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Research Report

Business-to-Business relations in the online platform environment. FWC ENTR/300/PP/2013/FC-WIFO: Final report

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Business-to-Business relations in the online platform environment

FWC ENTR/300/PP/2013/FC-WIFO

Final Report

Written by Ecorys
22 May - 2017



EUROPEAN COMMISSION

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Business-to-Business relations in the online platform environment

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Final Report

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EXECUTIVE SUMMARY

Background of the study

Online platforms have dramatically changed the digital economy over the last two decades. They play a prominent role in the creation of 'digital value' that underpins future economic growth in the European Union (EU) and consequently are of major importance to the effective functioning of the digital single market.

In a consultation on online platforms, conducted by the European Commission to support its Communication on online platforms, concerns were raised by small and medium-sized enterprises (SMEs) and microenterprises that imbalances of bargaining power between online platforms and small businesses lead to potentially unfair business-to-business (B2B) practices.

The objective of the study is to provide additional evidence to help the Commission determine the scope, actual scale and impact of potentially unfair B2B trading practices applied by online platforms beyond the application of competition law (in its present state).

Main activities conducted

To meet the study's objectives and tasks, the following activities have been conducted:

- Desk research;
- Scoping interviews with selected stakeholders and experts;
- Surveys under business users and platforms;
- Case study interviews to deepen the understanding of selected practices.

The objective of the desk research was to collect relevant information on the presence of B2B online platforms and trading practices identified in the B2B online platform environment from previously conducted studies and other publications.

Scoping interviews were conducted to supplement the insights obtained from the desk research. Parties approached for these kinds of interviews were academics, sector experts in the field of online platforms, and online platforms themselves. No business users were contacted at this stage.

In total five surveys were conducted, three for business users and two for online platforms. The three surveys under business users consisted of one survey on invitation-only basis ('closed survey'), one survey with an open invitation (made available via the website of the European Commission; 'open survey') and one survey making use of a business panel ('business panel survey'). For online platforms, only a closed and open survey was conducted. However, response to the survey was too low to justify independent analysis of these results. Response for the different surveys is presented in Table 0.1.

Table 0.1 Response to the surveys

Survey	Gross Number of responses	Net Number of responses	Reached end	Partial completes
Open survey – business users	1.451	978	672	306
Closed survey – business users	256	256	162	94

Survey	Gross Number of responses	Net Number of responses	Reached end	Partial completes
Business panel survey – business users	2.553	2.553	2.553	0
Open survey – platforms	83		9	74
Closed survey – platforms	6		3	3

Note: no cleaning was conducted on the surveys under platforms

Following the survey results, a number of trading practices was selected for further investigation in the form of case studies. For these case studies, interviews with heavy users (that is, business users with more than 50% turnover dependency on online platforms) were conducted to get a better understanding of the impact of selected practices on their business. Additionally, interviews with selected platforms were conducted to obtain a better understanding of the necessity of certain practices from the platform's point of view. A breakdown of the interviews conducted for the case studies is presented in Table 0.2.

Table 0.2 Overview of case study interviews conducted

	Number of platforms interviewed	Number of business users interviewed about their experience with
Online e-commerce market places: e-commerce in goods/services	2	18
Online e-commerce market places: e-commerce in services (hospitality platforms)	3	7
Application stores embedded in mobile operating systems	2	12
Online advertising platforms	1	6
Total	7	42

Note: a platform can be active in multiple sectors; business users shared their experience with multiple platforms.

Findings

The online platform environment

Five types of online platforms based services can be distinguished:

- Online e-commerce marketplaces;
- Application stores embedded in mobile operating systems;
- Social media;
- Online advertising platforms;
- Search engines. (not covered in this study).

Online marketplaces are basically transaction platforms. Like offline marketplaces, they are a place where supply and demand come together to complete transactions. Examples are eBay, Amazon Marketplaces and Rakuten. One sub-category of online market places is the hospitality sector, which is also covered in this study.

Application stores are basically innovation platforms, of which many of them combine their innovation platform with a transaction platform. Examples are Apple iOS combined with the Apple App store, and Google Android with the Google Play store.

Social media platforms are basically communication platforms. The most important feature is the possibility to communicate and socialise with friends.

Online advertising platforms focus on the allocation of advertisements over online advertisement space. Ad networks aggregate online advertising space and allocate this to advertisers along with tools for delivering personalised ads and for tracking consumer behaviour.

Platform based business models

The process of value creation by business models based on digital platforms is entirely different from the process of value creation in traditional business models. In this process, direct and indirect demand externalities within and across user groups, causing network effects, are important. As such, it is essential for digital business models to design a governance system that can manage and orchestrate transactions and interactions to fully exploit these network effects. Such a governance system basically consists of behavioural rules and incentives, filters, and trust mechanisms. The governance system must also be consistent with other strategic choices made by the company, such as who it considers to be the most important user group given the demand externalities within and between user groups. Next, a digital business model must be able to transform some of the created value into revenues. The revenue model should be consistent with the choices made with regards to the governance system. All in all, we conclude that from a governance perspective, online platforms have several incentives for self-regulation. However, notably in case of hybrid business models, companies may experience conflicting objectives which they need to manage.

Impact of online platforms on markets and SMEs

Digitalisation and the introduction of online platforms has had positive impacts on the efficiency of markets, but there are also concerns that platform users (consumers and businesses) may become too dependent on platforms and that platforms gain an information advantage which they can use to the disadvantage of users, to business users of platforms. Because of network effects, platforms may experience exponential growth rates, which are often enhanced by fast improvements of algorithms through (data-driven) learning effects. Consequently, digital platform operators tend to make themselves indispensable for its users (consumers and businesses) and place themselves in a gatekeeper position which may easily translate into (dominant) positions with strong market power.

Trading practices identified

Table 0.3 presents an extensive list of identified trading practices in the relationship between online platforms and their business users. These practices have been grouped in relation to the stage of a commercial relationship when they usually occur and clustered along thematic fields.

Table 0.3 Potential negative trading practices in different stages of commercial relationship

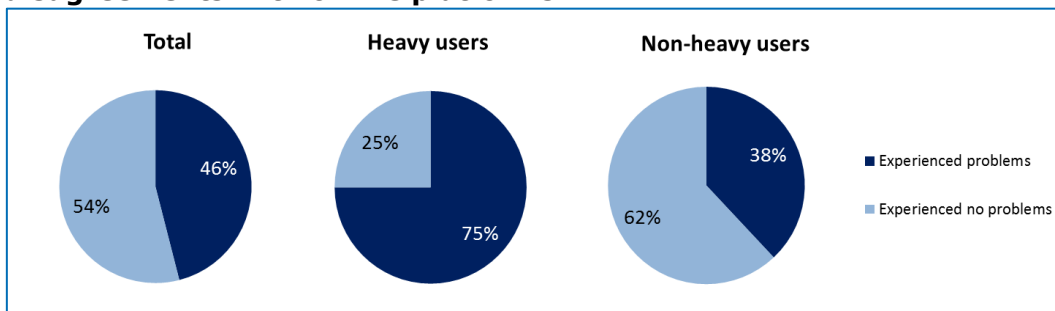
Thematic field	Pre-contractual period	Contract formation	Contract performance	Contract expiry/ termination & post-contractual period
<i>1. Setting the terms and conditions</i>	<ul style="list-style-type: none"> • Refusal to negotiate; • Lack of clarity on the full T&C. 	<ul style="list-style-type: none"> • Non-negotiability of changes; • Lack of clarity and vague language of T&C. 	<ul style="list-style-type: none"> • Unilateral changes; • Unilateral interpretation of T&C; • Lack of or very short-term prior notice about changes; • Continuation of use as a presumption of acceptance of changes. 	<ul style="list-style-type: none"> • Unilateral termination.
<i>2. Search and ranking</i>	<ul style="list-style-type: none"> • Transparency of search criteria. 	<ul style="list-style-type: none"> • Lack of transparency regarding search, ranking and reference functions. 	<ul style="list-style-type: none"> • Provision of information on changes to ranking algorithms; • Use of alternative tool to present offers. 	
<i>3. Access to the platform</i>	<ul style="list-style-type: none"> • Eligibility to access the platform. 	<ul style="list-style-type: none"> • Lack of transparency of rules related to delisting of products, suspension of account and termination of accounts. 	<ul style="list-style-type: none"> • Lack of information on delisting of products of services; • Lack of information on temporary suspension of an account; • Lack of information on actions required for relisting of products/services or re-instating of an account. 	<ul style="list-style-type: none"> • Lack of information on termination.
<i>4. Platforms competing with business users or limiting options</i>		<ul style="list-style-type: none"> • Parity clauses (price and non-price related); • Limitations of choice of auxiliary services; 	<ul style="list-style-type: none"> • Platforms favouring own products; • Lack of explanation of operational decisions. 	
<i>5. Data access and portability</i>	<ul style="list-style-type: none"> • Lack of information on policy re data. 	<ul style="list-style-type: none"> • Lack of transparency regarding data access and portability. 	<ul style="list-style-type: none"> • Limited access to data; • Restrictive application of provisions on data access/ sharing and use. 	<ul style="list-style-type: none"> • Retention of data related to business user.
<i>6. Problem solving</i>		<ul style="list-style-type: none"> • Non-EU jurisdiction and applicable law; • Liability disclaimers; • Lack of penalties for platforms. 	<ul style="list-style-type: none"> • Restrictions on access to redress possibilities. 	

Experiences of business users

On average, the respondents indicated to use 3 different online e-commerce marketplaces, and 3 different social media platforms. Businesses use on average slightly fewer application stores and online advertising platforms (namely 2).

A total of 46% of business users responded that they have experienced problems and disagreements with the platforms in the course of their business relationship. Among the business users with more than half of turnover generated via online platforms (heavy users), the share of those that experienced problems is significantly higher (75%). Out of those who have experienced problems 21% indicated that they occurred often over the course of the business relationship. For heavy users of online platforms, a significantly higher share (32%) have experienced problems often.

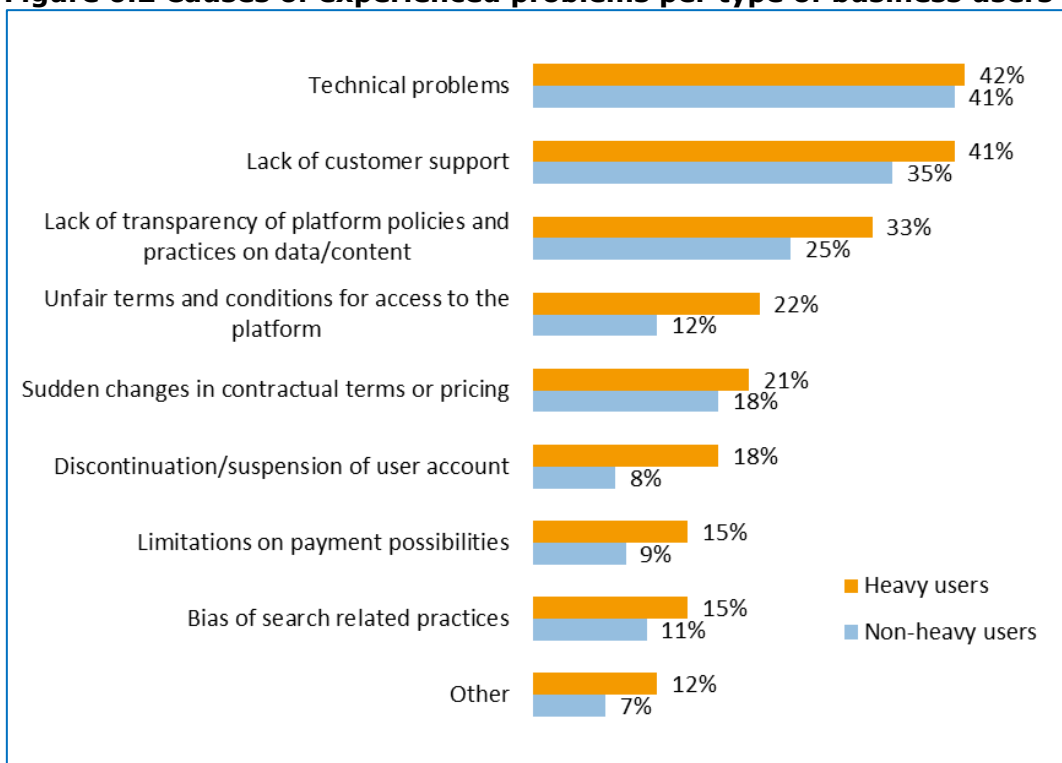
Figure 0.1 Share of businesses that experienced problems and/or disagreements with online platforms



Note: Total number of respondents is 3,549; 730; and 2,819 for samples total, heavy and non-heavy users respectively.

The reasons of experienced problems vary for business users. Technical problems and lack of customer support are the most prevalent causes of problems for both heavy and non-heavy users. Lack of transparency of platform policies and practices on data/content are experienced by larger share of heavy users compared to non-heavy users.

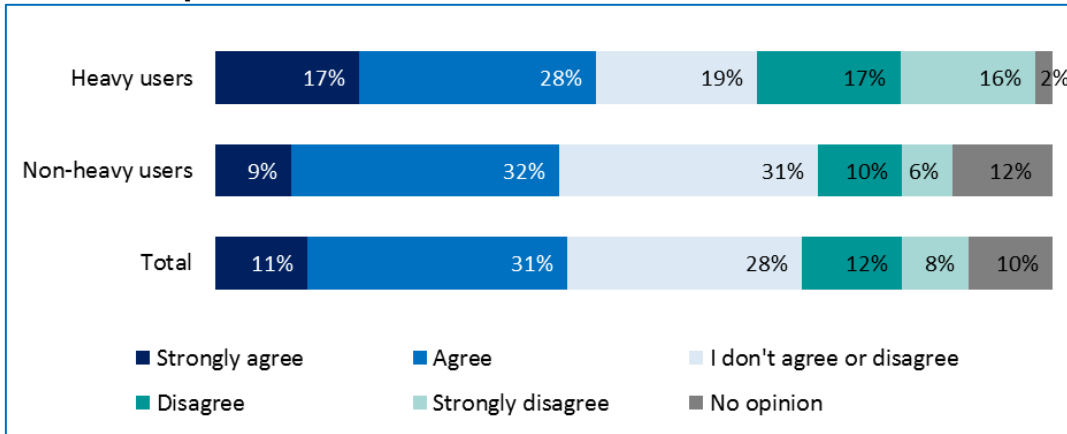
Figure 0.2 Causes of experienced problems per type of business users



Note: Total number of respondents is 53; and 1,071 for samples heavy and non-heavy users respectively.

Business users were asked to indicate whether they agree or disagree with the statement “The contractual terms, conditions and related practices of a platform are fair”. Figure 0.3 provides an overview of the extent to which respondents agree with this statement. 20% of all respondents indicated that they disagree or strongly disagree with this statement. For heavy users, this share is higher: 33% disagreed with this statement. More than half of the respondents indicated that the terms, conditions and related practices have not changed.

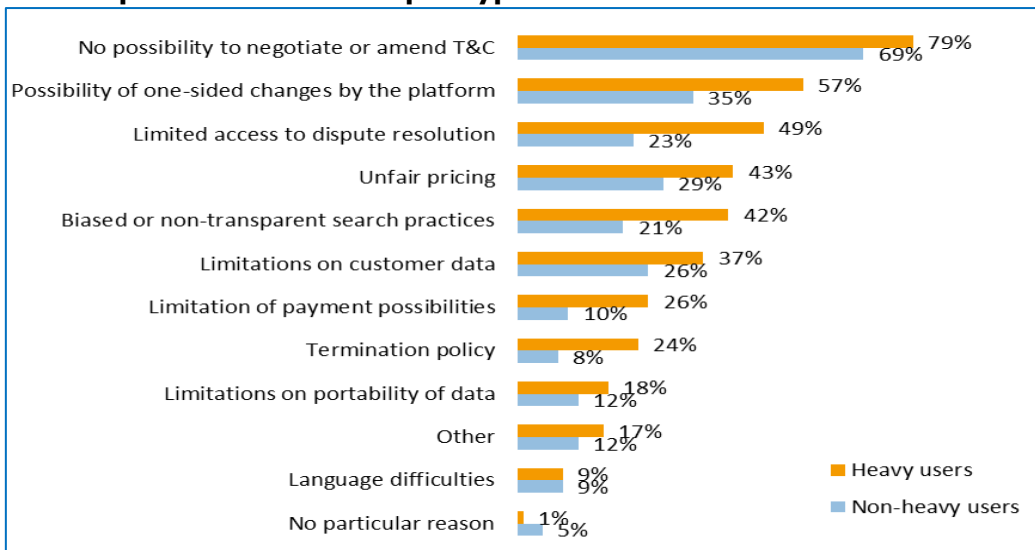
Figure 0.3 The extent to which respondents agree that the contractual T&C and related practices are fair



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 1,023, 417, and 606 for samples heavy and non-heavy users respectively.

Those respondents that have indicated that they disagree that the terms, conditions and related practices of a platform are fair were further asked to indicate the reasons for it. Heavy users on average choose more reasons why they disagree that T&C and related practices are fair. The most prevalent reasons are absence of possibility to negotiate or mend T&C and possibility of one-sided changes by a platform. For heavy users, the third most common reason is limited access to dispute resolution, while for non-heavy users it is unfair pricing.

Figure 0.4 The reasons why respondents perceived the contractual T&C and related practices as unfair per type of users



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 203 and 207 for samples heavy and non-heavy users respectively.

Review of a selection of problems

A selection of the most important trading practices was investigated further by means of interviews with business users and platforms. These are:

1. Terms and conditions: Lack of or very short-term prior notice about changes & Continuation of use as a presumption of acceptance of changes¹;
2. Search and ranking: Practices related to search and ranking (lack of transparency, rules and means for users to control the results);
3. Access to the platform: Content or product removal / delisting of a product & Lack of information on removal / delisting / termination of an account or product;
4. Platforms competing with business users or limiting options: Platform favouring their own products & Limitations of choice of auxiliary services;
5. Data access and portability: Lack of transparency of the platforms' terms and conditions and/or their practice on data & Limitation of the extent to which users can access, use and transfer data relating to or generated based on transactions carried out through platforms;
6. Problem solving: Lack of access to redress possibilities (discussed under the overview of redress possibilities).

Practice 1 - Terms and conditions: Lack of or very short-term prior notice about changes & Continuation of use as a presumption of acceptance of changes

Platforms have different policies regarding changes to their T&C of use. Some of them change them frequently and suddenly, others try to limit the number of changes to T&C in the course of one year. Some of these changes are determined by legal and regulatory requirements, both at the European and national level. While business users do get notified of the changes about to happen by email or messages, they claim that these notifications are not always sufficiently clear and there is not enough time provided to comprehend what exactly is going to be changed and to react to it. Platforms are aware of the difference in assimilation capacity that different business users can dedicate to examining changes to T&C, compared to the amount of change. Therefore, whenever changes to T&C are planned, many platforms try to communicate them to their business users and notify them in advance.

For all online platforms, it is characteristic that changes to T&C are non-negotiable and apply to all users equally. While this may not be the optimal situation for individual business users, the practice is adopted by all platforms due to the substantial number of users (in the millions range for the biggest platforms). Such scales do not allow for individualization of T&C or their changes: business users have only an option to accept (new) T&C or to leave the platform. This is also the reason why on some platforms no express consent to changes in T&C is required, but the user's consent is presumed if the user continues to use the platform after the date of entry of T&C changes into force.

¹ Although non-negotiability of T&C might be a more interesting practice to review, this topic touches quite close to competition policy, a domain that has been specifically excluded from the scope of this study.

Practice 2 - Search and ranking: Practices related to search and ranking (lack of transparency, rules and means for users to control the results)

Business users of all online platforms criticise the lack of transparency regarding the search and ranking algorithm. They have only a rough understanding of what criteria are considered by the algorithm and how they are weighed for the results. On some platforms, it is possible to find out by the trial-and-error method what factors are more important, but one cannot be sure. More information about the criteria is important for them because it would allow them to increase their visibility on the platform. Another key element for them is a level playing field: business users of some platforms argue that better ranking should not be linked to payments made to the platform (be they direct or via premium membership schemes). Business users report the direct dependence between the placement in the ranking and their revenue.

Online platforms perform an ongoing balancing act between giving business users enough information for these to adequately present themselves and be considered in search rankings, and too much information that will enable businesses to manipulate the search and ranking algorithm. It appears that none of the online platforms examined give complete information about the functioning of the algorithm and criteria used: only some of the factors are publicly known and their meaning explained to the users.

A further complaint from business users is a lack of consistency in the application of search and ranking algorithm, which is perceived as discrimination. Also, for some platforms, businesses can pay their way to a higher ranking by adhering to special membership programs set up by the platform, without this distinction being always properly indicated to the consumer in the presentation of search results. The lack of transparency in the search and ranking criteria and the perceived lack of consistency in application of the ranking criteria (discrimination) have a detrimental impact on innovation by business users, with efforts focused on meeting the criteria of the algorithm rather than meeting the actual consumer demand.

Practice 3 - Access to the platform: Content or product removal / delisting / termination of an account or product

Within the platform environment, a clear distinction can be observed between delisting based upon the business user not meeting its minimum performance targets of the platform and delisting based upon breach of conditions. In case of delisting based on performance, the business user is often warned before that (turnover-based) performance doesn't meet the criteria set by the platform and continuation of the performance will lead to a delisting.

The situation where delisting is a result of perceived breach of conditions is quite different. Typically, these delistings happen with little to no advance warning. The most prominent cases involving delisting users involved legal obligations of the platforms (hate speech, illegal items for sale in certain countries, etc.), Intellectual property rights (IPR), or fraud and consumer safety. In general, platforms immediately delist a product upon receipt of an IPR infringement claim due to the liability of platforms under the E-commerce Directive. Multiple business users indicate the possibility for IPR infringement claims are sometimes abused, either by brand owners, by customers or by unspecified third parties, potentially competitors. A check on the legality of the claims by the platform seems to be the exception to the rule, although there are platforms that apparently conduct these checks, despite the check sometimes being quite difficult.

The information provided to business users upon delisting or suspension is commonly considered by the interviewed business users as being too limited. Typically, the notification contains a referral to a section of the terms and conditions on content and privacy, without a more specific description of the violation and no reference to a

specific provision in T&C. Platforms have indicated the need to reduce the amount of information provided in specific cases, in particular when attempts at fraud are involved. Detailed information is withheld to not provide developers insight into the detection system, which would allow more sophisticated attempts to circumvent the detection system.

The main channels for communication with platforms are email and the possibility to escalate to calls to customer support for some of the platforms. While for multiple platforms little to no complaints were raised by the business users during the interviews on the communication channels of the platform after delisting or suspension, business users singled out one platform whose lines of communication were considered to be extremely unsatisfactory. This concerned both the email channel as well as the customer support channel.

Practice 4 - Platforms competing with business users or limiting options: Platform favouring their own products & Limitations of choice of auxiliary services

On platforms competing with business users, various platforms offer products or services that are also offered by their business users, while other e-commerce platform choose to restrict themselves to just offering platform services without entering into competition with its business users. When a platform enters into competition, a distinction can be made between the situations where products of the platform are dealt with identically as any other products (for example, if this is required by national law), and situations where platforms may favour its own product or service. Complaints by business users are rare in the case of platforms with a neutral approach, and more common in the case of platforms being able to achieve a competitive edge.

Two specific cases of a platform outperforming its business users were mentioned by business users during the interviews. The first case concerned a business user noticing a significant drop in order intake coinciding with the platform advertising its own, competing products on the platform. This left the business user with a choice to either accept significant losses of sales, or to significantly reduce price in order to remain competitive. The second case mentioned concerned a business user identifying a possibility to undercut both the platform and the brand owner or main distributor active on the platform. Upon actually offering the product at a reduced price compared to the platform and the more expensive brand owner or main distributor, the offer was delisted on ground of IPR infringements.

Limitations of choice of auxiliary services are typically referring to delivery services (in e-commerce) and payment services, which covers the payment of the customer to the seller, either directly or via the platform. None of the e-commerce platforms reviewed prescribe mandatory delivery services. While some platforms do offer delivery services, use is not obligatory. Nonetheless, many business users are interested to make use of these delivery services, as platforms may be able to charge very low prices due to their economies of scale.

With respect to payment services, typically a limited number of payment systems are available. The offered payment services are limited to the most common ones, avoiding smaller services, and the benefits of an additional payment system do not weigh up against the efforts for provision of this additional service, and services with a high-risk level (for example, bitcoins). Platform use the criteria: safe, convenient and used.

Some platforms require payments for products or services to take place on the platform, and the platform charges a fee for these services. As a result, the cost of sales is increased, forcing the business user either to accept a lower profit, or to increase its price. In case of a price increase, this may result in the strange situation

where services outside the app platform may be cheaper than the same services on the platform.

Practice 5 - Data access and portability: Lack of transparency of the platforms' terms and conditions and/or their practice on data & Limitation of the extent to which users can access, use and transfer data relating to or generated based on the transactions carried out through platforms

When discussing data, a distinction is sometimes made between personal data (personal information of the consumer), transactional data (information on purchases of products of services), and commercial data (aggregated data on transactions).

Platforms provide business users with all available information that is necessary to make sure the transaction can take place. For e-commerce, this concerns information needed for delivery the products that are ordered by the consumer. In the hospitality sector, this concerns credit card information to guarantee the reservations.

Platforms usually refuse to share other information that the information that is strictly needed by business users, indicating that sharing more personal information this is not allowed under the ePrivacy Directive. A distinction can be observed with respect to the email address of the customer. Some platforms do share this information, allowing the seller to contact the consumer directly, while other platforms do not and prevent exchange of this information by assigning alias email addresses and automatically deleting any email addresses provided in the communication between consumer and business user facilitated by the platform. In addition to compliance with the Privacy Directive, platform that hide email addresses from business users indicate a commercial reason is present. By blocking direct communication between consumer and business users, they cannot directly communicate and negotiate a better deal outside the platform.

Business users indicate that obtaining email addresses is essential for them in order to communicate directly with the customers, aimed at promotion of products, for example in the form of sending customers promotional material and advertisement for new products. However, platforms indicate no restrictions exist for business users to approach the customer and obtain personal data from the consumer after the transaction has taken place.

Platform usually only share information about the performance of the business users itself, like turnover realised, to the business user. Comparative information, in which the position of a business user is benchmarked against competitors, is offered by some platforms, but not all. Platforms claim that sharing of such kind of information, in particular sharing of pricing strategy of competitors, is forbidden under competition law. Additionally, such data has a clear commercial value for the platforms.

Redress mechanisms

Overview of redress possibilities

There is a wide array of different redress mechanisms. For analytical purposes, they can be classified according to a number of characteristics, such as (list non-exhaustive):

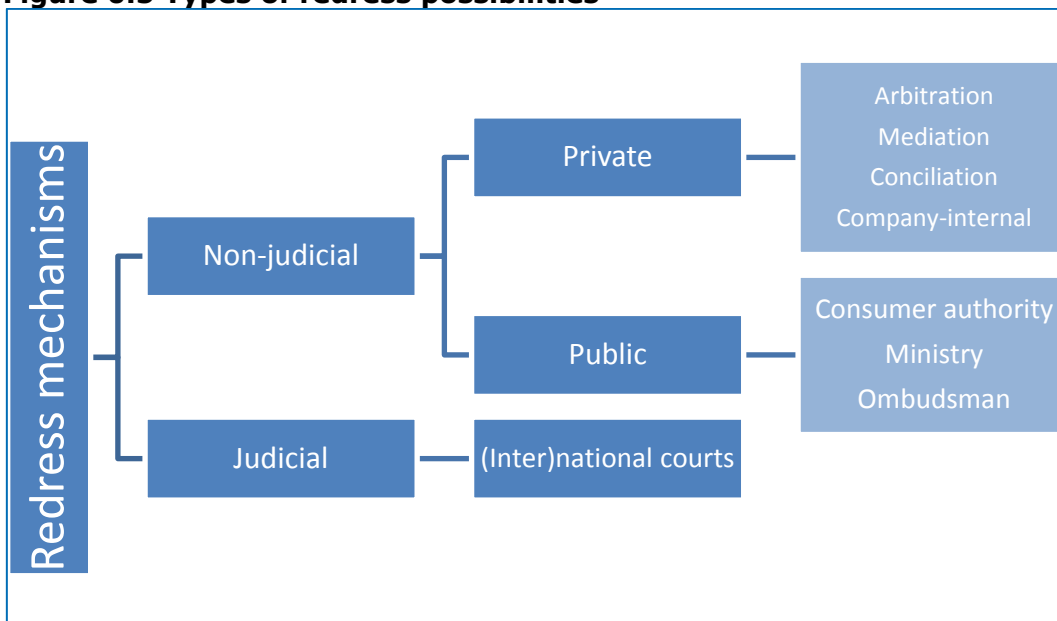
By the responsible institution: judicial and non-judicial, or judicial (courts, tribunals), administrative (e.g. consumer protection authority, regulatory body) and alternative (mediation, negotiation);

By the manner of establishment: public (courts, consumer protection authorities), private (special positions at trade associations) and semi-public (mediation or arbitration);

Obligation to use them: mandatory by law or by contract (most commonly, courts) and voluntary (mediation);
 Nature of claimant: individual or collective redress;
 General (courts) and specialised (e.g. for certain industry sector, for certain type of claimants).

One of the simplest classifications of redress mechanisms – by the responsible institution – can be presented as follows (Figure 4.1):

Figure 0.5 Types of redress possibilities



Challenges to accessibility of redress possibilities for SMEs

Even in the presence of a large number of redress possibilities, access to them and their use may be a challenging task for SMEs due to power imbalances and lack of resources.² While they are treated as “professional” market participants by law, not different from large companies, in B2B relations small and micro enterprises often are a weaker contracting party.³ In fact, already the determination of the redress mechanism applicable to the business-to-business relationship is the first step to a dispute settlement demonstrating the ability of the parties to impose their will upon each other.

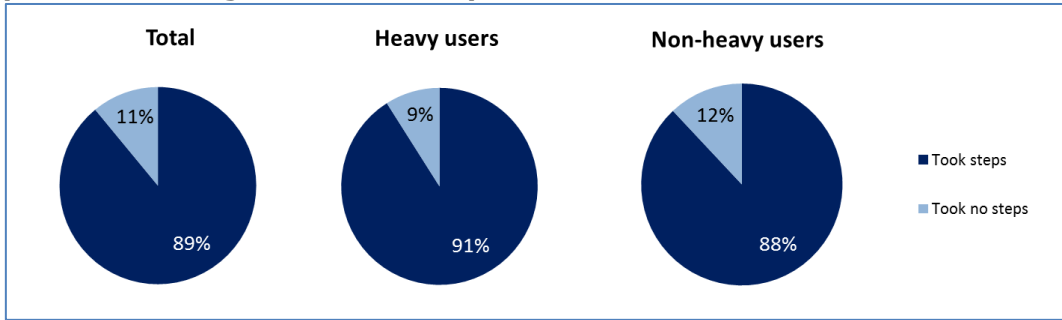
Use of redress possibilities

When faced with a problem, an absolute majority of overall business users takes steps to resolve a problem. This share is even a bit higher among heavy users than non-heavy users.

² Abadi, Shokouh Hossein (2011). The role of dispute resolution mechanisms in redressing power imbalances – a comparison between negotiation, litigation and arbitration, in: Effectius Newsletter, Issue 13: http://effectius.com/yahoo_site_admin/assets/docs/Effectius_Theoleofdisputeresolutionmechanismsinredressingpowerimbalancecomparisonbetweennegotiationlitigationandarbitration_ShokouhHosseinAbadi_Newsletter13.150124940.pdf.

