

Omnibus survey report

Internet shopping - Annexe K

June 2007

OFT921k

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1 EXECUTIVE SUMMARY

- 1.1 Sixty two per cent of people surveyed in January 2005 said they had internet access at home. Internet access was higher for males compared to females (67 per cent and 58 per cent respectively) 70 per cent of respondents said they had used the internet in the last 12 months. Internet access in the last 12 months was higher for males compared to females (76 per cent and 65 per cent).
- 1.2 Of the respondents who reported having used the internet in the last 12 months, 73 per cent said they had used it to buy goods/services. Use of the internet to buy goods and services was similar for males and females (74 per cent and 72 per cent respectively). Risk of fraud/security of payments was the factor with the highest proportion of respondents reporting that they were either very or fairly concerned about it when shopping online. When asked which factor was of most concern 38 per cent said the worry of giving out personal details/possibility of identity theft followed closely by 37 per cent who said the risk of fraud was of most concern. Thirty six per cent of internet shoppers said that whether the website seemed secure was the most important factor when choosing which website to buy from.
- 1.3 Fifty seven per cent of people who had shopped online in the last 12 months reported that they had not experienced any problems when doing so. Of the 43 per cent who had experienced problems the most common were the delivery being unreliable (15 per cent) and also communication with the supplier being difficult (15 per cent). Of those who had experienced problems, 63 per cent said that as a result of the problems they took more time/care when choosing the websites to buy from and 43 per cent said that as a result they do not/would not buy goods and services from the website they had experienced problems with. Thirty five per cent of internet shoppers said they had bought something in the last 12 months from a non-UK website, with 12 per cent of these having experienced problems while doing so.

- 1.4 Respondents who had shopped online in the last 12 months were asked whether they had bought anything from a non-UK website (respondents were left to decide what they considered to be a non-UK website). Thirty five per cent of internet shoppers said they had bought something in the last 12 months from a non-UK website.
- 1.5 Of the 27 per cent of internet users who had not bought goods and services in the last 12 months the two most popular reasons given for this were worries about giving out personal details/possibility of identity theft and preferring to shop in person/like to see the product (93 per cent of people felt each of these was very or fairly important). Of most importance was being worried about giving out personal details, with 42 per cent giving this as the most influential factor.
- 1.6 Twenty two per cent of all respondents who had used the internet in the last 12 months said that improved/guaranteed security would improve the internet shopping experience for them and encourage them to buy/buy more online.
- 1.7 Of all internet users 37 per cent agreed with the statement 'I have fewer rights shopping online than in the high street'; 64 per cent agreed with the statement 'Worries about fraud or security stop me buying/ buying more online'; 50 per cent agreed with the statement 'Rogue web traders are dealt with quickly and effectively'; 69 per cent agreed with the statement 'The internet is becoming a safer place to shop' and 52 per cent agreed with the statement 'Public bodies exist to help you resolve problems if things go wrong when shopping online'.
- 1.8 Only eight per cent of internet users said that they were very well informed about their consumer rights when shopping online, 41 per cent said they were fairly well informed, 36 per cent said they were not very well informed. Thirteen per cent said they felt that they were not at all informed. Those who had shopped online in the last 12 months felt more aware of their rights than those who hadn't.

Method

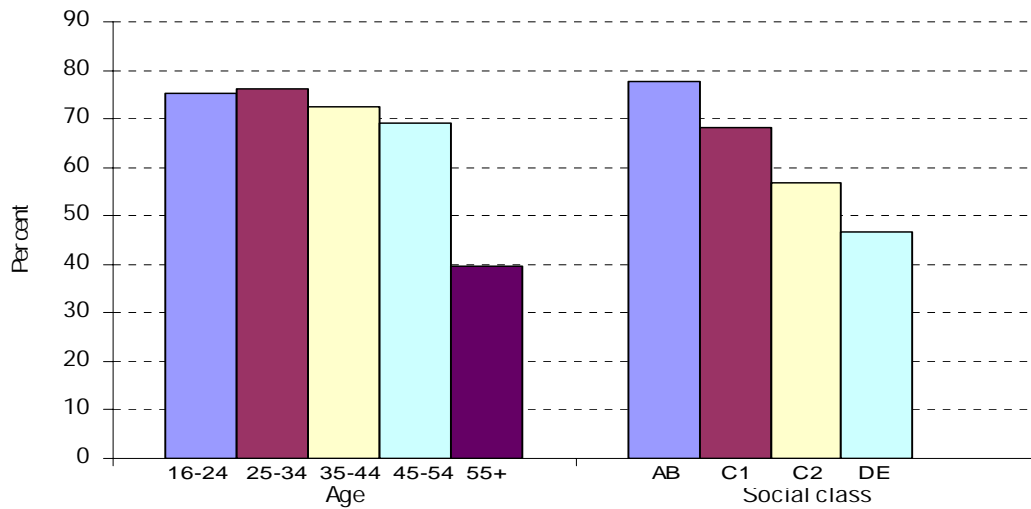
- 1.9 The results that follow are based on responses to questions that were placed on the TNS Omnibus survey. The Omnibus surveyed 1005 GB adults over the telephone over the weekend of the 20 January. The results are weighted to represent the adult GB population aged 16+.

