OECD COMMITTEE ON CONSUMER POLICY WORKSHOP

KEY TAKEWAYS ON OECD SURVEY OF CONSUMER TRUST IN PEER PLATFORM MARKETS

NOVEMBER 8, 2017

Stacy Feuer
Assistant Director for International Consumer Protection
Federal Trade Commission
Key Takeaways from OECD Consumer Survey

#1: Trust is Relational and Contextual and Variable

#2: Consumers are Pragmatic

#3: Secure Systems are Key
Trust is **Relational and Contextual and Variable**

**Trust is not monolithic**

- Consumers distinguish clearly between platforms and sellers/providers.
- Consumers differentiate among trust mechanisms in different markets.
- Consumers trust platforms, generally, to a similar extent or more than conventional businesses.
  - In same country.
  - In same markets.
- **Are platforms doing something right? Or are conventional businesses doing something wrong?**
  - How does trust function outside the “digital economy” in contemporary markets?
Consumers are Pragmatic

- Level of trust consumers require in both provider and platform varies with cost of transaction.

- Consumers who experienced problems continued to engage with peer platform.
  - True even when problems not resolved to their satisfaction.
  - Survey did not inquire into nature or severity of problems.

- Are consumers making informed decisions or are they “accepting” higher level of risk and problems in return for “value proposition” of cost, choice and convenience?
  - Data on magnitude of problems might provide insight

- How much resource and effort should go toward marginal improvements to platforms?
Top drivers of trust:
- #1: Payment security – 81%* (50% “crucial”)
- #2: Data security and confidentiality – 78% (47% “crucial”)

Other top drivers:
- #3: Pictures of items or service – 78% (45% “crucial”)
- #4: Ratings and reviews – 73% (37% “crucial”)
- #5: Guarantee or refund – 72% (37% “crucial”)

Importance of different types of trust mechanisms varies by market, but does not vary very much by country and type of consumer.
- E.g., Reviews and ratings are 46% “crucial” for accommodation but only 36% “crucial” for transport.

*Combining “crucial” and “very important” ratings.
Drivers of Trust on Peer Platforms

- Top drivers of trust are anchored in multiple factors and suggest a mix of policy and market responses:

  Commercial Norms +
  Regulatory Framework +
  Enforcement Environment +
  Self-Governance Mechanisms

CONSUMER TRUST