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**Article**

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## **CONSUMER RIGHT TO INFORMATION BEFORE PURCHASE: RESEARCH ON THE ROMANIAN ONLINE STORES FOR TECHNICAL CONSUMER GOODS**

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### **Abstract**

The goal of the present paper is to evaluate the status of the protection of consumer right to information before the purchase from Romanian online stores. The perspective focuses on technical consumer goods. The research pursued two major objectives. The former consisted in analysing the compliance of the online stores with the provisions of article 6 paragraph 1 of the Directive 2011/83/EU on consumer rights, relative to the information provided to potential buyers before the purchase. The latter was to identify the consumer awareness of the rights stipulated by article 6 of the directive, as well as to study the opinions of consumers relative to the information that online stores are compelled to supply before purchase. The first objective was accomplished by applying the content analysis method to the information available on the Web for a sample of 100 online stores. The second objective was achieved through the survey method on a sample of 351 persons from the 25 to 34 age group, residing in Bucharest. Compared to other studies, the major contributions of the present research approach are the following: the investigation of an extensive sample of online stores; the wider range of products; the focus on both online stores and consumers. The results show that improvements are needed in the level of compliance and in the consumer awareness of own rights.

**Keywords:** consumer right to information, online stores, information before purchase, content analysis, survey, technical consumer goods

**JEL Classification:** D18, M30, M31

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### **Introduction**

The protection of consumer rights became a topic of interest for consumers as well as for legislators and businesses. In addition, the expansion of commerce on the web raises new challenges for the protection of consumer rights, among which the right to information.

Consumer access to comprehensive, accurate and precise information to substantiate the purchasing decision is one of the main objectives of the consumer policy (Dinu, 2010). Research among consumers relative to the awareness and knowledge of their rights and

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about business practices regulated by the National Authority for Consumer Protection in Romania focused the attention of both academics and practitioners (Petrescu, et al., 2010).

The present research approach is dedicated to the Romanian online stores which sell technical consumer goods (TCG). The range of such products is wide and includes the following main categories: consumer electronics, imaging/photo, major domestic appliances, small domestic appliances, information technology, telecommunication, office equipment and consumables. Relatively few Romanian online stores are specialized in only one of these categories. In order to provide the complete solution to consumers and their households, most online stores combine two or more categories in their portfolio. There are also e-tailers which successfully provide the entire range of TCG.

The major goal pursued by the paper is to evaluate the status of the protection of the consumer right to information before the purchase of TCG from Romanian online stores. A research program that includes two distinct studies was elaborated. The former analyzed the compliance of the online stores with the provisions of article 6 paragraph 1 of the Directive 2011/83/EU on consumer rights, relative to the information provided to potential buyers before the purchase. The research method was the content analysis. The latter measured the awareness of and the opinions on the consumer rights stipulated by the respective article of the directive. For this aim, the survey was selected as research method.

Compared to “sweep” investigations (aiming to identify and correct the breaches of consumer protection law by the websites selling different product categories) in the European Union (UE), the present research is a step forward due to the following points of differentiation: (i) up-to-date information (both studies being made in January 2014); (ii) wider range of products (respectively all types of technical consumer goods); (iii) disclosure of results relative to the Romanian online stores selling TCG; (iv) more specific scope of the research (only the information to be provided before the online purchase); (v) investigation of a large sample of the identified universe of online stores; (vi) research focused on the most recent legal provisions in the field (to be applied from June 2014); (vii) approach of both online stores and consumers.

The major hypotheses of the research process were the following: (i) the Romanian online stores selling TCG comply only partially with the requirements of the art. 6, para. 1 of the Directive 2011/83/EU; (ii) even if consumers aged between 25 and 34 years, residing in Bucharest are not aware of the directive and of its scope, they are aware of the full range of pre-purchase information they have the right to obtain; (iii) online purchasing, online purchasing of TCG and gender do not influence significantly the awareness of the directive.

### **1. Consumer right to information within the context of consumer rights**

More than half a century ago, the term “consumer rights” started to be used in political context. In March 1962, in his special message to the United States Congress, the President J.F. Kennedy defined four consumer rights: the right to safety, the right to be informed, the right to choose and the right to be heard (Kennedy, 1962). The right to be informed referred to being protected against fraudulent, deceitful, or grossly misleading information, advertising, labelling, or other practices, and to being given the facts needed to make an informed choice.

In 1985, the General Assembly of the United Nations decided to adopt the guidelines for consumer protection (United Nations General Assembly, 1985). The guidelines aimed to meet legitimate needs among which the access of consumers to adequate information to enable them to make informed choices according to individual wishes and needs. These guidelines were considered an important step on the path of developing consumer protection policies (Harland, 1987). In 1999, the guidelines for consumer protections were updated. Since 2010, specialists have referred to the need of a new update of the United Nations guidelines for consumer protection, according to the challenges of the digital age (Consumers International, 2013).