Results

Home internet access

- 1.10 Of the people surveyed 62 per cent said they had internet access at home. Internet access was higher for males compared to females (67 per cent and 58 per cent respectively) and for those who were younger compared with those who were older (over 55). Home internet access decreased along with social class – see Chart 1.1. (Base 1005)

Chart 1.1: Proportion of people having internet access at home by age and social class, January 2006



Source: TNS Omnibus

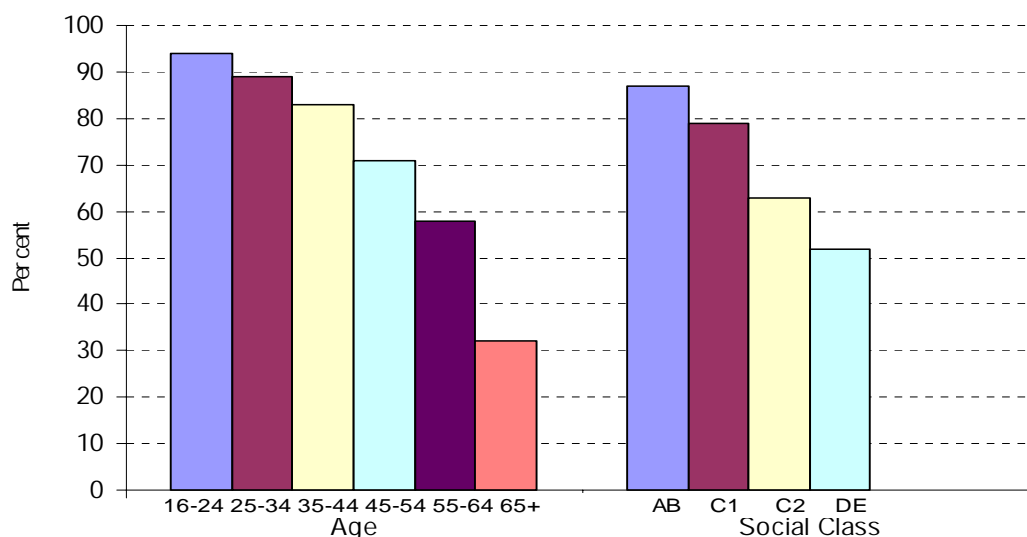
Base 1005

Internet usage

- 1.11 Seventy per cent of respondents said they had used the internet in the last 12 months. Internet access in the last 12 months was higher for males compared to females (76 per cent and 65 per cent). As shown in Chart 1.2 internet use in the last 12 months was highest amongst 16-24 year olds (94 per cent) and lowest among those aged over 65 (32 per cent). As with home internet access, internet usage also decreased with social class. Those in full-time employment had the highest proportion of internet users (87 per cent), compared with 72 per cent for part-time workers and 51 per cent for those who were currently not working. In terms of region, internet usage was greatest for those living in Greater London (82 per cent) compared with the lowest of 63 per cent in both the North West and the North East/Yorkshire and Humberside (Base = 1005). Of those that had internet access (either at home, work

or other place) only nine per cent reported not using the internet in the last 12 months.

Chart 1.2: Proportion of people who have used the internet in the last 12 months, January 2006



