Measuring consumer awareness of online delivery rights

March 2015

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Executive summary

Background

The UK postal market has undergone significant changes in recent years, with a shift in emphasis from a letter-based communications system to a logistics network geared towards parcels, with large increases in parcel volumes.

Consumers' dependence on parcels has been fuelled by the growth in online retailing, and the deliveries undertaken to fulfil orders made online. E-retail is now a significant market and Britons spent £103.9 billion shopping online in 2014, with 920 million parcels dispatched by UK e-retailers. Since 2008, the value of online retail in the UK has more than doubled, and is expected to grow by 12 per cent in 2015.[1]

The expansion of online shopping offers new opportunities for consumers – particularly those living in rural, remote and island locations, who arguably have the most to gain from new online shopping opportunities. Yet several recent pieces of consumer research indicate that remote, rural or island consumers are more likely than urban consumers to have experienced a range of delivery issues, both during and after online shopping, including higher delivery costs, longer delivery times and no deliveries.[2]

New distance selling legislation – the Consumer Contracts Regulations 2013 – aims to provide more clarity to UK consumers and parity of online shopping rights when shopping within the UK and across the European Union (EU).

Given the varied experiences of online shopping across different regions of the UK and the presence of this new legislation, Citizens Advice believes it is a good time to judge how well informed consumers are regarding these new online shopping rights. Populus also wanted to pay particular attention to understanding the experiences of online shoppers living in rural, remote and island areas.

[1] IMRG UK e-Retailer Parcel Volume Trend, December 2014

[2] Consumer Focus Scotland (2012), *Effective Parcel Delivery In The Online Era – What Consumers In Scotland Need*; Office of Fair Trading (June 2012), *Price And Choice In Remote Communities: Call For Evidence*; Citizens Advice Scotland (2012), *The Postcode Penalty*

Research design

Citizens Advice[3] commissioned Populus to interview a nationally representative sample of 3,728 adults living in Britain, using online and telephone methodologies, between 29 August and 4 September 2014.

To ensure the analysis of responses from specific consumer groups would be sufficiently robust, Populus conducted booster interviews with those in Wales and Scotland, and also those living in rural, remote and island communities.

Firm quotas were set on rurality and on nation, to ensure a representative number of interviews were completed. Populus referenced the upcoming Christmas 2014 shopping period in order to get a sense of how consumers felt about online shopping in the lead-up to the busiest e-commerce period of the year.

Key Findings

Online shopping across the UK

The majority of consumers (84 per cent) are considered ‘online shoppers’; meaning they have engaged in more than one online shopping session in the past three months. Over half (51 per cent) are ‘light’ shoppers (engaging in between one and five online shopping sessions during this time period), and a third (33 per cent) are ‘heavy’ shoppers (six or more sessions).

Consumers in rural (91 per cent) and remote (88 per cent) areas are more likely to be online shoppers than those in urban areas (84 per cent), and island inhabitants are the least likely to be online shoppers, with 45 per cent having conducted an online shopping session during this period.

Testing awareness of online consumer rights

69 per cent of consumers believe they are aware of the new consumer online shopping rights, with 11 per cent claiming they feel ‘very’ aware. Yet rural (77 per cent) and remote (73 per cent) consumers are more likely to feel aware of their online shopping rights, with island inhabitants the least likely to, at just 37 per cent.

[3] In April 2014, the role of statutory consumer advocate for postal services transferred from Consumer Futures to the Citizens Advice service (for England and Wales) and Citizens Advice Scotland in April 2014. In Northern Ireland, responsibility for post transferred to the Consumer Council for Northern Ireland.

The most well-known consumer right – with 84 per cent of the sample correctly identifying this as 'true' – was related to online shopping delivery charges; that online retailers must provide shoppers with information on any delivery charges and arrangements prior to the conclusion of the contract. The least well-known consumer right when it comes to online shopping was linked to the 'cooling off' period. Just 27 per cent of the sample were aware that if they change their mind and decide to return the goods within the statutory cooling off period, the retailer must refund the cost of the item plus the standard delivery charge.

In terms of strength of knowledge on the new consumer rights (ascertained by looking at the proportion of consumer rights correctly identified), 12 per cent of consumers have a 'low' knowledge, 62 per cent have a 'medium' knowledge, and 26 per cent have a 'high' knowledge.

Seeking advice on consumer rights

Half of online consumers (51 per cent) would go to an internet search engine if they needed advice on consumer rights when shopping online. The next most commonly cited source for information on consumer rights was website terms and conditions pages (45 per cent), followed by either consulting a Citizens Advice Bureau, the Adviceguide website or calling the consumer helpline (40 per cent).[4]

Consumers in island communities have different behaviour than those in urban, rural and remote areas when it comes to getting advice on their consumer rights. They are least likely to go to a search engine (41 per cent), but most likely to consult the terms and conditions page on the e-retailers website (64 per cent) and to contact either a Citizens Advice Bureau, the Adviceguide website or call the consumer helpline (68 per cent). They are also the most likely to get advice from friends and family (46 per cent) on this matter.

When ordering goods online, consumers feel the best location for being shown delivery information is in a separate delivery information web page (28 per cent).

[4] Citizens Advice were one of the randomized answers possible for Q.7 and Q.13, see appendix 6. The high level of recognition for Citizens Advice as a source of consumer rights information is consistent with the Department of Business Innovation and Skills Consumer Engagement and Detriment Survey 2014. A TNS face-to-face omnibus of 4,127 UK adults found that most consumers (85 per cent) say they are likely to contact a consumer and/or enforcement agency if they had a problem with a good or service that they could not resolve directly with the supplier, with 45 per cent saying they are very likely to do so. 87 per cent of consumers surveyed are also aware of Citizens Advice as the main provider of information and help if things go wrong.

Conclusions

Our research found that, overall, many UK consumers are engaging in online shopping, which is reflective of broader market developments. 84 per cent of UK consumers who have access to the internet are online shoppers and 69 per cent said they feel aware of their online consumer rights. In addition, three-quarters of people living in rural areas feel aware of their online shopping rights – a higher proportion than in any other community.

The findings of this research will be added to our robust consumer evidence base, to inform the content of future campaigns and advocacy that aim to contribute to innovation and better online shopping services for all consumers. It will also help Citizens Advice develop the consumer rights information, education and outreach available through Citizens Advice Bureaux, the Adviceguide website and the consumer helpline.

Background and research objectives

Changes to the UK postal market

The UK postal market has undergone significant changes in recent years; shifting away from letter-based communications towards a logistics-based network of parcel delivery. As the online retail sector continues to expand, consumers are becoming ever more dependent on online shopping – 74 per cent of all British adults bought goods or services online during 2014, with almost half of them purchasing clothing,[5] and the UK has the highest e-retail expenditure per capita in the world.[6]

Largely as a result of the significant growth in online retailing and the subsequent growth of parcel volumes, Royal Mail considers its ability to maintain its leading position in this sector as a key part of its business strategy.[7] Other delivery operators, such as Collect +, DPD, Whistl, Yodel and MyHermes are present in the marketplace and offer a range of premium and tracked services to e-retailers, with the aim of giving consumer choice and peace of mind when online shopping.

For those living in rural, remote and island areas, e-commerce can be particularly useful as these consumers are removed from the choice and convenience of traditional high street shopping. Consumer research continues to show that these consumers are more likely than their urban counterparts to see online shopping as essential.[8]

However, despite the growth in online shopping delivery, several pieces of consumer research by UK consumer advocacy bodies[9] and the Office of Fair Trading[10] suggest that consumers in these localities are more likely to have experienced a variety of delivery issues than those in more urban areas – both during and after their online shop. In fact, consumers living in remote and island areas are significantly more likely to experience higher delivery costs, longer delivery times or no deliveries.[11]

Recent changes to the legal framework

With the increased volume of parcel deliveries accompanying the growth in e-retail, there

[5] IMRG UK Passport 2014 Cross-Border Trading Report
[6] Euromonitor Passport Data 2013. Retail values exclude sales tax and use current prices.
[7] Royal Mail Annual Report and Financial Statements 2013-14
[8] Consumer Futures (2013), *Signed, Sealed…Delivered?*
[9] Consumer Focus Scotland (2012), *Effective Parcel Delivery In The Online Era – What Consumers In Scotland Need;* Citizens Advice Scotland (2012) *The Postcode Penalty*
[10] Office of Fair Trading (2012), *Price And Choice In Remote Communities: Call For Evidence*
[11] Consumer Futures (2013), *Signed, Sealed…Delivered?*

have also been a number of recent changes made to the legal framework on online delivery rights that aim to help consumers. On 13 June 2014, the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013,[12] which implement the Consumer Rights Directive in UK law, came into effect. These new regulations bring UK law in line with European law and help guarantee that UK consumers are protected by the same rights when buying goods in another EU country as at home in the UK.