As regards the academic literature, there are opinions according to which consumer rights have received minimal attention since 1980 (Larsen and Lawson, 2013a). Nevertheless, consumer right to be informed captured the interest of specialists to a higher extent than other types of consumer rights. From a macromarketing perspective, the topic of empowering the low-literate consumer was approached by Adkins and Ozanne (2005), while Mascarenhas, Kesavan and Bernacchi (2008) studied the buyer-seller information asymmetry.

There are also critical views of the current marketing practices. The main drawback of such practices consists in the absence of factual information relevant to consumer choice. The direct consequences are the increase in prices, the artificial brand differentiation and positioning on aspects that are of little value to consumers (Larsen and Lawson, 2013b, p. 106).

The right to be informed is an integral part of consumer rights and has a real potential to become an area of study for researchers and practitioners.

## **2. Research on the online purchasing and on the TCG sales in Romania**

The access of the Romanian households to Internet is a topic of periodic research (National Institute of Statistics, 2013a). In 2013, 52.9% of the households had access to Internet. Most of these, respectively 73.2%, are located in the urban area.

The online shopping behavior had an increased incidence in Romania since 2009. However, it remains one of the lowest in the EU. In 2013, the share of individuals who ordered goods or services over the Internet ranged between 4% and 20% of the individuals aged between 16 and 74 years, among the eight regions of Romania (Eurostat, 2013b) as reflected by the table no. 1.

The dynamics of the TCG market in Romania is the focus of the longitudinal research GfK TEMAX. According to this research, the TCG market in Romania reached 1.615 billion EUR in 2011 and 1.624 billion EUR in 2012. During the first three quarters of 2013, the purchases of TCG amounted to 1.109 billion EUR, increasing by 4.8% against the similar period of 2012 (GfK, 2013). The sales of telecommunication products were the most dynamic, increasing by 15.3% in 2013 compared to 2012 (three quarters). On the opposite, the photo products declined substantially by 12.6% in the same period. An ascending evolution was witnessed by small and major domestic appliances (7.3% and respectively 4.2%), while the IT increase was less significant (1.9%).

**Table no. 1: Annual share of individuals who ordered\* goods or services over the Internet for private use in the last 12 months during the period 2008-2013**

% of individuals aged between 16 and 74 years

Region	2008	2009	2010	2011	2012	2013
North-West	2	1	2	4	5	9
Center	2	1	5	8	6	7
North-East	3	2	3	5	7	7
South-East	3	2	3	3	4	4
South-Muntenia	3	1	2	4	5	6
Bucharest-Ilfov	12	7	8	14	10	20
South-West Oltenia	3	1	3	6	1 <sup>u</sup>	10
West	3	1	4	3 <sup>u</sup>	3	7

Source: Eurostat, 2013b.

Notes:

\* Persons who bought or ordered goods or services (i.e. food, groceries, household goods, films, music, books, magazines, newspapers, clothes, sports goods, computer software or hardware, electronic equipment, shares, financial services, insurances, travel or holiday accommodation, tickets and other) over the Internet.

**u** - Low reliability data.

### 3. Research on the compliance of online stores with EU directives on consumer rights

The European Commission coordinated six actions of the “EU sweep” type, according to the Consumer Protection Co-operation Regulation which came into force in 2006. An “EU sweep” is a joint investigation and enforcement action aiming to identify and correct the breaches of consumer protection law by the websites selling specific product categories. Each sweep includes two phases. The former consists in the investigation carried out simultaneously in the Member States. In the later, national authorities take corrective actions (from demanding the websites to correct irregularities to taking legal action against the operators that violate the consumer laws) to ensure compliance with the EU rules.

The results of the EU sweep investigations were presented in sequence for the following product categories sold online: airline tickets (2007); ringtones, wallpapers and other mobile phone services (2009); electronic goods, such as computer-related equipment, mobile phones, digital cameras and personal music players, DVD players, and game consoles (2010); tickets to cultural and sporting events (2011); consumer credit (2011); digital content products such as games, books, videos and music (2012).

In 2007, more than one third of the complaints handled by the European Consumer Centre Network referred to the online purchases of electronic equipment (European Commission, 2009). Consequently, in 2009, the European Commission coordinated a sweep targeting such goods, to investigate the compliance with the Distance Selling Directive 1997/7/EC, the e-Commerce Directive 2000/31/EC, and the Unfair Commercial Practices Directive 2005/29/EC. The objectives of the study focused on the existence of the contact information about the trader, clear information about the offer and clear information about the consumer rights (among which the „right to return” within a maximum of 7 days without giving a reason, warranties, refunds). Out of the 369 investigated websites, 55%

complied partially with the consumer rules. In the case of the sites showing irregularities, the problems were the following: misleading information about consumer rights (66% of these sites), misleading information on the total price (58%) and missing or incomplete contact details (33%). In the second phase of the sweep, the national authorities of the 26 Member States (all except Slovakia), of Norway and Iceland initiated enforcement actions. Thus, in September 2010, 310 sites were compliant (respectively 84% of the sites analyzed). In May 2009, in Romania, only five of the 11 websites investigated were compliant sites (European Commission, 2010a). In September 2010, in the second phase of the sweep, all 11 websites were compliant after the enforcement action.