Source: TNS Omnibus

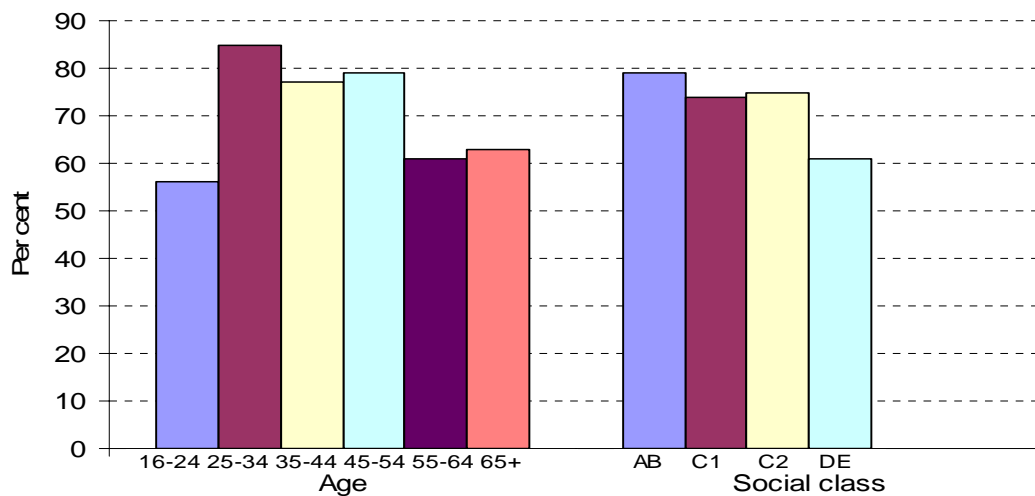
Base 1005

Buying goods and services

- 1.12 Of those that reported having used the internet in the last 12 months 73 per cent said they had used it to buy goods/services. Use of the internet to buy goods and services was similar for males and females (74 per cent and 72 per cent respectively). Chart 1.3 shows the difference in usage of the internet to purchase goods and services by age and social class. Ninety per cent of people who had reported using the internet to buy goods and services in the last 12 months also said they had internet access at home. There was little difference in the proportions having bought online in the last 12 months for those with children under 18

living at home and those without (75 per cent and 72 per cent), however, married respondents were much more likely to have shopped online in the last 12 months than those who were single and those who were widowed or divorced (79 per cent of those who were married compared to 65 per cent of those who were single and 66 per cent widowed/divorced). (Base 705)

Chart 1.3: Proportion of internet users who have used the internet in the last 12 months to buy goods and/or services, January 2006



Source: TNS Omnibus

Base 705

Factors that prevent people using the internet to buy goods or services.

1.13 Table 1.1 shows how important internet users who had not shopped online considered various factors to be in preventing them doing so. The factors are ranked from highest to lowest in terms of the combined total of very important and important. (Base = 191)

Table 1.1: Importance of certain factors in preventing respondents shopping online, %, January 2006

	Very important	Fairly important	Not very important	Not at all important	Don't know	Total
Worried about giving out personal details/ possibility of identity theft	85	8	4	*	4	100
Prefer to shop in person/ like to see the product	83	10	4	2	2	100
Risk of fraud/security of payment	81	11	3	1	4	100
Difficulty in resolving problems which may occur	52	32	5	3	8	100
Difficulty in returning goods	55	28	8	2	6	100
Worried will receive wrong goods or services	47	34	13	4	3	100
Worried will not receive goods or services	50	30	15	2	4	100

Delivery is inconvenient	32	32	17	10	9	100
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(*Less than 0.5%)

- 1.14 Being worried about giving out personal details/possibility of identity theft and preferring to shop in person/ like to see the product were the two reasons that obtained the largest proportion of people reporting that they were very important or fairly important in preventing them shopping online. A higher proportion of men than women reported that being worried about giving out personal details was very or fairly important in preventing them shopping online (97 per cent and 90 per cent respectively). More men than women said that the fact that they liked to shop in person/see the product was a very important factor in preventing them shopping online (87 per cent and 79 per cent respectively).
- 1.15 Of the factors listed above respondents were asked to report which was the most important in preventing them shopping online. Of the factors, 42 per cent said that being worried about giving out personal details was the most important, followed by 26 per cent who said risk of fraud/security of payments and 23 per cent who said they preferred to shop in person. A higher proportion of women than men said that the most important factor preventing them shopping on line was risk of fraud (47 per cent compared to 37 per cent), whereas a smaller proportion of women than men said that preferring to shop in person/see the product was the most important (17 per cent compared to 28 per cent).
- 1.16 This question gave respondents the chance to mention any other factors that prevented them shopping online. Some of the reasons given by more than one respondent included liking to invest in the local economy rather than shopping online, having no credit card and also having no internet access/computer at home.

Concerns people have when shopping online

1.17 Table 1.2 shows various factors and the proportion of respondents who reported that they were very concerned, fairly concerned, not very concerned or not at all concerned about them when shopping online. The factors are ranked from highest to lowest in terms of the proportions of internet users who said they were either very concerned or fairly concerned about it. (Base 487)

Table 1.2: Concerns about certain factors when shopping online, %, January 2006

	Very concerned	Fairly concerned	Not very concerned	Not at all concerned	Don't know	Total
Risk of fraud/security of payment	45	35	12	8	0	100
Worried about giving out personal details/ possibility of identity theft	46	33	13	8	0	100
Difficulty resolving problems which may occur	19	40	27	13	1	100
Prefer to shop in person/ like to see the product	14	39	33	12	2	100
Difficulty in returning goods	12	37	29	18	3	100

Worried will not receive goods or services	17	31	35	16	*	100
Delivery is inconvenient	11	29	35	24	1	100
Worried will receive wrong goods or services	9	29	42	19	*	100

(* Less than 0.5%)

- 1.18 Risk of fraud/security of payments was the factor with the highest proportion of respondents reporting that they were either very or fairly concerned about it when shopping online. A higher proportion of women than men said that this factor was very or fairly important (86 per cent and 74 per cent respectively).
- 1.19 When asked which of those factors was of most concern 38 per cent said the worry of giving out personal details/possibility of identity theft followed closely by 37 per cent who said the risk of fraud was of most concern. Six per cent said that the fact that there may be difficulty resolving any problems that may occur was of most concern when shopping online.
- 1.20 Respondents were also asked of other concerns they had when shopping online that had not already been mentioned in the list above. A few people mentioned that they were concerned about the lack of face-to-face contact and others mentioned that they were concerned about pop-ups that linked them to other sites and also the risk of the website crashing.