The regulations apply to items bought online, at a distance, or away from a trader's premises, such as at home or at work, and replace the Distance Selling Regulations and Doorstep Selling Regulations. They make it an obligation for all traders selling goods and services to give consumers certain information before the purchase and at the time of purchase itself. They also state that traders have to be clear and upfront about any cancellation rights a consumer may have, and cover digital content for the first time.

The following points are of particular importance for consumers who are shopping online and having goods delivered:

— Pre-contract information: the retailer must inform the consumer of any delivery charges and arrangements, and if the consumer will have to bear the cost of returning goods after cancellation. If they do not inform the consumer of any delivery and/or return charges then the consumer does not have to pay them.

— Delivery restrictions: any trading website used for concluding contracts must clearly and legibly indicate any delivery restrictions.

— ‘Cooling off’ period: the cancellation, or cooling off, period starts when the contract is entered into and generally lasts until 14 days after goods are delivered.

— Delivery date: if a delivery date is agreed then this is when items should be delivered. If no date is agreed then delivery must be made without undue delay and within 30 days of the contract being made.

— Delivery issues: the risk of late delivery, damage to items on arrival, misdelivery or non-delivery is borne by the trader until the goods come into the physical possession of the consumer, or the person identified by them to take possession. If the consumer decides to use a carrier who is not named as an option by the trader then the consumer will bear the risk from when they are delivered to that carrier.

[12] For more details of the Consumer Contracts Regulation 2013, visit the Citizens Advice Adviceguide website at http://bit.ly/1IMVo9k

— Returns: the consumer is responsible for returning cancelled goods unless the trader has offered to collect them, and they must bear the direct costs. They must do so without undue delay and within 14 days of informing the trader that they are cancelling.

— Reimbursements: all payments must be reimbursed without undue delay and within 14 days after the day on which the trader receives the goods back or, if earlier, the day on which the consumer provides evidence that the goods were sent. The retailer must reimburse the consumer less any postage over the basic rate.

Consumer awareness of delivery rights

As a result of the new legislation and the limited evidence regarding consumers' awareness of their rights when shopping online, we sought to focus on the views of online shoppers living in rural, remote and island areas; communities which comprise a smaller proportion of online shoppers.

We also wanted to test consumers' awareness of each of the new delivery-related rights when shopping online for Christmas 2014, as well as investigate their preferred sources for getting advice on consumer rights and obtaining delivery rights information from e-retailer websites.

Method

Method

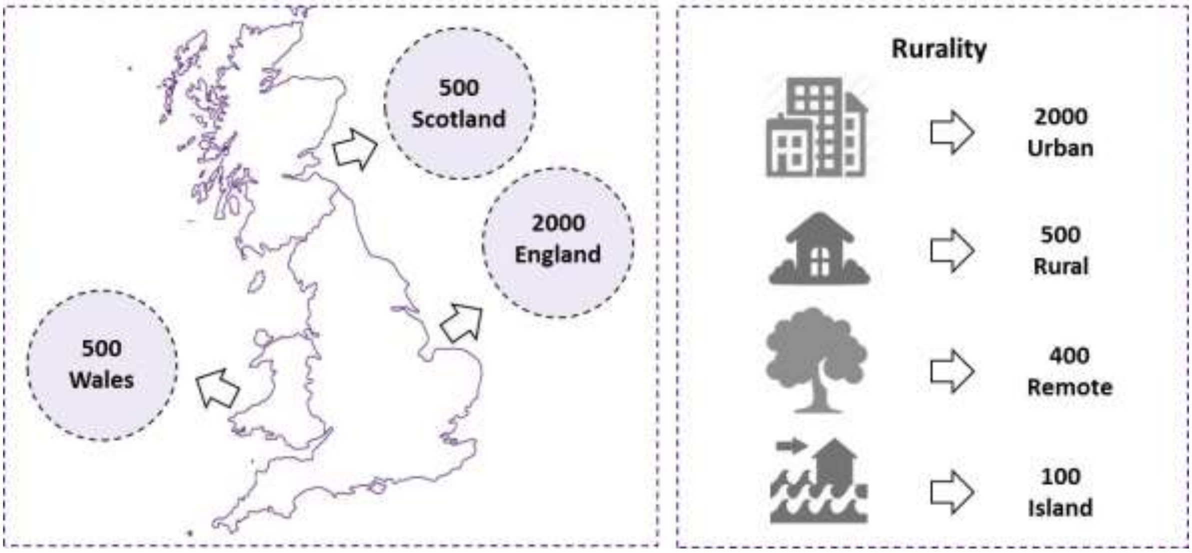
Methodology

Populus interviewed a nationally representative sample of 3,728 GB adults, using online and telephone methodologies, between 29 August and 4 September 2014.

Strict quotas were set on the sample to ensure that the correct number of interviews were completed across the locations and nations listed below in Figure 1.

In order to ensure a robust analysis of responses, it was important to boost the numbers of specific groups of consumers. We did this by boosting the number of consumers sampled in Wales and Scotland, and the number of consumers living in rural, remote and island communities.

Figure 1 Total number of consumers from each subgroup



Using a nationally representative online omnibus (2,000 GB adults 18+), a good proportion of the interviews needed within each of these sub-groups was captured naturally.[13]

Online booster interviews were undertaken to fill the remaining nation and rurality subgroups, which were subsequently weighted back using the original quotas to ensure a

[13] The actual numbers can be found in Appendix 1

nationally representative sample.[14]

Rurality was determined using postcode information from consumers and the entire online panel was profiled by postcode. This was then matched to information from the Office for National Statistics (ONS), giving each postcode a flag of either 'urban', 'rural', 'remote', or 'island' according to ONS definitions.

Off-line calibration

While the majority of the research for this project was conducted online, online panels can attract more ‘tech-savvy’ consumers who are heavier users of the internet and thus predisposed to do more online shopping. We also wanted to make sure we reached the correct proportion of consumers in ‘mobile only households’ in all areas. To ensure that these factors did not impact on the survey findings, we conducted an off-line calibration exercise using a weekly telephone omnibus with a dual sampling frame, whereby 50 per cent of calls are made to mobile phones and 50 per cent to landlines.

We included two weighting questions within the main survey, which were also asked via a telephone omnibus to a nationally representative sample of 867 GB adults 18+ with reasonable access to the internet.

The two calibrations questions focused on frequency of online purchasing – in order to weight down any higher purchase levels found within the online survey – and also on category of purchase. Data on those who selected a category, and those who said ‘none of these’ was taken and used as a weighting variable on the main survey.[15]

Island boosted sample

Achieving a representative sample of island interviews is not possible using an online approach, as the number of people signed up to online panels in these areas is insufficient. It is also unlikely that a representative group could be reached. For this reason we conducted the booster interviews among consumers living in island communities by telephone.

Using a telephone approach ensured that every single domestic landline telephone number across all island areas had an equal chance of selection in proportion to the island areas defined.

[14] The final number of booster interviews conducted in each subgroup is detailed in Appendix 1

[15] The calibration questions, as well as the main questionnaire, can be found in Appendix 6

Results

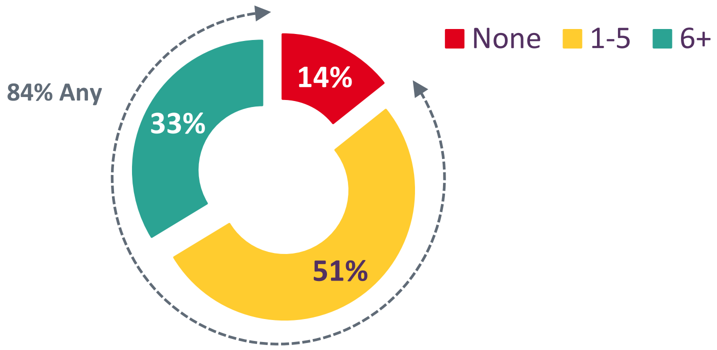
Section 1: Identifying online shoppers

Identifying online shoppers

Over four-fifths (84 per cent) of consumers surveyed have bought an item or items online for delivery by post in the past three months.