In 2011, the Directive 2011/83/EU relative to consumer rights was adopted. According to article 28, the Member States had to adopt and publish until 13 December 2013, the laws, regulations and administrative provisions necessary to comply with this directive. Romania has not transposed the directive into the national legislation yet. The measures have to be applied from 13 June 2014. In article 6, paragraph 1 are specified the information requirements for distance contracts. According to this directive, a distance contract is defined as “any contract concluded between the trader and the consumer under an organized distance sales or service-provision scheme without the simultaneous physical presence of the trader and the consumer, with the exclusive use of one or more means of distance communication up to and including the time at which the contract is concluded”. The means of distance communication are the following: mail order, Internet, telephone and fax. According to its goal, the present paper focuses on the provisions of the directive which are applicable to the consumer rights in the relations with the traders selling TCG in online stores.

#### **4. Research methodology**

The goal of the present paper was achieved through the design and implementation of **two distinct research studies**. Both research approaches relate to the field of consumer rights, but from two distinct perspectives. The former focuses on the information provided by the online stores to consumers before the purchase of TCG and on the compliance with the Directive 2011/83/EU. The latter is centered on the awareness and opinions of young buyers relative to their right to obtain information from online traders before the purchase.

The goal of the **first research** was to study the compliance of the Romanian online stores that are specialized in selling TCG with the provisions of article 6 para. 1 of the Directive 2011/83/EU on consumer rights, relative to the information to be provided by distance traders to potential buyers, before the purchase. The need for such a research is generated by the fact that Romania – as Member State of the European Union – must enforce the provision of the Directive 2011/83/EU starting with 13 June 2014. The online stores must ensure full compliance with the provisions of the directive.

The objectives of the first research referred to the investigation of the compliance of the online stores - as distance sellers of TCG - with each applicable provision of article 6 para. 1 of the directive. A number of 20 objectives were formulated, one objective for each category of information from the art. 6, para. 1 of the directive, from the letter “a” (information on the main characteristics of the goods or services), to the letter “t” (information on the possibility of having recourse to an out-of-court complaint and redress mechanism). The major hypothesis of this research was the following: *the Romanian online*

stores which sell TCG comply only partially with the requirements of the art. 6, par. 1 of the Directive 2011/83/EU.

The analyzed universe was confined to the Romanian online stores that sell TCG to consumers. The research used multiple sources of data to create a database of such stores. The following sources of online data were accessed: (i) *Trafic.ro* - the leader of web audit, real-time rankings and statistics relative to the Romanian Internet; (ii) *ARMO (Asociatia Romana a Magazinelor Online)* – the association which aims to develop the e-commerce in Romania and elaborated the “Code of Good Practices of the Online Stores”; (iii) *Trusted.ro* - the National Program for the Certification of the Online Stores (jointly implemented by Gala Premiilor eCommerce, Legi-internet.ro and Association for the Protection of Consumers from Romania); (iv) *online stores of national chains of stores selling TCG* - Altex, Media Galaxy, Domo, Flanco; (v) *online stores of major telecom operators* - Vodafone, Orange and Romtelecom; (vi) *price comparison sites* - such as *compari.ro*, *price.ro*, *shopmania.ro*, *smartbuy.ro*, which list the offerings of various online stores. After the identification of Romanian online stores selling TCG, the database was cleaned of double or triple entries and of stores that are suspended or in maintenance. A total number of 200 online stores selling TCG remained in the database, out of which a sample of 100 stores was randomly selected for the research.

As regards the representativeness of the database for the universe of Romanian online stores that sell TCG, several aspects are worth noticing. Firstly, the information about the size and structure of the universe of online stores specialized in selling TCG is rather scarce. Secondly, the attractiveness of the online stores for the buyers varies substantially. On one side, according to Gemius Research, there is *emag.ro* that has 1.6 million real visitors and a reach of 18.05% of the total number of Internet users from Romania (Goaga, 2013a). On the other side, there are numerous stores with less than 10 unique visitors per month. Thirdly, the e-commerce with TCG in Romania is still in an emerging stage. New stores appear every year. However, only few resist on the market to achieve a relevant level of business performance.

The research approach was quantitative and descriptive. Content analysis was the research method. The study is based on the analysis of the information content of the sites corresponding to the online stores. Numerous researchers defined this method. In essence, content analysis is “any methodological measurement applied to text (or other symbolic materials) for social sciences purposes” (Shapiro and Markoff, 1997, p. 14). From another perspective, it is “a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use” (Krippendorff, 2004, p. 18).