³ See, for instance, para. 11 of the European Parliament resolution 2005/2022 of 8 June 2011 on policy options for progress towards a European Contract Law for consumers and businesses, clause 18 2011/2013(INI).

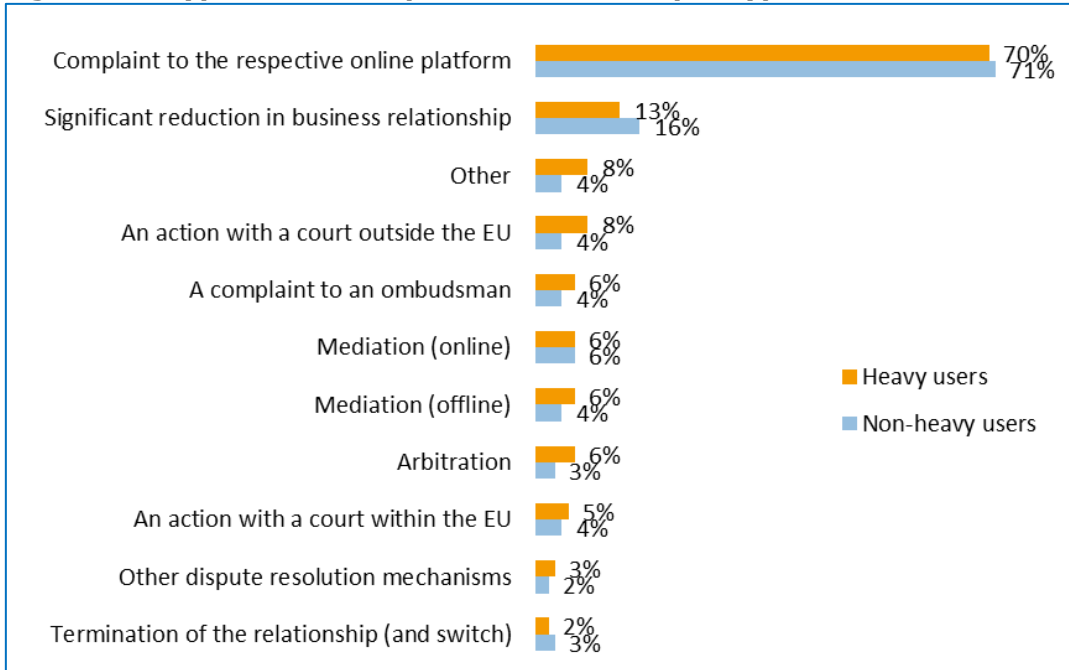
Figure 0.5 Share of respondent that took steps to resolve problems/disagreements with platforms



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 1,608, 537 and 1,071 for samples total, heavy and non-heavy users respectively.

Business users employ different types of the available redress possibilities. The internal redress mechanisms offered by online platforms are by far the most popular option among all categories of users, compared to redress possibilities external to platforms. By business type, mediation, arbitration and complaint to an ombudsman are overall used by all types of business users with these options more frequently used by heavy users than by non-heavy users. The same is true for court litigations: heavy users resort to this option only slightly more often than non-heavy users, but in the case of litigation outside the EU they do it twice as frequent as non-heavy users. As an alternative to using a redress mechanism, business users may significantly reduce or even terminate their business relationship with a platform. Termination of the business relationship seems to be the means of the last resort and used only rarely.

Figure 0.6 Type of redress possibilities used per type of user



Note: Total number of respondents is 489; and 942 for samples heavy and non-heavy users respectively.

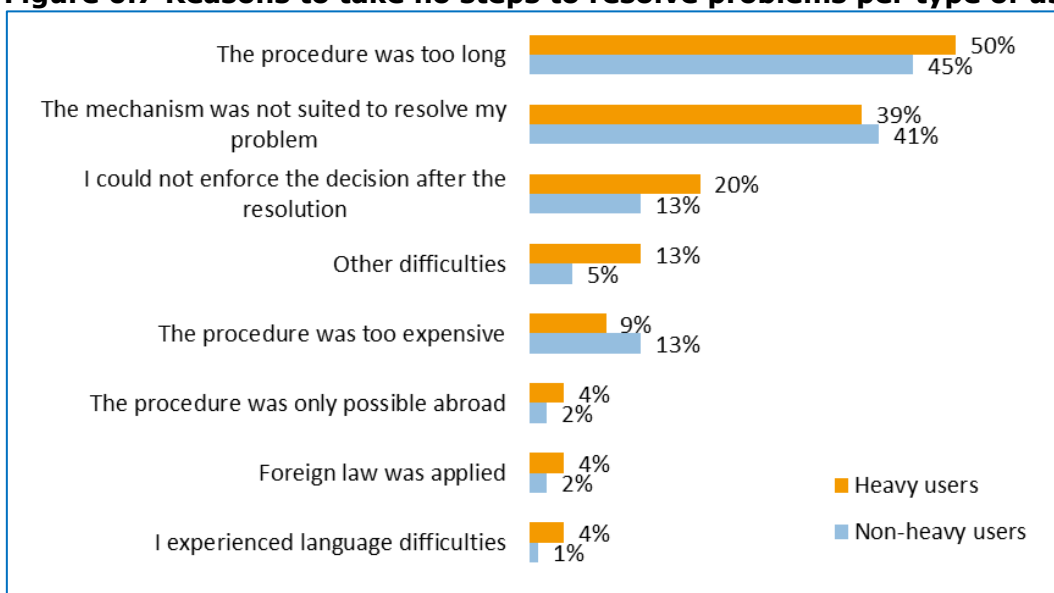
Considerations of businesses on not taking steps to resolve a problem

When business users were asked why they do not undertake any steps to resolve a problem, there are significant differences in reasoning by heavy users and non-heavy users.

For heavy users, doubts about the outcome of the action taken are the most frequently given reason ("I did not expect anything to come out of it"). The fear to damage the business relationship with the platform and the difficulty of the procedure are the second and the third most popular answers, respectively.

For non-heavy users, the most common reason is the perceived marginal importance of the problem. Doubts about the possible outcome of the procedure and difficulty of the procedure are the second and the third most popular options, respectively, but the percentage of those concerned with them is much lower than in the case of heavy users.

Figure 0.7 Reasons to take no steps to resolve problems per type of user



Note: Total number of respondents is 47; and 128 for samples heavy and non-heavy users respectively for reasons for not taking any steps in case of an experienced problem.

In-depth interviews with business users largely support the findings of the surveys, but also give more insight into the reasons for not using a *specific* redress mechanism other than the one offered by the online platform. With regard to court litigation, but also arbitration, business users commonly explain that such proceedings are lengthy, complex and costly, and as SMEs they do not have the necessary resources to pursue such litigation. Additionally, the perceived small probability of success and, more important, the fear of retaliation by the platform are very important factors. For Alternative Dispute Resolution (ADR) mechanisms involving chambers of commerce of trade associations, business users note the reluctance of such organisations to deal with their claims.

At the same time, it shall be noted that online platforms are being frequently sued at various levels and in different countries as their terms and conditions do not exclude litigation. Outcomes of court proceedings are quite different, yet often not successful from the point of view of business users.

Impact

Business users may be negatively impacted by the existing problems with platform practices and the lack of effectivity of redress possibilities. Although specific questions on the impact of the problems encountered were included in the survey under business users, it turns out the question appears to be misunderstood by business users. Consequently, the survey results have not been used to identify impacts of trading practices.

Instead, anecdotal evidence from the interviews with business users is used to illustrate the impact of trading practices. As the number of interviews is very limited to the entire population of business users, the information on impact should be considered as illustrative rather than comprehensive.

Short-term notification of the change of T&C

A few interviewed businesses in e-commerce provided a quantification of the negative impact of sudden change in T&C of platform on their business, specifically in relation to changes of T&C regarding search and ranking. The short-term notification about the changes, didn't allow a timely adjustment of their business strategy, leading to a significant reduction in sales of 20% of turnover to 95% of turnover.

Delisting and suspension

For problems related delisting and suspension, the most quantitative estimates of impact could be provided by business users in e-commerce. In terms of turnover, business users have claimed loss of turnover between 100 000 Euro up to close to a million Euro (depending on the size of the company), or up to 10% of total turnover of the company for delisting or suspension of weeks to months. In terms of employment, one business user mentioned a lay-off of 20 employees due to a suspension. Multiple business users have flagged the danger of delisting and suspension for their business, indicating that viability of the business would be at risk if reversing an incorrect delisting or suspension would take too long or cover a too large section of the business' product line.

The impact on turnover and business operations of erroneous delisting on app developers is, in general, little to none, given the usually quite short periods of between delisting and relisting.

Search and ranking

Business users of hospitality platforms notice that their placement on the first page of search results to have significant impact on their booking. Likewise, business users trading via major e-commerce platforms also report the direct dependence between the placement of their products and their revenue. In both cases, no quantification of the impact could be provided by the business users.

Within the app store environment, the lack of transparency in the search and ranking criteria and the perceived lack of consistency in application of the ranking criteria (discrimination) have a detrimental impact on innovation by app developers, according to some of these app developers.

Mandatory use of services

For app stores, a quantifying the impact of the mandatory use of payment systems on the platform proved to be challenging for business users flagging this issue. A more qualitative assessment could be given, with one business user being convinced that off-platform payment would provide a significant impact in the form of many more subscribers and lot more revenue.

Summary and reflections

As can be observed from the above, platform business practices can have a serious, at times negative impact on business users, including their business models and business strategies. The study has found that the most important practices influence business users' turnover (in some cases dramatically), their product selection and product development decisions (also by discouraging them from selling or developing specific products), their employment decisions and their marketing choices (i.e. what products should be sold on what platform). Beyond the individual business user level, it can be argued that some of the platforms' practices may have a significant (distortive) impact on the competition between the companies and innovation.

These findings match a broader signal received from business users that they are highly dependent on platforms, notwithstanding actual or potential multi-homing. Consequently, many of the business users have indicated that they try to avoid any conflict with platforms, fearing a negative impact on their business. Moreover, redress possibilities are often not effective in redeeming these negative impacts and create additional costs for business users.

While platforms offer the opportunity of value creation on the platform, and not all business users encounter problems with the platform, the complete dependency of business users on platforms and the potentially high level of impact of problems related to the platforms' practices does surround the business case of a business user with a high degree of uncertainty. This raises the question, which goes beyond the scope of this study, whether platform interests and business user interests are properly balanced.

PREFACE

The study on Business-to-business relations in the online platform environment was jointly commissioned by the European Commission's DG GROW and DG CONNECT under the Framework Contract ENTR/300/PP/2013. The study was granted to the consortium led by Austrian Institute of Economic Research (WIFO), and conducted by Ecorys Nederland B.V., supported by Centre for European Economic Research (ZEW).

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The information and views set out in this study are those of the authors and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this study. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein.

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1. ABOUT THE STUDY

1.1. Background

Online platforms have dramatically changed the digital economy over the last two decades. They play a prominent role in the creation of 'digital value' that underpins future economic growth in the European Union (EU) and consequently are of major importance to the effective functioning of the Digital Single Market. The Commission has acknowledged the importance of the online platform environment and has an overarching objective to ensure healthy ecosystems which allows all parties involved making optimal use of the possibilities offered by the platform environment.

In a consultation on online platforms, conducted by the European Commission to support its Communication on online platforms⁴, concerns were raised by small and medium-sized enterprises (SMEs) and microenterprises that imbalances of bargaining power between online platforms and small businesses lead to potentially unfair business-to-business (B2B) practices. For these SMEs and microenterprises, online platforms often constitute crucial entry points to wider markets and restrictions in access or business practices may sometimes inhibit these businesses from fully exploiting the advantages of digital economy. Last, but not least, SMEs may face unfair prices or costs without having a chance to renegotiate.

As the consultation only provided general insights, a targeted fact-finding exercise was to be carried out to provide a better understanding of the issues raised in the public consultation as well as the potential means of redress beyond the application of competition law, e.g. (voluntary) dispute resolution mechanisms, transparency and better information measures or guidance. This study forms a part of this fact-finding exercise.

1.2. Objective, tasks and scope of the study

Objective

The objective of the study is to provide additional evidence to help the Commission determine the scope, actual scale and impact of potentially unfair B2B practices (also referred to as unfair trading practices or UTPs) applied by online platforms beyond the application of competition law (in its present state). In this regard, the study identifies and assesses business-to-business practices of major online platforms that may present problems, in particular for small businesses, as well as various examples of redress.

Tasks

In order to meet the objective, the following tasks are set for the study:

1. Gather information from a target group of businesses users (primarily SMEs) on different types of online platforms about potentially unfair B2B trading practices that have already been identified by the Commission and that are not being treated in current competition cases;
2. Identify further potentially unfair B2B trading practices applied by online platforms;
3. Link the various categories of potentially unfair B2B trading practices to specific types of online platforms; and

⁴ COM (2016) 288/2 "Online Platforms and the Digital Single Market Opportunities and Challenges for Europe".

4. Provide qualitative and, if possible quantitative, evidence of the impact of these different types of trading practices on the relevant trading parties and, if possible, on the wider market (being mindful also of their cumulative effect), taking into account the benefits that platforms may bring to the market.

For the review of the trading practices, emerging trends are to be taken into account, especially considerations of emerging trends that potentially create new asymmetries in the B2B sector. Examples could include trends in the context of algorithmic selection processes, or data-related asymmetries.

In addition, the study maps out any relevant redress possibilities offered at Member State, EU or international level, either by online platforms themselves or by (semi-) public bodies.

Scope

With respect to the practices to be investigated, the results of the public consultation on online platforms carried out by the Commission forms a starting point, but do not form a limitation on the scope of the study. Investigation of other trading practices, which may be similarly perceived as negatively affecting the business of SMEs and microenterprises, are explicitly included in the scope of the study.

The study focuses on situations that are not covered by other regulation, most notably consumer protection legislation, or on situations that can be dealt with by competition rules (Articles 101 and 102 TFEU).

For the selection of online platforms to investigate, the study focuses on four types of platforms:

E-commerce marketplaces (for goods as well as for services);
Application stores embedded in mobile operating systems (app stores);
Social media; and
Online advertising platforms.

The dependency of business users on online platform was considered to be a relevant criterion. For this, the key focus of the study is on business users that rely for more than 50% of their turnover on online platforms. This group is labelled as 'heavy users'. Although the scope of the study is not limited to heavy users, their position has been given special attention.

1.3. Activities conducted

In order to meet the study's objectives and tasks, the following activities have been conducted:

- Desk research;
- Scoping interviews;
- Surveys;
- Case study interviews;
- Participation in relevant workshops organised by the Commission.

The objective of the desk research was to collect relevant information on the presence of B2B online platforms and trading practices identified in the B2B online platform environment from previously conducted studies and other publications. The information collection was mainly focused on literature review, including studies carried out by national authorities, industry associations, think tanks and other private and public entities. To obtain a broader understanding of the potential unfair trading

practices, the review also explores the existence of such practices in the offline platform environment. A list of reviewed literature is included in Annex A.

Scoping interviews were conducted to supplement the insights obtained from the desk research. Parties approached for these kinds of interviews were academics, sector experts in the field of online platforms, and online platforms themselves. The nature of these interviews was quite informal. No structured questionnaire was used for these interviews.

In total five surveys were conducted, three for business users and two for online platforms. The three surveys among business users consisted of one survey on invitation-only basis ('closed survey'), one survey with an open invitation (made available via the website of the European Commission; 'open survey') and one survey making use of a business panel ('business panel survey'). A detailed description of the survey methodology, including the identification of business users by means of web-scraping, the development of the questionnaire and the follow-up activities to stimulate response, are presented in Annex B. The questionnaire used for the survey is presented in Annex C. The detailed results of the survey among business users are presented in Annex D. Response for the different surveys is presented in Table 1.1.

Table 1.1 Response to the surveys

Survey	Gross Number of responses	Net Number of responses	Reached end	Partial completes
Open survey – business users	1.451	978	672	306
Closed survey – business users	256	256	162	94
Business panel survey – business users	2.553	2.553	2.553	0
Open survey – platforms	83		9	74
Closed survey – platforms	6		3	3

Note: no cleaning was conducted on the surveys under platforms

For online platforms, only one closed and one open survey were conducted, with identical survey questionnaires, barring the identification of the respondent (open survey). However, response to the surveys was too low – less than ten respondents – such that stand-alone quantitative analysis of these results is meaningless and unscientific. Instead, the information obtained from these surveys among platforms has been used qualitatively in the overall analysis of practices.

Following the survey results, several trading practices were selected for further investigation in the form of case studies. For these case studies, interviews with heavy users were conducted to get a better understanding of the impact of selected practices on their business. Additionally, interviews with selected platforms were conducted to obtain a better understanding of the necessity of certain practices from the platform's point of view. The information from the interviews, together with the survey results, offered a better understanding of the practices in place the motivation for the practices and the impact of these different types of trading practices on the relevant trading parties. The methodology for the case studies, including the selection of case studies, the selection of interview candidates, is described in Annex E. The list of interviewees and the questionnaires used for business users and platforms is

presented in Annex F. A breakdown of the interviews conducted for the case studies is presented in Table 1.2.

Table 1.2 Overview of case study interviews conducted

	Number of platforms interviewed	Number of business users interviewed about their experience with
Online e-commerce market places: e-commerce in goods/services	2	18
Online e-commerce market places: e-commerce in services (hospitality platforms)	3	7
Application stores embedded in mobile operating systems	2	12
Online advertising platforms	1	6
Total	7	42

Note: a platform can be active in multiple sectors; business users shared their experience with multiple platforms.

Thematically workshops organised by the European Commission were used as an additional source of information to complement, enhance and validate information obtained via surveys and interviews, to understand better experiences of business users and practices adopted and exercised by online platform with respect to business users as well as the reasons behind them. The study team attended the following workshops:

- Workshop on access to, (re-)use and portability of data in the online platform environment (19 October 2016);
- Online platforms – enablers or gatekeepers? Legal aspects and clarity of terms and conditions of online platforms (14 November 2016);
- Business-to-business relationships in the online platforms environment – algorithms, ranking and transparency in the platforms' ecosystem (16 March 2017); and
- Online platforms – Points of view and exchanges (24 March 2017).

2. ONLINE PLATFORM ENVIRONMENT

Before focusing on various business-to-business practices in place in the online platform environment, we explore the characteristics of the online platform environment. This include both a description of types of online platforms (Section 2.1), business models applied by online platforms (Section 2.2), and the impact of online platforms on markets (Section 2.3). This chapter is aimed to provide a better understanding of platform dynamics, which feeds into the review of business-to-business practices (Chapter 3).

2.1. What are online platforms?

2.1.1. A typology

Following the seminal work by Rochet and Tirole (2003)⁵, the term 'platform' has become almost a synonym for multi-sided markets, which are characterised by indirect network effects related to a mediation function between buyers and sellers⁶. For example, the Martens (2016) states that "*In its most generic form a "platform" is a marketplace where two or more distinct types of users (for instance buyers and sellers) can meet to exchange goods, services information, etc.*" However, others consider a platform as a (technological) basis for delivering multiple services⁷. Van Gorp and Batura (2015) make the analogy with a platform in the car-industry which is a basis on which several models of cars can be built. Evans and Gawer (2016) define such platforms as '**innovation platforms**' to distinguish them from '**transaction platforms**'⁸. Evans and Gawer (2016) observe that combining transaction platforms with innovation platforms is a powerful success formula⁹. TNO et al (2015) find that these definitions are not complete for capturing all essential characteristics of digital business models that can be observed in the digital economy. Notably '**communication platforms**' like WhatsApp are not captured by these definitions. Communication platforms primarily function as a place for people to meet and communicate and are characterised by so-called direct network effects¹⁰.

TNO et al (2015) and Martens (2016) point out that, while focussing on direct and indirect network effects, online business models which typically function as a reseller, and are not characterised by network effects, would not be included by these definitions of platforms; examples are Netflix (online video rental), Kobo (online bookstore), and Otto (online shop). TNO et al (2015) argue that these types of business models are based on a certain technological basis to deliver various goods, services and content, but *they make a strategic choice not to exploit direct or indirect network effects*. However, in the dynamic context of the digital economy, such

⁵ In parallel to the work by Rochet and Tirole on *platform competition in two-sided markets* also Caillaud and Jullien (2003), Evans (2003), and Armstrong (2006) were highly influential for the understanding of how digital two-sided markets function.

⁶ Nooren, Pieter, van Eijk, Nico and Van Gorp, Nicolai (2016) explain (with reference to Evans and Schmalensee, 2005) that "*Demand externalities between user groups result in indirect network effect, meaning that a platform becomes more attractive for one group of users (e.g. advertisers) if another group of platform users (e.g. consumers) grows. Indirect network effects are typical for platforms that facilitate transactions (like Amazon and Booking.com) and platforms with an advertisement based revenue model (like YouTube).*"

⁷ Van Gorp, Nicolai and Batura, Olga (2015) note that "*A platform can generally be defined as a (technological) basis for delivering [or aggregating] multiple services/products [and content]*".

⁸ Evans, Peter and Gawer, Annabelle (2016), *The Rise of the Platform Enterprise: A Global Survey*, The Emerging Platform Economy Series, Vol. 1, The Centre for Global Enterprise.

⁹ Apple iOS and App Store, Facebook and Facebook Connect, Google Search and Google Play.

¹⁰ Nooren, Pieter, van Eijk, Nico and Van Gorp, Nicolai (2016) explain (with reference to Evans and Schmalensee, 2005) that "*Demand externalities within user groups result in direct network effect, meaning that a platform becomes more attractive for users if the total number of users on the same side of that platform grows. Direct networks effect is typical for social networks like WhatsApp, LinkedIn, and Skype.*"

strategic choices could easily change¹¹, leading to hybrid business models where a company acts as a reseller on its own platform, or where a communication platform becomes a marketplace. The dynamics in business models can thereby lead to e.g. communication platforms evolving into transaction and/or innovation platforms¹².

2.1.2. Examples of platform based services

The European Commission¹³ distinguishes between five types of online platforms based services:

- Online e-commerce marketplaces;
- Application stores embedded in mobile operating systems;
- Social media;
- Online advertising platforms;
- Search engines.

This study focuses only on the first four types, which are described in detail below.

Online e-commerce marketplaces

Online marketplaces are basically *transaction platforms*¹⁴. Like offline marketplaces, they are a place where supply and demand come together to complete transactions. Examples are eBay, Amazon Marketplaces and Rakuten. Online marketplaces are different from online resellers. The latter is typically a user of an online marketplace or operates its own web shop. Some e-commerce companies are both and act as a reseller on their own online marketplace (e.g. Amazon).

Application stores embedded in mobile operating systems

These types of business models are basically *innovation platforms*, of which many of them combine their innovation platform with a *transaction platform*. Examples are Apple iOS combined with the Apple App store, and Google Android with the Google Play store. The innovation platform (i.e. operating system) provides a technological basis for others to innovate, the transaction platform (the app store) intermediates between end-users and providers of digital services and content through applications on the innovation platform.

Social media

Social media platforms are basically *communication platforms*. E-commerce platforms are like traditional offline marketplaces, while social media platforms are like bars with an open podium, where people come together to socialise, listen to music and to perform. The most important feature is the possibility to communicate and socialise with friends. A pure content platform (like Netflix) is more like a cinema where socialising (and hence exploiting direct network effects) is less important.

Online advertising platforms

¹¹ Hagiu, Andrei and Wright, Julian (2015) point out that it is a strategic choice for firms to position themselves to or further away form a multi-sided platform. They mention as example Amazon that a reseller of books in the 1990s and then evolved into a marketplace for all kinds of products in the early 2000s. Similarly, Facebook started as a communication platform and evolved into a multi-sided market with an advertisement based revenue model. Alternatively, Zappos, an online shoe retailer, went in the other direction, abandoning its initial model based on partnerships with shoe manufacturers and evolved into being a full reseller.

¹² A notable example is the Chinese communication app WeChat, which is a communication platform, a transaction platform, and an innovation platform.

¹³ Commission Staff Working Document. Online Platforms Accompanying the document Communication on Online Platforms and the Digital Single Market. SWD(2016) 172 final of 25.05.2016.

¹⁴ In the Commission Staff Working Document (2016) 172 it is stated that "*Online marketplaces can be defined as online platforms on which direct transactions between sellers and buyers of goods and/or services can take place*".

Basically, the allocation of advertisements over online advertisement space is coordinated through Ad exchanges and Ad networks which function like two-sided markets. Ad networks aggregate online advertising space and allocate this to advertisers along with tools for delivering personalised ads and for tracking consumer behaviour. Ad exchanges are online marketplaces that facilitate direct transactions between publishers and advertisers. Ad networks can be active both as buyers and sellers on these ad exchanges.

2.2. Platform based business models

2.2.1. Value, governance, and revenues

In order to understand behaviour by platform operators, one must have some understanding of the concept of value creation on a platform, of the governance system used to orchestrate this value creation, and of the revenue model applied by the platform operator. Below, it will become clear that the process of **value creation** by business models based on digital platforms is entirely different from the process of value creation in traditional business models. In this process, direct and indirect demand externalities within and across user groups, causing network effects, are important. As such, it is essential for digital business models to design a **governance system** that can manage and orchestrate transactions and interactions to fully exploit these network effects. Such a governance system basically consists of behavioural rules and incentives, filters, and trust mechanisms. The governance system must also be consistent with other strategic choices made by the company, such as who it considers to be the most important user group given the demand externalities within and between user groups. Next, a digital business model must be able to transform some of the created value into **revenues**. The revenue model should be consistent with the choices made with regards to the governance system. All in all, we conclude that from a governance perspective, online platforms have several **incentives for self-regulation**. However, notably in case of hybrid business models, companies may experience conflicting objectives which they need to manage.

Value creation

Understanding platform governance starts with understanding the concept of **value creation on a platform**. We say 'on' a platform and not 'by' a platform because most value *on* a platform is created *by* the users of that platform; this is also captured by the concept of network effects^{15 16}. The value created on a platform comes in the form of communication, information, matching, and choice or diversity. This is explained by Rogers (2016) and Choudary (2016) who introduce a different way for looking at value creation in the digital economy. Value is created when people communicate with each other on a platform (this is why WhatsApp grew so fast); Value is created when people write reviews and ratings (this is why review websites are so popular); Value is created when users reveal information about personal preferences which is subsequently used for matching supply and demand or audience with advertisers; and, assuming there is heterogeneity of demand, more matches can be realised if there is heterogeneity of supply (i.e. more choice).

These value concepts are interrelated and may contribute to innovation if information, which is generated on the platform, is shared among the users of the platform: communication generates information, information can be used for matching demand

¹⁵ The value to user A of joining a network goes up if user B joins the network (and vice versa), where user A and B may belong the same user group, or to different user groups whose needs are interrelated.

¹⁶ See, for instance, Rogers, David (2016), Choudary, Sangeet Paul (2016), and Parker, Geoffrey, van Alstyne, Marshall and Choudary, Sangeet Paul (2016).

and supply, information can also be used for innovation, innovation leads to more diversity of supply, more diversity of supply leads to more matches with heterogeneous demand¹⁷. As such, it may be better for the performance of the platform to share (certain) information, rather than keeping that information to itself. For example, Amazon shares information on sales and prices with other retailers as to facilitate retailers in assortment decisions as well as to stimulate (algorithmic) price competition among retailers on the Amazon platform¹⁸, to the benefit of consumers in terms of 'diversity' and 'value for money'¹⁹. At the same time, there are risks of free-riding when too much information is shared; e.g. when a transaction platform shares contact details of consumer users with business users, the latter may try to contact consumers directly to close the deal outside the platform.

User mobility is in theory a great concern for platforms; not only because they may lose a customer, but at the same time they lose a contributor to value creation on the platform with the risk that other users walk away as well. It is therefore important for platforms to increase the stickiness (i.e. lowering their incentives to multi-home) of all users, e.g. through maximising user experience. Because of demand externalities, a platform's strategy to increase user stickiness through maximising user experience may be biased towards one user group: the user group which experiences the least costs of multi-homing. Rogers (2016) refers to such user group as the "King of the Platform". For example, Amazon has defined its strategic mission as to become "the most consumer-centric retailer in the world". For consumers, it is relatively easy to simultaneously search and shop at multiple websites, while for resellers who use the Amazon website it is costlier to simultaneously offer their products on multiple websites²⁰. In addition to maximising user experience, a platform may also increase costs of multi-homing of one or more user groups. Costs of multi-homing increase for example when a service requires a paid subscription, like Netflix and Microsoft²¹.

Governance

To facilitate value creation and innovation on the platform, the platform operator must install a governance system comprising behavioural rules and incentives, filters for relevance, and trust mechanisms²². These are amongst others reflected in the terms and conditions in use and practices of online platforms. The governance system must be consistent with other strategic choices made, e.g. with regards to who is the King of the Platform.

Behavioural rules are needed to control for possible negative externalities occurring during communication or transactions. Facebook, for example, has rules regarding

¹⁷ See Van Gorp, Nicolai (2017). "Digital business models", MBA lecture at Nyenrode University of 13.02.2017.

¹⁸ See Chen, Le, Mislove, Alan & Wilson, Christo (2016). "An empirical analysis of algorithmic pricing on Amazon marketplace." *Proceedings of the 25th International Conference on World Wide Web*. International World Wide Web Conferences Steering Committee.

¹⁹ Similarly, even though Google and Facebook are competing strongly for advertisement revenues, Google allows Facebook access to all kinds of personal information stored on and gathered by Android phones. Consequently, Facebook is better able to maximise user experience in the Facebook App, which simultaneously contributes to the user experience of the Android phone. Denying Facebook access to personal information stored on and gathered by Android phones would ultimately harm consumer experience of the Android Phone and drive people away to Apple iOS phones.

²⁰ For resellers, multi-homing involves a duplication of costs involved with registering their assortment and prices at an online marketplace.

²¹ Another example is Amazon getting consumers subscribed to free home-delivery via *Prime*, making them less likely to shop at other e-commerce platforms where they still face delivery charges. By including free video in the *Prime* subscription, more consumers are persuaded to subscribe to *Prime* (and less willing to multi-home). Moreover, resellers on Amazon become stickier when they use the service *Fulfilment By Amazon* or FBA. While FBA greatly contributes to retailers' experience (as it takes care of shipping, storing, picking, and payment processes) it also prevents the retailer from multi-homing because once the product is stored with Amazon, it can no longer be offered on other online marketplaces like eBay.

²² see Rogers, David (2016) and Choudary, Sangeet Paul (2016).

sexual content and Amazon has rules for retailers on meeting certain quality standards and on offering fake or illegal products (some of these rules being linked to legal obligations for the platforms). These rules are described in the terms and conditions of the platform. Violating these rules may lead to removal of posts or product offerings, or even to closing of one's account. **Behavioural incentives** activate users to contribute to value creation and to act in line with the platforms' strategic objectives. Google, for example, offers free cloud storage in return for reviews of locations on Google Maps. Amazon ensures value for money for consumers by organising competitions among retailers for the Buy Box²³ while further facilitating competition by creating market transparency through sharing of information on sales and prices and by acting itself as a fierce competitor on its own platform. **Filters** are needed to increase **relevance** of e.g. search results, suggestions, or advertisements. Failure to install proper filters may drive users away; e.g. by the end of the 1990s, people massively traded Yahoo for Google as the Google search algorithm was a much better filter. Alternatively, people install their own filters such as ad blockers, which may not be compatible with the platform's revenue model. Similarly, a lack of proper **trust mechanisms** may drive users away. Trust should be defined as broadly as possible: trust that information is correct (no fake news, no sponsored search results), trust that transactions are completed after payment, trust that personal information is not shared with third parties, etc.