Factors which are important when shopping online

- 1.21 Respondents who had shopped online in the last 12 months were also asked what factors they considered to be important when choosing a site to buy from. Table 1.3 shows the results of the question again they

are ranked from highest to lowest in terms of the combined responses very important and fairly important. (Base 514)

Table 1.3: Factors which are considered important when choosing a website to buy from, %, January 2006

	Very important	Fairly important	Not very important	Not at all important	Don't know	Total
Whether the site seems secure	82	15	2	1	*	100
Delivery details are clear	56	39	3	2	*	100
Quality of information on a product	59	35	4	1	1	100
Contact details of business available	61	31	4	2	1	100
Returns policy is clear	54	37	5	2	1	100
Transparency of terms and conditions	51	40	5	3	1	100
Price transparency	52	37	5	2	4	100
Look of the website/ease of use	37	45	12	6	*	100
Site is a member of a code of	48	31	16	3	2	100

practice						
Lowest price	29	47	18	5	*	100
Your knowledge of retailer	27	48	19	4	1	100

(* Less than 0.5%)

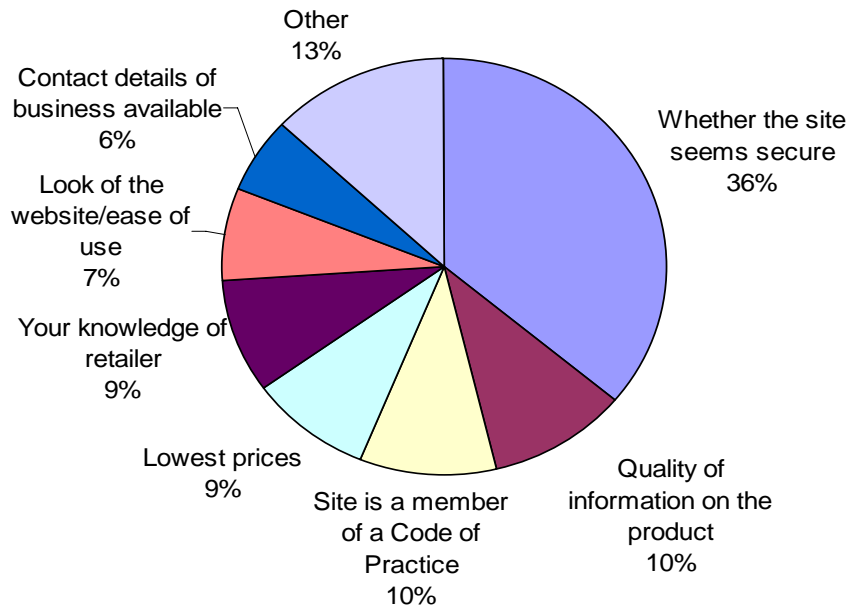
1.22 Whether the site seems secure is the factor that the highest proportion of people rated as being very important when choosing a site to buy from. A higher proportion of women than men considered this to be very important 87 per cent and 77 per cent respectively, but the proportions were very similar once the response fairly concerned was also considered 97 per cent and 96 per cent. The importance of this factor increased as social class decreased with only 77 per cent of respondents in the social class AB reporting it to be very important compared to 85 per cent of those in social class C2 or DE. Concern about this factor did not show a clear trend by age. For all factors except lowest price, ease of use and price transparency, a higher proportion of women than men rated the factors very important.

1.23 Internet shoppers were then asked to say which factor was the most important when choosing which website to buy from. As can be seen from Chart 1.4 whether the website seemed secure was by far the most important factor, with 36 per cent. Included in the 'other' category were the transparency of the terms and conditions (five per cent), price transparency (three per cent), returns policy is clear (two per cent), delivery details are clear (two per cent) and don't know (one per cent). Whether the website seemed secure was the most important factor for both males and females (35 per cent and 37 per cent) and was most important in every age group other than those over 65 where quality of information on the product was of most importance (this may be due to the small number of people sampled in this age group – which was only 39).

1.24 When asked what other things are important when choosing a website to buy from a large number of people mentioned word of mouth or

recommendations from friends were important, this may be because they thought of this differently to the category 'your knowledge of the retailer'. A few people also said that the availability of customer reviews of the sites were important.

