailers to sell their products or services wherever the demand is within the internal market," said European Consumer Affairs Commissioner Meglena Kuneva. "The potential for further internal market integration in this field is considerable – so it is clearly a priority to ensure that legal and practical barriers do not prevent consumers and businesses from trading cross-border – whilst ensuring a consistently high level of consumer protection."

Cross-border shoppers generally consist of younger, well-educated people in higher professional positions with internet access at home. Cross-border shopping still does not sufficiently engage the larger "middle" group of consumers. The case seems to be the same for companies, where larger companies are warming to the idea, but there is still a larger middle group that have not fully taken on board the business potential that cross-border sales offer.

- Consumer confidence when buying products or services cross-border in another EU-country has improved - the proportion of consumers that are more or equally confident about shopping online from another EU-country is 8% higher than in 2006 – reaching 40%.
- The average cross-border shopper in the EU spends €797 per year on these purchases.
- Many businesses state that the harmonisation of rules in this area would result in enhanced interest in cross-border trade. Currently 75 % state that they are not trading cross-border to consumers - but only 41 % would be uninterested if regulations were harmonised. In 2006, 67% of retailers sold only to consumers in their own country
- The level of cross-border advertising is still relatively limited (21% of retailers advertise cross-border) and most consumers (55%) have never come across such advertising. Those consumers who have come across such advertising (39%) are however much more likely to have made a cross-border purchase.

The reports published today are two Eurobarometer surveys on Businesses and Consumer attitudes to cross border trade. Data gathering was carried out in February – March 2008 amongst more than 26.000 consumers and 7.200 businesses in the 27 EU-countries and Norway.

The results of these two surveys are particularly relevant in the light of the upcoming EU Directive on Consumer Rights, which will simplify and streamline the current patchwork of different consumer laws into a single simple set of rules which make it easier for consumers and business to buy and sell across Europe.

Key Figures:

- 21% of retailers sell cross-border, which is less than the 29% that did so in 2006. Unsurprisingly, the proportion of retailers advertising cross-border is similar to the proportion selling cross-border i.e. 21%. In 2006 the figure was 24%.
- 75% of retailers do not currently sell cross-border. Out of these 75 % about half (34% - or 45% of the 75%) would be interested in trading cross-border if consumer protection rules were harmonised.
- 16 % would be interested in selling to consumers in 10 or more EU countries if rules were harmonised – compared to 3% today who currently sell cross-border in that number of countries
- 33% of retailers and 21% of consumers know where to get information on cross-border sales and purchases.
- 13% of consumers with an internet connection at home have traded cross-border via the internet, compared with 7% of the general population.
- Consumers with an internet connection at home spend more on cross-border purchases: €878 per year on average compared with €439 for those without internet access at home.
- 36% of consumers have used the internet to compare prices.
- In the past 12 months, 16% of consumers have made a complaint to a seller/provider about a problem they have encountered. 6% encountered a problem but did not complain.
- 51% of those who have complained were satisfied with the way their complaint was dealt with.
- The majority of consumers feel that, in general, sellers respect their rights (59%) and say that they feel adequately protected by consumer protection laws (51%).

For further information please log on to:

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

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

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