Just over half the sample (51 per cent) have engaged in between one and five shopping sessions in the past three months. These consumers have been categorized as 'light online shoppers' in the following analyses. A further third (33 per cent) have had six or more online shopping sessions during this time period, and have been categorized as 'heavy online shoppers'. Two per cent of consumers did not know how many online shopping sessions they had undertaken in the last three months.

Figure 1.1 Number of online shopping sessions in past three months



Q2 How many online shopping sessions in which you bought an item or items online for delivery by post have you undertaken in the past three months?

Base: All respondents (n=3,728)

Only one in seven consumers (14 per cent) have not done any online shopping in the past three months. This subset of consumers has been categorized as 'infrequent online shoppers'. Island inhabitants are the group most likely to fall within this category (55 per cent, compared to 8 per cent of rural inhabitants, 12 per cent of remote inhabitants and 14 per cent of urban inhabitants.

Consumers living in rural (91 per cent) and remote (88 per cent) locations are slightly more likely to have conducted at least one shopping session in the past three months than those in urban locations (84 per cent). Conversely, island inhabitants are the least likely to have conducted any shopping sessions online in the past three months, at 45 per cent.

Consumers who feel confident in their knowledge of their online shopping rights are substantially more likely to be online shoppers than those who feel unaware (90 per cent compared to 77 per cent), and also more likely to be heavy online shoppers (38 per cent compared to 24 per cent).

Categories of online purchase

The largest category of online purchase among all consumers is clothing, footwear and accessories, with 48 per cent of the sample having bought something from this category for delivery within the past three months. A similar proportion (43 per cent) have bought books, CDs or DVDs online for delivery within this time period, and around a third (31 per cent) have bought electricals.

A quarter of consumers have purchased an item or items for delivery within the home and garden category, and also the food and drink category (23 per cent), and one in six (16 per cent) have purchased sport or leisure items online for delivery.

Figure 1.3 Categories purchased in past three months

C2 Please now think about any online purchases where you bought an item or items online for delivery by post. In which of the following categories have you make an online purchase for delivery in the last three months?

Base: All who have internet access (n=3,710)

Consumers living in rural areas are substantially more likely than those in other areas to have purchased from four out of the six categories: clothing (56 per cent); books/CDs/DVDs (49 per cent); home and garden (34 per cent); food and drink (28 per cent).

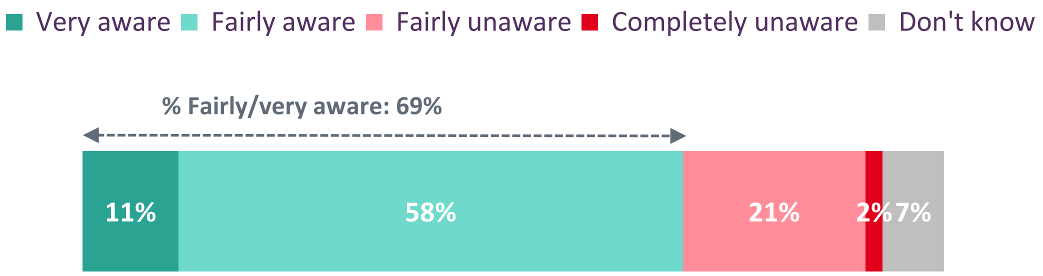
Island inhabitants are the least likely of all consumers to have purchased anything in any of these categories, with 43 per cent citing 'none of these'. For further details, please see Appendix 2.

Section 2: Online consumer rights

Overall awareness of online consumer rights

When asked how they feel about their knowledge of consumer rights, the majority of consumers (69 per cent) say they feel 'fairly aware' or 'very aware' of their rights as a consumer when shopping online. Just two per cent say they feel 'completely unaware', however about a fifth (21 per cent) do say they feel 'fairly unaware'.

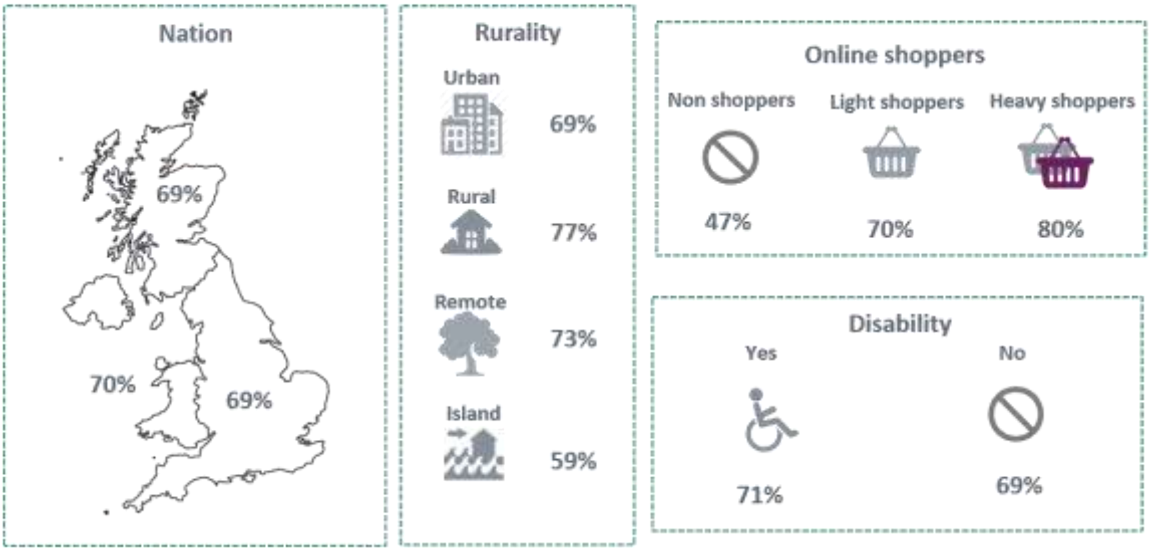
Figure 2.1 Awareness of consumer online shopping rights



Q11 Thinking generally about online shopping, how aware or unaware do you feel about your rights as a consumer when shopping online? Base: All respondents (n=3,728)

Consumers living in rural (77 per cent) and remote (73 per cent) localities are more likely than both urban (69 per cent) and island (59 per cent) inhabitants to feel aware of their online shopping rights, with nearly two-fifths (37 per cent) of those living in island communities claiming they feel unaware of their rights. Perceived awareness of online shopping rights between nations (England, Wales and Scotland) is consistent at 69-70 per cent).

Figure 2.2 Demographic overview of how aware consumers feel about their online shopping rights



Q11 Thinking generally about online shopping, how aware or unaware do you feel about your rights as a consumer when shopping online? Base: All respondents (n=3,728)

Consumers feel more aware of their online shopping rights the more they shop online. Under half (47 per cent) of those who have not done any online shopping in the past three months say they feel aware of their rights, yet this rises to 70 per cent of 'light' online shoppers, and 80 per cent of 'heavy' online shoppers.

Strength of rights knowledge

We specifically sought to test consumers' awareness of some of the new rights introduced as part of the Consumer Contracts Regulations, implemented in June 2014, in time for Christmas 2014.

To avoid instances of 'over-claim', which happens when consumers falsely claim to be aware of many of the statements presented simply to appear knowledgeable, we structured a question using a split sample design whereby half of the sample were shown a 'true' version of each of the six consumer rights tested, and the other half shown a 'false' version. The task was then to identify the real-life consumer rights, among the list containing false ones. The results from all consumers in each sample set have been combined and an average 'correct' percentage calculated, which is shown in the following chart.

Figure 2.3 Awareness of new online consumer rights: correct versus incorrect responses

Q12 Imagine that you are planning to complete some Christmas shopping online; please read the following statements about your delivery rights and choose whether you think they are true or false. Base: All respondents (n=3,728)

Strength of awareness of online shopping rights

Overall, 60 per cent of online consumers correctly identified all but one of the consumer rights tested.