The design of the different governance mechanisms should be consistent with each other and with the platform's strategic objectives. This is a challenge. For example, filters often base relevance on reviews by other users (amongst others). This may give rise to so-called *superstar economics*, in which a product becomes 'more relevant' because it gains more reviews because it was suggested earlier to others as being 'more relevant'²⁴. When relevance becomes a function of relevance, it may have negative side-effects for other strategic objectives of the platform, such as having diversity of users and content²⁵, securing market entrance of new products or providing trustworthy suggestions, rankings and search results²⁶. As such, filters should be considered an integral part of behavioural incentives and trust mechanisms²⁷, but this is not always recognised as such by platform operators²⁸. Another example is that a system for monitoring behavioural rules, which is based on user reviews, can easily be polluted by untrustworthy reviews²⁹. This may go at the expense of trust in using the platform and also call for certain redress mechanisms³⁰.

²³ Retailers appearing in the Buy Box are considered the default seller because most consumers buy products from the seller appearing in the Buy Box. Other sellers are displayed less prominently at the bottom of the Amazon website. This competition is further enhanced by sharing market data on sales and prices based on which retailers develop dynamic pricing algorithms. It has been estimated that 82% of consumers on Amazon in the US use the Buy Box (see Chen et al. 2016).

²⁴ Martens, Bertin (2016).

²⁵ E.g. it is of strategic importance for Amazon to have a large and heterogeneous set of sellers on its own platform who compete with each other for the Buy Box in terms of price and quality. Amazon acting as one of the fiercest competitors on its own platform in terms of price and quality, leads to Amazon often appearing in its own BuyBox. As a result, Amazon is often (positively) reviewed by end-users, which leads to Amazon appearing more often in the Buybox. As such, it becomes more and more difficult for other resellers to appear in Amazon's BuyBox no matter how hard they try to increase quality and lower their prices. In the end this may lead to a shake out of resellers on the Amazon marketplace, which is not in line with Amazon's objective mentioned above.

²⁶ E.g. when fake news can relatively easily go viral on a platform, users will no longer trust the news that the platform suggests to them as being relevant.

²⁷ Van Gorp, Nicolai (2017). "Digital business models", MBA lecture at Nyenrode University of 13.02.2017.

²⁸ "Google and Facebook target fake news sites with advertising clampdown", Belfast Telegraph, 15 November 2016, See <http://www.belfasttelegraph.co.uk/technology/google-and-facebook-target-fake-news-sites-with-advertising-clampdown-35217214.html> retrieved 3 April 2017.

²⁹ E.g. resellers on online marketplaces may deliberately provide each other with bad reviews or brand owners may too hastily flag certain products as being fake or illegal. (see e.g. <https://sellercentral.amazon.com/forums/message.jspa?messageID=2734896>).

³⁰ For example, when a review is based on a misunderstanding or simply false, when a product has been removed, and/or when an account has been closed after false bad reviews or after being wrongly accused of offering fake or illegal products.

These latter mechanisms can sometimes be relatively simple (but effective), e.g. allowing resellers to publicly respond to negative reviews and publicly engage in dialogue with a disappointed buyer, but they can also involve more costlier measures such as installing a helpdesk or complaint department.

Revenues

A platform operator must (eventually) find a **revenue model** which allows to capture part of the value created on the platform, but which **does not conflict with the governance mechanisms**. This can be a challenging task. For example, if WhatsApp were to adopt an advertisement-based revenue model, this could go at the expense of trust. Similarly, Google was initially hesitant to tap into advertisement revenues as this could go at the expense of relevance³¹. Alternatively, a revenue model can be functional in realising strategic objectives; e.g., as described above, a subscription model as applied by Netflix and Microsoft may increase user stickiness and reduce multi-homing.

Incentives for self-regulation

It follows that, from the perspective of platform governance, a platform owner has several incentives for self-regulation. Ideally, the behavioural rules, incentives, filters, and trust mechanisms should be consistently designed as to prevent any negative side effects which may drive users away to other platforms since maximising the number of users in generally contributes to maximising revenues. A fully consistent design may not always be possible or it may be too costly such that the net cost-benefits (as experienced by the platform operator) are negative. Notably in cases where the platform operator is also a service provider on its own platform³², the incentives of the company as a service provider may conflict with the interests of the company as a platform operator. As long as there are competing platforms and people are multi-homing (i.e. using multiple platforms at the same time), the interests of the platform likely are favoured over the interests of the service. The reason is that the platform (rather than the service) is characterised by network effects which give rise to exponential growth paths, but which may also result in exponential paths of decline³³. Hence, in the presence of multi-homing and/or when a market has not tipped, the interests of the platform likely prevail and the service is generally serving the platform's interests. However, in the absence of multi-homing, network effects may lead markets to tip in a winner-take-all outcome. Once a market has tipped and the platform is uncontested, the interest of the service is likely to become even more dominant. Under these circumstances, we may even observe anti-competitive behaviour in the form of price-discrimination or exclusion³⁴. In this context, it should be stressed that competition theory regarding online platforms is still evolving and only few results have entered competition law until now.

2.2.2. Vertical integration

Other elements of online business models relate to assets and partners. This is typically a choice between outsourcing and vertically integrating activities and assets.

³¹ Contrary to Yahoo, Google was convinced that sponsoring of search results or screaming pop-ups would go at the expense of relevance and trust, and ultimately scare users away. Google's solution was to place text based advertisements on display at the side or on top of the page next to the search results. The text based ads were clearly labelled as 'sponsored'.

³² E.g. Amazon acting as a retailer on its own online marketplace, Google displaying its own websites among search results, or Microsoft offering its Office suite on Windows.

³³ For example, according to Van Gorp and Batura (2015), MySpace had more US visitors than Google in 2006. However, Facebook caught up to MySpace in 2008 and the number of active users on Myspace has declined ever since.

³⁴ E.g. during the 1990's Microsoft's operating system Windows was practically uncontested and Microsoft was accused of excluding browsers and media-players other than its own. Eventually, iOS and Android successfully challenged Microsoft's position by opening their platforms for other app developers and let the network effects do their job: more apps lead to more users, leads to more apps, etc.

Vertical integration may refer to platforms directly competing with third-party users of their platform (forward integration), and/or it may refer to online business models integrating functionalities that they would otherwise outsource to partners (backward integration)³⁵. Although these different forms of vertical integration may have different motives³⁶, they can be interrelated. It is a characteristic of digital business models that they are often much lighter in assets compared to traditional businesses: Airbnb is a global hospitality provider without owning any real estate, eBay is a global retail platform without any assets in warehousing and logistics. Rogers (2016) identifies the ability of online business models to outsource assets to their user networks as a strategic advantage of online business models over non-digital business models. In e-commerce, however, we see also business models that deliberately integrate asset-intensive activities such as warehousing operations and logistical activities to increase operational efficiency. These are often hybrid business models where platform operators are at the same time a service provider on their own platform. Sometimes, physical assets can also become an integral part of the virtual platform³⁷.

2.2.3. Competitive environment

The degree to which online platforms face direct competitors offering similar services varies a lot from one service to the other. Competitors almost always try to differentiate themselves by targeting a different audience or different needs of end-users and/or by adopting different business and revenue models. The number of direct competitors determines the ability of users to multi-home and thereby determines the incentives of the platform operator to maximise user experience. However, different user groups of a platform may not have the same abilities for multi-homing. Consumers, for example, may multi-home at various online marketplaces as well as various online shops of online retailers, whereas resellers can only multi-home at other online marketplaces and their own online shop. The degree of competition between direct competitors may therefore be different from the perspective of different user groups.

The competitive environment of online platforms is generally highly dynamic because of the high pace of technological developments and the ability of other online platforms to transform from being an outsider or partner into a direct competitor. Google search has for example extended into Google shopping and its revenue model evolved from pay-per-click to pay-per-buy, making Google a direct competitor for other online retailers; and Amazon transformed from being a cloud supplier to Netflix into a direct competitor for Video-on-Demand services.

Nevertheless, a variety of platforms have managed to build up a substantial degree of market power (as stable and large market shares are proving), and they continuously strive to defend and extend it by a variety of strategies (e.g. buying upcoming competitors).³⁸

2.3. Impact of online platforms on markets and SMEs

2.3.1. Impact on markets

³⁵ e.g. Google merging with DoubleClick or Amazon investing in warehousing and logistics.

³⁶ Vertical integration with platform users may be a strategic choice related to platform governance (see above) or the result of relative costs and information advantages of resellers and the platform operator, see Martens, Bertin (2016) referring to Hagiu & Wright (2015). Vertical integration with suppliers and partners is usually about strategic control over assets in light of transaction costs determining a firm's "make or buy decision", see Martens, bertin (2016) referring to Coase's (1937) and Williamson (1976).

³⁷ E.g. Amazon has integrated its warehouses and distributional network with its online marketplace through the Prime subscription for consumers and FBA services towards other retailers.

³⁸ An example would be the overtake of WhatsApp by Facebook.

Digitalisation and the introduction of online platforms have had positive impacts on the efficiency of markets, but there are also concerns that platform users (consumers and businesses) may become too dependent on platforms and that platforms gain an information advantage which they can use to the disadvantage of users, in particular business users of platforms.

Efficiency gains in the digitalised economy

The value added and disruptive potential of digital business models broadly stems from two changes in the production of services and functioning of markets³⁹:

Dramatic economics of scale and scope leading to **decrease in costs** of reproduction and distribution of (digital) content, thereby widening the opportunities for people to communicate and to search and share (digital) content⁴⁰;

Increased information about supply and demand, prices and quality, thereby solving many information related market failures, such as: Lack of information (causing a mismatch between supply and demand), and asymmetric information about prices and quality (creating 'markets for lemons')⁴¹. Moreover, the increased transparency in the market contributes to the lowering of transaction costs⁴². The lowering of transaction costs reduces the need for vertical integration⁴³, thereby contributing to lowering the costs of starting up a business⁴⁴.

These developments have changed the way how business is conducted today. Sometimes, these changes only relate to marketing strategies⁴⁵, but often the impact is more fundamental and affects the nature of competition⁴⁶. Examples of industries that have experienced major impacts (or disruption) are the telecom, entertainment, and news industries (largely, but not exclusively, because of the cost effect) and the retail, hotel and taxi markets (largely, but not exclusively, because of the information effect). Moreover, with greater connectivity and updated technologies in the field of artificial intelligence ahead of us, more and more industries will become subject to digital transformation.

Platform dependency and new information asymmetries

While the economy experiences great efficiency gains from digitalisation and platforms, there are also risks of increased market power. Because of network effects, platforms may experience exponential growth rates⁴⁷, which are often enhanced by fast improvements of algorithms through (data-driven) learning effects⁴⁸. Consequently, digital platform operators tend to make themselves indispensable for its users (consumers and businesses) and place themselves in a gatekeeper position which may easily translate into (dominant) positions with strong market power⁴⁹.

³⁹ Blix, Mårten (2015) "The economy and digitalization – opportunities and challenges".

⁴⁰ See Gates, Bill (1996) to be found at the following link:
<http://web.archive.org/web/20010126005200/http://www.microsoft.com/billgates/columns/1996essay/essay960103.asp>.

⁴¹ See Martens, Bertin (2016) "An Economic Policy Perspective on Online Platforms".

⁴² See SWD (2016) 172 final.

⁴³ See SWD (2016) 172 final.

⁴⁴ As observed by Mårten Blix (2015).

⁴⁵ The combination of these changes has also led to a widening of advertisement channels and more efficient (targeted) advertisement practices, affecting all types of industries.

⁴⁶ Van Gorp, Nicolai and Batura, Olga (2015). Challenges for Competition Policy in a Digitalised Economy. Study of the ECON Committee of the European Parliament".

⁴⁷ Grajek, Michał & Kretschmer, Tobias (2012). Identifying critical mass in the global cellular telephony market. In: International Journal of Industrial Organization 30:6, pp. 496-507; Swann, Peter (2002). The functional form of network effects. In: Information Economics and Policy 14:3, pp. 417-429.

⁴⁸ Varian, H. (2016) "Big Data, Personalization, and Competition", presentation at the OECD competition policy roundtable on Big Data, November 2016; Prüfer, Jens & Schottmüller, Christoph (2017), "Competing with Big Data", TILEC Discussion Paper No. 2017-006.

⁴⁹ Van Gorp, Nicolai and Batura, Olga (2015). Challenges for Competition Policy in a Digitalised Economy. Study of the ECON Committee of the European Parliament.

However, there are mitigating circumstances regarding market power in the digital economy, as high profits and rapid technological developments create incentives and means for others to contest the strong market positions by entering the market with innovative ideas responding to the heterogeneity of user preferences and their ability to multi-home⁵⁰. Moreover, entrants often seek to develop business models that aim to disrupt existing market positions by redefining market boundaries⁵¹. Such threat of disruption mitigates market power of incumbent platforms, and incentivises them to innovate and to provide high quality of service for its users.

Still, high and stable market shares of some platforms over many years (Facebook, Amazon, eBay etc.) suggest that competition may be detained by the large players. They successfully succeed in fighting competition by developing strategies to close the market and deter competitors. Finally, the most important characteristic of networks leads to a cementation of market power: Users' utility is an increasing function of users. Therefore, entry into a market with one or two large incumbents may prove hard or even impossible.

Competition theory is currently rapidly developing to cope with the question whether internet platforms are driving competition or monopolisation.⁵² Competition is driven by partly distinct factors as in conventional markets, i.e. by direct and indirect network effects, switching costs, reputation and economics of scale. First findings show that a generalisation is not possible for different types of platforms as e.g. switching costs differ significantly between markets (e.g. switching between platforms is hard for eBay-suppliers since reputation would be lost; these effects might be less pronounced or even be absent for social network platforms).

From the viewpoint of competition theory, mixed results have been found. E.g. von Blanckenburg and Michaelis (2008a, 2008b)⁵³ put forward strong regulation arguments for eBay, other scholars present valid counter-arguments based on incentives for innovations. Further, Argenton and Prüfer (2012)⁵⁴ have argued that Google should be regulated to share its search engine following the essential facility doctrine.

To sum up, relevant insight of unfair practices and the abuse of market power by internet platforms are to be expected by the economic competitions literature. From this viewpoint, it might be fair to say that the present study is concerned to investigate unfair practices that are not dealt with by competition law so far.

Due to the vital role of (personal) data in orchestrating interactions, transactions, and advertisements, most digital business models collect vast amounts of user data. There are concerns that this gives rise to new information asymmetries between platform operators on the one hand and platform users (consumers and business users) on the other. Such asymmetries entail risks of discriminatory practices, e.g. with regards to prices⁵⁵ or ranking of search results⁵⁶. However, with regards to price discrimination,

⁵⁰ See Autorité de la concurrence and Bundeskartellamt (2016). Competition law and data; Van Gorp, Nicolai and Batura, Olga (2015). Challenges for Competition Policy in a Digitalised Economy. Study of the ECON Committee of the European Parliament.

⁵¹ Van Gorp, Nicolai and Batura, Olga (2015). Challenges for Competition Policy in a Digitalised Economy. Study of the ECON Committee of the European Parliament.

⁵² See e.g. Haucap, Justus, and Heimeshoff, Ulrich (2014). Google, Facebook, Amazon, eBay: Is the Internet driving competition or market monopolization? In: International Economics and Economic Policy 11:1-2, pp. 49-61.

⁵³ von Blanckenburg, Korbinian and Michaelis, Michael (2008a). dDay – eBay: Funktionsdefekte auf dem Markt für Online-Auktionshäuser, Wettbewerb in Recht und Praxis 4/2008, pp. 463-470; von Blanckenburg, Korbinian & Michaelis, Michael (2008b). Regulierungsmöglichkeiten auf dem Markt für Online-Auktionen, Wirtschaftsdienst 88, pp. 415-420.

⁵⁴ Argenton, Cedric and Prüfer, Jens (2012). Search Engine Competition with Network Externalities, Journal of Competition Law and Economics 8: 1, pp. 73-105.

⁵⁵ See OECD (2016). Price Discrimination. Background note by the Secretariat, DAF/COMP(2016)15.

personalised price discrimination seems rare⁵⁷, amongst others, because of the ease for users to multi-home⁵⁸. Moreover, discrimination in ranking may notably occur if the platform operator is acting as a user of its own platform (e.g. Amazon being a reseller on its own marketplace)⁵⁹ or when it applies an advertisement based revenue model (like many search engines)⁶⁰. In such cases, the platform operator needs to manage a conflict between its objectives as a reseller / advertiser, i.e. maximising its revenues from reselling or advertising, and its objectives as the orchestrator of interactions and transactions, i.e. maximising the user experience and value creation on the platform which are driven by network effects^{61 62}.

In general, the platform's incentive to maximise the number of users restrains prices. In many platforms, however, due to this motivation costs and the platforms' profits are generated by pricing one side of the market only (in general SMEs), while the other side (mostly consumers) may pay little or nothing. Whether this pricing strategy should be judged as abuse of market power has not yet been decided in a satisfactory manner by the economic competition literature.

2.3.2. Opportunities and risks for SMEs

Competition and sales volumes

Eurobarometer FB439 (2016)⁶³ finds that four in ten companies engaged in e-commerce sell their products and/or services over the Internet often using a mix of channels: their own websites, online marketplaces and/or search engines. By making use of the Internet, SMEs can more easily provide their goods and services to a large geographical market (sometimes even global) and they can better promote themselves and interact with customers, thereby better understand a market and adapt their products to consumers' needs⁶⁴. These opportunities allow for realising revenue growth and cost efficiencies. In this larger geographical market, however, SMEs also experience an increase in the number of competitors. All in all, competition between companies (SMEs) is likely to grow, leading to lower costs and lower profit margins. For individual SMEs, the lower profit margins may or may not be

⁵⁶ See Martens, Bertin (2016).

⁵⁷ Kerber, W. (2016), 'Digital Markets, Data, and Privacy: Competition Law, Consumer Law, and Data Protection', MAGKS, Joint Discussion Paper Series in Economics, No. 14-2016. Available at SSRN: <https://ssrn.com/abstract=2770479> or <http://dx.doi.org/10.2139/ssrn.2770479>. We note that Martens (2016) speaks of "some evidence" of personalised price discrimination (referring to Mikians et al. 2013; GfK, 2016; Cardona, 2016; and Vissers et al. 2014).

⁵⁸ See Ecorys and e-Economics (forthcoming) "Big Data and Competition".

⁵⁹ See Martens, Bertin (2016).

⁶⁰ See Danescu-Niculescu-Mizil, Cristian, et al. (2010). Competing for users' attention: on the interplay between organic and sponsored search results. Proceedings of the 19th international conference on World wide web. ACM.

⁶¹ Platforms like online marketplaces or search engines are in the business of orchestrating interactions and/or transactions between different users. These interactions create value for users, where value creation on the platform determines its ability to generate revenues. If one user drops out or uses the platform less intensively (because users can multi-home), there are less interactions/transactions to orchestrate and hence less value to be created on the platform, which lowers its revenue potential, see Danescu-Niculescu-Mizil, Cristian, et al. (2010), Rogers (2016), Choudary (2016) and Parker, Alstyne and Choudary (2016).

⁶² This conflict may differ from one product to the other, as explained by Martens, Bertin (2016) with reference to Hagiu & Wright (2015): "[as a reseller] platforms may have a cost advantage in superstar products that are sold on a large scale, [as a marketplace] platforms may have an advantage in long-tail niche market products [of which] the variety of products and variance in consumer preferences is much higher and more difficult to predict".

⁶³ Flash Eurobarometer 439 (2016). The use of online marketplaces and search engines by SMEs.

⁶⁴ See SWD (2016) 172 final. This conclusion is confirmed by 64% of the respondents to Flash Eurobarometer 439.

compensated by volume growth. About half of the SMEs selling via online e-commerce platforms experience a significant growth in sales⁶⁵.

Negative reviews

Competition on platforms is typically in the form of getting a higher ranking in search results and/or a more prominent place on the website (like Amazon's Buy Box). Ranking is not only based on prices, but also on the quality as the position in the ranking (and subsequently sales performance) can be strongly influenced by reviews⁶⁶. These reviews are not always genuine⁶⁷, which can be considered a problem for the SMEs using a platform as a reseller, but also for the platform itself as it may ultimately go at the expense of trust that users (consumers and SMEs) have in the rating and ranking system of the platform. Yet, not all platforms have an effective system in place that can deal with this problem⁶⁸.

Bargaining positions of SMEs vis-à-vis online platforms

In the digitalised economy, SMEs need to engage in contractual relations with platforms. Like any contractual relation, the relation between the SME and a platform is characterised by relative bargaining positions. A weakening of bargaining positions of SMEs may result in less value for money, i.e. higher prices for using a platform and/or lower quality of service provisions by the platform. All else equal, more horizontal competition weakens vertical bargaining positions⁶⁹. As such, more competition among SMEs weakens their bargaining position vis-à-vis platforms. At the same time, a concentrated supply of platform services may strengthen the bargaining position of platforms. Bargaining positions of SMEs may also weaken due to the new information asymmetries. Having said this, the mitigating circumstance described above (multi-homing and market contestability) make that the platform operator cannot ignore its own dependency of its users stemming from network effects⁷⁰. As said earlier, for resellers there may be barriers for switching or multi-homing due to a duplication of costs for registering inventory. In practice, most resellers do not experience very high costs⁷¹.

Terms and conditions

Unequal bargaining positions are common in all economic transactions and, to certain extent, they are not problematic. Unequal bargaining positions can be reflected in high prices for using platforms (which vary in practice between 3.5% to 25% for e-commerce marketplaces⁷², while marginal costs might be close to zero)⁷³ as well as in the terms and conditions on online marketplaces: e.g. they can be unclear, they can be drafted in a take-it-or-leave-it fashion with no room for SMEs to influence or amend the terms and conditions, and they can be characterised by the absence of a clear

⁶⁵ Companies that sell their products and/or services via online marketplaces are more likely (+10%-points) to say reviews have a significant impact on sales according to Flash Eurobarometer 439.

⁶⁶ As confirmed by 66% of the responding SMEs in Flash Eurobarometer 439.

⁶⁷ Flash Eurobarometer 439: "*Just over half of these companies also agree that in general, user reviews are genuine (53%), with more than one in ten (12%) that totally agree and 41% that tend to agree. Nearly four in ten companies disagree (38%).*"

⁶⁸ Flash Eurobarometer 439: "*[Only] half of companies agree that they can report false reviews and have them removed*".

⁶⁹ See Ecorys (2008) "Leveringsvoorwaarden internetwinkels".

⁷⁰ See Fn 61.

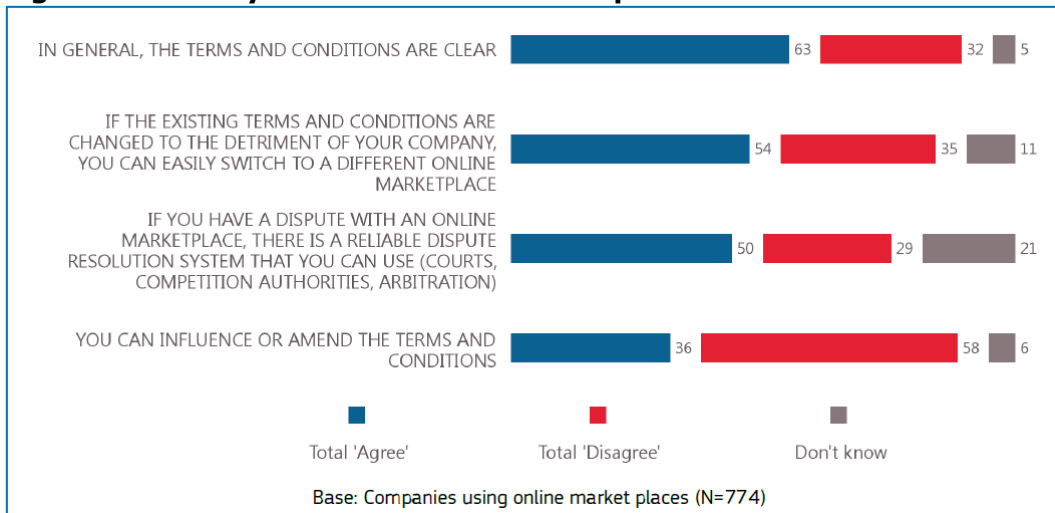
⁷¹ Flash Eurobarometer 439: "*More than half of these companies also agree that they can easily switch to a different online marketplace if the existing terms and conditions are changed to the detriment of their company (54%). Just over one in five companies totally agree (22%), while 32% tend to agree. Overall, just over a third of companies disagree with this statement (35%).*"

⁷² App stores charge 30% on average, and for social networks and online advertising pricing is more complex.

⁷³ See SWD (2016) 172 final, p. 17.

dispute resolution system. With regards to these issues, Eurobarometer shows a mixed experience of SMEs who use online e-commerce platforms (see Figure 2.1 below).

Figure 2.1 Clarity of T&C of e-commerce platforms for SMEs



Source: Flash Eurobarometer 439.

These issues are explored further in the next chapter.

3. BUSINESS-TO-BUSINESS RELATIONS WITH ONLINE PLATFORMS

In this Chapter, business-to-business practices in the online platform environment are discussed. After an overview of the current state of information on trading practices – both online and offline – in Section 3.1, the results of the survey among business users are presented (Section 3.2). Based on the insights from Section 3.1, a classification of experiences is drafted (Section 3.3, first part). Using the information from the survey and other sources of information, a selection of practices for further investigation is drafted (Section 3.3, second part). Finally, the results of the interviews with platforms and business users, aimed to collect more in-depth information on the selected practices, are presented (Section 3.4).

3.1. Insight from literature on trading practices in general

3.1.1. Lack of research on B2B relations with online platforms

Business-to-business relationships between online platforms and their business users is an under-researched subject, both empirically and theoretically,⁷⁴ as the overwhelming majority of scholarly literature and studies deal with business-to-consumer relations and with competition-related issues of online platforms. Economic theory employs the buyer power approach to analyse this issue, viewing the B2B relationships as a vertical buyer-seller interaction with the online platform being a direct or indirect (intermediary) buyer and business users being suppliers. The analysis from the buyer power perspective is a complex task, especially where the platform is an intermediary serving multi-sided markets, because it has to account for the market structure on both sides (upstream and downstream) as well as the relative bargaining power of sellers and buyers. Additionally, even the traditional economics of buyer power is under-developed, and theoretical and empirical results are less consolidated.⁷⁵

3.1.2. Studies on unfair commercial/ trading practices in general

Considering the lack of research focusing specifically on online platforms and their relationships with business users, it is useful to look at the existing studies on vertical relationships between buyers and suppliers in the context of unequal bargaining power.

The theoretical economic literature on online platforms and their relations with business users has focused mainly on pricing strategies of platforms, the research beyond this issue is less developed.⁷⁶ The current findings suggest that pricing strategies of platforms aim at optimising the interactions between different sides of a multi-sided market, operated by a platform, and, at the same time, at maximising their own profits. Pricing strategies will be adapted over time depending on the characteristics of buyers and sellers and may affect the number of participants on each side of the platform, while the platform is searching a new optimal equilibrium.⁷⁷

Against this backdrop, platforms may employ pricing and other practices to exclude users when facing a trade-off between quality and quantity of participating users.

⁷⁴ Duch-Brown, Néstor (2017). The vertical B2B relationship between platforms and their suppliers: A literature review, p. 2.

⁷⁵ The overview of the relevant literature can be found in Duch-Brown, Néstor (2017). The vertical B2B relationship between platforms and their suppliers: A literature review.

⁷⁶ Duch-Brown, Néstor (2017). The vertical B2B relationship between platforms and their suppliers: A literature review, pp. 5-7.

⁷⁷ Duch-Brown, Néstor (2017). The vertical B2B relationship between platforms and their suppliers: A literature review, p. 8.

When buyers demand more variety, products become less substitutable and their sellers will be able to extract a larger share of surplus created by the interaction of the two sides.⁷⁸ To obtain more profits from the sellers in the latter case, the platform would change its price structure, which may be less attractive to some sellers and cause them to leave the platform.

B2B relationships between online platforms and their business users – or, more specifically, the use of unfair trading practices in such relationships – have been a subject of an extensive investigation only once before. In 2006 a legal study on unfair commercial practices within B2B e-markets⁷⁹ (hereafter – the 2006 study) was conducted and focused on the so-called electronic marketplaces (e-marketplaces) that are defined in the first line as places for *e-commerce*, but can also provide a “functionality of electronic portals as virtual meeting places of buyers and sellers where they exchange information, conduct trade and collaborate with each other via an aggregation of information portals, trading exchanges and collaboration tools”. E-marketplaces can therefore be considered as online platforms in a broader sense. The 2006 study has a legal perspective: it does not investigate actual UTPs in the online environment and does not identify their specifics and extent. Instead, it looks at the legal frameworks of Member States to establish whether they need to be adjusted in the view of the development of e-commerce and whether a legislative action at the EU level is necessary. The study uses examples of different practices to illustrate the legal provisions, points to the non-representative nature of such examples and emphasises the need of an in-depth fact-finding investigation.

The study groups unfair types of B2B behaviour into three categories⁸⁰, which refer – to a different extent – to the relations between platforms and their business users and to the relations between different business users and between business users and consumers:

1. Preparation, communication and content of terms and conditions (T&C). This group of UTPs refers exclusively to B2B relations between online platforms and their business users and is therefore the most relevant for the present study. From the present study, only the practices investigated in this group are relevant;
2. Legal implications of initiatives, signs and actions of traders, by which only actions of business users are meant that relate to withdrawal of an offer or a product from an auction, consequences of an error in an online transaction and other similar actions (B2C);
3. Price-setting mechanisms that refer only to the actions of business users that influence auction prices (B2C).

The 2006 study mainly addresses practices surrounding preparation, negotiation and conclusion of a usage agreement between business users and online platforms active in e-commerce. These practices can be categorised in the following types:

- A. Impossibility to negotiate the contract and changes: platform operators usually draft T&C and present them as all-or-nothing deal to business users. Modifications to T&C are commonly undertaken unilaterally by platforms

⁷⁸ Duch-Brown, Néstor (2017). The vertical B2B relationship between platforms and their suppliers: A literature review, p. 9.

⁷⁹ DLA Piper Rudnick Gray Cary (2006). Legal study on unfair commercial practices within B2B e-markets. European Commission Study ENTR/04/69.

⁸⁰ DLA Piper Rudnick Gray Cary (2006). Legal study on unfair commercial practices within B2B e-markets. European Commission Study ENTR/04/69, pp. 24-27.

without informing business users and without awaiting their approval.⁸¹

Changes to T&C are completely at the discretion of online platforms. A very short prior notice is given to business users, if at all, and their approval of changes is presumed if they continue to use the platform;

- B. Lack of transparency before signing the usage agreement: business users may not be able to access all information about the existence of T&C governing their relations with the platform or about the content of such rules. It is also noted that certain information is not equally shared between business users, i.e. not under the same conditions or not in the same manner, and the example of operational rules explaining how transactions take place in the e-market is given;
- C. Limitation of liability of platform operators: clauses contained in T&C limit to the minimum or exclude entirely the responsibility of platform operators regarding certain elements. In some instances, such limitation may be justified (e.g. in the case of the illegal nature of the transaction object or in the case of users' misconduct). However, in other instances it may be considered unfair, for example when an operator limits its liability for technical malfunctions while its duty is to provide a reliable and functioning environment;
- D. Unbalanced content of T&C: as platforms habitually draft T&C themselves and do not negotiate them, T&C can contain clauses that favour platforms in an unjustified manner and to the detriment of business users, especially SMEs. For example, this refers to the choice of applicable law and jurisdiction outside the EU as they bind business users to rules that may be unfamiliar to them and, thus, effectively discourage recourse to justice.⁸² Another example is unusual or burdensome T&C regarding the platform usage or liability (limitation of liability for technical malfunction occurring during the performance of a transaction, onerous penalty clauses).