Content analysis is one of the oldest methods applied by researchers and practitioners. The origin is related to the Renaissance period when the method was used for the analysis of religious texts (Krippendorff, 2004). At the beginning of the 20<sup>th</sup> century, the method was applied to newspaper content. Starting with the 1950s, it focused on broadcast media and advertising (Berelson, 1952). The development of the information technology and of the computer-aided text analysis contributed to the evolution of the method and to the progressive orientation from a qualitative to a quantitative approach.

Two levels of content may be studied. The former is the *primary content* which consists in the themes and main ideas of the text. The latter is the *latent content* represented by the contextual information. Inductive as well as deductive aspects may be considered.

The application of the method requires the definition of categories that are studied. A category is “a group of words with similar meaning or connotations” (Weber, 1990, p. 37).

For the research of the compliance of the online stores with the provisions of the art. 6 para. 1 of the Directive 2011/83/EU, the inductive categories were defined based on the categories of information explicitly stated by the directive as information that distance sellers have the obligation to provide before the conclusion of the contract. The analysis of the Web content of the online stores was achieved during the period 10-25 January 2014.

Focused on the consumers aged between 25 and 34 years, residing in Bucharest, **the second research** on which the present paper is based had as goal to identify the consumer awareness of the provisions stipulated by article 6 of the Directive 2011/83/EU, as well as to investigate the opinions of the consumers relative to the information that online stores are compelled to supply before purchase. The main objectives of the research were to study: (a) the awareness of the directive among the segment of young population; (b) the awareness of the scope of the directive among the segment of young population; (c) the opinion relative to the categories of information the online stores have the obligation to provide before the online transaction; (d) influence of the online buying status on the level of awareness of the directive; (e) influence of the TCG online buying status on the level of awareness of the directive; (f) influence of gender on the level of awareness of the directive.

The major hypotheses of this research were the following: (i) even if consumers from the segment of 25-34 years, residing in Bucharest are not aware of the directive and of its scope, they are aware of the full range of pre-purchase information they have the right to obtain; (ii) online purchasing, online purchasing of TCG and gender do not influence significantly the awareness of the directive.

The conclusive research had a descriptive and quantitative nature. The data collection method was the survey with a view to obtaining information directly from the target respondents. The statistical universe studied was represented by the consumers aged between 25 and 34 years, residing in Bucharest. The major criteria considered for the selection of the age interval and of the survey area were the following:

- *distribution of Internet users by age intervals.* According to Gemius Research, more than half of the Romanian users of Internet are from the interval 14-34 years (Barza, 2013; Goaga, 2013b). The users from the segment of 14-24 years represent 28.83% and the users from the segment of 25-34 years reached 26.8% in 2013. The share of users more than 55 years is 7% only.

- *share of Internet use in each age interval.* The highest shares of Internet users within a specific age segment correspond to the age intervals 16-24 years (respectively a share of 86.2% of the segment) and 25-34 years (a share of 77.1%) (National Institute of Statistics, 2013a).

- *regular use of Internet.* Among the inhabitants of the Bucharest-Ilfov region, the share of individuals aged between 16 and 74 years who use regularly the Internet was 67% in 2013 (Eurostat, 2013a). This share was the highest among the eight development regions of Romania. Thus, Bucharest-Ilfov is a relevant area of study.

- *purchasing power.* The segment of young people aged between 14 and 24 years has the highest share of the population of Internet users. However, these consumers have only rarely a significant purchasing power to involve in substantial online purchases. In 2010,

the age interval 15-24 years was present in the deciles 1-5 with lower salary earnings compared to the age interval 25-54 years – the most numerous segment – that was uniformly distributed over the ten deciles. The average annual gross salary earnings of the age group 15-24 years were 14239 lei, compared to 23622 lei for the age group 25-54 years in 2010 (National Institute of Statistics, 2012). Consequently, the segment of consumers of 15-24 years was not included in the statistical universe of the survey. As regards the average monthly monetary income per household, the value registered by the development region Bucharest-Ilfov reached 2969 lei in 2011 (National Institute of Statistics, 2013b). This value was the highest among the eight development regions of Romania. Moreover, this value exceeded by 50.3% the average monetary income per household for the entire country. Thus, Bucharest was selected for the survey, because there is an increased likelihood of online purchases in the categories of TCG.

- *share of online purchasers within each age group.* In the segment of urban population aged between 15 and 45 years, 70% of the consumers consider that Internet had become a very useful purchase tool (GfK Romania, 2013). At the beginning of 2012, the results of a survey made among Internet users aged between 18 and 65 years showed that the age interval 25-34 years had the highest share of online buyers compared to the other age segments, respectively 30.8%. The shares specific to the other segments were the following: 21.5% for 18-24 years; 24.9% for 35-44 years; 16% for 45-54%; 6.8% for 55-65 years (Daedalus Millward Brown, 2012). The share of online buyers within the consumer segment of 25-34 years justifies the importance attached in the context of the present research.