Chart 1.4: Factor which is most important when choosing a website to buy from, January 2006



Source: TNS Omnibus

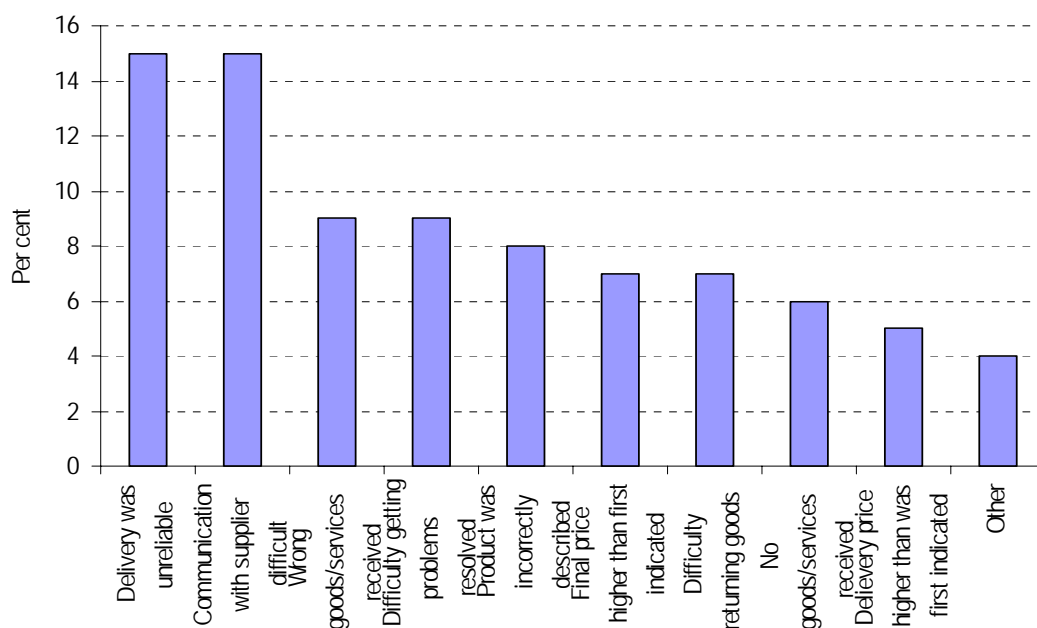
Base 512

Problems when shopping online

- 1.25 Fifty seven per cent of people who had shopped online in the last 12 months reported that they had not experienced any problems when doing so. Of the 43 per cent that had experienced problems the most common were the delivery being unreliable (15 per cent) and also

communication with the supplier was difficult (15 per cent) (see Chart 1.5).¹ The category 'other' includes personal/financial information being misused, the product being out of stock, damaged or faulty goods being received and difficulty with the website being used. The types of problems encountered show little variation by age, however, the number of people who encountered problems with delivery does seem to decrease with age.

Chart 1.5: Proportion of internet shoppers who had experienced certain problems when shopping online, January 2006



Source: TNS Omnibus

Base 514

¹ This question was prompted and so respondents were asked if they had experienced any of a list of problems rather than being asked to recall what they considered to be problems.

Changes to behaviour as a result of experiencing problems

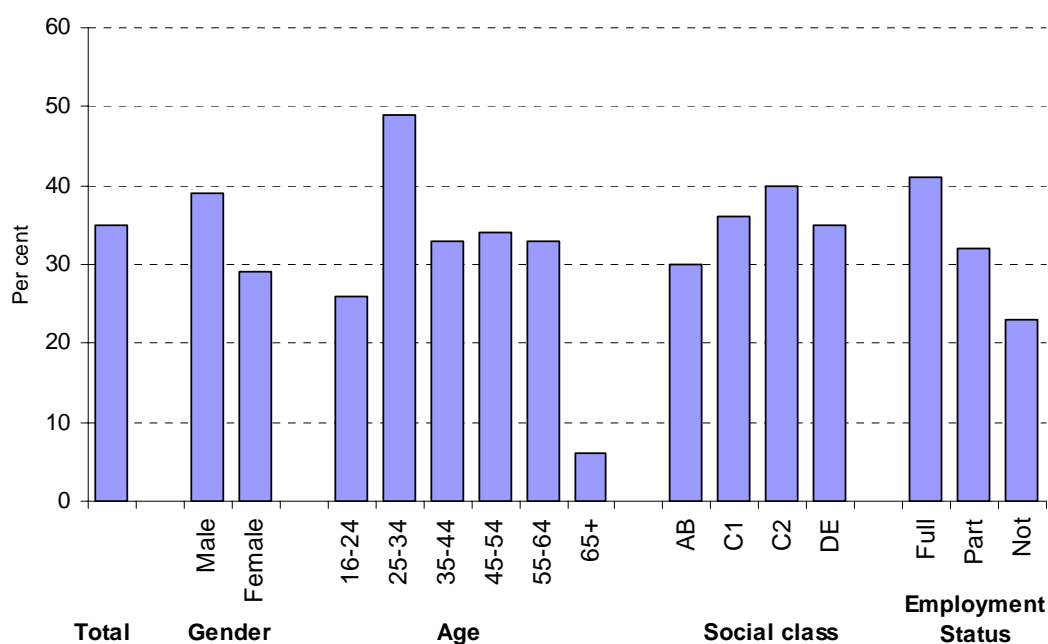
- 1.26 The 43 per cent of respondents who had experienced problems when shopping online were asked what had occurred as a result of experiencing these problems; respondents could give more than one response to this question. Sixty three per cent of people said that as a result of the problems they took more time/care when choosing the websites to buy from. A slightly higher proportion of males gave this response compared to females (65 per cent and 61 per cent respectively), the proportion of people giving this response also increased with decreasing social class (58 per cent of those in AB compared with 71 per cent in DE). Forty three per cent of those that had experienced problems said that as a result they do not/would not buy goods and services from the website they had experienced problems with. A higher proportion of women than men gave this response (50 per cent compared to 38 per cent). Thirty per cent of people said that their behaviour had changed in some other way when shopping online and 14 per cent said that as a result of their problem they did not shop as much on the internet as before. Eighteen per cent said that they did not know how their behaviour had changed if at all.
- 1.27 The 30 per cent of people who said that their behaviour had changed when shopping online were asked to specify how their behaviour had changed. Thirty nine per cent of these then said they were more cautious, nine per cent said they were more concerned about fraud and identity theft and eight per cent said they were more concerned about security.