The most well-known consumer right, which 84 per cent of consumers identified correctly as ‘true’, was that *online retailers must provide you with information on any delivery charges and arrangements prior to the conclusion of your contract*.

The second and third most correctly identified consumer rights were both related to delivery delays: 79 per cent correctly identified that *the risk of late deliveries, damage to items on arrival, misdeliveries or no deliveries is borne by the retailer until the goods come into your possession*; 64 per cent were aware that they *are entitled to a full refund if the goods have not been received within 30 days unless you have agreed to a longer delivery time*.

The least well-known consumer right, when it comes to online shopping, was linked to the cooling off period. Just 27 per cent of consumers were aware that *if you change your mind and decide to return the goods within the statutory cooling off period, a retailer must refund the cost of the item plus the standard delivery charge*.

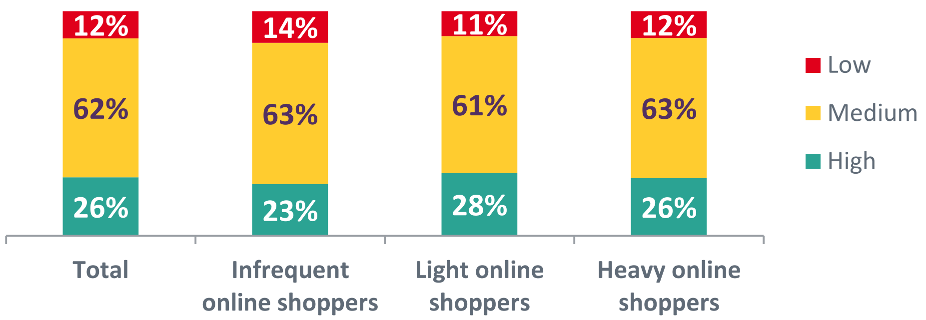
Assessing the *strength* of consumers' knowledge of their online rights (as opposed to their *perceived* awareness of rights) can be done by looking at the number of rights correctly identified by each consumer at this question.

We categorised all those who got between zero and two correct answers (out of a total of six) as consumers with a 'low' knowledge, those who correctly answered between three and four as having a 'medium' knowledge, and those who correctly answered between five and six as having a 'high' knowledge:

- 12 per cent of consumers have a low knowledge of the new consumer rights
- 62 per cent of consumers have a medium knowledge of the new consumer rights
- 26 per cent of consumers have a high knowledge of the new consumer rights

The strength of consumers' rights knowledge remains consistent between infrequent, light and heavy online shoppers, and can be seen in Figure 2.4.

Figure 2.4 Strength of rights knowledge: by online shopping frequency



Q12 Imagine that you are planning to complete some Christmas shopping online, please read the following statements about your delivery rights and choose whether you think they are true or false.

Base: All respondents (n=3,728)

Strength of knowledge is also consistent between all rurality subgroups, demonstrating that confidence in knowledge of consumer rights is considerably lower among island inhabitants, yet their actual knowledge is on a par with mainland consumers.

Section 3: Seeking advice on consumer rights

Preferred sources for consumer rights information

In the event of needing advice about their rights when shopping online, just over half of consumers would turn to an internet search engine for information (51 per cent). This is closely followed by the terms and conditions listed on the website on which consumers are shopping (45 per cent), and a further 40 per cent would go directly to a Citizens Advice Bureau, the Adviceguide website or the consumer helpline for this type of information.

Younger consumers are some of the least likely to read website terms and conditions (28 per cent), and go to a Citizens Advice Bureau (22 per cent) or other consumer bodies (22 per cent) if they need advice about their consumer rights, preferring instead to obtain this information from internet search engines (47 per cent). While notably less likely to use search engines for this purpose (41 per cent of those aged 65+), older consumers are the most likely to turn to a Citizens Advice Bureau (44-46 per cent of 45+ consumers) when needing guidance on consumer rights.

Internet users living in island communities have noticeably different preferences for obtaining their information on consumer rights. The sample group least likely to go to a search engine (41 per cent), island inhabitants instead are some of the most likely to use website terms and conditions pages (64 per cent), contact a Citizens Advice Bureau (68 per cent) and make use of information from consumer bodies (49 per cent). They are also markedly more likely to rely on the knowledge of family and friends when they need advice about their consumer rights (46 per cent, compared to 18 per cent of the total sample). For more details, please see Appendix 4.

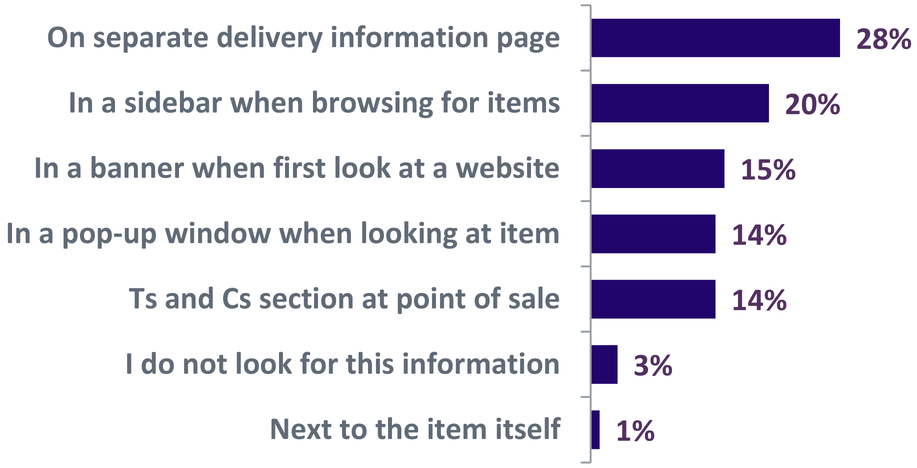
Preferred locations for delivery information on retail websites

Although there is no overwhelming ‘top’ location where consumers prefer to see delivery information on retail websites, the most preferred location for being shown delivery information when buying goods online is on a separate information page (28 per cent).

A further fifth of online shoppers would prefer to see this information in a sidebar when browsing for items, and around one in seven (15 per cent) would like to see delivery information in a banner displayed when they first visit the website.

Just 1 per cent of online shoppers would like to see delivery information next to the item itself.

Figure 3.1 Preferred location for delivery information



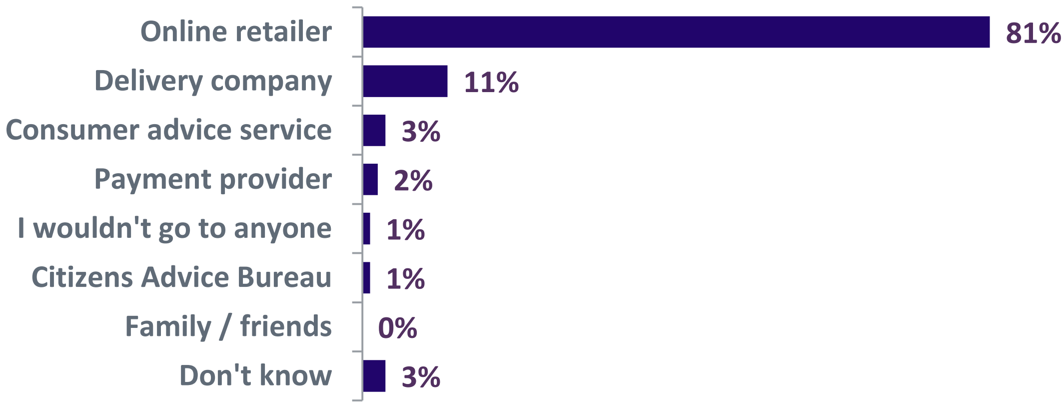
Q6 Thinking about when you shop online how would you prefer to be shown delivery information on the website?

Base: All who have shopped online in last three months (n=3,405)

Where to go in the event of online delivery problems

If consumers *were* faced with a problem with their online delivery, a large majority (81 per cent) would go directly to the online retailer to resolve the problem. Around one in ten (11 per cent) of all online shoppers would instead go to the delivery company, and a very small proportion would look to go to a consumer advice service (three per cent), or their payment provider, for example their bank or credit card company (two per cent). While 40 per cent of consumers stated they would approach either a Citizens Advice Bureau, the Adviceguide website or the consumer helpline for general advice about their online rights, just one per cent say that these options would be their first port of call if they had an issue specific to online delivery.