At the EU level, the most extensive study of UTPs in B2B relations has been conducted in 2013-2014 in the course of the Commission's investigation in food and non-food supply chain (i.e. in offline environment).⁸³ This study followed similar investigations into food supply chain in a number of Member States.⁸⁴ This line of investigations focused exclusively on the food and non-food retail supply chain and did not deal with the online business environment, however their findings may be relevant for the present study in so far as they can help to establish specifics of online UTPs by comparison to the offline environment.

Typically, all UTPs can be divided into four groups depending on the stage of a commercial relationship where they can occur:⁸⁵

⁸¹ DLA Piper Rudnick Gray Cary (2006). Legal study on unfair commercial practices within B2B e-markets. European Commission Study ENTR/04/69, p. 83.

⁸² DLA Piper Rudnick Gray Cary (2006). Legal study on unfair commercial practices within B2B e-markets. European Commission Study ENTR/04/69, p. 94.

⁸³ Green paper on unfair trading practices in the business-to-business food and non-food supply chain in Europe, COM (2013) 37 of 31.01.2013; CEPS, EUI and College of Europe (2014). Study on the legal framework covering business-to-business unfair trading practices in the retail supply chain. Final report for the European Commission, DG MARKT/2012/049/E.

⁸⁴ For example, Competition Commission, Final Report of the supply of groceries in the UK market investigation, 30 April 2008; Parliamentary report on the Supplier-Retailer relationship in the Irish Grocery Market, Committee on Enterprise, Trade and Employment, March 2010; Comisión Nacional de la Competencia, Report on the relations between manufacturers and retailers in the food sector, October 2011.

⁸⁵ Green paper on unfair trading practices in the business-to-business food and non-food supply chain in Europe, COM (2013) 37 of 31.01.2013, p. 6; CEPS, EUI and College of Europe (2014). Study on the

1. Pre-contract phase (i.e. advertising and negotiation of the contract);
2. Contract formation (i.e. definition of contractual T&C);
3. Contract performance;
4. Post-contract phase (i.e. after contract's expiry)⁸⁶.

While different investigations identify a different number of UTPs, they can be categorised into seven main types⁸⁷:

1. Ambiguous contract terms (e.g. lack of clarity in contract offer, withholding essential information, balance of rights and obligations, proportionality of contractual penalties to the damage suffered);
2. Lack of written contracts;
3. Retroactive contract changes (e.g. deductions from the invoiced amount to cover promotion fees, abuse of economic dependence);
4. Unfair transfer of commercial risk (e.g. unfair liability disclaimers, unilateral modification clauses, unreasonable imposition of shifting risks, payment delays, placing responsibility on supplier where retailer is better placed for it);
5. Unfair use of information (e.g. refusal to sign confidentiality agreements, failure to respect confidentiality agreements, use of confidential information to develop own products, unfair use of confidential information after contract expiry);
6. Unfair termination of a commercial relationship (e.g. unfair breaking off a negotiation or refusal to negotiate, sudden and unjustified termination of a contract or termination without a prior notice in a reasonable period of time);
7. Territorial supply constraints (e.g. (intra-chain) discrimination, exclusivity constraints, non-competition clauses).

Recently, several studies and enquiries into different sectors of the online economy have touched upon the topic of (unfair) trading practices. The global survey on competition in the mobile app ecosystem⁸⁸ looked into the state of industry and competition by asking opinions of app developers and publishers. The French regulator Conseil Supérieur de l'Audiovisuel (CSA) published a study on online platforms⁸⁹ and the challenges that they raise for competition and regulation with the focus on the audiovisual sector. In 2015, the European Commission (Directorate-General for Competition - DG COMP) launched a sector inquiry into e-commerce⁹⁰ to investigate market trends, gather evidence on potential barriers to competition and to understand certain business practices that are potentially restrictive for competition. Additionally,

legal framework covering business-to-business unfair trading practices in the retail supply chain. Final report for the European Commission, DG MARKT/2012/049/E, pp. 99-100; Behar-Touchais, Martine, Martial-Braz, Nathalie & Sauphanor-Brouillaud, Natacha (2016). Study on all mandatory rules applicable to contractual obligations in contracts for sales of tangible goods sold at a distance and, in particular online.

⁸⁶ Alternatively, both contract execution and contract expiry can be termed as post-contract phase, see Green paper on unfair trading practices in the business-to-business food and non-food supply chain in Europe, COM(2013) 37 of 31.01.2013, pp. 33-34.

⁸⁷ Green paper on unfair trading practices in the business-to-business food and non-food supply chain in Europe, COM(2013) 37 of 31.01.2013, pp. 17-21; CEPS, EUI and College of Europe (2014). Study on the legal framework covering business-to-business unfair trading practices in the retail supply chain. Final report for the European Commission, DG MARKT/2012/049/E, p. 33.

⁸⁸ Applications Developers Alliance (2016). Competition in the mobile app ecosystem: Global survey of 673 mobile apps publishers and developers. Available at: <http://www.appdevelopersalliance.org/competition-app-ecosystem-report/>.

⁸⁹ Conseil supérieur de l'audiovisuel (CSA) (2016). Plateformes et accès aux contenus audiovisuels: Quels enjeux concurrentiels et de régulation? Available at: http://www.csa.fr/content/download/223681/597947/file/CSA-Etude_plateformes_%202016.pdf.

⁹⁰ This inquiry is still ongoing. Only a preliminary report is currently available. See Commission Staff Working Document. Preliminary report on the e-commerce sector inquiry. SWD (2016) 312 of 15.09.2016.

there have been several enquiries in online platforms in general. In July 2016, the German Bundeskartellamt published a working paper on online platforms and networks⁹¹.

It shall be noted that these studies did not have an objective of investigating UTPs, but rather looked into the functioning, specifics of competition and business models of different sectors. Nevertheless, they contain descriptions of actions, typical for certain relations and sectors that may be considered as deviating from good commercial conduct and contrary to good faith and fair dealing. The following types of practices can be distinguished:

1. Lack of transparency: business users are confused about how platforms' search function works and what kind of algorithms are used to determine what products are placed where on the ranking or featured products lists.⁹² Discoverability that is enabled by search and rating functions is especially significant for app developers⁹³ and content providers in the audiovisual sector⁹⁴. In addition to the automatic algorithm there seems to be editorial correcting and complementing of the results. In the case of the app industry, the process of app approval and review as well as development guidelines are not always clear.⁹⁵ In the case of audiovisual media, the distinction between platform's own content and third party content is not always apparent, and the reference algorithm used for finding content is obscure.⁹⁶ Transparency is also lacking with regard to platforms' tariffs and fees, use of data and operational issues (i.e. why a certain decision was taken and how it can be challenged);⁹⁷
2. Limitation of choice for business users is criticised in relation to payment systems as platforms restrict the choice of payment systems that can be used by business users in their transactions, sometimes offering only one possibility;⁹⁸
3. Unbalanced or onerous T&C: high standards and requirements are applicable to business user's products (apps) and to their duties of care. For instance, the approval process for apps is rigorous and the timeline is tough.⁹⁹ In other sectors, licensing terms and parity clauses are perceived to be unfair;¹⁰⁰
4. Lack of possibility to negotiate agreements: specifically in e-commerce most T&C for the use of an online marketplace provided by a platform are standard ones.

⁹¹ BKartA, B6-113/15, Arbeitspapier – Marktmacht von Plattformen und Netzwerken, Juni 2016. Available at: https://www.bundeskartellamt.de/SharedDocs/Publikation/DE/Berichte/Think-Tank-Bericht.pdf?__blob=publicationFile&v=2.

⁹² Gawer, Annabelle (2016). Online platforms: contrasting perceptions of European stakeholders. A qualitative analysis of the European Commission's public consultation on the regulatory environment for online platforms, p. 19.

⁹³ Applications Developers Alliance (2016). Competition in the mobile app ecosystem: Global survey of 673 mobile apps publishers and developers, p. 5.

⁹⁴ Conseil supérieur de l'audiovisuel (CSA) (2016). Plateformes et accès aux contenus audiovisuels: Quels enjeux concurrentiels et de régulation? Pp. 29-30.

⁹⁵ Applications Developers Alliance (2016). Competition in the mobile app ecosystem: Global survey of 673 mobile apps publishers and developers, p. 5.

⁹⁶ Conseil supérieur de l'audiovisuel (CSA) (2016). Plateformes et accès aux contenus audiovisuels: Quels enjeux concurrentiels et de régulation? P. 29.

⁹⁷ Gawer, Annabelle (2016). Online platforms: contrasting perceptions of European stakeholders. A qualitative analysis of the European Commission's public consultation on the regulatory environment for online platforms, p. 19.

⁹⁸ Applications Developers Alliance (2016). Competition in the mobile app ecosystem: Global survey of 673 mobile apps publishers and developers, p. 9.

⁹⁹ Applications Developers Alliance (2016). Competition in the mobile app ecosystem: Global survey of 673 mobile apps publishers and developers, p. 8.

¹⁰⁰ Gawer, Annabelle (2016). Online platforms: contrasting perceptions of European stakeholders. A qualitative analysis of the European Commission's public consultation on the regulatory environment for online platforms, pp. 14, 18, 23.

The preliminary report on the e-commerce sector inquiry states that only 13% of all surveyed marketplaces (37 marketplaces) negotiated agreements, and for these marketplaces only 10% of all agreements were negotiated, other usage agreements were standard;¹⁰¹

5. Limitations of access to and use of transaction-related data: platforms are reluctant to share data. They preserve to themselves the freedom to determine what data and what amount of data to pass on to the business user.¹⁰²

¹⁰¹ Commission Staff Working Document. Preliminary report on the e-commerce sector inquiry. SWD(2016) 312 of 15.09.2016, p. 39.

¹⁰² Commission Staff Working Document. Preliminary report on the e-commerce sector inquiry. SWD(2016) 312 of 15.09.2016, p. 18; Conseil supérieur de l'audiovisuel (CSA) (2016). Plateformes et accès aux contenus audiovisuels: Quels enjeux concurrentiels et de régulation? P. 44.

3.1.3. Commission's public consultation on online platforms

The first insights in the business-to-business relationships between online platforms and their business users were offered by the European Commission's public consultation on online platforms.¹⁰³ The public consultation highlighted a number of concerns from certain stakeholders about UTPs from online platforms, the most common of which are¹⁰⁴:

1. Imposition of unfair terms and conditions, in particular regarding access to important user bases or databases;
2. Refusal of market access or unilaterally modification of the conditions for market access, including access to essential business data;
3. The dual role that platforms play when they both facilitate market access and compete with suppliers, which can lead to platforms unfairly promoting their own services to the disadvantage of these suppliers;
4. Unfair parity clauses with detrimental effects for the consumer; and
5. Lack of transparency — notably on platform tariffs, use of data and search results — which could result in harming suppliers' business activities.

3.2. Overview of trading practices

Classification of practices for case studies

Based on the literature review, workshops with stakeholders and in-depth interviews, a range of trading practices can be identified. Table 3.1 presents a comprehensive list of identified trading practices in the relationship between online platforms and their business users. These practices have been grouped in relation to the stage of a commercial relationship when they usually occur and clustered along thematic fields. Next, we discuss each of the practices per thematic field.

¹⁰³ Gawer, Annabelle (2016). Online platforms: contrasting perceptions of European stakeholders. A qualitative analysis of the European Commission's public consultation on the regulatory environment for online platforms; Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Online platforms and the Digital Single Market: Opportunities and challenges for Europe. COM (2016) 288 of 25.05.2016.

¹⁰⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Online platforms and the Digital Single Market: Opportunities and challenges for Europe. COM (2016) 288 of 25.05.2016, p. 12.

Table 3.1 Potential negative trading practices in different stages of commercial relationship

<i>Thematic field</i>	Pre-contractual period	Contract formation	Contract performance	Contract expiry/ termination & post-contractual period
<i>1. Setting the terms and conditions</i>	<ul style="list-style-type: none"> • Refusal to negotiate; • Lack of clarity on the full T&C. 	<ul style="list-style-type: none"> • Non-negotiability of changes; • Lack of clarity and vague language of T&C. 	<ul style="list-style-type: none"> • Unilateral changes; • Unilateral interpretation of T&C; • Lack of or very short-term prior notice about changes; • Continuation of use as a presumption of acceptance of changes. 	<ul style="list-style-type: none"> • Unilateral termination.
<i>2. Search and ranking</i>	<ul style="list-style-type: none"> • Transparency of search criteria. 	<ul style="list-style-type: none"> • Lack of transparency regarding search, ranking and reference functions. 	<ul style="list-style-type: none"> • Provision of information on changes to ranking algorithms; • Use of alternative tool to present offers. 	
<i>3. Access to the platform</i>	<ul style="list-style-type: none"> • Eligibility to access the platform. 	<ul style="list-style-type: none"> • Lack of transparency of rules related to delisting of products, suspension of account and termination of accounts. 	<ul style="list-style-type: none"> • Lack of information on delisting of products of services; • Lack of information on temporary suspension of an account; • Lack of information on actions required for relisting of products/services or re-instating of an account. 	<ul style="list-style-type: none"> • Lack of information on termination.
<i>4. Platforms competing with business users or limiting options</i>		<ul style="list-style-type: none"> • Parity clauses (price and non-price related); • Limitations of choice of auxiliary services. 	<ul style="list-style-type: none"> • Platforms favouring own products; • Lack of explanation of operational decisions. 	
<i>5. Data access and portability</i>	<ul style="list-style-type: none"> • Lack of information on policy re data. 	<ul style="list-style-type: none"> • Lack of transparency regarding data access and portability. 	<ul style="list-style-type: none"> • Limited access to data; • Restrictive application of provisions on data access/ sharing and use. 	<ul style="list-style-type: none"> • Retention of data related to business user.
<i>6. Problem solving</i>		<ul style="list-style-type: none"> • Non-EU jurisdiction and applicable law; • Liability disclaimers; • Lack of penalties for platforms. 	<ul style="list-style-type: none"> • Restrictions on access to redress possibilities. 	

Overview of trading practices

Setting the terms and conditions

The most drastic practice from business users perspective, is the *refusal to negotiate* that may happen in both digital and non-digital environments and in any sector of the economy¹⁰⁵. Even though the freedom of contract covers a company's decision to get engaged in a negotiation and to choose a negotiation partner, the ability to routinely refuse a contract negotiation and to put business partners in a position of either accepting T&C as a whole or denying them a business relation completely is evidence of a(n) (ab)use of bargaining power and exploitation of dependencies. As shown in the previous section, lack of a possibility to negotiate or amend the terms and conditions has been flagged by business users as one of the most prominent reasons why terms and conditions are considered unfair. Since the degree in which negotiations can be refused is closely related to potential dominance of a platform, which belongs to competition policy and falls outside the scope of this study, this topic is not discussed further.

While contemplating a negotiation or conclusion of contract, business users may experience *lack of clarity on the full T&C* that they must agree to and that are relevant for them. This is caused by the fact that T&C on different topics may be contained in several interlinked or not interlinked documents. It can also be the case that full amount of documents becomes only accessible after a registration on the platform. These trading practices can be compared to the withholding of essential information practiced in the food and non-food supply chain.¹⁰⁶

During the contract formation phase, contractual terms and conditions are defined and drafted by the parties or party. Several trading practices can be identified at this stage, related both to the practice of formation and to the content of the rules.

Lack of clarity of contractual T&C and vague contractual language is a trading practice common to all sectors of the digital and non-digital economy.¹⁰⁷ T&C of platform use are often very long and/or contained in several different documents. Additionally, they are written in a language used by lawyers that is difficult for most people to understand. Reading and understanding the T&C is a challenging task for a small company that is unlikely to employ a lawyer or to have financial resources to hire one. Therefore, a small company might not completely comprehend what obligations it is undertaking and what rights it will have under the T&C. Vague contractual language leaves a lot of room for interpretation and, ultimately, discretion of the platform that is often the sole author of the T&C.

Online platforms usually reserve for themselves the right to *unilaterally change their T&C* and may refuse to negotiate such changes (*non-negotiability of changes to T&C*). These trading practices are further exacerbated if T&C do not foresee a prior notice of changes, where a very short notice period is applicable in practice and/or where a tacit acceptance of changes is practiced (see more explanations on tacit acceptance further in this section). SMEs are placed in the situation where they may be unpleasantly surprised by frequent changes that they cannot anticipate and prepare for. They may accept changes unknowingly and unwillingly.

¹⁰⁵ See for examples CEPS, EUI and College of Europe (2014). Study on the legal framework covering business-to-business unfair trading practices in the retail supply chain. Final report for the European Commission, DG MARKT/2012/049/E.

¹⁰⁶ See CEPS, EUI and College of Europe (2014). Study on the legal framework covering business-to-business unfair trading practices in the retail supply chain. Final report for the European Commission, DG MARKT/2012/049/E.

¹⁰⁷ See CEPS, EUI and College of Europe (2014). Study on the legal framework covering business-to-business unfair trading practices in the retail supply chain. Final report for the European Commission, DG MARKT/2012/049/E.

Even if T&C of platform use are fair and balanced on paper, they may be interpreted and executed in an unfair manner during the contract performance phase.

Regarding changes in T&C, one trading practice is *lack of or very short-term prior notice about change* and *presumption of acceptance of changes* by continuation of use. Not all platforms inform their business users that changes have occurred: a user may first learn that something has been changed upon logging in into the account. To proceed with the work, it is necessary to accept all changes, but in some cases the mere continuation of the account use is considered a tacit acceptance of all changes. Even where platforms give business users an advance notice and time to familiarise themselves with the changes T&C, they may not inform what specifically has been changed. Business users need to read the complete T&C to find out what has been changed. Considering that changes may occur often and for any reason and be significant or not, keeping up with them is a challenge for SMEs. Lack of or very short-term prior notice about changes (and continuation of use as a presumption of acceptance of changes) is investigated more in-depth in the next section.

As platforms are those who drafted and mainly enforce their T&C, they also interpret T&C while applying and enforcing them (*unilateral interpretation*). This refers specifically to issues of data access and use and to suspension and blocking of accounts and products, both discussed further below. Due to the lack of explanation and reasoning and due to the automatic nature of decision making, this interpretation often remains hidden from business users, which, as noted above, makes it difficult to appeal. Additionally, such interpretation may appear restrictive to business users.

Search and ranking

T&C of platform use are *not* always *clear on the functioning of search, ranking and reference* that are powered by an automatic algorithm. T&C indicate factors that are fed into the algorithm, but may not specify what individual factors mean and what their weight is or how they are taken into account. Additionally, in some cases a human interference with the algorithm is possible. Lack of knowledge about this may negatively impact business users because, in the face of fierce competition, ranking and referencing are the main instruments to create or increase visibility of products and services. Issues related to lack of transparency regarding search, ranking and reference functions are investigated more in-depth in the next section.

In addition to the main ranking tools, platform may decide to *use alternative tools to present offers*. These alternative tools, for example in the form of special boxes or locations on the websites, are aimed to specially lure the attention of customers, thus overshadowing the general ranking of offers to a significant extend. Transparency of the algorithms underlying these alternative tools is usually even less than transparency on the general search, ranking and reference functions.

Access to the platform

A platform may *restrict the access to the platform* and thus pre-select with whom it is going to conclude a contract. Such restrictions may be expressed in high access or usage fees, prohibition of selling certain products (e.g. prohibition to sell branded products if not purchased directly from a brand owner) or requirements to the location of the online shop (territorial limitations). These practices refer to the digital environment, but are akin to discrimination practices reported in the study on food and non-food supply chain.¹⁰⁸

¹⁰⁸ See CEPS, EUI and College of Europe (2014). Study on the legal framework covering business-to-business unfair trading practices in the retail supply chain. Final report for the European Commission, DG MARKT/2012/049/E.

In addition to the possibility of unilateral delisting of products, suspension of accounts and termination of contracts, as discussed above under the setting the terms and conditions, such delisting, suspension or termination may happen abruptly without a prior notice. Typical reasons for delisting or suspensions are related to breach of policy (manipulation of reviews, failure to pay the commission fee), or resulting from legal obligations (like prevention of attempted fraud, prevention of breach of IPR, or guaranteeing consumer safety).

While there may be proper grounds for delisting or suspension, main concern from business users' perspective is that these actions take place without the platform giving the reasons for the action taken (*lack of information*), meaning it is harder for business users to appeal the decision or rectify a problem. Issues related to delisting of products or content and suspension or termination of accounts and the provision of information on these actions are discussed further in the next section.

Platforms competing with business users or limiting options

While some platforms are offering only platform (intermediary) services, others are also offering products or services on their own platform, thus entering into competition with the business users on that platform. Unlike any other competitors, platforms do have the possibility to *favour their own products* by means of applying less restrictive platform rules to their own products. The lack of clarity on ranking criteria (discussed above) and on operational decisions (discussed below) do not provide insight in the extent to which platforms do or do not favour their own products. Platforms competing with business user are discussed further in the next section.

T&C of platform use may foresee price and non-price related *parity clauses*.¹⁰⁹ Price parity clauses require businesses to offer at the platform either the lowest price or the same price as offered elsewhere. This prevents businesses from developing a relationship with regular customers by offering membership schemes and loyalty discounts and does not allow selling remaining stock at very low prices. Non-price parity clauses refer to customer service quality and to the information regarding products and services offered. These shall be at the same quality level as the highest quality offered via other distribution channels. Furthermore, non-price parity may refer to the use of data and request that transaction related data generated via the platform can be used for advertising and other purposes only on the very same platform.

Limitation on the choice of auxiliary services providers or systems seems to be quite typical for online platforms. They can be divided into:

- a. Financial restrictions: platforms prescribe the use of specific payment systems (e.g. only credit card systems);
- b. Delivery restrictions: specific transport provider or delivery service must be used;
- c. Fulfilment rules;
- d. Technical requirements: a specific data cloud to store content, a specific booking system, a specific communications channel for communication with customers gained via the platform, a specific advertising systems (tools) for advertising via the platform.

Limitation on the choice of auxiliary services is discussed further in the next section.

¹⁰⁹ The DG COMP inquiry into e-commerce sector demonstrated that parity clauses are not a very common phenomenon. This refers both to price and non-price related parity. Only 8 out of 37 online market places use them, some of them only with the largest retailers. Only 2% of the questioned retailers active on online marketplaces reported to have parity clauses in their agreements. Commission Staff Working Document. Preliminary report on the e-commerce sector inquiry. SWD (2016) 312 of 15.09.2016, p. 177.

Linked to the above trading practices is the practice of *not providing a (sufficient) explanation and reasoning for operational decision* taken by the platform. These are mainly related to two other thematic fields:

- a. Functioning of the search algorithm, ranking, reference functions;
- b. Suspension and blocking of accounts and products.

Consequently, these issues are discussed in the appropriate sections of this report and not elaborated upon further here.

Data access and portability

Another trading practice that is characteristic of the digital economy refers to contractual *restrictions on data access and use* that are favourable only to one party (that is, the platform). Data may refer to the following categories of data:

- a. Transaction data:
 1. Single product data (for example, data on how and when consumers ordered/used the product);
 2. Aggregate market data (for example, data on market trends, aggregate sales of one business user or of several/ all users).
- b. Customer data:
 1. Personal data (for example, name, address, email);
 2. Payment data (for example, credit card information).

In the pre-contractual or contractual phase, there may be *lack of information on the platforms policy regarding data*. This can refer both to the data that is made available for the business user, as well as the extent to which this data may be used by the business user.¹¹⁰ Both accesses to these points are closely related to the lack of clarity regarding the T&C.

Inability to access transaction data and/ or use them outside the platform impedes the business users' ability to measure their performance, to develop new business strategies and business models, better respond to market trends, improve products or develop new ones. Where platforms insist to retain or keep for themselves customers contact data, identity of clients, characteristics of users, business, payment data, user rating of services and other customer data, they remain a "third party" in the business relationship and limit contact between the businesses and their customer. This adversely impacts trust between them that may be necessary for the provision of personalised services, does not allow offering membership schemes and rebates, renders more difficult the collection of feedback and management of customers' accounts.

Where explanations of decisions are given by platforms, they may serve a *restrictive application of provisions, in particular on data access/ sharing and use*. Platform's refusal to share data with business users or sharing of only limited information may be based on privacy or data protection considerations, even where business users only request access to aggregate and/ or non-personal or anonymised data. Inability to access data prevents businesses from effectively measuring their performance, identifying market trends, developing new business strategies and business models, improving products and offers for separate groups of customers.

It may be considered a trading practice negatively impacting business users if the platform retains and uses such data after the contractual relationship has ended

¹¹⁰ One clear example of the latter category was found in the hospitality sector, where one hotel was under the impression that use of guest data, even if obtained themselves at the moment of check-in, was forbidden under the T&C of the platform through which the guest booked.

(*retention of data related to business user*). Furthermore, platforms may *restrict portability* of such data such that after the termination of the contract a business user cannot take its data (e.g. evaluations, information on customers and product related data) to a different platform and use it there. This puts a business user in a disadvantage as it will have to build up its online presence anew.

Problem solving

In case problems between platforms and business users arise, business users may want to seek redress.

Choosing a non-EU jurisdiction and foreign law as applicable to disputes resulting from the platform's T&C can be in some cases considered an unfair trading practice. When the possibility to bring a legal action in their home country is denied to SMEs, a legal action may be considered less attractive for them due to the lack of knowledge of the foreign law and procedure and higher costs of calling on a foreign court. A platform may also foresee application of different jurisdictions and legal orders depending on a specific activity, which confuses SMEs and effectively discourages them from going to court.

Platforms use *liability disclaimers*, which may become a trading practice if they shift the burden of responsibility to business users for the issues that are outside their control (e.g. liability for the correctness of the content that was uploaded by user remains with the user, while all the rights of use and actual (technical) control is transferred to the platform). Liability disclaimers may refer to operational or technical issues that are largely within platform's competence. Consumers are unable to differentiate who is responsible for what with regard to the online transaction and usually contact the business with which they are dealing. If there are too many of such complains or it looks like the business cannot resolve them, this may lead to penalty by the platform. Furthermore, T&C rarely foresee liability of platforms in case of failures and wrongdoings (*lack of penalties for platforms*). This is especially problematic where an account is terminated or blocked or products are delisted or blocked from sales due to a mistake or failure. A business user would suffer a loss without a possibility of redress.

Even where several – external and internal – *redress possibilities* are available according to T&C, access to them may be restricted in practice, not least due to rendering them unsuitable or ineffective. As mentioned above, at the stage of contract formation foreign jurisdiction and/or foreign law may be declared applicable to T&C, which effectively makes access to justice more difficult. Internal redress mechanisms might be arranged only via email, without the possibility of a direct human contact and a responsible case handler. Clear instructions about the operation of redress mechanism may be missing. All this would significantly slow down the redress procedure, making it less efficient and effectively unusable. Such trading practices are especially harmful to business users in online environment where time is of essence and where companies are active across borders.

3.3. Experiences of businesses with online platforms

Between November 2016 and January 2017 businesses were surveyed to assess their experience with online platforms. In the survey, questions were asked about the usage of online platforms, the importance of used platforms for their business, experienced problems during the business relationship, whether terms, conditions and related practices are perceived as fair and, if not, reasons why. The methodology and the detailed results are presented in Annex C and D.

Businesses use online platforms for various business purposes depending on the type of platform (online e-commerce marketplaces, app stores embedded in mobile operating systems, social media, online advertising platforms, see detailed description

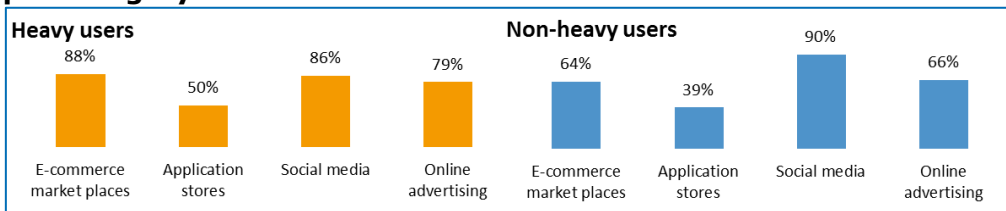
of various platforms in Chapter 2). Majority of the surveyed businesses use platforms for more than one purpose. The most commonly used platforms are social media platforms as indicated by 89% of business users (see Figure 3.1). Online e-commerce marketplaces are reported almost as often as online advertising platforms. Figure 3.2 shows the breakdown of business users per category. Heavy business users report that they use e-commerce marketplaces more often than non-heavy users. Similarly, larger share of heavy users use app stores embedded in mobile operating systems compared to non-heavy users.

Figure 3.1 Share of businesses using online platforms by platform category



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 3,787.

Figure 3.2 Share of businesses using online platforms by platform category per category of users



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 778 and 3,009 for samples heavy and non-heavy users respectively.

On average, the respondents indicated to use 3 different online e-commerce marketplaces, and 3 different social media platforms. Businesses use on average slightly fewer application stores and online advertising platforms (namely 2). The most commonly reported platforms are listed in Table 3.1. Amazon, Allegro, eBay, Booking.com, and Trivago are the commonly used online e-commerce marketplaces. Widely used app stores are Amazon Appstore, Apple App Store and Google Play. Businesses use Facebook and Twitter both for social media and online advertising.

Table 3.1 Top five online platforms per type of purpose

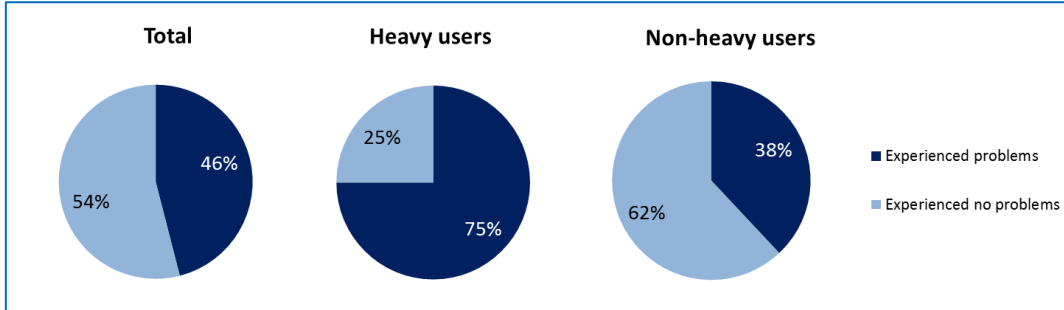
E-commerce marketplaces	Application stores	Social media	Online advertising
amazon	amazon	facebook	facebook
allegro	App Store	LinkedIn	DoubleClick
ebay	Google play	twitter	amazon
Booking.com	Samsung Apps	YouTube	twitter
trivago	Windows Store	Instagram	bing

Total number of respondents is 2,553. A respondent can use multiple online platforms for multiple purposes. The list of top indicated platforms is sorted alphabetically.

Figure 3.3 provides details on how many business users have experienced problems or disagreements with an online platform. 46% of business users responded that they have experienced problems and disagreements with the platforms during their

business relationship. Among the business users with more than half of turnover generated via online platforms (heavy users), the share of those that experienced problems is significantly higher – 75%.