- *online purchasing by regions.* The region Bucharest-Ilfov has the highest share of individuals aged between 16 and 74 years who bought or ordered goods and services over the Internet for personal use in 2013 (Eurostat, 2013b).

The research is based on simple random sampling. The sample consisted in 351 respondents from the age interval of 25-34 years, residing in Bucharest. The survey was implemented during the period 10-25 January 2014. The maximum acceptable error was  $\pm 5.23\%$  for a probability of 95%.

## **5. Research results**

The results of the two research studies are presented and discussed hereinafter. Firstly, the results of the research based on the content analysis method are presented (for a sample of Romanian Web sites that sell BCT products). Secondly, the results of the survey focused on a well-defined segment of consumers are presented.

The **research based on the content analysis** method revealed the level of compliance of the 100 Romanian online stores selling TCG with the provisions of article 6, paragraph 1 of the Directive 2011/83/UE. The results show different compliance levels.

All the investigated online stores provide information about the identity of the trader. However, most of them mention this information in the “Terms and conditions” section of the site, rather than in the “Contact” section which is more likely sought for by consumers. All the online stores provide consumers with contact information. Usually they specify telephone numbers. Less than 50% of the stores provide a fax number and 72% an e-mail address. Several online traders developed their presence on social networks as well.

Approximately 40% of the online stores have an offline presence under the form of offline store, showroom, service center etc.

Descriptions of the TCG sold (main characteristics / technical specifications) are presented by all the stores studied. The retail price including VAT is presented by 88% of the online stores. For the rest of 12% of the stores that target consumers there is no statement relative to the inclusion of the VAT. The inclusion of the green tax is specified by extremely few stores. The consumer right to information on the manner of final price calculation, as regards the freight, delivery or postal charges, is not ensured by 16% of the online stores. The information is not transparent; the customer is in charge with paying the costs and settling this aspect with the logistic company. In comparison, the arrangements for payment are not clearly specified by 7% of the stores and the arrangements for delivery and performance by 5%. One of the major gaps between the provisions of the directive and the online realities refers to the time by which the trader undertakes to deliver the goods. A share of 26% of the stores does not state the time interval and fully transfers this responsibility to the delivery companies selected by these stores.

Consumers are not provided with information on complaint handling policy by 18% of the online stores. Only 4% of the total number of stores provide full information about the procedure and present the company obligation to reply to the consumer within a specified deadline. Most of the online stores (78%) provide only one or more of the following: contact e-mail, name of the person in charge, contact form on the site to be filled by the consumer. There are stores that avoid even to use the term "complaint" and provide the contact information to obtain only "suggestions" or "recommendations" from consumers.

The right of consumers to withdraw is stipulated in the national legislation. None of the investigated stores selling TCG provides a model withdrawal form yet. In fact, 16% of the online stores do not make any statement relative to this consumer right. Another important information gap between the stipulations of the directive and the online realities relates to the information that the consumer will have to bear the cost of returning the goods in case of withdrawal. The research showed that 26% of the stores do not provide this information. In addition, another similar gap is reflected by the fact that 28% of the stores do not specify the circumstances under which the consumer loses his right of withdrawal for TCG.

An important gap between the stipulations of the directive and the online realities relates to the fact 37% of the online stores did not insert a reminder of the existence of a legal guarantee of conformity for goods. From an optimistic perspective, one may consider that stores omitted to mention obvious information. However, only actual buyers may say which the truth is. The most important gap uncovered by the research is reflected by the share of 53% of stores that do not provide information on the existence and the conditions of after sale customer assistance and after-sales services. A share of 18% of the stores does not inform consumers on the existence and the conditions of commercial guarantees.

One aspect that is neglected by all the investigated online stores is the existence of relevant codes of conduct. One potential reason could be the fact that up to present the directive was not transposed into the Romanian legislation. Nevertheless, the companies which are members of ARMO must comply in principle with the code of conduct of this association. Even these stores did not insert any reference or link to the code of conduct of ARMO.

A huge gap refers to the information on the possibility of having recourse to an out-of-court complaint and redress mechanism, to which the trader is subject, and the methods for

having access to it. Only 4% of the online stores provide such information. A share of 49% of the online stores does not state anything related to out-of-court mechanisms and 47% refer to the amicable settlement between the firm and the consumer. This area still needs substantial improvement in various sectors not only in the online commerce with TCG.

In addition, the content analysis revealed that 17% of the investigated online stores do not provide consumers with a link to the National Authority for Consumer Protection (ANPC).