Figure 3.2 Where to go in the event of online delivery problems



Q7 If you experienced a problem with your online delivery, who would you go to first in order to resolve the problem?

Base: All who have shopped online in last three months (n=3,405)

Section 4: Online shopping over the 2014 Christmas period

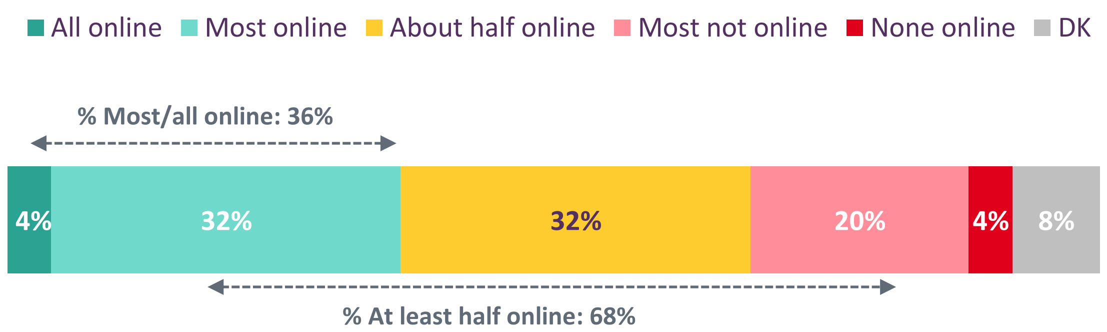
Predicted proportion of Christmas shopping online versus offline

This research demonstrates that consumers who felt aware of their online shopping rights were considerably more likely to do all or most of their Christmas shopping online in 2014 (40 per cent) than those unaware (26 per cent).

Among all those planning on doing at least some of their 2014 Christmas shopping online, a quarter anticipated that they would be doing a larger proportion online compared with 2013, and four per cent expected a 'much' larger proportion.

Nearly seven in ten (68 per cent) of those who had shopped online in the last three months believed they would do at least half of their Christmas shopping online in 2014, and around a third (36 per cent) thought they would do most or all of their gift shopping online. Just four per cent expect to not do any of their Christmas shopping online during 2014.

Figure 4.1 Christmas shopping 2014: online versus offline shopping predictions



Q3 Thinking about your Christmas shopping this year, what proportion of your shopping do you think you will buy online compared to buying via other methods such as in the shops, from catalogues etc.

Base: All who have shopped online in last three months (n=3,405)

A similar proportion of consumers across the UK – and indeed in different urban/rural locations – were planning on doing most or all of their Christmas shopping online in 2014, however, island dwellers were noticeably more inclined to do none at all online (10 per cent, compared to four per cent of others).

Choice of delivery location

The majority of consumers who were planning on doing at least some Christmas shopping online in 2014 were looking to get their orders delivered to their home (91 per cent).

Just under a third (30 per cent) were planning on making use of Click and Collect services, in which they were to collect their items from a physical branch of the shop they bought online from, and one in six consumers (16 per cent) were planning to have their orders delivered to friends and family. One in ten (11 per cent) thought they would use their work address for Christmas deliveries.

Figure 4.2 Locations for online Christmas deliveries

Q5 To which of the following locations will have your online Christmas shopping delivered this year (providing these locations are available to you). Please choose all that apply.

Base: All who have shopped online in last three months (n=3,044)

Online shoppers aged 25-34 were considerably more likely than other age groups to consider using of drop-off points for their 2014 Christmas shopping, with 40 per cent saying they planned to use a Click and Collect service over the Christmas period, and 11 per cent saying they would have their deliveries dropped off at their local shop. This subgroup was also markedly more likely to arrange to have their online Christmas orders delivered directly to work (21 per cent).

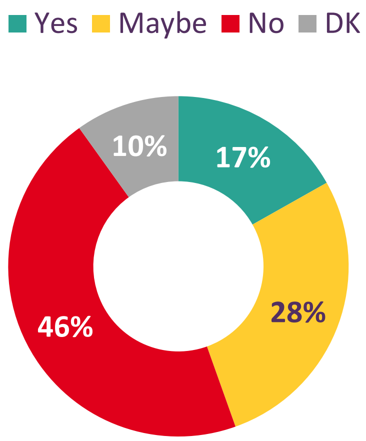
Use of the Post Office for delivery varied by location. Online shoppers in rural (four per cent) and remote (four per cent) locations were less likely than urban (eight per cent) and island (13 per cent) dwellers to consider having their 2014 Christmas shopping delivered to a local Post Office. Those living in island communities were also more likely than others to have their Christmas orders delivered to either a friend or a family member (27 per cent, compared to 16 per cent of the total sample).

Heavy online shoppers (those who have had more than six online shopping sessions in the past three months) were more likely to use Click and Collect services (34 per cent), compared to light shoppers (27 per cent).

Exploring non-online shopping behaviours

Among infrequent online shoppers, that is, all those who had not shopped online at all in the last three months, around one in six (17 per cent) had plans to do at least some of their Christmas shopping online in 2014. A further 28 per cent thought they might do their Christmas shopping online, but close to half (46 per cent) said they would not be doing any online.

Figure 4.3 Likelihood of doing Christmas 2014 shopping online



Q8 Do you think you will do any of your Christmas shopping online this year?

Base: All who have not shopped online in last three months (n=294)

Infrequent online shoppers in rural locations were the most likely to do their Christmas shopping online this year (28 per cent), compared to other consumers who had not shopped online in the last three months.

Figure 4.4 Likelihood of doing Christmas 2014 shopping online: rurality breakdown

Rurality	Urban	Rural*	Remote*	Island*
% Yes	17%	28%	25%	5%
% No	45%	27%	36%	72%

Q8 Do you think you will do any of your Christmas shopping online this year?

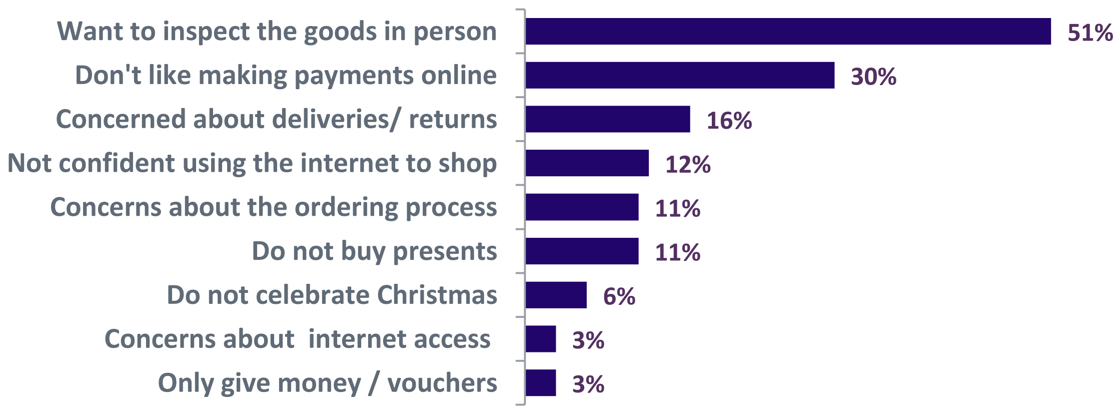
Base: All who have not shopped online in last three months (n=294)

* Base size is under 100

Among the small number of consumers who did not plan to do any of their 2014 Christmas shopping online (247), the top reason for this was that they would rather inspect goods in person before purchasing them (51 per cent), which they are unable to do with online shopping. This is in contrast to other available research[16], which suggests that delivery factors are the key reason behind consumers' avoidance of online shopping.

A further 30 per cent of this subgroup did not anticipate doing any of their Christmas shopping online this year because they don't like making payments online, and one in six (16 per cent) are put off Christmas shopping online because they have concerns specifically about the delivery and/or returns processes.

Figure 4.5 Reasons for not conducting Christmas shopping online



Q9 Why do you not think you will do any of your Christmas shopping online? Please choose all that apply.

Base: All who will not do Christmas shopping online (n=247)

[16] Consumer Futures (2013), *Signed, Sealed…Delivered?;* Royal Mail (2013), *Delivery Matters*

Conclusions

Conclusions

In exploring awareness of the new online shopping rights implemented in June 2014 as part of the Consumer Contracts Regulation 2013, Populus have found some positive findings. Most consumers (69 per cent) feel fairly or very aware of their online consumer rights, while nearly nine in ten (88 per cent) have a medium or a high level of awareness of the new rights.