Purchases from non-UK websites

- 1.28 Respondents who had shopped online in the last 12 months were asked whether they had bought anything from a non-UK website (respondents were left to decide what they considered to be a non-UK website). Thirty five per cent of internet shoppers said they had bought something in the last 12 months from a non-UK website. Chart 1.6 shows the proportion of internet shoppers who had bought goods or services from a non-UK website in the last 12 months by gender, age, social class and

employment status. The main point is that males are more likely than women to have bought goods or services from non-UK websites and those in the age band 25-34 are most likely to have bought from non-UK sites.

Chart 1.6: Proportion of internet shoppers who had bought goods or services from a non-UK website in the last 12 months by gender, age, social class and employment status, January 2006



Source: TNS Omnibus

Base 514

Problems with purchases from non-UK websites

- 1.29 The respondents who reported that they had bought a good or service from a non-UK website in the last 12 months were then asked if they had experienced any problems when doing so. Twelve per cent of the 35 per cent had experienced problems (less than the 43 per cent who had

experienced problems when buying from any online sites). Sixteen per cent of women and 10 per cent of men had experienced problems when buying from a non-UK site.

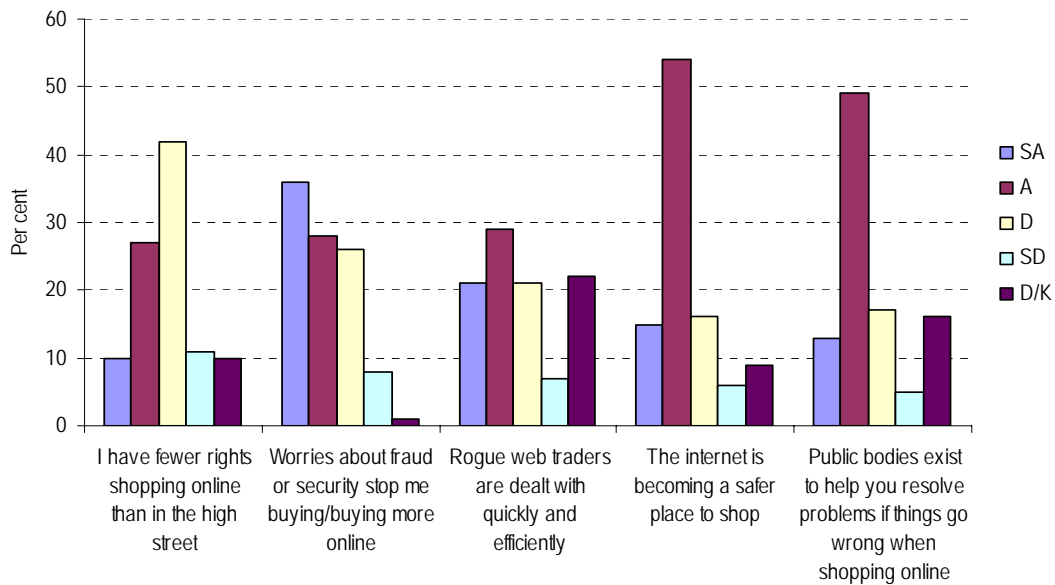
Measures that could be taken to encourage the respondent to shop online

- 1.30 All respondents who had used the internet in the last 12 months were asked what measures could be taken to improve the internet shopping experience that would encourage them to buy/buy more online. Twenty two per cent said improved/guaranteed security. The proportion of people giving this response was fairly consistent by gender, age, class and working status. Twenty one per cent said that there was nothing that could be done to improve the experience which would encourage them to shop more online. The third highest response was protection against fraud/identity theft which was given by nine per cent of respondents. All other responses were given by less than five per cent of respondents but included things such as more user friendly websites/easier navigation, cheaper/discounted prices, better/more accurate product information, faster delivery and better contact details/ability to be able to phone customer services.