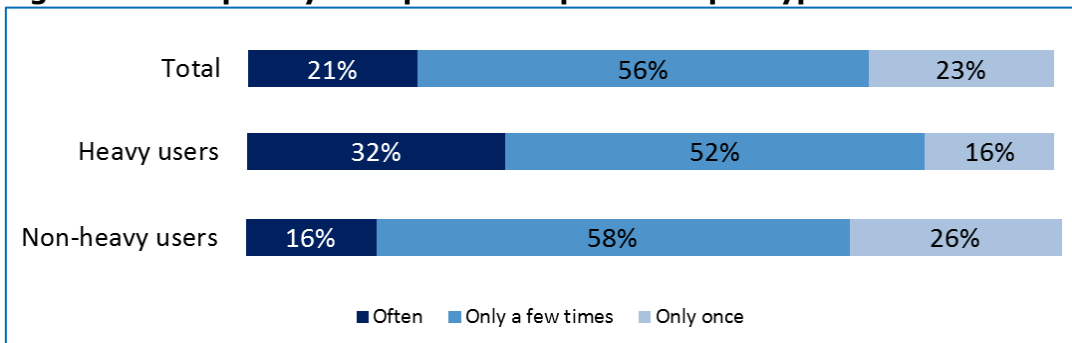
Figure 3.3 Share of businesses that experienced problems and/or disagreements with online platforms



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 3,549, 730, and 2,819 for samples total, heavy and non-heavy users respectively.

Figure 3.4 shows the frequency of experienced problems. Out of those who have experienced problems 21% indicated that they occurred often over the course of the business relationship. 23% have experienced problems only once. Half of respondents have experienced problems only a few times over the course of their business relationship. For heavy users of online platforms, a significantly higher share has experienced problems often – 32%.

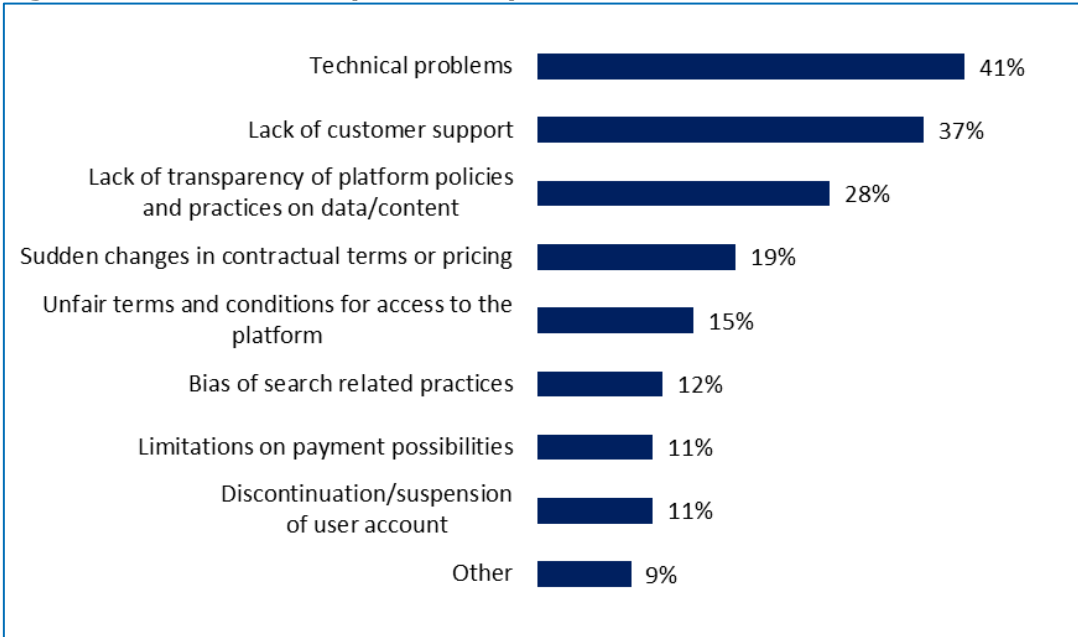
Figure 3.4 Frequency of experienced problems per type of users



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 1,629, 547, and 1,082 for samples total, heavy and non-heavy users respectively.

The reasons of experienced problems vary for business users. The most commonly indicated problems are of technical nature and/or due to the lack of customer support, as indicated by 41% and 37% of respondents, respectively, as shown in Figure 3.5. Lack of transparency of platform policies and practices on data or content is also relatively often reported. Discontinuation or suspension of a user account is the least mentioned cause of problems. Other causes indicated include length of procedures, problems in communication with problems.

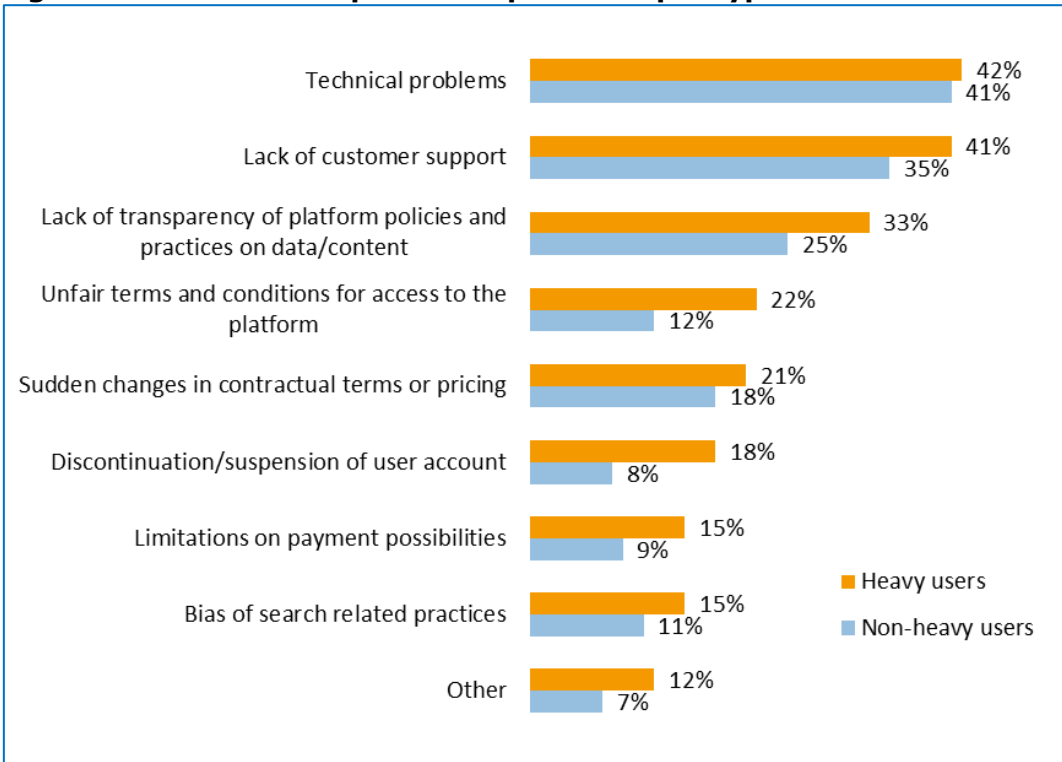
Figure 3.5 Causes of experienced problems



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 1,608.

Figure 3.6 shows the experienced problems per type of users. Technical problems and lack of customer support are the most prevalent causes of problems for both heavy and non-heavy users. Lack of transparency of platform policies and practices on data/content are experienced by larger share of heavy users compared to non-heavy users.

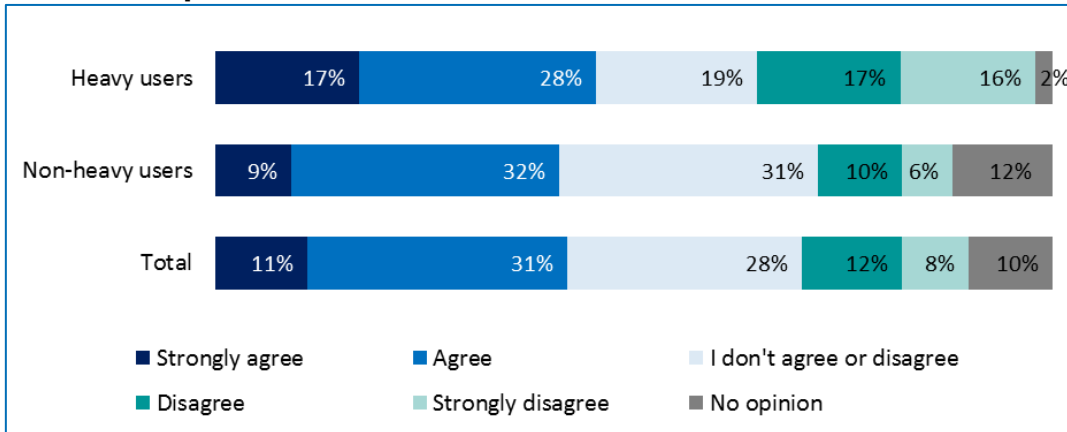
Figure 3.6 Causes of experienced problems per type of business users



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 53 and 1,071 for samples heavy and non-heavy users respectively.

Business users were also asked to indicate whether they agree or disagree with the statement “The contractual terms, conditions and related practices of a platform are fair”. Figure 3.7 provides an overview of the extent to which respondents agree with this statement. 20% of all respondents indicated that they disagree or strongly disagree with this statement. For heavy users, this share is higher: 33% disagreed with this statement. More than half of the respondents indicated that the terms, conditions and related practices have not changed¹¹¹.

Figure 3.7 The extent to which respondents agree that the contractual T&C and related practices are fair

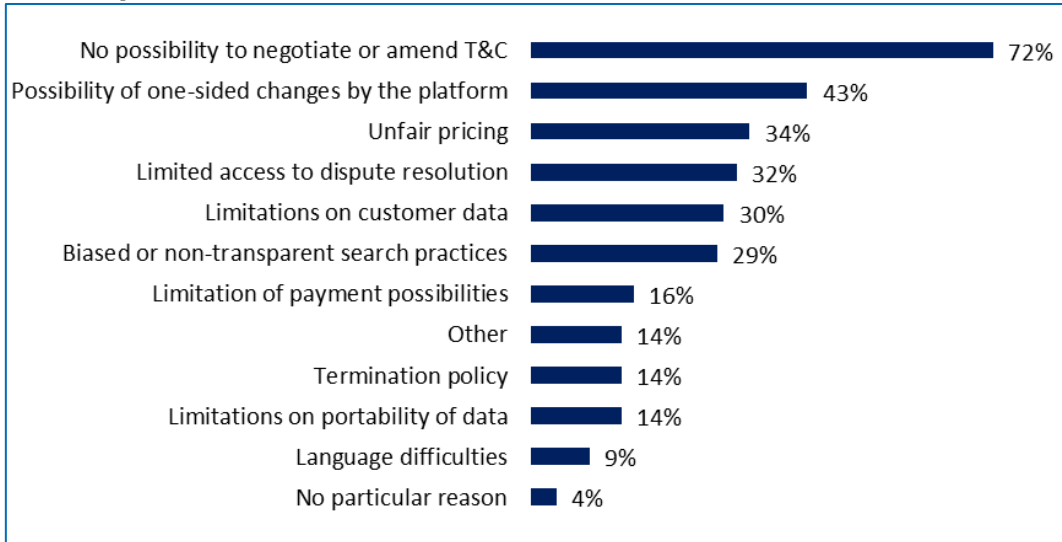


Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 1,023; 417, and 606 for samples heavy and non-heavy users respectively.

Those respondents that have indicated that they disagree that the terms, conditions and related practices of a platform are fair were further asked to indicate the reasons for it. On average, business users provide three reasons. As shown in Figure 3.8, the most commonly indicated reason is absence of possibility to negotiate or amend terms and conditions, indicated by 72% of respondents. The second most commonly mentioned reason is possibility of one-sided changes by a platform (43%), unfair pricing (34%) and limited access to dispute resolution.

¹¹¹ This result is valid for all business users (and not only those that consider T&C and related practices as unfair). See Annex D for detailed responses to the question ‘How would you characterise changes in the terms, conditions and related practices regarding the issues below that occurred over the duration of your online business experience?’.

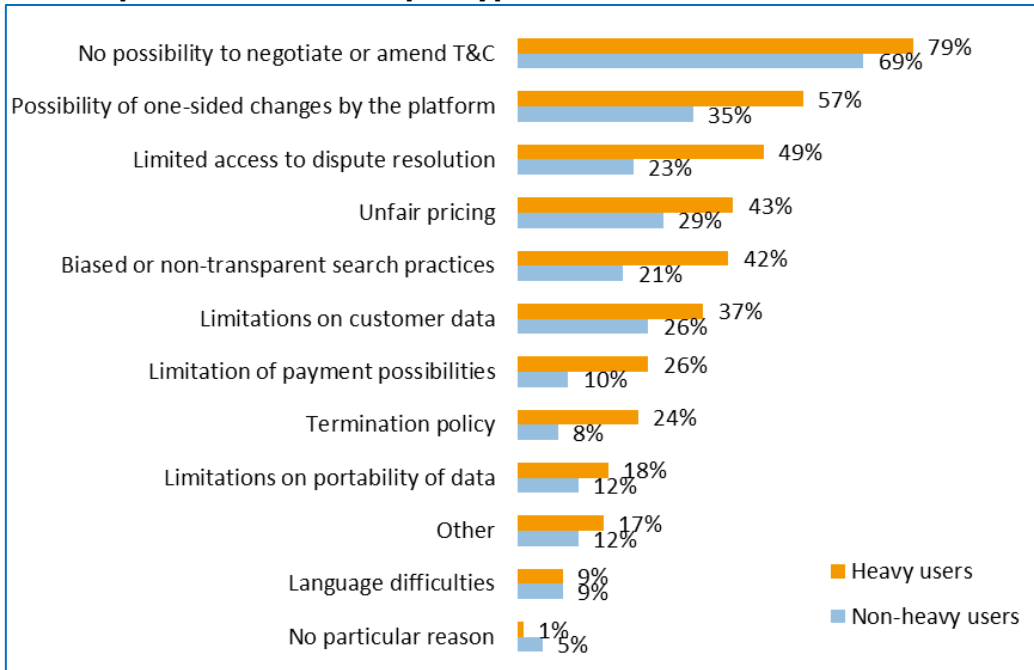
Figure 3.8 The reasons why respondents perceived the contractual T&C and related practices as unfair



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 410.

Figure 3.9 shows the reasons per type of users. Heavy users on average choose more reasons why they disagree that T&C and related practices are fair. The most prevalent reasons are absence of possibility to negotiate or amend T&C and possibility of one-sided changes by a platform. For heavy users, the third most common reason is limited access to dispute resolution, while for non-heavy users it is unfair pricing.

Figure 3.9 The reasons why respondents perceived the contractual T&C and related practices as unfair per type of users



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 203 and 207 for samples heavy and non-heavy users respectively.

3.4. A close look at selected experiences / practices

A selection of the most important trading practices was investigated further by means of interviews with business users and platforms. These practices are discussed in the fourth following sections. The methodology explaining the selection of practices is presented in Annex E.

The selected practices are discussed mainly for the sectors of e-commerce (trade in goods), hospitality and app stores. This does not mean that the identified practices are present only in these sectors: they may also exist on social media platforms and on online advertising platforms. However, sufficient data to provide a thorough exploration of the specifics of these practices in those remaining sectors is lacking as nearly all interviewed business users flagged their major problems to be related to e-commerce, hospitality and app stores.

3.4.1. Lack of or very short-term prior notice about changes (and continuation of use as a presumption of acceptance of changes)

The practice of the lack of or very short-term prior notice about changes in T&C is a common one in the online environment. While investigating the practice itself and identifying possible grounds for it, the following questions were central:

Do online platforms make business users aware of changes to T&C or are business users themselves responsible to find out about them?

Is the information provided about the changes to T&C sufficient and clear enough (for instance, so that business users can make an informed business decision)?

Notifications about changes to T&C

Most investigated platforms actively inform their business users about changes to the T&C of platform use. For all online platforms, it is characteristic that changes to T&C are non-negotiable and apply to all users equally. Exceptions to this rule are anecdotal, and usually concern some small reductions of the percentage the platforms take per transaction when businesses with very large turnover are involved. While this may not be the optimal situation for individual business users, the practice is adopted by all platforms due to the substantial number of users (in millions range on biggest platforms). Such scales do not allow for individualization of T&C or their changes: business users have only an option to accept (new) T&C or to leave the platform. This is also the reason why on some platforms no express consent to changes in T&C is required, but the user's consent is presumed if the user continues to use the platform after the date of entry of T&C changes into force.

Business users indicated that this practice of changes to T&C does not always allow them to adjust themselves to the changes completely and in time for their application. It can also be argued that, in such a case, business users may find themselves using platforms under conditions that are suboptimal for them.

In addition to this observed common practices, some specifics of the notification procedure have been identified per industry sector.

E-commerce

Business users of online platforms for e-commerce (trade in goods) experience frequent (i.e. several times a year) and sudden changes to the terms and conditions (T&C) of use. While business users do get notified of the projected changes by email or messages in most cases, there is not enough time provided to comprehend what exactly is going to be changed and to react to it. In some cases, the time of the notice is enough to react to slight changes, but not to big issues.

Different e-commerce platforms have different policies regarding changes to their T&C of use. Some of them change T&C quite often, while others try to limit the number of changes to T&C in the course of one year. Ultimately, the frequency of changes and how fast they should be implemented is determined by legal and regulatory requirements, both at European and national level. For instance, if a court judgement is passed, it may require almost immediate adjustment of T&C.

E-commerce platforms are aware of the difference in capacity that different business users can dedicate to examining changes to T&C. Therefore, whenever changes to T&C are planned, many platforms try to communicate them to their business users and notify them in advance. For example, one major e-commerce platform sends out emails and messages to the business users in advance and follows up with a reminder before the changes actually take place. Other platforms organise informal discussions with business users, but these initiatives are not used consistently. If changes require substantial adjustments from business users (e.g. API, new consumer protection rules), e-commerce platforms try to increase the time of the advance notice.

Hospitality

Business users of hospitality platforms do not experience any difficulties regarding short-term notifications about changes in T&C or their lack of clarity. Due to the nature of business, T&C of use of online platforms in this sector do not change often.

If changes occur, this is mainly due to requirements of European and/ or national legislation; the timing of such changes is also linked to the regulatory requirements. Platforms inform their users per email and messages in advance.

App stores

App stores usually have two types of documents governing their relationships with business users: license agreements with app developers and app store approval guidelines. Neither document is very frequently changed. Changes are usually triggered by two factors: 1) legal and regulatory requirements and 2) introduction of updated technologies and devices. The time of notification to business users depends on these two factors. Business users are always notified in advance and have time to adjust their products and accept the changes. App developers are free to read and consent to the changes. If app developers do not accept changes to the license agreement, they can continue using the platform but with several limitations.

The latter possibility offered by app stores is in stark contrast to the practice of different e-commerce platforms, where if a business user does not accept changes to T&C, it has to leave the online platform.

The amount of information on changes to T&C

E-commerce

Business users of e-commerce platforms find that notifications about changes to T&C are not always sufficiently clear. Additionally, if there are questions about the planned changes, there is no possibility to ask for explanations.

Some e-commerce platforms explained that, to make changes to T&C more understandable, they communicate changes in plain language. One platform attaches the relevant documents to the emails sent and includes a summary of the most relevant changes.

Hospitality

Business users of online travel agency (OTA) platforms have several opportunities to obtain information and explanations on the changes to T&C if the notification they get

is not satisfactory. They can contact their account managers per email or phone to discuss the planned changes or attend a face-to-face meeting in the regional office or via some national business associations.

3.4.2. Practices related to search and ranking

Visibility is essential for all industry sectors due to the large numbers of businesses active on platforms and the search being the main means of discovering the relevant product by consumers and customers. Therefore, search and ranking practices of online platforms were flagged as very important by many business users. While exploring practices related to search and ranking, the following questions were in the focus of attention:

Do business users know how platforms they use rank search results (criteria, algorithm)?

Can business users improve their products' ranking? Does this involve paying additional fees or participating in a special partnership program?

Knowledge about the search and ranking algorithm and criteria

Business users of all the types of online platforms examined by the study criticise the lack of transparency regarding the search and ranking algorithm. They have only a rough understanding of what criteria are taken into account by the algorithm and how they are weighed for the results. On some platforms, it is possible to find out by the trial-and-error method what factors are more important, but one cannot be sure.

Business users understand that search and ranking algorithm is the core - and therefore closely guarded - asset for online platforms and do not ask for its complete disclosure. They also understand that the algorithm is a complex instrument that can be understood in full only by (few) specialists. However, more information about the criteria is important for them because it would allow them to increase their visibility on the platform. Another key element for them is a level playing field: business users of some platforms argue that better ranking should not be linked to payments made to the platform (albeit direct or via premium membership schemes).

On the other hand, online platforms indicate they perform an ongoing balancing act between giving business users enough information so they can adequately present themselves and be considered in search rankings; and too much information that will enable businesses to manipulate the search and ranking algorithm. It appears that none of the online platforms examined give complete information about the functioning of the algorithm and criteria used: only some of the factors are publicly known and their meaning explained to the users. Additionally, search and ranking algorithms are constantly evolving, even in the course of one day, their processes and technologies are constantly updated, and some platforms run hundreds of experiments a day involving search and ranking.

Besides these commonalities, some sector-specific differences were identified in search and ranking practices.

E-commerce

Search and ranking algorithm of e-commerce platforms (trade in goods) is customer-centered and its main elements are explained on the platforms' websites. The default option is a match between the buyer's inquiry and seller's offer; the factors of buyer satisfaction with the seller (reputation) and price come second. Platforms indicate the detailed information is not provided in order to avoid manipulation of the algorithm. Nevertheless, some business users state that they are aware of what factors matter most and how they can influence the search results. On one major e-commerce platform, the offering certain auxiliary services (e.g. free shipment, variety of payments methods or buyer protection) positively influences the search ranking.

Hospitality

Search and ranking algorithm on hospitality platforms has a slightly different design. After the search inquiry is filled out, the consumer gets a list of default results. On one OTA platform, this ranking considers two types of factors: offer strength (relation of quality of property to price) and quality score (reviews by consumers, cancellations, overbookings, conversion rate¹¹² and some other sub-factors). Similar factors are used by another OTA platform, but they also include the size of the commission paid by the hotel to the website for the intermediation and T&C towards the consumer. All researched OTA platforms have a possibility to consider the fee paid in the search and ranking algorithm (see more below). As the main aim of the search and ranking algorithm is to bring the most relevant results to the consumer, OTA platforms explain that the price of the offer and the commission paid to the platform usually play the decisive role if search results are equal in all other regards.

The default results can be completely overwritten by the consumer by using a variety of filters. Filters sort the search results by price, reviews, proximity, amenities or other characteristics creating a new ranking list. These general factors are known to business users, but not in their fullness and not their relative weight for the algorithm. The algorithm used is fully automatic, dynamic and real time.

A very different approach to ranking is employed by online platforms that employ a business model that relies completely on the content generated by consumers and does not involve taking any commission from the listed properties. The ranking on such platform draws on consumer reviews and is based on three factors: 1) rating by consumers, 2) the number of reviews overall and 3) the regency of reviews. This means that the better the ratings of the business by consumers are, the higher it is on the list. The business with more reviews and with the most recent reviews will be higher on the list.

Business users of OTA platforms report more difficulties with search and ranking algorithm than businesses trading online in goods. The ranking on such platforms changes very fast, sometimes in the course of one hour, with no apparent reason, so that businesses have no means to react. Another big problem is that higher ranking due to the participation in preferred partnership programs is not transparent (see more below).

Hospitality platforms often display messages indicating an exceptionally low price, special offer or last room available and, thus, pushing the consumer to book immediately. This practice leads to a high number of place-holding bookings that are cancelled later. The number of cancellations is one of the (negative) factors of the search and ranking algorithm, and as a result of such practices by the platform, a business user may drop in the search results. Because neither this practice nor cancellation can be controlled by the business user, it has to resort to dropping its prices in order to climb up the ranking, or joining a membership scheme which allows for better rankings in exchange for payment.

Business users also note that in some instances search and ranking results appear to be corrected by the platforms. For instance, they may drop in ranking results for various failures or actions that online platforms disagree with. To business users it is not clear when their ranking drops due to their own mistakes and transgressions and when it drops due to the proper functioning of the ranking algorithm.

App stores

Some app stores have a very elaborate system of ranking. For instance, one major app store has three main ways to sort apps. Apps on the main page are edited by

¹¹² Conversion rate reflects how many clicks on a certain offer turn into actual bookings.

special team of experts and not by an algorithm. The team of experts chooses what they think is most interesting (e.g. a great new app or an old app with significant improvements) or relevant (e.g. for a specific location). The experts are not influenced by app developers, they choose apps based on their knowledge of the market and consumers, technological developments and intuition. There are no formal criteria for the composition of the front page as the editor team is looking for a “great app”. The second way to rank apps is a purely automatic sorting where apps are listed simply according to the number of sales/ downloads (for free apps). The third way is the actual search performed by a complex, dynamic and self-learning algorithm. This algorithm aims at relevance and considers many factors, from key words to app names to metadata in app descriptions. The algorithm of another app store is equally complicated and accounts for the number of clicks, number of downloads/ purchases, number of installations and other factors.

App stores are concerned with maintaining a healthy ecosystem, viable both for app developers and for consumers. To this end, they have to find a balance between offering app developers enough information to improve their offer and visibility and not giving away the information that would allow misuse of the system (e.g. by introducing software allowing/aimed at phishing, spam, fraudulent activities, security breaches etc.). Abuse of the systems is the reason for app stores to edit the results produced by the search and ranking algorithm. App stores go to great lengths to investigate different kinds of fraud¹¹³ and to prevent it, but if this is not possible they seek to correct the manipulated ranking results.

The main challenge experienced by business users of app stores is the lack of consistency in the application of search and ranking algorithm, which is perceived as discrimination. Business users perceive an unequal treatment of different apps, between the proprietary apps of the platform and apps of different competitors. Similar to hospitality platforms, ranking in app stores is presented in such a way that consumers do not distinguish between paid and non-paid results or organic and individualised ranking. Therefore, some apps appear higher in the results because they are sponsored and not because of their popularity, but this is not transparent for the consumer (and to the businesses). Also, some apps enjoy preferential access to additional features of app stores (e.g. beta-versions of new features) while others do not.

Rules and means for business users to control search and ranking results

E-commerce

As mentioned above, some business users of e-commerce platforms state that they are aware of what factors matter most, or that they can find out (in some cases) by trial-and-error. In such cases, they know how they can influence the search results and adjust their offers accordingly, if possible.

E-commerce platforms do not offer preferred partnership schemes and do not take into account the fee paid in their search and ranking algorithm.

Hospitality

OTAs platforms offer an opportunity to business users to improve their visibility (ranking) by paying a higher fee. Some platforms have preferred partnerships programs.¹¹⁴ There is also a possibility to temporarily boost the ranking (for a brief

¹¹³ Companies use special tools, software and even employ specialised optimization companies to improve their ranking. This is a significant problem for **all online platforms**.

¹¹⁴ For example, “Preferred hotel partner” by Booking.com. For criteria see: <https://www.quora.com/How-does-the-Booking-com-Preferred-Hotel-Programme-work>; a hotel can join the program any time once it fulfils the performance criteria.

period) by paying a higher commission.¹¹⁵ Businesses participating in such programs appear above all other hotels in the search results for a certain destination and carry a respective logo. They also pay a higher commission to the platform. There are also OTA platforms whose business model is built around payments for ranking: they use bidding or pay per click models (for example, price comparison sites) for their search ranking.

Business users of OTA platforms that take fees into account in their search and ranking algorithm state that the fact of payment for placement is not made sufficiently transparent to the consumer (i.e. consumers do not know why some businesses are placed higher in ranking than others). Also, small businesses explain that they lack financial means to participate in preferred partnership and pay for the improved search results otherwise, which put them in significant competitive disadvantage by comparison to big hotels.

App stores

Business users indicated that it is possible to pay for an improved ranking, however, the mechanism of such payment and its consideration by the algorithm was not explained. Similar to OTA platforms, ranking in app stores is presented in such a way that consumers do not distinguish between paid and non-paid results or organic and individualised ranking. Therefore, some apps appear higher in the results because they are sponsored and not because of their popularity, but this is not transparent for the consumer (and to the businesses).

3.4.3. Delisting of products or content and suspension of accounts

There can be several grounds on why products or content are delisted from a platform, or why accounts are suspended. Key questions investigated in the case studies are:

Are business users provided with any specific information on the reasons for delisting/removal/suspension?
How does contact with the platform take place in case of delisting or suspension?
What is the duration of the delisting or suspension?

Most complaints are raised in the e-commerce and app store environment. In the interviews related to hospitality, delisting and suspensions were hardly flagged as issues.

Provision of information on the delisting or suspension

E-commerce

Within e-commerce, a clear distinction can be observed between delisting based upon the business user not meeting its minimum performance targets and delisting based upon breach of conditions.

In case of delisting based on performance, the business user is often warned beforehand that (turnover-based) performance does not meet the criteria set by the platform and continuation of the underperformance will lead to a suspension or, in case of trusted high-turnover users, review by an internal review board to decide whether to suspend the account. Business users acknowledge that communication in these situations is quite clear and timely, often at least one month in advance.

¹¹⁵ See Visibility Booster by Booking.com: <https://partnerhelp.booking.com/hc/en-us/articles/115000380469-What-s-the-Visibility-Booster-> or Accelerator program by Expedia: <https://skift.com/2016/03/03/first-look-at-expedias-hotel-accelerator-program-for-improving-hotel-placement/>.

The situation where delisting is a result of perceived breach of conditions is quite different. Typically, these delistings happen with little to no advance notice. The most prominent cases involving delisting because of breach of conditions that were flagged during the interviews with business users involved breach of legal obligations that the platform is subject to and needs to police (e.g. hate speech, illegal items for sale in certain countries, etc.), intellectual property rights (IPR) infringement, consumer safety, but also late delivery (even if caused by national postal operators). Businesses flagged these during interviews as reasons that led to overnight delisting of products or, in the case of the payment system, suspension of the account.

On IPR infringement claims, multiple business users indicate that claims are sometimes abused, be it by brand owners (to prevent sales outside the preferred distribution channel and / or maintain minimum price levels for the product), by competing businesses, by customers or by unspecified third parties.

The information provided to business users upon delisting or suspension is commonly considered by the interviewed business users as being too limited. For example, in the case of a delisting of a product due to an IPR infringement claim, one business user indicated that the explanation provided is not detailed or precise enough. Similarly, other business users believed the information provided to be arbitrary and insufficiently precise. Also, according to business users, some platforms do not provide information on the complainant, thus not allowing the concerned business to verify if the claim originated from the brand owner, or a dissatisfied customer or a competitor.

On the other hand, some e-commerce platforms have a policy of bringing the IP owner and the developer together in a dialogue, so they can find out the issue and solve it together. One major platform provides the information on the complainant upon request from the affected business user. One business user of a major e-commerce platform was approached by the platform's attorney specifying details on the suspected trademark infringement.

Platforms indicate that, in general, they immediately delist a product upon receipt of an IPR infringement claim. This policy is driven by the liability of platforms for hosting of illegal content (notice and takedown), as presented in Article 14 of the E-commerce Directive¹¹⁶. A check on the legality of the claims by the platform seems to be an exception to the rule, although there are platforms that apparently conduct these checks, despite the logistics of it sometimes being quite difficult.

App stores

The reasons for delisting or suspension on app stores show similarity with e-commerce. First of all, apps may be delisted if they have not been updated for a long time. Most developers are happy that these non-supported apps are cleaned out, according to one platform. Secondly, infringement of legal requirements or platform policy may be a ground for delisting, or suspension in the case of repeated offence. Like e-commerce, IPR infringement is one of the most important reasons for delisting. In addition, in app stores, suspension also takes place due to an app-specific reason, namely the app transfer that is the transfer of the ownership or management of an app to another person's account. Some violators would transfer before their account is closed.