Among those who feel aware of their rights, around one in ten (11 per cent) actually obtained a low score for strength of knowledge of the new rights implemented in June, demonstrating a disconnect between perceived and actual knowledge. In addition, although awareness of the new rights with regard to delivery charges and delays is generally high, three in four people didn't know that they could cancel an online order or return goods within 14 days to get a full refund, including delivery costs.

Although online shopping continues to grow, and the Christmas 2014 period[17] saw UK consumers spend £21.6 billion on gifts and sale items – a 13 per cent increase on the same time last year[18] – our findings show there is scope for increasing overall awareness of delivery rights among consumers.

Just 11 per cent of consumers consider themselves to be very aware of their online shopping rights. With 58 per cent feeling fairly aware, 21 per cent fairly unaware and two per cent feeling completely unaware of their rights, there is scope for increasing overall awareness among consumers.

This provides Citizens Advice with an opportunity to raise awareness of the recent changes and help close the gap between consumers' perceived awareness and actual rights.

There is a wealth of evidence from past research to show that delivery factors remain an important concern for shoppers and a key barrier to market growth, which e-retailers and delivery operators should explore further.[19]

Our research shows that, although consumers are knowledgeable with regards to delivery charges and delays, persistent issues such as concerns over the security of online shopping remain. Nearly a third (30 per cent) of consumers claimed they would not be conducting any Christmas shopping online because they do not like making payments online, while delivery concerns were cited by a sixth (16 per cent) of this group, among whom most are

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[17] The Christmas period is defined as the eight weeks between 2nd November and 27th December
[18] IMRG Capgemini e-Retail Sales Index January 2015
[19] Consumer Futures (2013) *Signed, Sealed…Delivered?;* Royal Mail (2013) *Delivery Matters*

put off specifically by the returns process (56 per cent). Clarifying the returns process and reassuring customers on this would prove a successful way to promote online shopping among this group.

Several recent pieces of research indicate that consumers in remote and island communities are more likely than those in urban areas to have experienced a range of delivery issues, both during and after online shopping.[20]

Robust survey methodology was used to gain the views of UK consumers across England, Wales and Scotland. This found that consumers living in rural, remote and island communities have distinct behaviours and preferences when it comes to online shopping, ranging from perceived awareness of online consumer rights to predicted Christmas shopping behaviour.

Consumers living in rural or remote communities – those who tend to do the most online shopping – have been shown to be the most confident in their knowledge of online rights.

In contrast, island inhabitants – those least likely to have engaged in online shopping behaviour in the past three months – are those who are the least confident in their knowledge of online consumer rights. However, the difference is around perceived awareness, or confidence, rather than actual awareness, as scores for strength of knowledge (that is, *demonstrated* knowledge) are consistent between all rurality subgroups. This shows that actual knowledge of delivery rights does not differ by location.

Consumers in these different locations also display distinct online shopping behaviours, with rural and remote consumers showing an increased tendency towards online shopping compared to their urban counterparts.

This reflects previous research, which highlights that rural, remote and island consumers are all significantly more likely than those in urban areas to see online shopping as essential, because they do not feel they have much choice in the local shops where they live.[21] Yet remote and island areas are significantly more likely than those in rural and urban areas to experience higher delivery costs, longer delivery times and non-deliveries.

Online retailers could be missing out on potential sales revenue from these areas, and would benefit from a better understanding of the factors preventing them from capitalising on demand from remote and island consumers, given their confidence and interest in participating in this marketplace. Royal Mail found, in its most recent *Delivery Matters* report, that 31 per cent of consumers who specifically abandon their shopping

[20] Consumer Futures (2013), *Signed, Sealed…Delivered?;* Consumer Focus Scotland (2012), *Effective Parcel Delivery In The Online Era – What Consumers In Scotland Need*; Office of Fair Trading (June 2012), *Price And Choice In Remote Communities: Call For Evidence*; Citizens Advice Scotland (2012), *The Postcode Penalty*
[21] Consumer Futures (2013), *Signed, Sealed…Delivered?*

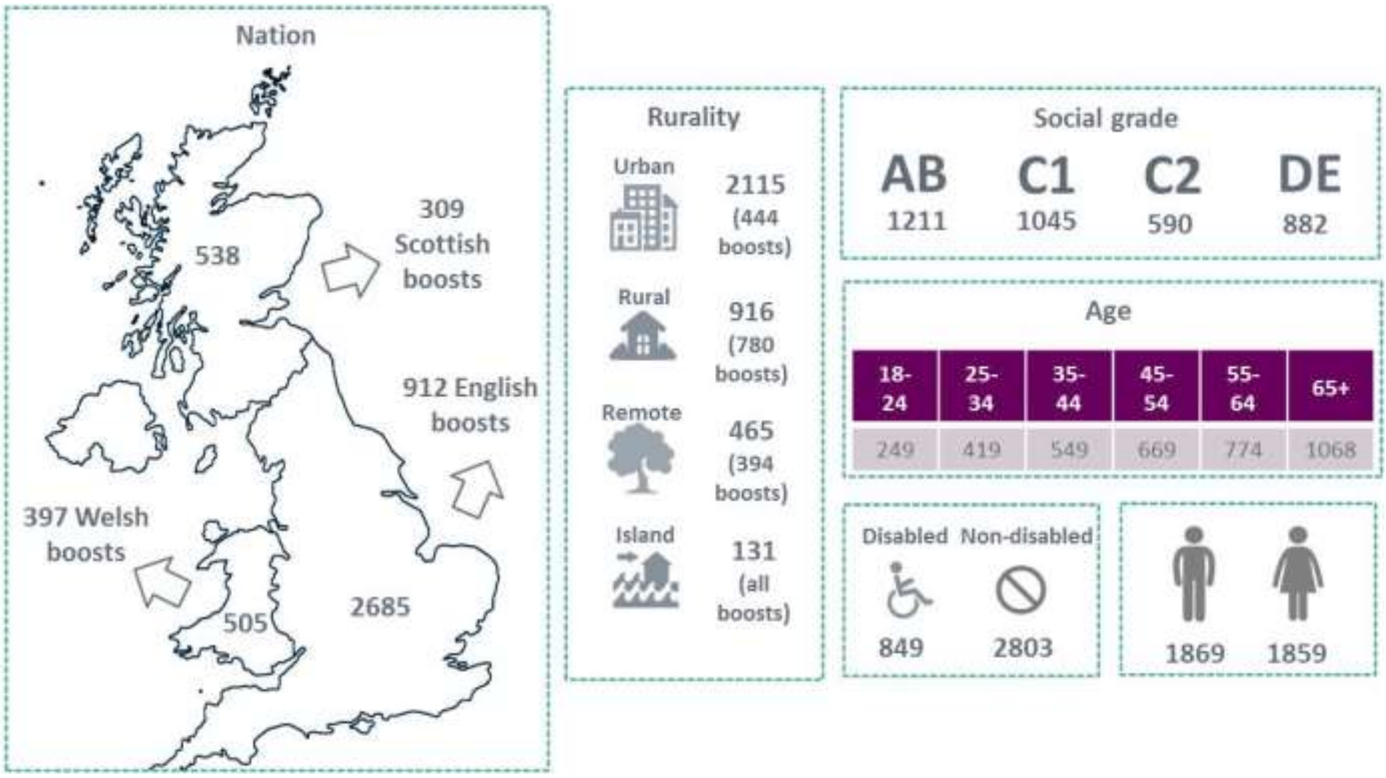
cart because of delivery factors go on to purchase the same item from a different retailer.[22]

The new regulations around online shopping provide consumers with increased clarity of rights when shopping online in the UK and the EU, and aim to provide consumers with enhanced opportunities to benefit from the choice and value of shopping online. Although consumers are becoming increasingly confident and aware of their online shopping rights, there is an opportunity to raise awareness of the recent changes and help close the gap between consumers' perceived awareness and actual rights, so that all consumers are able to experience the benefits that online shopping and delivery can bring.