Attitudes regarding internet shopping

- 1.31 Internet users were asked about their attitudes on various aspects of the internet through a number of attitudinal questions. In response to each statement the respondents were asked to say whether they strongly agreed, agreed, disagreed, strongly disagreed or didn't know. The results can be seen in Chart 1.7.

Chart 1.7: Proportion of internet users' attitudes towards various internet related statements, January 2006



Source: TNS Omnibus

Base 705

'I have fewer rights when shopping online than in the high street'

1.32 Thirty seven per cent of internet users think that they have fewer rights when shopping online than in the high street. More men than women believe they have fewer rights online than in the high street (40 per cent compared to 33 per cent). Young people were much more likely to think that they have fewer rights when shopping online than in the high street. 51 per cent of 16-24 year olds believe that they have fewer rights compared with 33 per cent of 25-34 year olds, 31 per cent of 35-44 year olds and 45-54 year olds, 43 per cent of 55-64 year olds and 37 per cent of those over 65. Also more people in the lower social classes believe that they have fewer rights online than in the high street (36 per

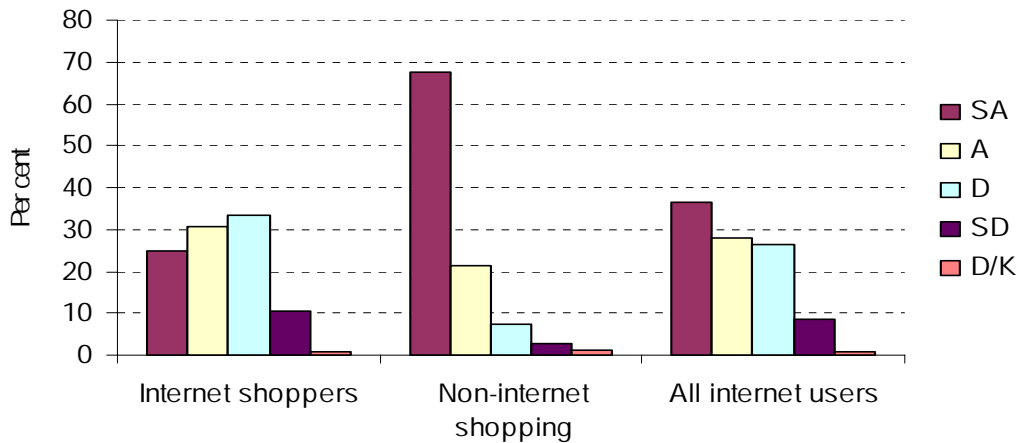
cent believe this to be true in the class AB compared to 44 per cent in DE).

- 1.33 A higher proportion of those that have used the internet in the last 12 months but have not shopped online agreed with the statement 'I have fewer rights when shopping online than in the high street'. Forty five per cent of internet users who had not shopped online strongly agreed (16 per cent) or agreed (29 per cent) with this statement compared with 34 per cent of internet shoppers (seven per cent strongly agreed and 26 per cent agreed).

'Worries about fraud or security stop me shopping online'

- 1.34 Sixty four per cent of all internet users strongly agree or agree with the statement 'Worries about fraud or security stop me buying/buying more online' (36 per cent strongly agreed and 28 per cent agreed). Only eight per cent of internet users strongly disagreed with this statement. More women than men agreed or strongly agree with this statement (68 per cent compared with 61 per cent).
- 1.35 As Chart 1.8 shows agreement with this statement was much higher for those who had not shopped online in the last 12 months (89 per cent) compared with those who had (55 per cent).

Chart 1.8: Proportion of internet shoppers and internet users' (but not shoppers) responses to the statement 'Worries about fraud or security stop me buying/buying more online', January 2006



Source: TNS Omnibus

Base: Internet shoppers – 514 Internet users but not shoppers - 191

'Rogue web traders are dealt with quickly and efficiently'