Regarding delisting of apps, business users of one major platform characterised the information provided as being too limited. Typically, the notification contains a referral to a section of the terms and conditions (usually on content and privacy), without a

¹¹⁶ Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market, OJ L 178 of 17.7.2000.

more specific description of the violation and no reference to a specific provision in T&C.

Platforms indicated the need to reduce the amount of information provided in specific cases, in particular in cases of attempted fraud. Detailed information is withheld not to give developers insight into the detection system, which would allow more sophisticated attempts to circumvent the detection system.

Contact with the platform

E-commerce

The two main channels for two-way communication with e-commerce platforms start with automated emails and escalate to email account support. For some platforms, the escalation can reach human staffed phone business account support. One-way channels of information include updates in the personalised parts of the accounts web pages. While for multiple platforms few to no complaints were raised by the business users during the interviews concerning the communication channels of the platform after delisting or suspension, business users singled out one platform whose lines of communication were considered extremely unsatisfactory. The remainder of this sections focuses on this single platform.

Where communication was considered unsatisfactory, this concerned both the email channel as well as the customer support channel. With respect to email communication, multiple business users indicated that requests for what information exactly needed to be submitted was not properly answered, meaning no progress could be made towards the ending of the delisting. Various business users mention receiving automated responses (confirmed by the platforms as a practice for the initial round of email notifications).

Once the detailed information was obtained, business users indicated perceiving a lack of responsiveness on the platform side regarding the follow-through. A business will for example submit documents proving its case, and receive a response that the documents have not been received by the platform. This cycle of submission of documents and claims that the documents were not received may repeat multiple times. This pattern was flagged in multiple interviews with business users. In two cases, business users had to call upon external intervention was necessary to break the incorrect delisting.

Calling customer support did not offer a more promising experience for business users. Either the customer support was not responsible for the specific services regarding the specific issue faced by the business, or it lacked the expertise to cover the issues raised. Moreover, some business users are not even aware of the existence of direct human business support being available.

One creative business user, having consulted the online retailers' forums found a solution in the form of directly contacting the CEO of the platform by email. Shortly thereafter, representatives of the platform approached the business user, acknowledged the mistake on the side of the platform, and reinstated the account.

App stores

Also for app stores, the flagged issues related to communication by the platform are nearly exclusively limited to a single platform. This section reports on the experiences of business users with this platform, as described by the business users during the interviews.

Notification on the delisting of apps takes place by automated email. The email is considered by many business users to be quite generic, and not providing sufficient information for the business users to understand the reason of delisting. Also, when

requests for additional information are submitted, generic responses are provided offering little to no further help to the business user.

One business user managed to involve a representative of the platform, whose job did not include helping business users to deal with platform-related problems, but managed to help the business user nonetheless by obtaining more specified information which allowed the business user to immediately solve the issue with the platform by adjusting the specific issue within the app that triggered the delisting. Similarly, another business user included the help of an account manager to ask the platform to provide screen shots of the issue which formed the reason for delisting. Another business user reached out to acquaintances working at the platform, after which – unknown if it also was because of it – the information provided by the platform became more specific and the business user could make the necessary changes.

Duration of the delisting or suspension

E-commerce

During the interviews, business users' observations were received only on one single platform with communication problems. For other platforms, no business user views were obtained, but rather statements from the platforms themselves.

For the problematic platform, the duration of the delisting or suspension was, according to the business users, between several weeks and three months before the product was relisted or the account unblocked. For the other platforms, the self-proclaimed duration of delisting and suspension is in the range of days.

App stores

For app stores, most business users indicated relatively limited downtime due to delisting or suspension, stating time periods of a couple of days to one week. In some cases, problems have taken significantly longer, with one case of product delisting that has been continuing for 8 months already.

3.4.4. Platform competing with business users or prescribing mandatory use of platform services

Platforms may strongly affect the competitive position of the business users active on them. Most notably, this may be possible by the platform directly competing with the business users by offering the same products or services and treating these preferentially. Alternatively, the mandatory use of specific services imposed by the platform (such as means of payment, etc.) may impact the position of business users. Questions to be explored are:

Are business users aware of a platform placing their own products or services more prominently in search results?

Have business users experienced platforms performing better at selling than the business user (e.g. anticipating product trends, via sales, prices, etc.)?

Have business users been asked to use the platform's own services for payments, distribution, etc.? If so, were they offered a choice to use alternative service providers?

The question on direct competition will only be discussed for e-commerce and app stores, as the hospitality platforms reviewed did not offer products or services in direct competition with the business users on their platforms.

Platforms in competition with business users

E-commerce

Various e-commerce platforms offer products that are also offered by their business users, while other e-commerce platform chooses to restrict themselves to just offering platform (intermediary) services without entering into competition with their business users.

When a platform enters into competition, a distinction can be made between the situations where products of the platform are dealt with identically as any other products (for example, if this is required by the local legislation), and situation where platforms may be able to influence their own competitive position. Examples of such favouring may concern search and ranking or even, as claimed by one of the business users, the use of IPR infringement claims.

Complaints by business users are rare in the case of platforms with a neutral approach, and more common in the case of platforms that offer products in competition with business users. Multiple business users consider competition with a platform that can favour itself, unfavourable to such an extent, that they avoid the confrontation. Instead, business users would sell the specific product only on another platform.

App stores

App store platforms typically compete with their business users. Favouring of own apps is not reflected in the results of search and ranking, according to business users, but is achieved in more subtle ways, like presence of platform's own apps in the promoted or featured list, offering reduced fees for own services and being permitted more freedom for actions that are not available to business users due to restrictions in the terms and conditions.

Platforms in competition with business users

E-commerce

Two specific cases of a platform being in competition with business users and using its platform ownership to gain an advantage over business users were mentioned by business users during the interviews. The first case concerned a business user noticing a significant drop in orders. This drop coincided with the platform starting to advertise its own, competing products on the platform. This forced the business user to significantly reduce its price to remain competitive.

The second case mentioned concerned a business user identifying a possibility to undercut both the platform and the brand owner or main distributor active on the platform. Upon actually offering the product at a reduced price compared to the platform and the more expensive brand owner or main distributor, the offer was delisted on claim of IPR infringements.

App stores

No specific cases of a platform being in competition with business users and using its platform ownership to gain an advantage over business users were mentioned during the interviews with business users of app platforms.

Mandatory use of platform services

E-commerce

The main platform services offered in e-commerce are delivery services, which cover the shipment of the product to the customer, and payment services, which cover the payment of the customer to the seller, either directly or via the platform.

None of the platforms reviewed prescribe mandatory delivery services. While some platforms do offer delivery services, their use is not obligatory. Nonetheless, many

business users are interested in making use of these delivery services, as platforms may be able to charge very low prices due to their economies of scale.

With respect to payment services, typically a limited number of payment systems are available. The offered payment services are limited to the most common ones, avoiding smaller service providers, and the benefits of an additional payment system do not weigh up against the efforts for provision of this additional service, and services with a high risk level (for example, bitcoins). Platform use the criteria: safe, convenient and commonly used.

Hospitality

In hospitality, there is no mandatory use of services. Guests can pay the hotels directly, in cash or electronically, with credit card details only registered by the platform to guarantee the reservation.

App stores

With delivery services not applicable to the app store environment, the focus is on the payment systems. Here, a distinction can be observed between platforms that demand that all payments between consumers and business users take place on the platform, and platforms that allow transactions to take place outside the platform.

In case the transactions need to take place on the platform, the platform charges a fee for these services, which makes the cost of sales higher, forcing the business user either to accept a lower profit or to increase its prices. In case of a price increase, this may lead to services (for example, subscriptions for content) contracted outside the app platform environment being cheaper than the same services on the platform.

3.4.5. Data access and portability

Data access and portability covers the transparency of terms and conditions on access and availability of data, and the options to make use of this data. Key questions explored are:

Do business users have access (for free or for a fee) to data generated by their use of the platform?
To which additional data do business users seek to obtain access? How would this help their business?

When discussing data, a distinction can be and is made between personal data (personal information of the consumer), transactional data (information on purchases of products or services), commercial data (aggregated data on transactions) and aggregated market data (data on market trends and developments).

Availability of data

E-commerce

Platforms provide business users with all available information that is necessary to deliver the products ordered by the consumer. This includes the name and address of the consumer. Other personal data is not shared, as platforms indicate this is not allowed under the ePrivacy Directive¹¹⁷, which only allows sharing of information needed for a specified goal (here: delivery). A distinction can be observed with respect to the email address of the customer. Some platforms share this information, allowing the seller to contact the consumer directly, while other platforms do not share and

¹¹⁷ Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector, OJ L 201 of 31.07.2002.

even prevent exchange of this information by assigning alias email addresses and automatically deleting any email addresses provided in the communication between consumer and business user facilitated by the platform.

Platforms handle the financial transactions themselves. The financial data resulting from this handling of transactions is not shared with business users. In some cases, platforms claim national legal restrictions prevent them from sharing financial data.

Sharing of commercial data is limited to information on the business user itself only. Typical data includes sales quantity and average prices. Comparative information, in which the position of a business user is benchmarked against competitors, is not offered by platforms. Some platforms claim that sharing of such kind of information, in particular sharing of pricing strategy of competitors, is forbidden under competition law.

Hospitality

Within the online hospitality environment, personal data of guests is typically not shared with the business users. Instead, platforms run communication channels between guests and hotels. The main motivation for this approach, according to OTA platforms, is compliance with the requirements of the ePrivacy Directive. Businesses claim that, additionally, a commercial reason is present. Due to the blocking of direct communication between guest and hotel, hotels cannot offer their guests a better rate in case of a direct booking with the hotel, undercutting the reservation on the platform. According to one platform, this happened in the past on multiple occasions.

While OTA platforms restrict the provision of personal data in the period prior to check-in of the guests, there are no restrictions in place for the hotel to obtain the personal data once guests have stayed in the hotel. Hotels are free to request and use customer information, contact customers directly (with the permission of the latter), offer them special deals etc.

Some platforms do not process transactional data, as the guests pay the hotel directly for the services provided and the hotel pays the platform. These platforms do request credit card information in order to guarantee reservations, but they do not pass this information on to the hotels. The platforms also do not verify the validity of the credit card and/or correctness of the credit card information (e.g. correspondence of the name of the card holder to the card number or whether the card has been reported stolen). Business users reported that this system may be abused by third country nationals who need a hotel reservation for their visa application or when the card is stolen or the information is wrong and the hotel cannot charge a no-show guest. If such reservations are cancelled, this brings the ranking of hotels down. Other platforms apply virtual credit cards and take care of the financial handling of reservations themselves. These platforms verify the validity of the credit card and thus reduce financial risks of hotels.

Commercial data is not shared automatically with hotels, as this has a clear commercial value for the platforms. However, the platform may draw upon this information when advising hotels on how to improve their offer. This may include information on who looks at their page, what country the online visitors come from and some other, limited, data. Additional data may be accessed when purchasing a premium contract/ membership. Aggregated market information and some other basic information, like tourism trends, user expectations, cultural differences to support tourism business, are provided by platforms for free.

One of the OTA platforms notices that SMEs tend to make less use of this data than bigger businesses.

App stores

App stores do not offer any personalised data to developers but developers may collect data through their apps. However, platforms set rules, following ePrivacy and data protection regulations, on what data may be collected, how it may be used and for what data explicit consent is required. Collection and marketing of certain types of data, like health-related information and data on children, is prohibited unconditionally.

Transactional data provided by platforms seems to be limited to revenue stream. Underlying information, like reasons for termination of a revenue stream – for example, expiry of the credit card or termination of the subscription (e.g. intentionally by the consumer or automatically due to expiration of the credit card) - are not provided to business users.

Commercial data provided by platforms is limited to the data of the respective business users themselves, like sales, location of the consumer, and the device used. Developer analytics, which help business users to better understand how their app is used, is only provided on aggregated basis after explicit permission of the consumer, with personalised data eliminated from the analytics.

Social media

According to one business user, online social media platforms offer aggregated reports with a breakdown of users groups according to demographics, like age. The amount of information received from platforms is larger than it used to be a couple of years ago, according to the business user.

Desired access to additional data

E-commerce

The main wish from business users in e-commerce is to obtain access to email addresses of clients so they can communicate directly with them. Most of the business users indicate that direct communication with the client is aimed at promotion of products, for example in the form of sending customers promotional material, advertisement for new products and offer special deals.

Another customer indicated additional possibilities created by having direct access to the email addressed of clients, like direct sales to customers at lower prices due to savings on commissions to the platform. This is also the reason why platforms are unwilling to share email addresses with business users.

During the workshops organised by the EC, access to non-transactional meta data, such as visits on page that did not lead to purchase and information on the product the customer purchased after the visit, was mentioned frequently as additional data that was desired. However, none of the business users interviewed flagged this desire.

Hospitality

Also in the hospitality sector, the main wish of hotels is to receive email addresses from guests so they can send them offers for return visits. As explained in the previous section, hotels are free to collect this information directly from the client from the moment of check-in. One potential reason for this confusion could be that it may be unclear to hotels that this option is available to them. More than one hotel interviewed was under the impression that the terms and conditions of the platforms prohibit the hotel from contacting guests after their visits, while this is clearly not the case.

Another reason for the need to obtain personal data from guests, indicated during the workshops rather than the interviews, is the existence of local rules requiring hotels to inform local authorities about the guests that are expected to stay over. One platform indicated that it is not at liberty to share this kind of information with foreign local

authorities according to its own national rules, in particular privacy rules. Local authorities may make direct requests for information to the national authority of the platform.

App stores

The main request for additional information indicated by business users active in the app store environment is transactional data which allows the business user to better monitor reasons for termination of revenues.

4. REDRESS MECHANISMS

4.1. Overview of redress possibilities

When facing a problem, such as unfair or discriminatory treatment, violation of rights or other, an aggrieved person must have a possibility to raise an issue (complaint) and to have access to a mechanism that allows resolving the problem and/or receiving a satisfaction or compensation. A general name for such mechanisms is a redress mechanism or a remedy. The redress mechanism should provide a possibility to investigate an alleged wrongdoing and to resolve the problem in a fair and transparent manner and without fear of retaliation. The redress process can be formal or informal and can be conducted by a court or outside the court.

This chapter provides an overview of different redress possibilities. Then it briefly discusses the difficulties of accessing and using them by SMEs. It presents special redress solutions created for SMEs in the EU and Member States. Finally, on the basis of the conducted surveys and interviews with business users of online platforms, it discusses the actual experience of redress by business users of different online platforms, describes the complications encountered and presents suggestions by business users to improve redress mechanisms.

4.1.1. Types of redress possibilities

There is a wide array of different redress mechanisms. For analytical purposes, they can be classified according to several characteristics (exemplary list):

By the responsible institution: judicial and non-judicial, or judicial (courts, tribunals), administrative (e.g. consumer protection authority, regulatory body) and alternative (mediation, negotiation);

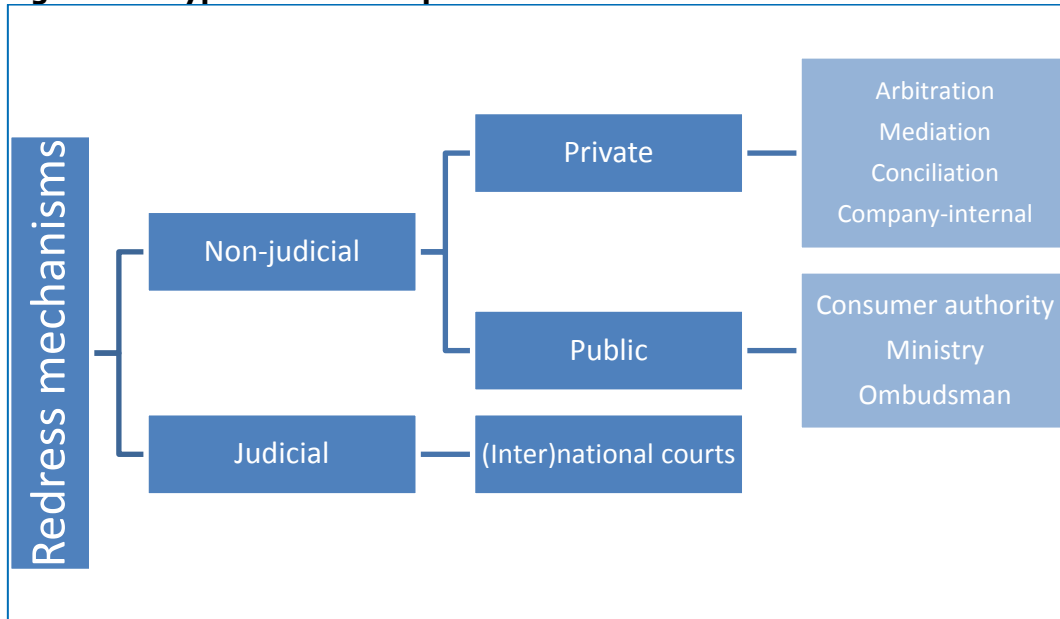
By the manner of establishment: public (courts, consumer protection authorities), private (special positions at trade associations) and semi-public (mediation or arbitration);

Obligation to use them: mandatory by law or by contract (most commonly, courts) and voluntary (mediation);

Nature of claimant: individual or collective redress;

General (courts) and specialised (e.g. for certain industry sector, for certain type of claimants).

One of the simplest classifications of redress mechanisms – by the responsible institution – can be presented as follows (Figure 4.1):

Figure 4.1 Types of redress possibilities

Commonly, the non-judicial redress mechanisms are called alternative dispute resolution (ADR).

Judicial redress mechanisms

Courts are the only authoritative interpreters of the law. They have a general jurisdiction (i.e. they can hear any case) and they can issue legally binding and enforceable decisions. Public authorities, like consumer authorities, ministries, special agencies, have a specialised jurisdiction (i.e. they can hear only specific types of claims) and, even though the decisions they take are legally binding, they are subject to control by a court. The institution of an ombudsman differs from other public redress mechanisms as the ombudsman does not take legally binding decisions. Moreover, by contrast to other mentioned mechanisms, the ombudsman can undertake investigations, and, beyond providing redress to the complainant, he/she may seek changes in the work of bodies in his/her jurisdiction upon establishment of systemic failings.¹¹⁸

Non-judicial redress mechanisms

Arbitration is similar to court litigation, but it is an out-of-court, private or semi-public, voluntary¹¹⁹ and consensual procedure. This means that both parties need to agree to it and to the modality of the proceedings. Commonly, the parties can also opt (in mutual agreement) for an arbitrator or arbitrators to hear their case. The arbitrator(s) is/are neutral, as judges are, and take a decision with regard to the outcome of a dispute, like judges do. Their decision (arbitral award) is usually final and binding either by the agreement of the parties or by legislation. The proceedings are not public and can be made completely confidential.¹²⁰

Similar to arbitration, mediation is also voluntary and consensual. Its main difference from the arbitration is that the neutral third party – the mediator – assists the

¹¹⁸ See explanations on the homepage of the Ombudsman Association UK:

<http://www.ombudsmanassociation.org/about-the-role-of-an-ombudsman.php>.

¹¹⁹ It is voluntary and consensual even if it is prescribed by a contract between the parties as the parties must agree to it in advance.

¹²⁰ Rozdeiczer, Lukasz and Alvarez de la Campa, Alejandro (2006). Alternative Dispute Resolution Manual: Implementing Commercial Mediation, Worldbank, pp. 2-3: <http://documents.worldbank.org/curated/en/922161468339057329/pdf/384810ADR1Manu111Mediation01PUBLIC1.pdf>.

disputing parties in resolving their conflict by using specialised communication and negotiation techniques, by helping to find points of agreement and by formulating a mutually acceptable solution. The outcome of a mediation procedure is not binding, unless the parties agree to make it a part of their contract.¹²¹ In this sense, mediation is a facilitative process – by contract to court litigation or arbitration, which are adjudicative procedures.¹²²

Conciliation is another facilitative procedure. The core difference to mediation is that the conciliator has a more active role and may at any stage of the procedure provide the disputing parties with a non-binding settlement proposal, which is never the case for mediation where the parties reach an agreement by themselves while the mediator acts as a facilitator.¹²³

Negotiation refers to a direct or indirect communication between the disputing parties¹²⁴, without the involvement of a third person, whereby they discuss their opposing view and interests and aim to agree upon a joint action that may help them manage and ultimately resolve the dispute between them. While negotiation is a very flexible and confidential form of dispute resolution, its main disadvantage is that in the case of different bargaining power of the parties its outcome will not be an optimal one.

Redress mechanisms offered internally by online platforms (i.e. for their own users for the problematic situations emerging during their activities on the platform) also fall under private ADR.

Redress mechanisms offered by online platforms

Online platforms offer different redress options, which are linked to platform's business models and the specifics of their business activities.

Even within the **e-commerce in goods** there are different redress mechanisms on each platform. The redress mechanism of one large e-commerce platform is complex and seems to be highly automated. For technical problems, there is a support service that also provides a possibility of human contact. For other issues, going beyond technical difficulties, there are automatic systems. Business users have to fill in online forms and await a response from the platform. In some cases, replies received are automatically generated and not immediately helpful for business users. A lengthy correspondence may be necessary to solve their problems. Due to largely automated handling of the messages, business users need to come up with the right expressions and key words such that their correspondence is appropriately processed or accepted by the system. For example, in case of certain violations of platform's policy business users are asked to deliver an action plan to prevent future failures. Such an action plan has to be approved by the system, which requires business users to use specific language. In this and other situations, business users find better help on specialised forums for users of the e-commerce platform or refer to companies specialised in support of business users of the e-commerce platform.

Another example of an automated redress mechanism on one large e-commerce platform is the complaint system about counterfeit goods where a right-holder can complain about an alleged violation via a special online form. This system appears to

¹²¹ Rozdeiczner, Lukasz and Alvarez de la Campa, Alejandro (2006). Alternative Dispute Resolution Manual: Implementing Commercial Mediation, Worldbank, pp. 2-3.

¹²² Zimmer, Markus (2011). Overview of Alternative Dispute Resolution: A Primer for Judges and Administrators, in: International Journal For Court Administration 4:1, p. 1. Available at SSRN: <https://ssrn.com/abstract=2896056>.

¹²³ Law Reform Commission (2010). Alternative dispute resolution: Mediation and conciliation, pp. 22-23: <http://www.lawreform.ie/fileupload/reports/r98adr.pdf>.

¹²⁴ Negotiation may be employed before a dispute occurs. It is therefore considered to be a dispute preventing mechanism.

block the goods or even the account of the alleged violator automatically and, at the same time, send him/her the relevant information about the violation. The platform itself does not take any further steps. It is up to the alleged violator to look up the complainant and present the evidence of originality of goods or permits to sell them. The complainant then may take a decision about unblocking and inform the system. This system was developed to efficiently deal with copyright infringements. It is, however, based on the presumption of innocence of the sellers and does not require any proof from the complainant about the violation. It also leaves the affected at the discretion of the complainant. The response times from the complainant may be quite long, and there is no instrument to force the complainant to reply at all.

For the payment system used by one large e-commerce platform, there is no separate support or complaint mechanism, and business users must reach out to the general support service.

Redress mechanisms on another large e-commerce platform are more flexible and manifold, which makes this platform more reachable. For large sellers, there are account managers who help with solving any problems. For smaller sellers, the platform offers various communications channels: online forms, live chat, instant messenger, email and also phone contact (with a possibility to get a call transcript). Relevant teams deal with the incoming issues and complaints, depending on the topic. For the payment system used by this e-commerce platform there is a dedicated redress mechanism. The response time is fast, but the answers received are not always specific enough and, in some cases, automated.

One large e-commerce platform is currently working on the development of an online ADR tool. Primarily, this tool is being designed for dispute resolution between buyers and sellers, with the platform acting as an arbitrator (or mediator) and passing binding decisions. A similar tool for B2B disputes is still in an early development stage.

Smaller e-commerce platforms also have a differentiated approach with more human contact; for large sellers, there are account managers who are to solve any problems; for smaller vendors, there is a merchant support team that they can reach by email or by phone. One smaller e-commerce platform offers dedicated account managers for all platform vendors.

Online platforms in the **hospitality** sector (i.e. e-commerce in services) offer a two-tiered redress system. For technical problems, there is a special technical support team for business users. For other problems, there are dedicated account managers (also called market managers on some platforms), who deal with specific business users. They are the first point of contact for any types of problems and can be directly contacted by email, by phone or even face-to-face in the local offices of the platform. Additionally, one hospitality platform offers contact possibility with an area manager or a regional manager for more specific problems. Within this redress mechanism, the response time is very fast.

The redress mechanism of one online travel agency (OTA) platform is specifically oriented at cases of complaints by business users who disagree with platform's findings of fake or manipulated reviews. The necessity of such a specialised mechanism is due to the specific business model of this platform as it relies completely on user-generated content, mainly reviews. The position of a business user in ranking and search results depends on reviews. If after a thorough investigation this OTA platform establishes that reviews for a certain business user are fake or manipulated and, as a result, decides to change the ranking or mark the business user as suspicious, the business user will be informed about the decision by the investigation team and has a chance to complain to them directly as well as to present the evidence to the contrary.

App stores offer a highly automated complaint system and there is no direct human contact for business users. The automated processes are a necessity due to a very large user base and a high amount of repeated questions and issues raised. The typical first point of contact for business users is to fill in an online form. Then, they have to wait for an email with a response, which may be an automatically generated response that is not immediately giving a proper answer to the business user and helping to resolve a problem. A series of emails usually precedes a satisfactory outcome, which may be a quite lengthy process.

The situation is different for one large app store, where different channels can be used by business users, including forums, chats and different types of messaging, depending on the issues raised. For example, in the case of app rejection or intellectual property issues a direct correspondence with the team in charge (by email or via a special communication tool) is possible. For problems with the platform's payment system business users can address the special team responsible for the payment system. If business users are not sure about the proper communication channel to use, they can use the universal support channel where they select a relevant issue in a dropdown menu and fill in an online form. They are afterwards contacted via email by a responsible team. While the human contact at the first stage is offered for only few specific issues, an escalation of the problem will surpass the automated system and an interaction with a human will be possible.

4.1.2. Challenges to accessibility of redress possibilities for SMEs

Even in the presence of a large number of redress possibilities, access to them and their use may be a challenging task for SMEs due to power imbalances.¹²⁵ While they are treated as "professional" market participants by law, not different from large companies, in B2B relations small and micro enterprises often are a weaker contracting party.¹²⁶ In fact, already the determination of the redress mechanism applicable to the business-to-business relationship is the first step to a dispute settlement demonstrating the ability of the parties to impose their will upon each other.¹²⁷

SMEs may be unfamiliar and uncertain about judicial and other redress procedures and they may lack qualified personnel and/or resources to hire external assistance. For instance, about one fifth of companies do not know about the existence of the procedure (mediation: 20%; arbitration: 19%) and another relevant group of companies (mediation: 8%; arbitration: 7%) does not know how to begin ADR procedures.¹²⁸ Procedures may be too costly for SMEs. According to the Eurobarometer, the main reason for not using a court to resolve a disagreement/dispute is the cost of proceedings (45% of respondents) and one of the reasons not to use alternative mechanisms (22% of respondents).¹²⁹ They may lack bargaining power to persuade their counterpart to go to a cheaper alternative dispute

¹²⁵ Abadi, Shokouh Hossein (2011). The role of dispute resolution mechanisms in redressing power imbalances – a comparison between negotiation, litigation and arbitration, in: Effectius Newsletter, Issue 13: http://effectius.com/yahoo_site_admin/assets/docs/Effectius_Theroleofdisputeresolutionmechanismsinredressingpowerimbalancecomparisonbetweennegotiationlitigationandarbitration_ShokouhHosseinAbadi_Newsletter13.150124940.pdf.

¹²⁶ See, for instance, para. 11 of the European Parliament resolution 2005/2022 of 8 June 2011 on policy options for progress towards a European Contract Law for consumers and businesses, clause 18 2011/2013(INI).

¹²⁷ Abadi, Shokouh Hossein (2011). The role of dispute resolution mechanisms in redressing power imbalances – a comparison between negotiation, litigation and arbitration, in: Effectius Newsletter, Issue 13, p. 2.

¹²⁸ Flash Eurobarometer 347. Business-to-business alternative dispute resolution in the EU. Report of 2012, p. 7.

¹²⁹ Ibid.

resolution procedure¹³⁰, or they may fear that they won't be able to enforce the decision against an economically stronger company. For example, 19% of SMEs do not use alternative redress mechanisms out of the fear that nothing would come of it and the fear to ruin the business relationship,¹³¹ and in the context of the protection of intellectual property 35% of SMEs state this reason for not taking any action.¹³²

These factors negatively impact the decisions by SMEs to use redress mechanisms as the statistics show. Only 11% of all EU companies have ever used an ADR scheme and only slightly more (18%) have used a court. Mediation was used by 9% of all EU companies while arbitration was used by 4% of all EU companies.¹³³ SMEs are, thus, worse off than other companies with regard to the access and use of redress mechanisms. Difficulties with accessing a dispute resolution mechanism (problems in resolving disputes, litigation costs) have a negative impact on the cross-border commerce in the EU: 19% of SMEs reported this as having either large or some impact on their decision to sell or purchase abroad.¹³⁴ Among those who are not yet involved in cross-border commerce, but are interested in it, 34% said that difficulties with dispute resolution negatively impact their decision.¹³⁵

Because of this, various laws have treated the SMEs differently, and sometimes, yet rarely, have even presented them with the same protection as consumers,¹³⁶ including providing them access to court and out of court solutions. It also presents special redress solutions created for SMEs in the EU and Member States.

4.1.3. Special redress possibilities for SMEs

The standing of SMEs has been improved only slightly by the adoption of several legal instruments enhancing the legal basis for SMEs at the EU level, on which they may seek redress. A major step was the Misleading and Comparative Advertising Practices Directive (MCAD)¹³⁷ adopted in 2005 that prohibits specific unfair B2B trading practices that mainly occur at the pre-contract stage of relationships. Upon the completed transposition of the MCAD, in all EU Member States redress can be sought by the harmed SME party by initiating proceedings with a civil/ commercial court. In some countries (Austria, France, Germany), criminal prosecution is possible for certain types of offences. In several countries, competition authorities (Bulgaria, Estonia, France, Hungary, Italy, Slovakia) and/ or supervisory authorities and sector regulators (France, Latvia, Lithuania, Romania, Slovenia, Netherlands, UK) can be called upon.

The MCAD is of limited relevance for the business-to-business relationship between platforms and their business users as it applies to advertising (practices) and does not address differences in the bargaining power of business partners, contractual relationships and practices within such relationships.

¹³⁰ For instance, in disputes over intellectual property issues, small undertakings are less likely to enter into bilateral negotiations or arbitration. See EUIPO (2016). Intellectual property SME scoreboard, p. 18.

¹³¹ Flash Eurobarometer 347. Business-to-business alternative dispute resolution in the EU. Report of 2012, p. 7.

¹³² EUIPO (2016). Intellectual property SME scoreboard, pp. 6-7.

¹³³ See Flash Eurobarometer 347. Business-to-business alternative dispute resolution in the EU. Report of 2012, p. 9.

¹³⁴ Flash Barometer No320 (2011). European contract law in business-to-business transactions, p. 15; by country – p. 23.

¹³⁵ Ibid., p. 21.

¹³⁶ This was discussed, for instance, in the context of the Common European Sales Law. See Cafaggi, Fabrizio (2013). From a Status to a Transaction-Based Approach? Institutional Design in European Contract Law. *Common Market Law Review*, 50, p. 311-329. Available at SSRN: <https://ssrn.com/abstract=2167188>.