[22] Royal Mail (2014), *Delivery Matters*

Appendices

Appendix 1 – Sample profile



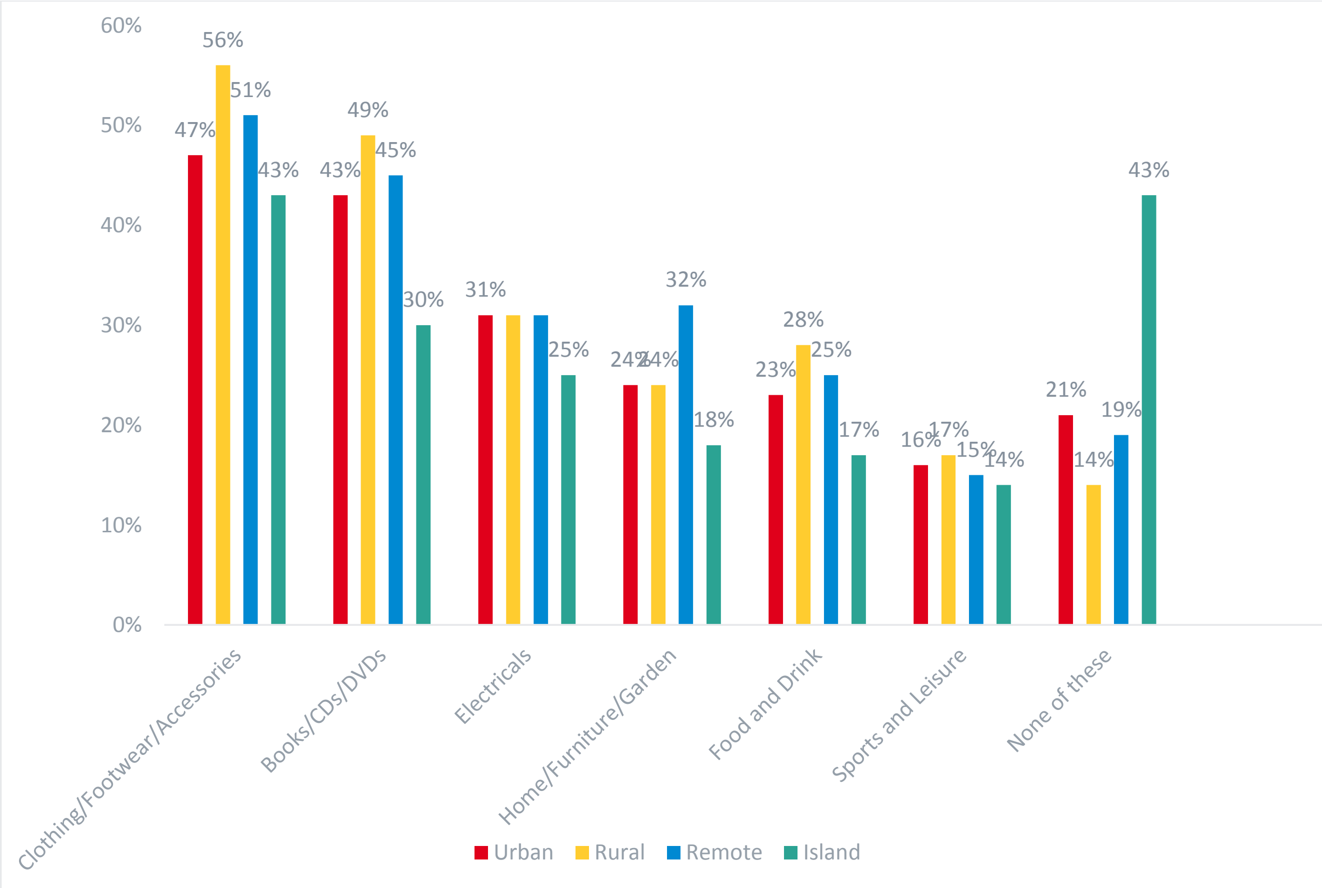
Appendix 2 – Number of online shopping sessions in past three months: demographic overview

		None	NET: Any	1-5 sessions	6+ sessions
	Total	14%	84%	51%	33%
Disability	**Yes**	16%	83%	45%	37%
	No	13%	85%	53%	33%
Location	**Urban**	14%	84%	52%	32%
	Rural	8%	91%	47%	44%
	Remote	12%	88%	45%	42%
	Island	55%	45%	23%	22%
Nation	**England**	14%	84%	51%	33%
	Scotland	13%	86%	52%	35%
	Wales	11%	88%	54%	34%

Q2 How many online shopping sessions in which you bought an item or items online for delivery by post have you undertaken in the past three months?

Base: All respondents (n=3,728)

Appendix 3 – Categories purchased in past three months: by location



C2 Please now think about any online purchases where you bought an item or items online for delivery by post. In which of the following categories have you make an online purchase for delivery in the last 3 months?

Base: All who have internet access (n=3,710)

Appendix 4 – Preferred source of consumer rights information: demographic overview

		Internet search engine	Website T&Cs	Citizens Advice Bureau	Consumer bodies	Family/ friends	Govt/ public body	Legal acts/ statutes	Money Saving Expert Website
	Total	**51%**	**45%**	**40%**	**32%**	**18%**	**11%**	**8%**	**1%**
Age	**18-24**	47%	28%	22%	15%	27%	7%	6%	-
	25-34	58%	39%	35%	25%	25%	13%	11%	1%
	35-44	56%	44%	42%	28%	16%	12%	7%	1%
	45-54	52%	48%	46%	33%	12%	11%	9%	1%
	55-64	50%	53%	44%	40%	13%	12%	8%	-
	65+	41%	50%	44%	41%	16%	12%	7%	-
Disability	**Yes**	51%	49%	44%	39%	15%	12%	11%	1%
	No	51%	44%	39%	30%	18%	11%	7%	-
Location	**Urban**	49%	43%	40%	31%	17%	11%	8%	1%
	Rural	59%	51%	40%	38%	12%	12%	10%	-
	Remote	55%	49%	39%	37%	14%	11%	7%	-
	Island	41%	64%	68%	49%	46%	30%	31%	-
Nation	**England**	51%	44%	39%	32%	18%	11%	8%	1%
	Scotland	49%	47%	46%	29%	16%	12%	9%	1%
	Wales	52%	47%	41%	35%	18%	13%	10%	-
Online shopper frequency	**Never**	37%	37%	46%	30%	24%	15%	10%	-
	Light	48%	46%	39%	31%	17%	10%	7%	-
	Heavy	61%	48%	39%	34%	16%	12%	9%	1%
Awareness of rights	**Aware**	54%	48%	41%	35%	16%	13%	9%	1%
	Unaware	49%	39%	40%	26%	22%	7%	6%	-
Strength of rights knowledge	**Low**	50%	40%	35%	27%	20%	9%	7%	-
	Good	48%	43%	40%	31%	17%	10%	7%	1%
	Strong	56%	50%	42%	35%	17%	17%	11%	1%

Q13 If you needed advice about your consumer rights when shopping online, where would you go? Please choose all that apply.

Base: All respondents (n=3,728)

Appendix 5 – Locations for online Christmas deliveries: demographic overview

		Home	Click and Collect	Friend/ family member	Work	Post Office	Local shop	Locker/ drop-off point
	Total	91%	30%	16%	11%	7%	7%	2%
Disability	Yes	94%	27%	16%	5%	7%	7%	3%
	No	90%	31%	16%	12%	7%	7%	2%
Location	Urban	90%	31%	17%	11%	8%	7%	2%
	Rural	96%	27%	12%	8%	4%	4%	1%
	Remote	97%	27%	14%	10%	4%	6%	2%
	Island*	99%	23%	27%	9%	13%	7%	-
Nation	England	90%	29%	16%	11%	7%	7%	2%
	Scotland	94%	35%	16%	8%	5%	8%	3%
	Wales	91%	28%	18%	15%	6%	9%	1%
Online shopper	Light	89%	27%	15%	10%	7%	6%	2%
	Heavy	93%	34%	18%	11%	7%	8%	3%

Q5 To which of the following locations will you have your online Christmas shopping delivered this year (providing these locations are available to you). Please choose all that apply.

Base: All who have shopped online in last three months and will do some shopping online (n=3,044)

* Base size is under 100

Appendix 6 – Questionnaire

ASK ALL

Q1 In which of the following ways do you access the internet?