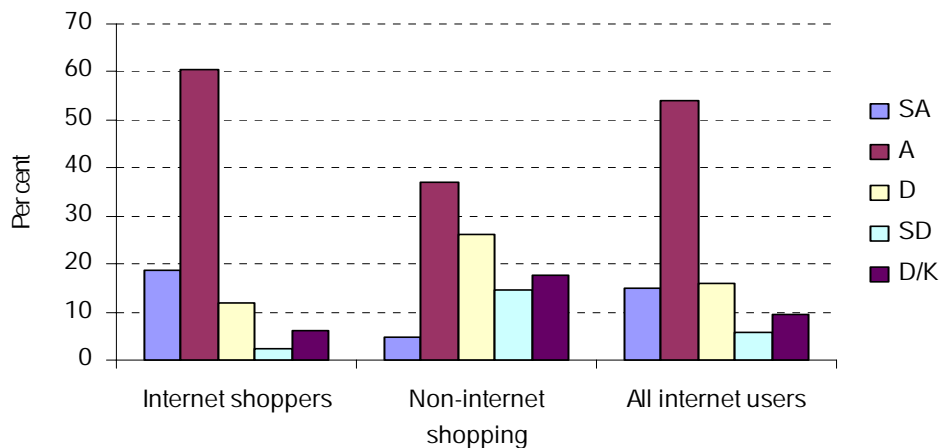
- 1.36 Fifty per cent of internet users strongly agreed or agreed with the statement 'Rogue web traders are dealt with quickly and efficiently'. There was little difference between the proportion of men and women giving this response. The proportion of internet users strongly agreeing or agreeing with this statement decreased with age other than in the 65 and over age group which gave the second highest positive response. 62 per cent of 16-24 year olds agreed or strongly agreed compared to 38 per cent of 55-64 year olds and 56 per cent of over 65's. Twenty two per cent of internet users said they did not know whether rogue web traders are dealt quickly and efficiently. A higher proportion of women compared to men responded 'Don't know', 27 per cent compared to 17 per cent. This question had the highest proportion of

respondents answering don't know of all the attitudinal questions. More non-internet shoppers reported don't know than internet shoppers (24 per cent and 21 per cent respectively).

'The internet is becoming a safer to place to shop'

- 1.37 Twenty four per cent of internet users disagreed or strongly disagreed with the statement 'The internet is becoming a safer place to shop'. Sixty nine per cent agreed or strongly agreed with this statement. Agreement was higher for males rather than females (72 per cent and 66 per cent) and agreement decreased with social class (73 per cent for AB compared with 60 per cent for DE).

Chart 1.9: Proportion of internet shoppers and internet users' (but not shoppers) responses to the statement 'The internet is becoming a safer place to shop', January 2006



Source: TNS Omnibus

Base: Internet shoppers – 514 Internet users but not shoppers - 191

1.38 As Chart 1.9 shows more internet shoppers agreed that the internet is becoming a safer place to shop than non-internet shoppers (79 per cent and 42 per cent respectively).

'Public bodies exist to help you resolve problems if things go wrong when shopping online'

1.39 Sixty two per cent of internet users agreed or strongly agreed with the statement 'Public bodies exist to help you resolve problems if things go wrong'. Slightly more women than men held this belief (63 per cent of women compared to 60 per cent of men). The proportion of people who agreed with this statement decreased with age, with 66 per cent of 16-24 year olds agreeing compared with only 53 per cent of those aged over 65. A relatively large number of respondents (16 per cent) replied don't know to this question. For this question there was little difference in the responses of internet and non-internet shoppers.

Awareness of the regulations

1.40 Those who had used the internet in the last 12 months were asked how informed they thought they were about their consumer rights when shopping online. Only eight per cent said that they were very well informed, 41 per cent said they were fairly well informed, 36 per cent said they were not very well informed. Thirteen per cent said they felt that they were not at all informed. More men than women felt informed, with 54 per cent of men feeling either very or fairly well informed, compared to 42 per cent of women (see Table 1.4).

Table 1.4: Awareness of rights by gender and age, %, January 2006

	Informed	Not informed	Don't know	Total
Total	49	49	3	100
Male	54	42	4	100
Female	42	56	3	100
16-24	49	51	1	100
25-34	48	48	4	100
35-44	46	48	6	100
45-54	61	39	1	100
55-64	46	51	3	100
65 +	32	65	2	100

1.41 Awareness was higher if the internet user had shopped online in the last 12 months with 54 per cent of internet shoppers feeling that they were aware of their rights compared with 34 per cent of those who had not shopped online in the last 12 months (see Table 1.5). However, 45 per cent of internet shoppers feel that they are not at all or not very well informed of their rights.

1.42 Comparing the results with the OFT Competition Act and Consumer Rights Survey, which asked consumers how aware they felt about their consumer rights, it seems that consumers are more aware about their general consumer rights than internet users are about their rights when

shopping online (significant difference at the 95 per cent level), however, there is not a significant difference (at the 95 per cent level) between awareness of consumers compared to internet shoppers. It may be therefore that the lack of awareness of their rights online is a factor in preventing internet users becoming internet shoppers.

Table 1.5: Awareness of rights by internet shoppers and internet users but not internet shoppers, %, January 2006

	Internet shoppers	Non-internet shoppers	All internet users	All consumers awareness of all rights*
Very well informed	9	5	8	10
Fairly well informed	45	29	41	49
Not very well informed	37	33	36	30
Not at all informed	8	26	13	8
Don't know	2	7	3	3

* Awareness levels of all rights is for 2005 and is taken from the same question that was asked on the OFT Competition Act and Consumer Rights Survey, May 2005