The present research relative to the level of compliance of the Romanian online stores with the provisions of the Directive 2011/83/UE differs from the sweep investigations made by the European Commission (EC). The main differences are the following:

- *time coordinate*. The present research reflects the situation existing in January 2014. The studies commissioned by the EC reflect the state of facts from previous periods.

- *product categories*. The present article focuses on the technical consumer goods that include several categories: consumer electronics, imaging/photo, major domestic appliances, small domestic appliances, information technology, telecommunication, office equipment and consumables. In contrast, the EC organized several sweeps specialized in distinct product categories, of which the following are relevant from the perspective of this paper, respectively: (i) mobile phone content in 2009; (ii) electronic goods in 2010; (iii) digital content products (games, books, videos, music) in 2012.

- *data availability*. The results of the sweeps for Romania were not available. The national authorities from different member states of the EU – among which Romania – did not convey country-specific information to the EC. Compared to this situation, the present research presents the actual level of compliance in the case of online stores.

- *scope of the study*. The sweep investigations coordinated by the EC consisted in checking the sites from the EU countries where consumer rights were compromised or denied in the online sector. The scope of the research presented in this paper is narrower, being limited to the right to information of consumers with respect only to the information to be provided by the online stores before the transaction.

- *size of the sample*. At the EU level, the sweep initiated in May 2009 by the EC was carried out to identify the online stores selling electronic goods that were in breach of the EU consumer rights. The sample size for that sweep consisted in 369 websites from 26 Member States, Norway and Iceland (European Commission, 2010b). In comparison, the present research of January 2014 was accomplished on a sample of 100 online stores offering technical consumer goods. Consequently, the present content analysis checked by far more sites at country-level, than the EC sweep.

- *relevant legal provisions*. The reference for the Web content analysis of January 2014 was article 6, paragraph 1 of the Directive 2011/83/EU on the consumer rights. In contrast, the sweeps coordinated by the EC referred to previous directives on the same topic, especially the Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts.

**The survey among young consumers** within the age segment of 25-34 years, residing in Bucharest revealed a high percentage of respondents that made at least one online purchase (irrespective of the form of payment), respectively 94.87% of the sample. In addition, 72% of the online buyers made at least one purchase of TCG within an interval of twelve months prior to the survey.

The quasi-totality of respondents is not aware of the Directive 2011/83/EU and of its scope. The survey revealed an awareness rate of 3.42% only. When prompted about the scope, 75% of those extremely few who declared being aware of the directive, correctly identified its scope. The research results showed that factors such as online buying status, TCG online buying status and gender do not influence significantly the awareness of the directive.

The respondents were prompted to select from an enumeration of categories of information those that online stores compulsorily have to provide before the online order/purchase. The list of categories of information included all those presented in the art. 6, para. 1 of the directive. To avoid systematic errors, no reference to the directive was made in the formulation of that question.

Unexpectedly, no category of information was selected by all respondents. However, the categories that most young consumers consider compulsory refer to the main characteristics of the goods/services, to the total price inclusive of taxes and to the arrangements for payment, delivery, performance, the time by which the trader undertakes to deliver the goods or to perform the services. On the opposite, many consumers do not consider compulsory the provision of pre-purchase information relative to: a code of conduct (83%), out-of-court and redress mechanisms (74%), interoperability between digital content and hardware/software (77%), the situations in which the right of withdrawal is not provided (59%), functionality of digital content (50%) etc.

These results underline that young online buyers do not have thorough knowledge of their right to obtain pre-purchase information. Many consumers have limited expectations relative to the range of information to be provided by online stores before the purchase. While this situation makes business “easier” for the online stores, it places young consumers at disadvantage. Paradoxically, while the segment of 25-34 years ranks high in terms of Internet use and propensity to online purchases, the potential buyers are not aware of the full range of pre-purchase information they have the right to obtain. There is a need for awareness campaigns to inform consumers about their actual rights.

The nonmetric test chi-square was applied for the analysis of the degree of significance of the association between different variables measured by means of the nominal scale (Catoiu, ed., 2009). The dichotomous variables considered were online purchasing, online purchasing of TCG and the sex of respondents, on one side, and the degree of awareness of the Directive 2011/83/EU, on the other side. For each pair of variables, the computed value of  $\chi^2$  was compared to the tabular value  $\chi^2 = 3,841$  corresponding to a significance level of 0.05 and to one degree of freedom (for contingency tables with two columns and two rows). Firstly, the degree of significance of the association between the online purchasing and the degree of awareness of the Directive 2011/83/EU was analyzed. As the computed value  $\chi^2 = 1.15$  was smaller than the tabular value, the null hypothesis was accepted; the online purchasing did not influence significantly the degree of awareness of the Directive 2011/83/EU. Secondly, the degree of significance of the association between the online purchasing of TCG and the degree of awareness of the directive was analyzed. The computed value  $\chi^2 = 1.55$  being smaller than the tabular value, the null hypothesis was accepted; the online purchasing of TCG did not influence significantly the degree of awareness of the directive. Thirdly, the degree of significance of the association between the sex of respondents and the degree of awareness of the directive was studied. The computed value  $\chi^2 = 0.1$  was smaller than the tabular value, fact that led to the conclusion that the sex of respondents did not influence the degree of awareness of the directive. Based

on the  $\chi^2$  test, the analysis showed that none of the three factors influenced significantly the degree of awareness of the Directive 2011/83/EU.