CODE ALL THAT APPLY

1. At home
2. At work
3. At school/college/university
4. Other WiFi Enabled Location e.g. cafe
5. When on the move e.g. via 3G on smartphone or tablet
6. In a community centre e.g. library
7. Somewhere else
8. Do not have any access to the internet **[SHOW FOR CATI BOOSTERS ONLY]**

ASK ALL

Q2 How many online shopping sessions in which you bought an item or items <u>online for delivery by post</u> have you undertaken in the past three months?

CODE ONE

1. None
2. 1-5 sessions
3. 6+ sessions
4. Don't know

ASK ALL WHO CODE 2-3 AT Q2

Q3 Thinking about your Christmas shopping this year, what proportion of your shopping do you think you will buy online compared to buying via other methods such as in the shops, from catalogues etc.

CODE ONE – FLIP ORDER OF CODES 1-5

1. All online
2. Most online
3. About half online
4. Most not online
5. None online
6. Don't know

ASK ALL WHO CODE 1-4 AT Q3 (ANY ONLINE SHOPPING)

Q4 Do you think that you will buy a larger or smaller proportion online this year compared to last year?

CODE ONE – FLIP ORDER OF CODES 1-5

1. Much larger this year
2. A bit larger this year
3. About the same as last year
4. A bit smaller this year
5. Much smaller this year
6. Don't know

ASK ALL WHO CODE 1-4 AT Q3 (ANY ONLINE SHOPPING)

Q5 To which of the following locations will you have your online Christmas shopping delivered this year (providing these locations are available to you). Please choose all that apply.

CODE ALL THAT APPLY AND RANDOMISE CODES 1-7

1. Home
2. Work
3. Local shop
4. Post Office
5. Click and Collect – collect from branch of shop where you bought it online
6. Friend/family member
7. Locker or other non-manned drop-off point
8. Other (please specify)
9. Don't know

ASK ALL WHO CODE 2-3 AT Q2 (ONLINE SHOPPERS)

Q6 Thinking about when you shop online how would you prefer to be shown delivery information on the website?

CODE ONE AND RANDOMISE CODES 1-6

1. As a banner when you first look at a website
2. On a separate delivery information page
3. In a sidebar when you are browsing for items
4. In a pop-up window when you are looking at a specific item
5. In the terms and conditions at the checkout or point of sale
6. You do not look for this information
7. Other (please specify)
8. Don't know

ASK ALL WHO CODE 2-3 AT Q2 (ONLINE SHOPPERS)

Q7 If you experienced a problem with your online delivery, who would you go to first in order to resolve the problem?

CODE ONE AND RANDOMISE CODES 1-6

1. Delivery company
2. Online retailer

3. Consumer advice service
4. Citizens Advice Bureau/website/phone line
5. Payment provider e.g. bank or credit card company
6. I wouldn't go to anyone
7. Other (please specify)
8. Don't know

ASK ALL WHO CODE 1 AT Q2 (NONE ONLINE SHOPPERS)
Q8 Do you think you will do any of your Christmas shopping online this year?
CODE ONE

1. Yes
2. No
3. Maybe
4. Don't know

ASK ALL WHO CODE 2 AT Q8 AND CODE 5 AT Q3 (NON-ONLINE SHOPPERS AND ONLINE SHOPPERS, WHO THINK THEY WILL DO NO ONLINE SHOPPING THIS CHRISTMAS)
Q9 Why do you not think you will do any of your Christmas shopping online? Please choose all that apply.
CODE ALL THAT APPLY AND RANDOMISE CODES 1-7

1. You have concerns about the ordering process (e.g. payment issues, item out of stock)
2. You are concerned about deliveries and/or returns
3. You don't like buying without inspecting the goods in person
4. You don't like making payments online (e.g. payment security, fraudulent websites)
5. You have concerns about your internet access (e.g. speed, connectivity, security)
6. You or your friends/family had a bad online shopping experience
7. You don't feel confident using the internet to shop
8. Other reason (please specify)
9. Don't know

ASK ALL WHO CODE 2 AT Q9 (NON-ONLINE SHOPPERS AND ONLINE SHOPPERS, WHO THINK THEY WILL DO NO ONLINE SHOPPING THIS CHRISMAS AND WHO ARE CONCERNED ABOUT DELIVERIES/RETURNS)
Q10 Thinking more specifically about delivering and returning items that you have bought online, what concerns do you have? Please choose all that apply.
CODE ALL THAT APPLY AND RANDOMISE CODES 1-6

1. You are concerned that your goods won't be delivered on time before Christmas
2. You are worried about the delivery process (e.g. no-one at home, items might be damaged, stolen)
3. You are put off by the upfront cost of delivery

4. You are concerned about hidden delivery charges and/or delays
5. You are put off by the returns process if the item is not satisfactory
6. You are concerned about the process of being issued with a refund or credit note if you return the item
7. Other reason (please specify)
8. Don’t know

ASK ALL

Q11 Thinking generally about online shopping, how aware or unaware do you feel about your rights as a consumer when shopping online?

CODE ONE – FLIP ORDER OF CODES 1-4

1. Very aware
2. Fairly aware
3. Fairly unaware
4. Completely unaware
5. Don't know/not sure

ASK ALL

Q12 Imagine that you are planning to complete some Christmas shopping online, please read the following statements about your delivery rights and choose whether you think they are true or false.

SPLIT SAMPLE FOR VERSION A AND B

ROTATE SECTION HEADINGS

SHOW IN GRID ONE ROW AT A TIME

SPLIT SAMPLE VERSION A

Online shopping delivery charges

A. Online retailers must provide you with information on any delivery charges and arrangements prior to the conclusion of your contract (T)

B. You always have to pay any delivery and return charges that apply even if the retailer doesn’t tell you about them up front (F)

Cooling off period

C. The cooling off period during which you can change your mind and return most goods for any reason and get a refund is seven days from when you receive the goods (F)

D. If you change your mind and decide to return the goods within the statutory cooling off period a retailer must refund the cost of the item plus the standard delivery charge (T)

Delivery delays

E. You are not entitled to a refund for delayed deliveries as there is no set limit on the time that a delivery can take (F)

F. The risk of late deliveries, damage to items on arrival, misdeliveries or no deliveries is borne by the retailer until the goods come into your possession (T)

SPLIT SAMPLE VERSION B

Online shopping delivery charges

A. Online retailers can change the delivery charges and arrangements up until the point at which the goods are delivered (F)

B. If an online retailer does not tell you about any delivery and/or return charges then you do not have to pay them (T)

Cooling off period

C. The cooling off period during which you can change your mind and return most goods for any reason and get a refund is 14 days from when you receive the goods (T)

D. If you change your mind and decide to return the goods within the statutory cooling off period a retailer must refund the cost of the item; they do not have to refund the standard delivery charge (F)

Delivery delays

E. You are entitled to a full refund if the goods have not been received within 30 days unless you have agreed to a longer delivery time (T)

F. As soon as the retailer has given the goods to the delivery company they no longer bear the risk of late deliveries, damage to items on arrival, misdeliveries or no deliveries (F)

CODE ONE

1. True
2. False

ASK ALL

Q13 If you needed advice about your consumer rights when shopping online, where would you go? Please choose all that apply.

CODE ALL THAT APPLY AND RANDOMISE CODES 1 - 7

1. Internet search engine
2. Family/friends
3. Citizens Advice Bureau/website/phone line
4. Consumer Associations/Consumer interest groups
5. The Terms and Conditions listed on the websites of online retailers
6. Legal Acts/Statutes
7. Government/public body
8. Other (please specify)
9. Don't know

CALIBRATION QUESTIONS

C1 Please think about your use of the internet on all devices (desktop, laptop, Smartphone, tablet etc). Would you say you use the internet…

CODE ONE

1. Several times a day
2. Around once a day
3. 2-6 times a week
4. Around once a week
5. 2 or 3 times a month
6. Around once a month
7. Less than once a month
8. Don't know

C2 Please now think about any online purchases where you bought an item or items <u>online for delivery by post</u>. In which of the following categories have you make an online purchase for delivery in the last three months?

CODE ONE

1. Clothing/Footwear
2. Electricals
3. Food & Drink
4. Home/furniture/Garden
5. Baby & Children
6. Sport & Leisure
7. None of these

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