Research on the nature of consumer trust in peer platform markets

Presentation to the OECD Workshop on Protecting Consumers in Peer Platform Markets
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Methodology

• Survey of consumers using peer platform markets (PPMs)
• Across 10 markets: Australia, Canada, Chile, Germany, Italy, Japan, Mexico, Norway, Turkey and the US
• 900 users in each market, and 100 who have taken steps to use, but not actually used, PPMs
• 20 min survey carried out online by Research Now late Mar – mid-Apr 2017
First, some context
Notes

• **Peer platform markets**… ‘apps and websites that allow people to buy, hire or borrow items or services from other individuals’.

• ‘**Total**’ figures from the survey are based on the survey aggregate across the 10 OECD countries, with each country given equal weight.
  – The survey data are **not** weighted by relative populations.
Consumer use of PPMs is now widespread

- Widespread usage in each country
  - Except Japan
  - And not just for low-value items

- Consumers attracted by the value proposition – cost, convenience and choice

- Especially younger consumers
  - Two to three times more likely to use PPMs once online
Use of PPMs by country

Q1: Base: general population, dashed line, (34,509)
Use of PPMs by age

Q1 Base: online population (34,529)
Q6  Base: peer-to-peer users (9,075)
Converted from local currencies and adjusted for relative price levels.
Consumers generally trust PPMs

- Often more so than conventional businesses in similar markets

- This trust is anchored marginally more in the platform than the seller/provider
Peer platforms are, largely, trusted within their market.

Q17 Base: all peer-to-peer consumers (9,075)
Platforms trusted marginally more than sellers

How much do you trust .... that your transaction will be successful?

Q39/40 Base: peer-to-peer users (9,075)
Trust levels on a par with other key consumer markets

How much do you trust .... that your transaction will be successful?

Q39/40/41  Base: peer-to-peer users (9,075)
There is no single key to trust

- Secure payment, data security, and the ability to see pictures of goods or services are the top drivers.
- Reviews and ratings are seen to be important, but not crucial:
  - Most users trust them, just not totally.
  - And half have seen ‘dishonest’ or ‘fake’ reviews.
Key drivers of trust in sellers

**Most important – top 6**

- Secure payment method
- Personal data held securely
- Can see pictures of item
- Platform offers guarantee/refund
- Can contact seller/provider
- Can see reviews/ratings

**Less important – bottom 6**

- Seller vetted by platform
  - Easy to use resolution services
  - Familiar with platform
  - Platform based in my country
  - Profile/picture of seller
  - Seller linked to Facebook

Q18 Base: P2P consumers (9,075)  % saying ‘crucial’

Higher for Transport

Higher for Accommodation
Ratings/reviews are important, but not crucial

Importance of ratings/reviews
- Crucial
- Very important
- Fairly important
- Not imp/other

Trust in ratings/reviews
- 10/10
- 9/10
- 8/10
- 7/10
- 6/10
- 0-5/10

Q25/26
Base: P2P consumers (9,075)

Q33/34
Base: all using ratings (8,888), reviews (8,842)
Trust is important - but relative

An expensive item

Would only go ahead if could trust seller/provider

Would go ahead as long as had a reasonable amount of trust...

Would go ahead regardless of trust

Don’t know

A cheap item

Would only go ahead if could trust seller/provider

Would go ahead as long as had a reasonable amount of trust...

Would go ahead regardless of trust

Don’t know

Q11 Base: P2P consumers who have paid for a transaction (8,807)
It is not uncommon to experience problems using PPMs

- Around a third of PPM consumers have experienced a problem with a transaction at some point
  - Around a quarter of light users, half of heavy users
- Blame is usually placed with the seller
- Problems are usually resolved
  - Though often only partially
Problems with transactions are far from rare

Q20 Base: all peer-to-peer consumers (9,075)
And are usually resolved – though not always fully

- Problems, largely due to seller/provider…
- are seen to generate caution…
- …rather than disengagement
- But it ripples out to other platforms and peer-to-peer markets

Q22+24  Base: P2P consumers having experienced a problem (3,090)
Confidence in knowing your rights if something goes wrong is mixed

- Younger consumers feel less informed than older ones
- And confidence is marginally lower for transport platform users

Confidence in knowing rights

- Fully understand 16%
- Have a good idea 39%
- Have a limited idea 31%
- Don’t know my rights 12%
- No opinion 2%

Base: all peer platform consumers (9,075)
Less than half read T&Cs and Privacy Policies

• Less than half of PPM consumers have read the Terms and Conditions or Privacy Policies in detail
  – Most just scan them or ignore them

• And data responsibility is important

• But again, PPMs are largely trusted on this
  – Especially compared to social media co’s
Data responsibility is important to consumers

Q18  Base: all peer-to-peer consumers (8,236)
And platforms are largely trusted on this

How much do you trust .......... to use your personal data responsibly?

Q43/44 Base: all peer-to-peer consumers (9,075)
A last word about non-users
Barriers to use

• A further 6% of the online sample had taken steps to use but not actually completed a PPM transaction
  – No single reason holding them back
  – Lack of trust plays a part, but not a major one

• Among the majority of non-users lack of awareness is the main barrier
  – Though trust issues do also feature
Thank you

Questions?