In contrast with other studies on the online shopping of Romanian consumers, the present research has several points of differentiation and added value: (i) focus on the awareness of consumer right to information and not to the online purchasing behavior; (ii) focus on the opinion of consumers relative to the categories of pre-purchase information that online stores are compelled to provide; (iii) investigation of the awareness of consumers relative to the most recent provisions at the EU level (Directive 2011/83/EU); (iv) perspective centered on young consumers of the age interval 25-34 years, that stand out from the overall population in terms of Internet use, purchasing power and share of online purchasers.

The comparison of the results of the two research studies provides an image of the gaps existing among: (i) the provisions of article 6 of the Directive 2011/83/EU; (ii) the information provided to consumers before purchase by the Romanian online stores that sell TCG; (iii) the consumer opinions relative to the information that online stores are compelled to provide before the purchase (table no. 2).

**Table no. 2: Comparative presentation of the results of both research studies**

<b>Specific information to be provided by the online stores before purchase (according to the Directive 2011/83/EU)</b>	<b>Share of online stores<sup>1</sup> (%)</b>	<b>Share of respondents<sup>2</sup> (%)</b>
The main characteristics of the goods or services	100	98.29
The identity of the trader, such as his trading name	100	81.20
The geographical address at which the trader is established	79	80.34
The trader's telephone number	97	
The trader's fax number	43	
The trader's e-mail address, where available, to enable the consumer to contact the trader quickly and communicate with him efficiently	72	
Where applicable, the geographical address and identity of the trader on whose behalf he is acting	2	
The geographical address of the place of business <sup>3</sup> of the trader (if different from the address of the place where the trader can be contacted), and, where applicable, that of the trader on whose behalf he is acting, where the consumer can address any complaints	39	48.72
The total price of the goods or services inclusive of taxes <sup>4</sup>	88	94.87
Where the nature of the goods or services is such that the price cannot reasonably be calculated in advance, the manner in which the price is to be calculated, as well as, where applicable, all additional freight, delivery or postal charges and any other costs or, where those charges cannot reasonably be calculated in advance, the fact that such additional charges may be payable by the consumer	84	75.21

<b>Specific information to be provided by the online stores before purchase (according to the Directive 2011/83/EU)</b>	<b>Share of online stores<sup>1</sup> (%)</b>	<b>Share of respondents<sup>2</sup> (%)</b>
The arrangements for payment	93	96.58
The arrangements for delivery and performance	95	
The time by which the trader undertakes to deliver the goods or to perform the services	74	
The trader's complaint handling policy	82	65.81
Where a right of withdrawal exists, the conditions for exercising that right	84	70.09
Where a right of withdrawal exists, the time limit for exercising that right	83	
Where a right of withdrawal exists, the procedures for exercising that right	82	
Where applicable, that the consumer will have to bear the cost of returning the goods in case of withdrawal	74	74.36
If the goods, by their nature, cannot normally be returned by post, the cost of returning the goods	-	56.41
Where a right of withdrawal is not provided, the information that the consumer will not benefit from a right of withdrawal or, where applicable, the circumstances under which the consumer loses his right of withdrawal	72	41.03
A reminder of the existence of a legal guarantee of conformity for goods	63	74.36
Where applicable, the existence and the conditions of after sale customer assistance, after-sales services	47	70.94
The existence and the conditions of commercial guarantees	82	
The existence of relevant codes of conduct, and how copies of them can be obtained, where applicable	-	12.82
The duration of the contract, where applicable	2	64.10
If the contract is of indeterminate duration or is to be extended automatically, the conditions for terminating the contract	5	61.54
Where applicable, the minimum duration of the consumer's obligations under the contract	2	51.28
Where applicable, the existence of deposits or other financial guarantees to be paid or provided by the consumer at the request of the trader	20	54.70
Where applicable, the conditions of deposits or other financial guarantees to be paid or provided by the consumer at the request of the trader	16	
Where applicable, the functionality, including applicable technical protection measures, of digital content	-	50.43

Specific information to be provided by the online stores before purchase (according to the Directive 2011/83/EU)	Share of online stores <sup>1</sup> (%)	Share of respondents <sup>2</sup> (%)
Where applicable, any relevant interoperability of digital content with hardware and software that the trader is aware of or can reasonably be expected to have been aware of	-	23.08
Where applicable, the possibility of having recourse to an out-of-court complaint and redress mechanism, to which the trader is subject, and the methods for having access to it	4	25.64

- Note:
- 1 Share of investigated online stores that comply with the provisions of article 6, paragraph 1 of the Directive 2011/83/EU.
  - 2 Share of respondents which consider that online stores are compelled to provide the specific information before purchase
  - 3 Address of stores, showrooms, service centers etc.
  - 4 Prices including VAT taxes (as explicitly stated on the site).