¹³⁷ Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising, OJ L 376 of 27.12.2006.

The horizontal Unfair Commercial Practices Directive (UCPD) covers a wide range of different types of UTPs for offline and online transactions, but is applicable only to business-to-consumer relations.¹³⁸ When transposing the UCPD into national law, Member States can extend its application to B2B relations as well. The absolute majority of the countries chose to keep national implementation to the original UCPD scope. Only nine countries extended the application of the UCPD to B2B relations:¹³⁹

Austria and Sweden extended the application in full;
Denmark, Finland, Germany and Spain introduced a general provision on the prohibition of UTPs in B2B relations, but did not include the “black list” of UTPs from the UCPD;
France extended the application only to misleading practices, and Belgium also extended the application to some of them¹⁴⁰;
Italy extended the scope of application to relations between businesses and microenterprises.

The Unfair Contract Terms Directive (UCTD)¹⁴¹ deals with unfair terms and conditions that might be included in standard contracts for sales of goods and services. Its scope of application covers only B2C relations, but Member States can extend it to B2B when transposing the Directive into national law. Half of the Member States used this option: the legislations of Austria, Croatia, Denmark, Estonia, Finland, Germany, Hungary, Lithuania, Portugal, Slovenia, Spain, Sweden and Netherlands foresee the possibility of a judicial review of the contents of B2B contracts and in the UK this option is limited to liability and indemnity clauses only.¹⁴² Estonian and Portuguese laws contain a black and a grey list of unfair terms of B2B contracts; France, Luxemburg and Spain have a black list and Italy – a grey list of unfair terms.¹⁴³ Additionally, Austria, Belgium, Bulgaria, Czech Republic, Croatia, France, Luxemburg, Slovenia and Spain prohibit UTPs affecting the content of B2B contracts.¹⁴⁴

¹³⁸ Article 3 Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council, OJ L 149 of 11.06.2005.

¹³⁹ On the implementation of the UCPD see Report from the Commission to the European Parliament, the Council and the European Economic and Social Committee. First Report on the application of Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council. COM (2013) 139 of 14.03.2013; Study on the legal framework covering business-to-business unfair trading practices in the retail supply chain. Final report for the European Commission, DG MARKT/2012/049/E; Commission Staff Working Document. Guidance on the implementation/ application of Directive 2005/29/EC on unfair commercial practices. SWD (2016) 163 of 25.05.2016.

¹⁴⁰ See Titre 4 Chapitre 2 Code de droit économique:
[http://www.ejustice.just.fgov.be/cgi_loi/loi_a1.pl?language=fr&la=F&cn=2013022819&table_name=loi&&caller=list&F&fromtab=loi&tri=dd+AS+RANK&rech=1&numero=1&sql=\(text+contains+\(%27%27\)\)#LNK0125](http://www.ejustice.just.fgov.be/cgi_loi/loi_a1.pl?language=fr&la=F&cn=2013022819&table_name=loi&&caller=list&F&fromtab=loi&tri=dd+AS+RANK&rech=1&numero=1&sql=(text+contains+(%27%27))#LNK0125).

¹⁴¹ Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts, OJ L 95 of 21.04.1993.

¹⁴² Schulte-Nölke, Hans, Twigg-Flesner, Christian & Ebers, Martin (eds.) (2008). EU Consumer Law Compendium: The consumer acquis and its transposition in the Member States. München: Sellier, pp. 197-261; relevant national legislation can be found at http://www.eu-consumer-law.org/index_en.cfm.

¹⁴³ Behar-Touchais, Martine, Martial-Braz, Nathalie & Sauphanor-Brouillaud, Natacha (2016). Study on all mandatory rules applicable to contractual obligations in contracts for sales of tangible goods sold at a distance and, in particular online, p. 526.

¹⁴⁴ Behar-Touchais, Martine, Martial-Braz, Nathalie & Sauphanor-Brouillaud, Natacha (2016). Study on all mandatory rules applicable to contractual obligations in contracts for sales of tangible goods sold at a distance and, in particular online, pp. 527-531.

A positive factor for enhancing accessibility of justice for SMEs is the adoption of the Regulation on Cross-Border Payments.¹⁴⁵ Article 11 of this Regulation requires Member States to establish adequate and effective out-of-court complaint and redress procedures for the settlement of disputes concerning rights and obligations arising under this Regulation between payment service users and their payment service providers. Member States may limit the application of such redress mechanisms only to consumers or microenterprises.

Protection of SMEs against late payments was a specific purpose for adoption of the Directive 2011/7/EU on combating late payment in commercial transactions.¹⁴⁶ Among other things, the Directive defines what can be considered unfair contractual terms or practices regarding payments and requires Member States to take adequate and effective means to prevent their continued use, including the possibility to take an action before courts or competent public authorities (Article 7). The transposition of the Directive into national laws and its impact on SMEs was only partially successful as only about half of all creditors exercised their right to claim late payment interest, compensation and recovery cost. The main reason for it was the fear of damaging their commercial relations and fear of consequences for exercising their legal rights.¹⁴⁷

The Directive on payments systems in the internal market¹⁴⁸ foresees that all rights and obligations in relation to the provision and use of payment services apply to consumers and microenterprises in the same way (Article 61), which presupposes the possibility to rely on court action, arbitration or competent authorities if any of the rights are violated. Under Articles 101 and 102 of this Directive, Member States are to ensure that payment service providers put in place and apply adequate and effective complaint resolution procedures for the settlement of complaints of payment service users and shall monitor their performance in that regard, as well as that appropriate alternative dispute resolution procedures for the settlement of disputes between payment service users and payment service providers are in place. The application of Directive's provisions on single payment transactions, framework contracts and payment transactions covered by them is more restrictive in relation to microenterprises: Member States may decide not to apply them to microenterprises in the same way as to consumers (Article 38 (2)). Because the transposition of the Directive in the national law is still ongoing¹⁴⁹, it is not possible to say at the moment how the countries are going to make use of their discretion under Article 38 and what protection they will provide microenterprises with.

By contrast, B2B disputes went unnoticed by the Alternative Dispute Resolution Directive.¹⁵⁰ This Directive applies only to B2C situations providing the consumers with access to alternative dispute resolution in both online and offline transactions. It has been specifically stated that the principles of the Directives do not apply to transactions between traders, and the B2B disputes are not subject to the ADR Directive.¹⁵¹

¹⁴⁵ Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001, OJ L 266 of 9.10.2009.

¹⁴⁶ Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions, OJ L 48 of 23.2.2011.

¹⁴⁷ VVA, Technopolis and E&Y (2015). Ex-post evaluation of Late Payment Directiv, pp. 8 and 36.

¹⁴⁸ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC, OJ L 337 of 23.12.2015.

¹⁴⁹ According to Article 115, the transposition deadline is 13 January 2018.

¹⁵⁰ Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC, OJ L 165 of 18.6.2013.

¹⁵¹ Recital 16 and Article 2(2)(d) of the Alternative Dispute Resolution Directive.

Table 4.1 Redress mechanisms for SMEs

Country	Under EU Directives			Other public authorities	ADRs
	MCAD	UCPD	UCTD		
Austria	Civil and criminal court	Court	Court	NCA	Arbitration, mediation, ADR by trade associations.
Belgium	Commercial court	Court			Arbitration, mediation.
Bulgaria	Civil court, NCA			NCA	Mediation by Chamber of Commerce and by Industrial Association.
Croatia	Civil court			State Inspectorate	Arbitration by the Chamber of Commerce.
Cyprus	Court			NCA	
Czech Republic	Civil court				Arbitration by Arbitration court of the Chamber of Commerce, mediation, other ADRs.
Denmark	Court	Court	Court		
Estonia	Court		Court		Arbitration, mediation, private dispute resolution.
Finland	Court	Market court, civil court	Market court		Board of business practices of the Chamber of Commerce.
France	Civil and criminal court; Direction générale de la Concurrence, de la Consommation et de la Répression des Fraudes (DGCCRF)	Civil and criminal court, DGCCRF		NCA*, Commission d'Examen des Pratiques Commerciales (CEPC)	
Germany	Civil and	Civil and	Court	NCA	Conciliation

Country	Under EU Directives			Other public authorities	ADRs
	MCAD	UCPD	UCTD		
	criminal court, private dispute resolution	criminal court, private dispute resolution			board at the Chamber of Commerce.
Greece	Civil court				
Hungary	Civil court, NCA		Court	NCA	
Ireland	Court				
Italy	Court	Court		NCA	
Latvia	Supervisory institutions (relevant for specific fields), court			NCA	
Lithuania	Supervisory institutions (relevant for specific fields), court		Court	NCA	
Luxembourg	Court				
Malta	Court				
Poland	Civil court				Online court
Portugal	Court		Court	Economic and Food Safety Body (ASAE) NCA	Ombudsman.
Romania	Ministry of finance, National audiovisual council				
Slovakia	Competition authority, civil court				
Slovenia	Civil court, supervisory authority		Court	Market inspector	
Spain	Court		Court		
Sweden	Court	Court	Court		
The Netherlands	Civil court		Court		
United Kingdom	Civil court		Court		Online dispute resolution.

* NCA – national competition authority.

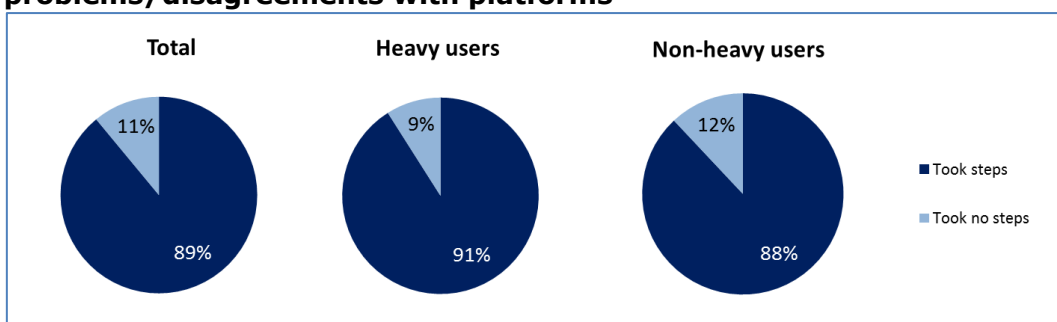
4.2. Use of redress mechanisms by SMEs in their business relations with online platforms

This section looks specifically at whether and how the available redress possibilities have been used by the business users of online platforms. In this it relies on the aggregate results of the open, closed and business panel surveys and at the information and insights received during the interviews with business users and platforms. The latter information source is used specifically to understand the reasons for business users to choose or not to choose a particular redress mechanism and to present most typical difficulties they encounter when using redress mechanisms, which allows to assess the effectiveness of existing redress mechanisms in practice.

4.2.1. Use of redress possibilities

When faced with a problem, an absolute majority of business users takes steps to resolve a problem (Figure 4.2), while a slightly larger proportion of non-heavy users prefer not to take any steps at all.

Figure 4.2 Share of respondent that took steps to resolve problems/disagreements with platforms



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 1,608, 537 and 1,071 for samples total, heavy and non-heavy users respectively.

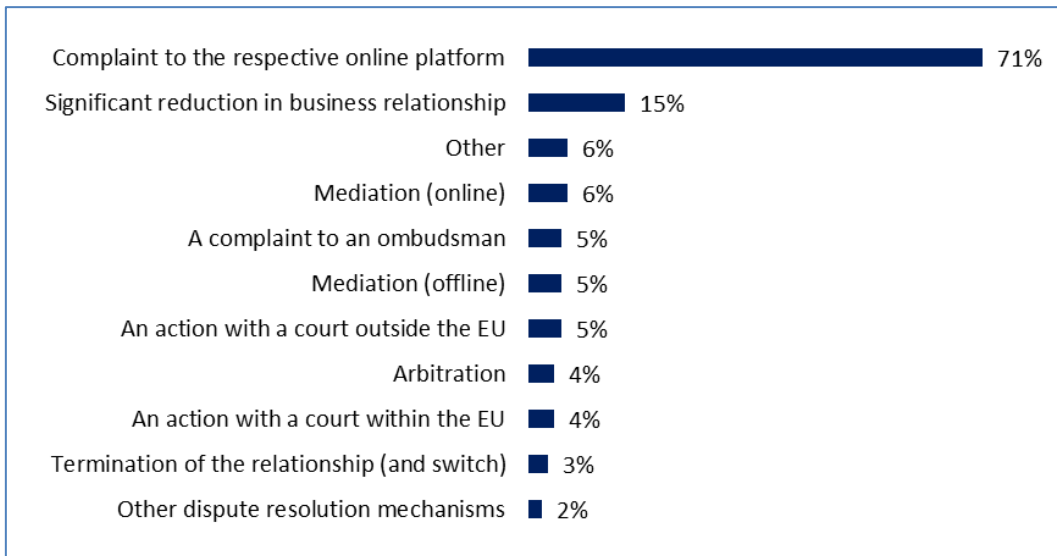
Business users employ different types of the available redress possibilities. Redress mechanisms offered by online platforms are by far the most frequently chosen option among all categories of users. Mediation, arbitration and complaint to an ombudsman are used by all types of business users with only slight difference in preferences: these options are more frequently used by heavy users than by non-heavy users. The same is true for court litigations: heavy users resort to this option only slightly more often than non-heavy users; in the case of litigation outside the EU they do it twice as frequent as non-heavy users.

As an alternative to using a redress mechanism, business users may significantly reduce or even terminate their business relationship with a platform. 15% of business users choose to significantly reduce business relationship with the platform, which the second most frequently taken action by business users after a complaint to the platform. Significant reduction of business relationship happens by far more often than calling upon traditional or alternative dispute resolution mechanisms. Termination of the business relationship seems to be the means of the last resort and used only rarely.

Figure 4.3 and 4.4 present the use of different redress possibilities and other steps by business users in case of problems with online platforms.

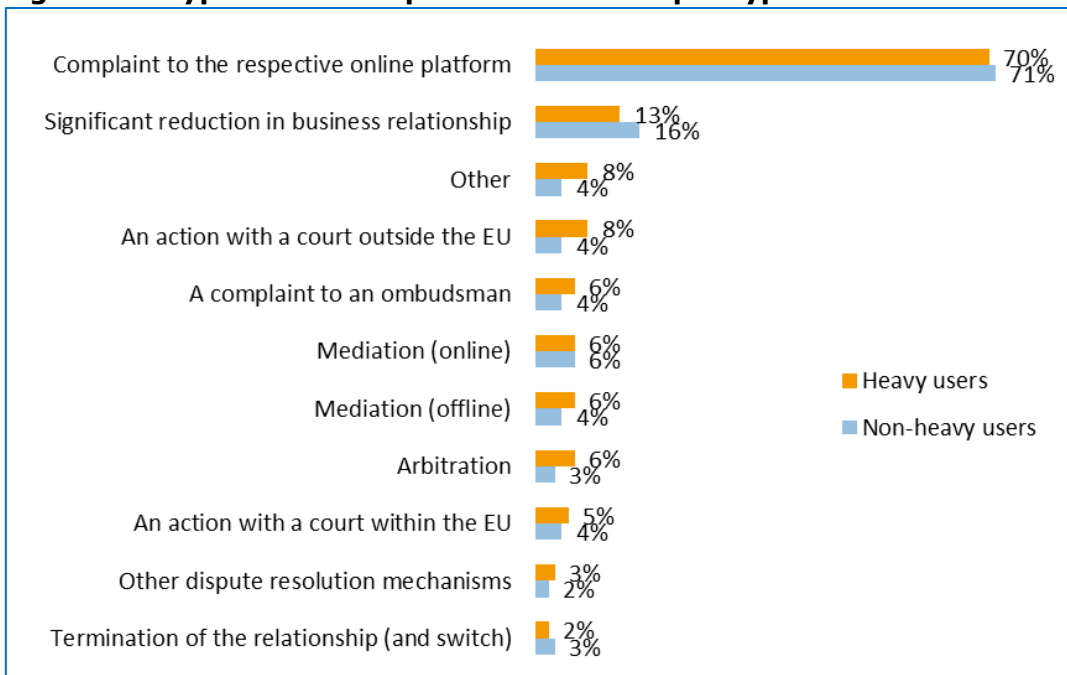
Figure 4.3 Type of actions in case of a problem¹⁵²

¹⁵² In all questionnaires the question "If you have experienced problems or disagreements with the online platform, what steps have you taken to resolve or remedy them?" was asked only to those users that had previously indicated to have experienced problems.



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 1,431.

Figure 4.4 Type of redress possibilities used per type of user¹⁵³



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 489 and 942 for samples heavy and non-heavy users respectively.

Considerations of businesses on not taking steps to resolve a problem

When asked why business users do not undertake any steps to resolve a problem, there are significant differences in reasoning by heavy users and non-heavy users. For heavy users, doubts about the outcome of the action taken are the most frequently given reason (“I did not expect anything to come out of it”). The fear to damage the

¹⁵³ In all questionnaires, the question “If you have experienced problems or disagreements with the online platform, what steps have you taken to resolve or remedy them?” was asked only to those users that had previously indicated to have experienced problems.

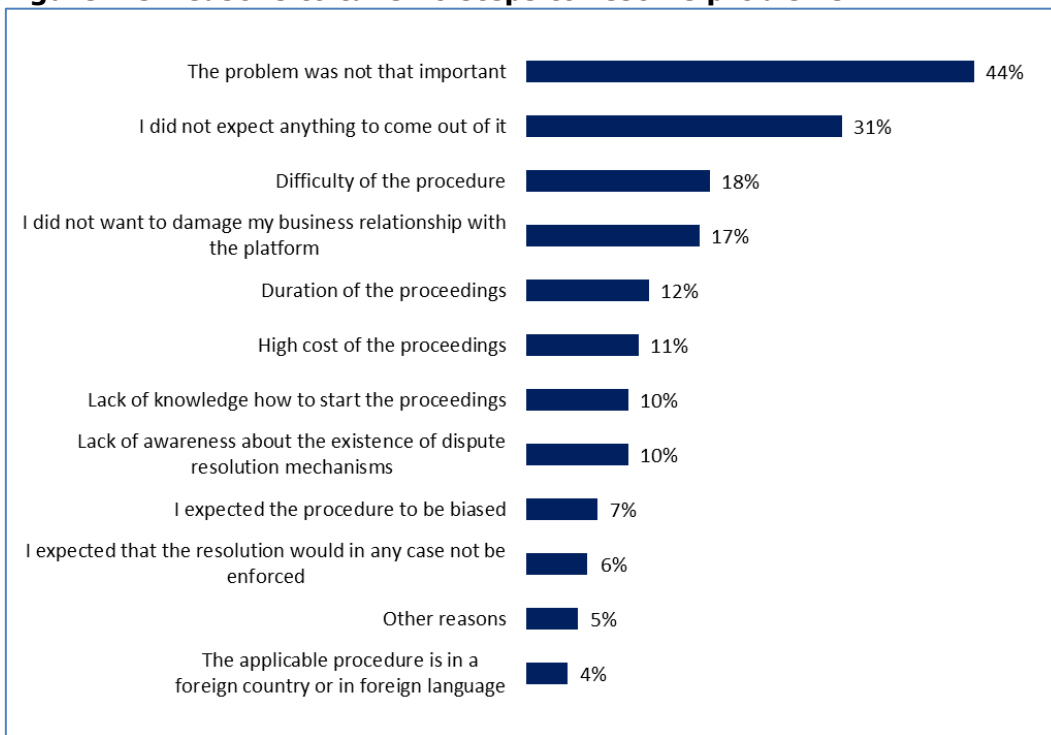
business relationship with the platform and the difficulty of the procedure are the second and the third most popular answers, respectively.

For non-heavy users, the most common reason is the marginal importance of the problem. Doubts about the possible outcome of the procedure and difficulty of the procedure are the second and the third most popular options, respectively, but the percentage of those concerned with them is much lower than in the case of heavy users.

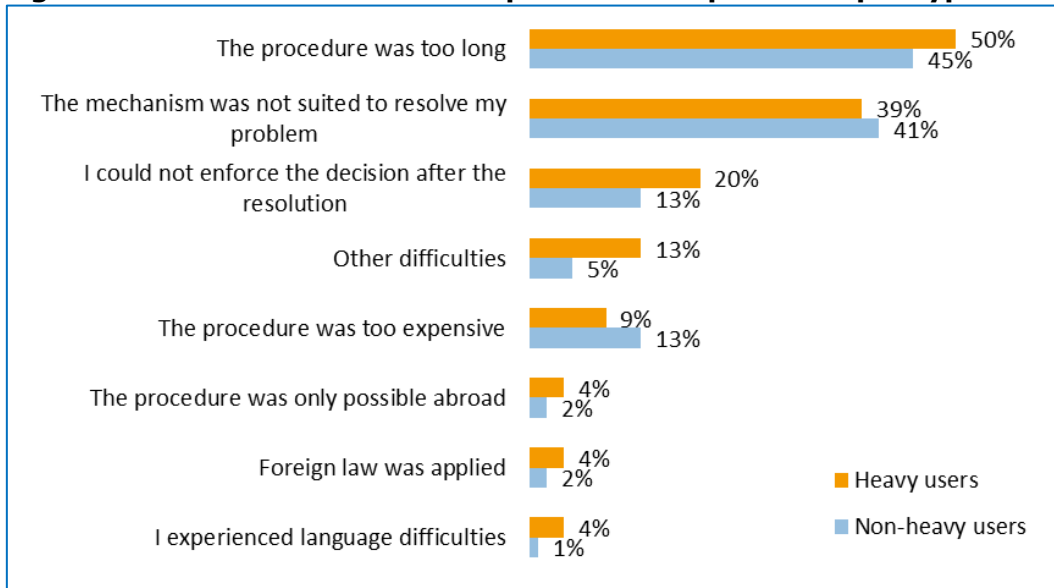
For all categories of business users, a perspective to have proceedings in a foreign country or in foreign language was of the least concern. Similarly unimportant was the perspective that the resolution would not be enforceable.

Figure 4.5 and 4.6 below summarise different considerations of business users on not taking any steps in case of a problem in business relationships with an online platform.

Figure 4.5 Reasons to take no steps to resolve problems



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 175.

Figure 4.6 Reasons to take no steps to resolve problems per type of user

Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 47 and 128 for samples heavy and non-heavy users respectively for reasons for not taking any steps in case of an experienced problem.

In-depth interviews with business users largely support the findings of the surveys, but also give more insight into the reasons for not using a *specific* redress mechanism other than the one offered by the online platform. Regarding court litigation, but also arbitration, business users commonly explain that such proceedings are lengthy, complex and costly, and as SMEs they do not have the necessary resources to pursue such litigation. Additionally, the lack of prospects for success and fear of retaliation by the platform are very important factors. Business users feel that even if they manage to win the battle, they may lose the war by either shutting down during the proceedings (e.g. due to the lack of financial resources) or being unable to carry out their business activities on the platform as a consequence.

For ADR mechanisms involving chambers of commerce of trade associations, business users note the reluctance of such organisations to deal with their claims. Because online businesses are the minority in such organisations, there is a lack of interest and, possibly, lack of knowledge or understanding of their problems on part of the organization. Also, they may fear to take on such big players as online platforms.

One more reason not to seek redress via external channels, but only via platform-internal mechanisms is that the problems experienced by business users are inherent in the platform's (technical) system. Therefore, only the platform can solve them and solve them fast.

At the same time, it shall be noted that online platforms are frequently sued at different levels and in different countries¹⁵⁴ as their terms and conditions do not

¹⁵⁴ Most examples come from the United States where almost all big platforms have been sued. To give just a few example, see for eBay: <http://www.ecommercebytes.com/cab/abn/y14/m08/i25/s01>; Expedia: <http://www.seattletimes.com/business/expedia-ordered-to-pay-184-million-in-lawsuit-over-hotel-taxes-fee/> and <http://www.reuters.com/article/uk-hotels-lawsuit-idUSLNE87K00W20120821>; Amazon: <http://www.huffingtonpost.com/news/amazon-lawsuit/>; Google Play: <http://www.tomsguide.com/us/Google-Apps-Android-Apple-US-Law,news-14491.html>; Google Play and Amazon AppStore: <https://www.forbes.com/sites/ericgoldman/2015/10/21/amazon-appstore-and-google-play-defeat-lawsuit-over-infringing-app-name/#1558cd9d8082>; Apple App Store: <https://www.nexedi.com/NXD-Apple.Lawsuit.Blog> and

exclude litigation. Outcomes of court proceedings are quite different, yet often not successful from the point of view of business users.

4.2.2. Assessment of effectiveness of redress mechanisms

According to the results of the surveys, on average 40% of all problems is resolved completely and without any difficulties, but about one third of problems (32%) remains unresolved (Figure 4.7 below).

The effectiveness of individual redress mechanisms varies strongly, yet most of them are capable of resolving more cases completely and without difficulties than leaving cases unresolved.

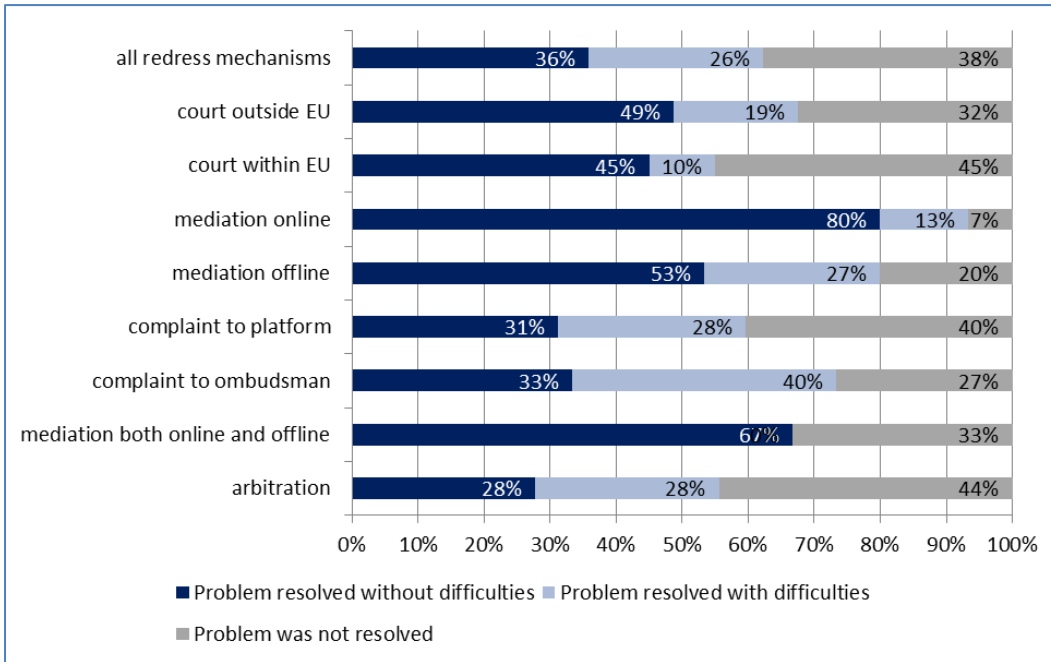
The main exceptions are arbitration and courts located in the EU. When a court in the EU was chosen, most the cases remained resolved. In the case of arbitration, an equal share (35%) was resolved completely and remained unresolved.

Remarkably high success rates are reported for mediation. In the case of online mediation 64% of problems are resolved completely and without difficulties, which is the highest rate, followed by complaints to the ombudsman (51%).

When differentiated by user groups, it appears that non-heavy users get more problems resolved than heavy users (71% v 62%). Non-heavy users also manage to resolve more problems completely and without difficulties (42% v 36%).

The effectiveness of individual redress mechanisms differs slightly for the groups of heavy and non-heavy users. While for both groups different types of mediation are very successful, for non-heavy users the complaints to the ombudsman also bring highly positive results. Non-heavy users also get their problems solved more effectively by using the platform-offered redress mechanisms by comparison to heavy users. By contrast, heavy users are able to resolve their problems better via court litigations, and courts outside the EU are more effective for them than EU courts.

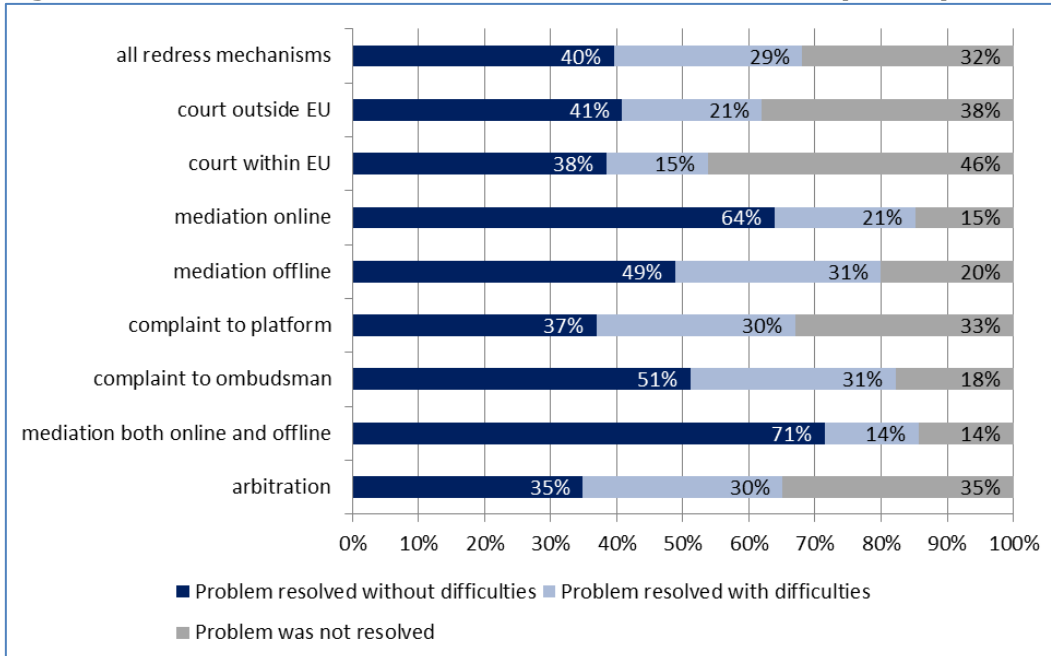
Figure 4.7 Outcome of the use of redress mechanisms



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 1,276.

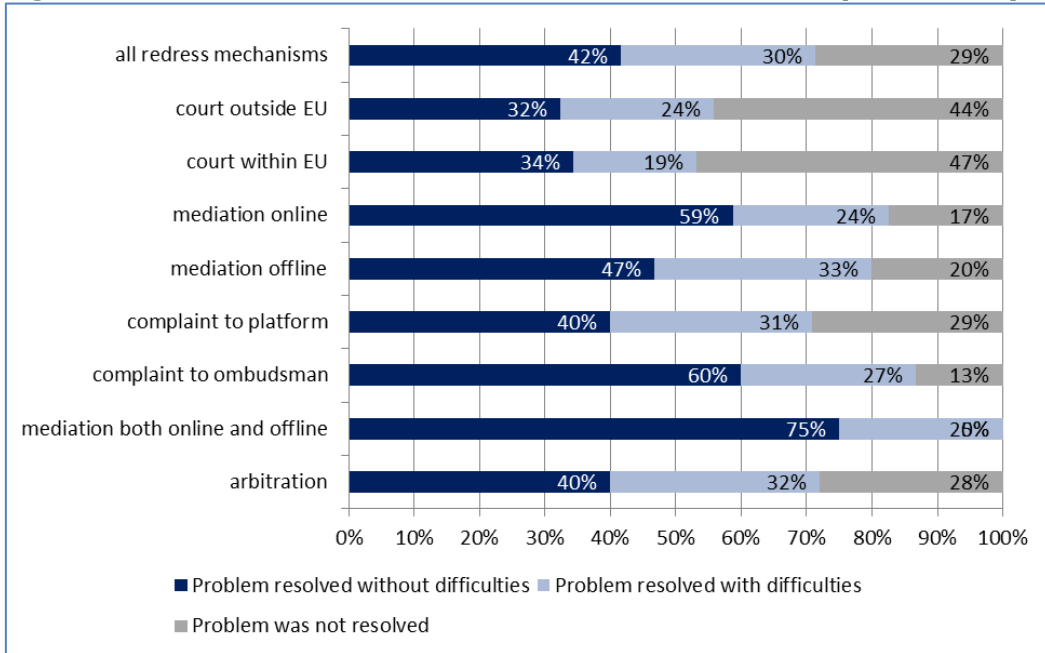
Figure 4.8 and 4.9 present the outcome from the use of individual redress mechanisms, which business users decided to employ when they experienced problems with online platforms, for heavy and non-heavy users separately.