The research results show that online stores do not always comply with the expectations of consumers relative to the obligations of the e-tailers to provide information before purchase. The online stores that sell TCG provide less information than consumer expect mainly in the following categories: (i) contact information such as e-mail and fax number; (ii) geographical address of the place of business of the trader (if different from the address of the place where the trader can be contacted); (iii) the total price of the goods or services inclusive of taxes; (iv) the time by which the trader undertakes to deliver the goods or to perform the services; (v) the cost of returning the goods if the goods, by their nature, cannot normally be returned by post; (vi) contractual aspects; (vii) deposits or other financial guarantees to be paid or provided by the consumer at the request of the trader; (viii) possibility of having recourse to an out-of-court complaint and redress mechanism. There are also categories of information that are provided by the online stores, but which are not necessarily considered compulsory by consumers. A critical issue is the fact that in the opinion of relatively numerous consumers, the online stores have a narrower range of obligations as regards the provision of information before the purchase in comparison with the provisions of the Directive 2011/83/EU and with the actual market reality.

### **Conclusions and recommendations**

The present research is a step forward compared to other approaches, as discussed in the former sections. Several research limitations may be identified. For the first research, the size of the universe of Romanian online stores selling TCG was difficult to be estimated. Nevertheless, the size of the investigated sample is substantial (100 online stores). For the second research, the scope was limited to an age segment and to Bucharest.

Based on the results of both research studies, two of the three major hypotheses initially formulated were verified and accepted, more precisely: (i) the online stores from Romania which sell TCG comply only partially with the requirements of the art. 6, para. (1) of the Directive 2011/83/EU; (ii) online purchasing, online purchasing of TCG and gender do not influence significantly the awareness of the directive. On the contrary, the research evidence did not allow the acceptance of the hypothesis according to which even if

Romanian consumers aged between 25 and 34 years, residing in Bucharest are not aware of the directive and of its scope, they are aware of the full range of pre-purchase information they have the right to obtain. In fact, the target segment is aware of several categories of information only.

The findings of both studies presented in this paper lead to the following conclusions: (i) the young consumers of the age interval 25-34 year, residing in Bucharest (which represent a segment with high propensity towards Internet usage and online purchases) are potential victims of the breaches of consumer protection regulations because they are only partially aware of their rights to obtain information before purchase from online stores; (ii) the higher the number of consumers unaware of their rights, the higher the financial losses incurred by inappropriate choices made in online purchases; (iii) potentially damaging effects upon the image of online stores and purchasing from websites may be generated by consumers that face problems/losses in the relations with e-tailers; (iv) at present, before the transposition of the directive into a national law, there are numerous online stores selling TCG that do not comply with the provisions of the directive and may be in a position of breaching the law when its application will start, bearing consequently the associated penalties.

The recommendations focus on four distinct areas. Firstly, the development of communication programs is a must. Both consumers and online stores should be informed about the consumer right to information before the purchase of TCG from websites. Such programs may be organized by the ANPC in collaboration with different consumer protection associations and traders' associations. Secondly, the monitoring of the information provided by online stores to consumers before the purchase of TCG may ensure compliance with regulations. Even mystery shopping research could be applied. Such measures will create a framework for more secure relationships, will contribute to the development of the e-commerce in Romania and will enhance the trust in online purchasing. Thirdly, ANPC may formulate recommendations for the application of the EU and national regulations. For example, as regards the complaint handling policy applied by the online stores, recommendations addressed to e-tailers could specify their obligation to provide information about the steps of the procedure and the time interval within which the firm should respond to a complaint etc. Fourthly, further research is necessary. Examples of hypotheses that may be verified related to the information available before the online purchases are the following: (i) other segments of consumers (besides those from the segment of 25-34 years) may be affected by a higher level of lack of awareness relative to own rights to information before online purchase (especially those segments with lower levels of Internet usage and online purchasing); (ii) the large share of consumers that are unaware of their rights within specific population segments is correlated with the low usage of Internet and low intensity of purchase behavior; (iii) the trust of consumers in the purchases from online stores is influenced by the level of awareness of own consumer rights and by the availability of information on best practice cases. Thus, important strides have to be made by consumers, online stores, consumer protection authorities and e-tailers' associations to improve the protection of the consumer right to information before the purchase from online stores.

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