Figure 4.8 Outcome of the use of redress mechanisms by heavy users



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 447.

Figure 4.9 Outcome of the use of redress mechanisms by non-heavy users



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 829.

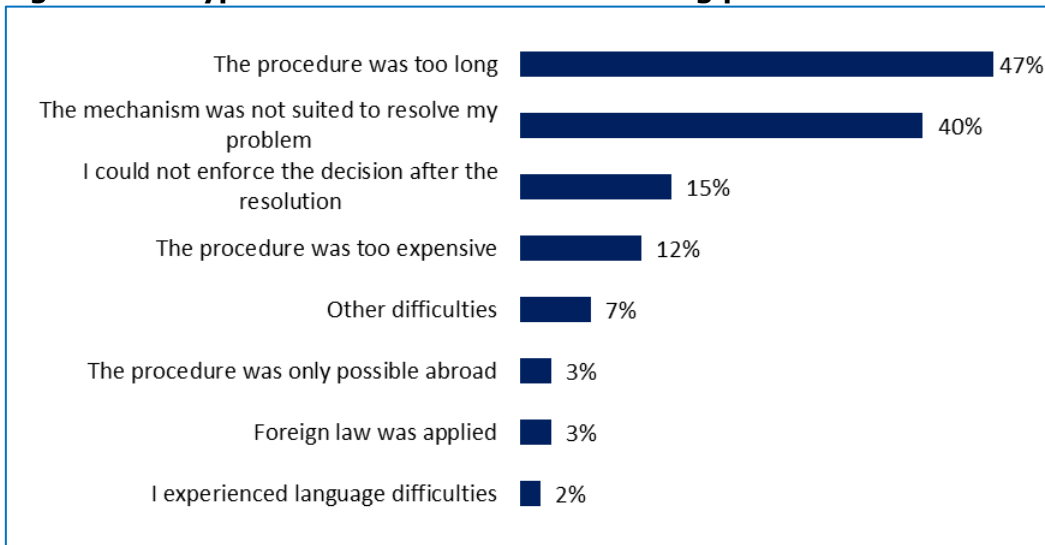
Types of difficulties experienced while using redress mechanisms

When enquired about the difficulties business users experienced with the redress mechanism used, the majority indicates that the procedure is too long; in case of heavy users 50% indicate this difficulty. The second most frequently named difficulty is that the redress mechanism is not suited to resolve the problem. The inability to enforce the decision presented a problem for 20% of the heavy users and 13% of non-heavy users. The same share of non-heavy users also considered the chosen redress mechanism too expensive.

Language difficulties, application of foreign law and procedure outside of the country of establishment appeared to present a difficulty only for a small minority of business users.

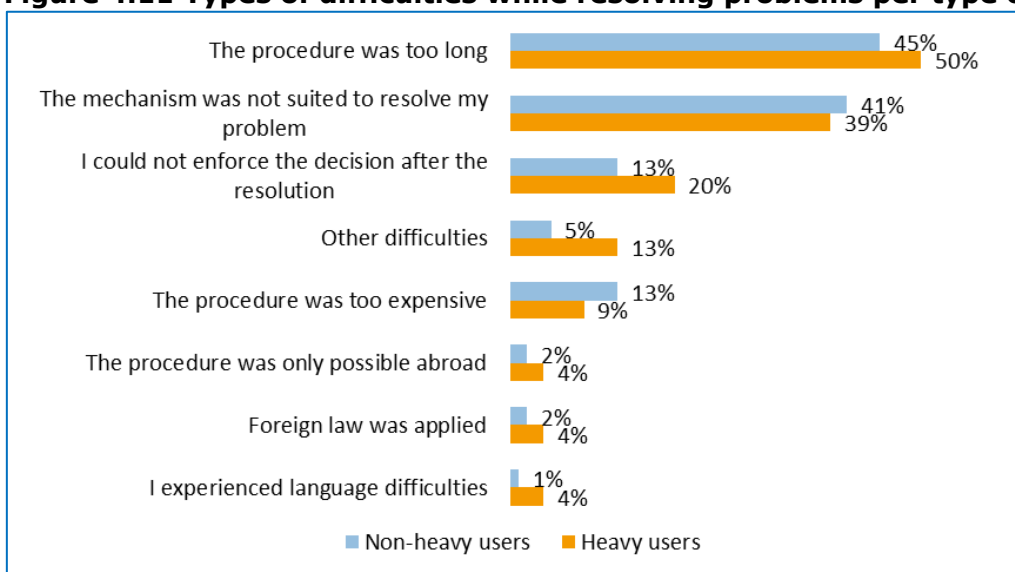
Figure 4.10 and 4.11 specify what types of difficulties business users experienced when resolving their problems by using redress mechanisms.

Figure 4.10 Types of difficulties while resolving problems



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 362.

Figure 4.11 Types of difficulties while resolving problems per type of users



Note: these are combined results of 3 surveys: business panel, open and closed surveys. Total number of respondents is 115 and 247 for samples heavy and non-heavy users respectively.

During the in-depth interviews, business users explained in more detail what specific difficulties they experienced when using different redress mechanisms offered by online platforms.

When an automated redress mechanism is in place (app stores, e-commerce), business users lack detailed and individualised answers to their messages. The answers that they receive from platforms are often of general nature and vague even after a repeated contact with the system. In some instances, business users report to have communicated with automated bots because they received canned or pre-built responses and the support "staff" was not able to understand the context of the situation that could be easily understood by a human.

When the answers are unclear, too general or automatically generated, business users lack instructions of what exactly needs to be done to rectify the problem.

This all leads to a lengthy communication with the platform. When automated systems are used, a direct human contact is either not offered or only possible after a long time. Business users also report a long reaction time (e.g. one week) with some platforms that adds to the length of redress procedures. In some instances, where business users experienced recurrent problems or had to ask the same question many times due to the lack of a proper answer, they report that platforms simply stopped responding.

In general, business users notice a lack of flexibility in automated systems to deal with non-standard situations and with problems of non-technical nature. In some instances (for example, in intellectual property related issues) platforms shy away from assuming a more active role: as mentioned above, the decision to block a product or account is taken by an automated system, and the alleged violator is at mercy of the right-holder. If the right-holder cannot be reached or chooses not to reply to the business user who tries to present evidence and solve the problem, the platform does not take any steps.

Business users also miss a more neutral approach in the design of redress mechanisms. Commonly, there appears to be a presumption of guilt of business users: if a complaint is received from a consumer, competitor or right-holder, platforms take an immediate action (e.g. by blocking the account or delisting products) giving very little or no time to the affected business user to respond to the accusations. Also, the possibility to present evidence (documents) is limited.

On the top of this, several business users reported their futile attempts to receive compensation from the platforms, for instance, for a wrongful suspension. The platforms' redress mechanisms do not foresee any compensation type of compensation, not even compensation of the account fees that a business user had to pay while the account was blocked and not even where the suspension was due to platform's mistake.

4.2.3. Possible improvements in redress mechanisms

The results of the surveys and interviews indicate that, even though there are several redress mechanisms available to business users, their effectiveness in solving specific problems experienced by business users on online platforms is not always up to the standard. For instance, courts are not able to provide a fast solution and are too expensive. Platform-internal redress mechanisms appear to be the first address for most business users, but are deficient due to the use of automated systems, vagueness and too general responses or even lack of responses, leading to lengthy redress procedures and leaving issues unresolved.

With this in mind, in the conducted in-depth interviews possibilities to improve redress mechanisms were explored. With regard to a creation of a specialised confidential dispute settlement mechanism, arbitrated by a third parties, the interviewees are divided. Some business users (in e-commerce) find such an option helpful, while other doubt that it can be effective. Interviewed platforms also doubt the effectiveness of and the necessity in such mechanism. They point out that their internal redress mechanisms are constantly improved and optimised, based on the experiences with business users. As mentioned earlier, some of them (in e-commerce sector) develop new redress instruments, like an on-platform mediation or arbitration for buyer-seller disputes and aiming to design a similar one for business-to-business issues.

As an alternative, business users suggest several improvements to the existing redress mechanisms offered by platforms. Where automated systems are extensively used and there is a lack of direct human contact (specifically, on some e-commerce platforms and app stores), business users consider it helpful to have a proper telephone customer service and/or an account manager for all companies. If this is not feasible, an account manager should be available for companies of a certain size (in terms of turnover) or a special contact point for small companies should be created. This would significantly improve the communication between the platform and its business users.

For the specific problem of products or account blocking due to alleged violation of intellectual property rights on e-commerce platforms, business users suggest dispensing with the automatic sanctioning of alleged violators immediately upon the complaint. Being well placed between the two parties to the dispute, platforms should take a more active part in adjudication and redress, for example, by first demanding detailed evidence from the complainant – in order to prevent complaints from rival companies for obtaining a short-term competitive advantage by shutting down their competitor(s) as well as complaints of unsatisfied customers claiming that they received fake or counterfeited goods.

In addition, on the legislative level, an obligation should be imposed on the complainant to contact the alleged violator and demand from it information about the

source of the braded goods sold and/or permission to sell. E-commerce platforms should provide a channel through which such requests can be made and evidence can be submitted. Only if the seller refuses to cooperate or does not have any evidence, a complaint and request for blocking may be filed with the respective platform.

Business users of e-commerce also call for a more nuanced approach of online platforms to different types of business users and take a more active role in supporting/protecting long-term users with good reputation. Specifically, a long-term business user with a good reputation should not be blocked for a single or first-time failure, which might be an unintentional mistake.

Business users of both e-commerce platforms and app stores see the need to improve or provide the possibility of evidence submitting or delivering additional proof at internal redress mechanisms of platforms.

In general, all interviewees support light-touch regulatory solutions regarding redress possibilities.

5. IMPACTS OF TRADING PRACTICES

In Chapter 3, experiences of business users with platform practices have been described. In Chapter 4, various redress possibilities, available to business users, have been explored, and it has been found that they do not always provide a solution to resolve the problems encountered by business users. In this chapter, we describe what the impact of these unresolved problems or of the delay in the resolution of problems is.

Information on impact was retrieved from both interviews with business users and information obtained from the thematic workshops. The survey under business users also contained questions on the impact of the problems encountered were included. However, it turns out the questions appear to be misunderstood by business users. While the question related to the impact of the problems experienced (which should logically be neutral or negative only), business users mentioned experiencing a positive development (likely having interpreted the question to inquire about the overall development of the business over the years). Consequently, the survey results have not been used to identify impacts of trading practices.

Impact can be observed for a wide range of practices reviewed in this study.

Impact related to a very short-term notification of the change of T&C

A few interviewed business users could quantify negative impact of sudden change in T&C of platform on their business. In both cases the experience referred to **e-commerce** and, specifically, to a very short-term notification about the changes of T&C regarding search and ranking.

The changes in T&C forced the business users to amend their business strategy. However, the time between the announcement that T&C would be changed and the moment the new T&C would come into force was insufficient for business users to adjust their business strategy in time. As a result, they suffered a significant reduction in sales and, as a consequence, of their turnover. In one case, a 20% turnover reduction was reported; in another one the turnover was 50 times smaller than for the same time period of the previous year (a 98% decline in turnover).

Impact related to delisting and suspension

For delisting and suspension, the most quantitative estimates of impact could be provided by business users in **e-commerce**. The time needed to reverse the delisting or suspension may be long due to a number of problems identified and described in the previous chapter, like lack of information provided by the platform, lack of effective redress to challenge the delisting or suspension, or lack of constructive feedback on proposed amendments. Delisting or suspension of up to weeks or months have been experienced by some of the business users interviewed.

In terms of turnover, the effect of the delisting or suspension is closely linked to the size of the business user's turnover. Claimed lost turnover varies between 100 000 Euro up to close to a million Euro, or up to 10% of total turnover of the company. The amount of turnover loss correlates with seasonal sales (much higher losses – and overall negative impact on the business – reported at Christmas time), with what was suspended (the whole account or only one product) and with the extent of suspension (e.g. suspension applicable to one or more countries and whether these countries are the major market for the given business user).

Only one business user provided an impact estimate in terms of employment, mentioning that 20 employees had to be laid-off due to a suspension of its account. Another business indicated that suspension of its account impeded the possibility to create employment.

Multiple business users have flagged the danger of delisting or suspension of their business as a major risk factor, indicating that viability of the business would be at risk if reversing an incorrect delisting or suspension decision would take too long or would cover a too large section of the business' product line.

A few of the interviewed business users active in e-commerce indicated to have sought compensation for the lost turnover and fees paid, but no compensation was offered by the specific platform, even in the case where suspension was a platform's mistake, which was admitted by the platform.

The impact on turnover and business operations of erroneous delisting on **app** developers is, in general, little to none, given the usually quite short periods between delisting and relisting. However, even in the few cases of lengthy suspension of an app, business users did not report strong negative impact, which might be linked to their business models (free apps, diversity of products, fast development of new products).

On the other hand, several app developers mentioned that a delisting of their products have discouraged them from developing similar or completely new products. One business user had to change its business operations, which, on the top of revenue loss, brought adjustment costs.

Besides losing turnover, business users of e-commerce and app stores indicated that suspensions and delisting always create extra cost (in terms of time and staff capacity spent to deal with the problem) and distract from the core business. Much of the extra costs is attributed to the communication within the redress mechanism trying to determine what exactly the problem is and what specific actions are needed to resolve it.

Impact related to search and ranking

Several business users of **e-commerce** platforms observed a decline in sales and revenue due to (change in) search and ranking practices of the platform where they are active. In one case a business user experienced sales going down 50% overnight after the implementation of changes in search practices. Without a clear insights into the (proposed changes to) the criteria and weights of the search and ranking algorithm and/or sufficient time to adjust to upcoming changes, business users' only hope to prevent such downswings may be redress mechanisms, which often turn out to be ineffective.

Business users of **hospitality** platforms notice that their placement on the first page of search results has significant impact on their bookings, although no quantitative estimates were offered. Business users trading via major **e-commerce** platforms also report the direct dependence between the placement of their products and their revenue, once again without a clear quantification.

Within the **app store** environment, the lack of transparency in the search and ranking criteria and the perceived lack of consistency in application of the ranking criteria (discrimination) have a detrimental impact on innovation by app developers, according to some of these app developers.

Platforms competing with businesses

Few business users of **e-commerce** platforms noted a decline in sales of their products when the platform they are active on started to sell the same products as they did. Other business users explained that they have developed a type of avoidance strategy: when they learn that the platform sells the same products as they do, they stop selling the respective product on this platform and move it to an e-commerce

platform that offers purely intermediary services (i.e. does not compete with own business users).

In the case of **app stores**, a quantification of the impact of the mandatory use of payment systems on the platform proved to be challenging for business users flagging this issue. One business user gave a qualitative assessment stating that off-platform payment would provide a significant impact in the form of many more subscribers and more revenue.

Summary and reflections

As can be observed from the previous chapters and the examples above, platform business practices can have a serious, at times negative impact on business users, including their business models and business strategies. The study has found that the most important practices, investigated in-depth in Section 3.4, influence business users' turnover (in some cases dramatically), their product selection and product development decisions (also by discouraging them from selling or developing specific products), their employment decisions and their marketing choices (i.e. what products should be sold on what platform).

Beyond the individual business user level, it can be argued that some of the platforms' practices may have a significant (distortive) impact on the competition between the companies and innovation. As already mentioned, in some cases businesses report that platforms' practices discourage them from improving existing products, service to the customer or developing new products. Non-transparent search and ranking practices may inhibit competition on the merits between platforms' business users.

These findings match a broader signal received from business users that they are highly dependent on platforms, notwithstanding actual or potential multi-homing. Consequently, many of the business users have indicated that they try to avoid any conflict with platforms, fearing a negative impact on their business. This applies especially to conflicts with the largest platforms, as business users indicate that often no viable alternative for these major platforms exists due to their scale, geographic range and the number of (potential) customers active on the platform. Moreover, redress possibilities are often not effective in redeeming these negative impacts and create additional costs for business users.

While platforms offer the opportunity of value creation on the platform (see chapter 2), and not all business users encounter problems with the platform, the complete dependency of business users on platforms and the potentially high level of impact of problems related to the platforms' practices does surround the business case of a business user with a high degree of uncertainty. The value of any investments made, or even the entire viability of the business, could be severely jeopardized due to developments completely outside their control, but within the control of platforms. This raises the question, which goes beyond the scope of this study, whether platform interests and business user interests are properly balanced.

ANNEXES

ANNEX A: REFERENCES

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ANNEX B: SURVEY METHODOLOGY

This annex describes our approach to survey methodology, in particular:

1. Choice for multiple surveys;
2. Design of the questionnaires;
3. Establishment of samples of platforms and business users;
4. Stimulation of response;
5. Cleaning and de-duplication of survey responses;
6. Results of the surveys of online platforms;
7. Potential limitations.

Choice for multiple surveys

One particular essential part of the data collection of the study as foreseen at the start of the project was the survey among online platforms and their business users. These surveys form the foundation of findings and further data collection activities. In order to mitigate of a low response rate, multiple surveys were launched:

- A survey targeting selected business users and platforms on an invitation-only basis (from now onwards referred to as “closed survey for business users” and “closed survey for platforms”, and combined as the “closed surveys”);
- A survey made accessible to all business users and platforms via the website of the European Commission (from now onwards referred to as “open survey for business users” and “open survey for platforms”, and combined as the “open surveys”);
- A survey using the TNS business panel (from now onwards referred to as “business panel survey”).

First of all, the “closed survey” targets the platforms and business users that have been identified online (see selection of candidates, below). Secondly, an open survey consisted of an open invitation to platforms and business users, supplementing and possibly substituting the closed survey. They were distributed within the network of the project team and posted on the website of the European Commission¹⁵⁵. Finally, a business panel survey, which makes use of a business panel, was included to offer the optimal expected result for large-scale, high-quality information on trading practices between platforms and business users.

Design of the questionnaires

The questionnaires have been developed by the project team on the basis of a) the topics of investigation of the study, and b) (preliminary) results of the literature review on unfair trading practices and redress possibilities. The questionnaires are included as a separate Annex C.

To assure the quality of the survey questionnaires, the questions and routing were presented to a survey expert not belonging to the project team in order to assure an independent and objective review of the survey questionnaires.

Establishment of samples for the closed surveys

¹⁵⁵ <https://ec.europa.eu/digital-single-market/en/news/what-your-experience-trading-online-platforms>.

As described above, multiple surveys were conducted. For closed surveys samples of companies were identified. The methodology for sampling online platforms and business users active on them is described below.

Selection of candidates for the closed survey for online platforms

The candidates for the closed survey for platforms were selected to ensure broad representation across the entire spectrum of online platforms and business models used by them. The sample includes both platforms active cross-border, regionally and those active mainly within a single EU Member State. It includes platforms engaged in e-commerce in goods, online travel agencies (e-commerce in services), online advertising, app stores, social media and social networks, and platforms providing other services (e.g. reservation services, delivery services etc.).

For the creation of the sample of online platforms, the following methodology was used:

1. Available lists of online platforms per category were gathered from various sources (see Table below for detailed list of sources). These lists were combined together to facilitate inclusion of all relevant categories of platforms (e-commerce, advertising, social media, app stores, and others);
2. The list was further supplemented by the information from *Alexa*¹⁵⁶ and *SimilarWeb*¹⁵⁷. Top 30 online platforms within every Member State from both Alexa and SimilarWeb were included;
3. Online platforms that are active in more than one country and therefore have different country extension (for example Google.nl and Google.de) were treated as one platform (Google);
4. Duplicates were removed from the list.

The contact details for the sampled online platforms are gathered through desk research if no contact information was available via the professional network of the contractor. Regulatory Affairs departments were targeted for each online platform. In case there was no information available, media departments were targeted. In other cases, customer support departments were targeted.

Table below details the information sources used to select online platforms:

Table B. 1 Information sources by platform category

Platform Category	Information Sources
E-Commerce for Goods	BVOH "Overview of online marketplaces across Europe" (http://www.bvoh.de/overview-of-online-marketplaces-across-europe/)
E-Commerce for Services	https://en.wikipedia.org/wiki/Category:Online_travel_agencies http://flug.idealo.de/shop/?o=2
App distribution platforms	https://en.wikipedia.org/wiki/List_of_mobile_software_distribution_platforms
Advertising	https://en.wikipedia.org/wiki/Category:Internet_advertising_services_and_affiliate_networks http://www.emarketer.com/Article/Facebook-Twitter-Will-Take-33-Share-of-US-Digital-Display-Market-by-

¹⁵⁶ <http://www.alexa.com/topsites>. Accessed in November 2016.

¹⁵⁷ <https://www.similarweb.com/top-websites>. Accessed in November 2016.

Platform Category	Information Sources
	2017/1012274
Social Media	https://en.wikipedia.org/wiki/List_of_social_networking_websites https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/ http://smallbiztrends.com/2016/05/popular-social-media-sites.html
Other	Based on suggestions by the contractor we included Oculus and Sony PlayStation in the sample (with the aim to also include app distribution methods on other devices).

The sample of online platforms is presented below:

Platform	Category	Platform	Category
123devis	E-commerce	Seznam	E-commerce
2dehands.be	E-commerce	SimplyHired	E-commerce
Abebooks	E-commerce	Skroutz.gr	E-commerce
Agoda	E-commerce	SkyScanner	E-commerce
Aliexpress.com	E-commerce	Spartoo	E-commerce
Alitravel	E-commerce	Sreality.cz	E-commerce
Allegro	E-commerce	StubHub	E-commerce
Alloresto.fr	E-commerce	Subito.it	E-commerce
Argos.co.uk	E-commerce	Thuisbezorgd	E-commerce
Arukereso.hu	E-commerce	Tradera.com	E-commerce
autobazar.eu	E-commerce	trendsales	E-commerce
autoeurope	E-commerce	TripAdvisor	E-commerce
AutoScout24	E-commerce	Trivago	E-commerce
Autovit.ro	E-commerce	Twago	E-commerce
bazar.sk	E-commerce	Twenga	E-commerce
Billiger-mietwagen.de	E-commerce	Upwork	E-commerce
Bol.com	E-commerce	Uvinum.com	E-commerce
Booking	E-commerce	Vatera.hu	E-commerce
Bravofly	E-commerce	Venere.com	E-commerce
cabify	E-commerce	Vente-prive.com	E-commerce
Car.gr	E-commerce	verkkokauppa.com	E-commerce
Catawiki	E-commerce	Wegolo	E-commerce
Cdiscount.com	E-commerce	Willhaben.at	E-commerce
Chrono24	E-commerce	Yelp	E-commerce
clickworker	E-commerce	Zalando	E-commerce
Deliveroo	E-commerce	AdJug	Advertising
Donedeal.ie	E-commerce	Amazon	Advertising
eBay	E-commerce	AOL	Advertising
Ebookers	E-commerce	Axel Springer	Advertising

Platform	Category	Platform	Category
eCab	E-commerce	Dailymotion	Advertising
Emag.ro	E-commerce	Facebook	Advertising
Etsy.com	E-commerce	Google AdX/ DoubleClick	Advertising
Expedia	E-commerce	HiMedia	Advertising
Flighttix	E-commerce	Huffington Post	Advertising
Fnac	E-commerce	IAC (InterActiveCorp)	Advertising
Freelance.de	E-commerce	Kelkoo	Advertising
fruugo	E-commerce	LinkedIn	Advertising
Funda.nl	E-commerce	Microsoft/ Bing Ads	Advertising
Geizhals	E-commerce	OpenX	Advertising
Govolo	E-commerce	Pulsepoint (previously Contextweb)	Advertising
groupon	E-commerce	Rakuten	Advertising
Guru.com	E-commerce	Spotify	Advertising
Hasznalauto.hu	E-commerce	Twitter	Advertising
Hemnet.se	E-commerce	Yahoo!/ Rightmedia	Advertising
Heureka.cz	E-commerce	Yelp	Advertising
Hostelworld.com	E-commerce	YouTube	Advertising
Hotels.com	E-commerce	Amazon Kindle App Store	App distribution
HRS	E-commerce	Apple App Store	App distribution
I. partneris UAB	E-commerce	GetJar	App distribution
Idealista.es	E-commerce	Google Play Store	App distribution
Immobilienscout24	E-commerce	LG Smart World	App distribution
Immoweb.be	E-commerce	Oculus	App distribution
Jomondo	E-commerce	Opera Mobile Store	App distribution
just-eat.co.uk/ie/es/dk / be	E-commerce	Samsung Apps	App distribution
Kapaza.be	E-commerce	Sony PlayStation	App distribution
Kayak	E-commerce	Windows App Store	App distribution
laredoute	E-commerce	Copains d'Avant	Social media
lastminute	E-commerce	Facebook	Social media
Leboncoin.fr	E-commerce	Google+	Social media
Lieferando	E-commerce	Hi5	Social media
Lieferservice	E-commerce	Instagram	Social media
mercateo	E-commerce	LinkedIn	Social media
Miniinthebox/Light inthebox	E-commerce	Nasza-Klasa.pl	Social media
Mobile.bg	E-commerce	Pinterest	Social media
Mobile.de	E-commerce	Reddit	Social media

Platform	Category	Platform	Category
Mybuilder	E-commerce	Seznam	Social media
Mydealz.de	E-commerce	Skype	Social media
MyTable	E-commerce	Snapchat	Social media
njuskalo.hr	E-commerce	Trilulilu	Social media
Okazii.ro	E-commerce	Tumblr	Social media
Olx.com	E-commerce	Twitter	Social media
Opodo	E-commerce	Twoo.com	Social media
orbitz	E-commerce	Viadeo	Social media
Otomoto.pl	E-commerce	Viber	Social media
Pixmania	E-commerce	Vimeo	Social media
Pizza	E-commerce	Vine.co	Social media
rightmove	E-commerce	Vk.com	Social media
Salesforce	E-commerce	WhatsApp	Social media
Salesforce	E-commerce	Wordpress	Social media
Sbazar.cz	E-commerce	Xing	Social media
Schibsted	E-commerce	YouTube	Social media

Selection of candidates for the closed survey of business users

To identify businesses that actively provide their services through online platforms in Europe, a number of activities were undertaken:

1. Selection of appropriate online platforms, where the information about suppliers is sufficiently visible and can also be gathered automatically from a technical point of view (via web-scraping);
2. Retrieving contact details of listed firms either automatically by web-scraping or by desk research.

What is web-scraping?

Web-scraping involves programming an automatic routine to extract information from a web page. It generally consists of two steps. First, a web page is accessed and downloaded by a routine ("crawling") and second, relevant information is extracted from this page ("parsing"). This means that profile homepages of various business users active on an online platform are assessed. The respective profile page is downloaded and information about their identity (profile name), their location and contact details are collected.¹⁵⁸ The collected information was further processed to clean out inconsistencies.

3. Cleaning and de-duplicating contact details in common format for the sample of the survey.

With regard to activity 1, the following online platforms were identified per category:

¹⁵⁸ The routines for collecting the information were programmed in the programming language Java using the packages Selenium and JSoup. The data was further processed with the statistical package Stata.

- a) For e-commerce: Amazon, eBay, Geizhals, Allegro.pl, bol.com and Otto;
- b) For app-distribution: Google Play Store;
- c) For social media: YouTube.

With regard to activity 2, the exact procedure depended on the platform. For Amazon and eBay the starting point was a web-page Webretailer.com¹⁵⁹ that collects data on top sellers. In addition, Amazon and eBay were web-scraped to collect more contact details of businesses. As a result information on top 500 businesses in Germany, France, Italy, Spain and the UK was gathered from Amazon and top 500 list in Germany and the UK. Furthermore, random profiles from other countries were included in the list. Additionally this list was populated by the businesses active on Geizhals. A large number of businesses active on Amazon are also active on Geizhals; therefore the duplicate contact information was removed from the list.

For Allegro.pl, the starting point was two lists of top sellers generated¹⁶⁰ in the last two years. Additional contact information was collected manually. For bol.com¹⁶¹ and Otto¹⁶², there was a list of suppliers given on the web page of the platform with contact information that was collected manually.

In case of Google Play Store, the information on the active businesses was web-scraped during September and October 2016. Businesses that have not updated their applications since 2014 were excluded from the sample.¹⁶³ This resulted in creation of three sub samples. First sample consist of the top 1,000 app developers in terms of app installations, regardless of their location. Second sample includes the top 2,500 app developers in terms of app installations which could be identified as having their firm located in a Member State of the EU. Third sample consist of a randomly drawn sample of 2,500 firms located in an EU Member State. All three samples were combined and duplicate app developers were removed from the list.

Business users of YouTube were identified based on the Top 50 list of YouTube channels in terms of viewership and subscriptions in Germany, France, Poland, Sweden and the UK. The information was retrieved from the webpage SocialBlade.com.

Additionally, information on business users of online travel agents was gathered from www.skyscanner.net, www.iata.org, and flug.ideal.de¹⁶⁴. The list of business users was combined together removing duplicate entries.

¹⁵⁹ In particular the following top seller's lists were used: <http://www.webretailer.com/lean-commerce/top-amazon-marketplace-sellers/#/>.

¹⁶⁰ See <http://www.wujekbogdan.pl> and <http://www.startbook.com/Allegro/ranking-allegro>.

¹⁶¹ See <https://www.bol.com/nl/m/voorwaarden/bol-com-plaza/index.html>.

¹⁶² See <https://www.otto.de/shoppages/service/partnerverkauf>.

¹⁶³ Also app developers without email-address or solely non-Latin characters were excluded (less than 100). Developers with less than 3,000 cumulated app installations were also not taken into account (this condition was only binding for the random sample).

¹⁶⁴ See <http://flug.ideal.de/shop/?o=2>, <https://www.skyscanner.net/news/airline-and-travel-agent-contact-telephone-numbers>, <http://www.iata.org/about/members/Pages/airline-list.aspx?All=true>. Information was accessed between September and October 2016.

Table B.2 summarises the total number of business users gathered through various sources.

Table B.2 Established sample of business users

Category/Platform	Source	Number of business users
<i>App Developer</i>	<i>Web-scraping based on universe of app developers</i>	<i>6,000</i>
Google Play Store	Top 1,000 business users worldwide in terms of app downloads / app installations	1,000
Google Play Store	Top 2,500 EU in terms of app downloads which could be assigned to a country by address of a business user and which were not covered in the worldwide Top 1,000 already	2,500
Google Play Store	Randomly drawn app developers not included in the aforementioned samples which could be assigned to an EU country	2,500
<i>E-Commerce Goods</i>		<i>8,150</i>
Allegro.pl	Manual desk research based on two publicly available to identify top 100 sellers	119
Amazon	Web-scraping of a platform to identify top 500 business users active in France, Germany, Italy, Spain and UK (web-scraping is based on Webretailer and Geizhals)	4274
bol.com	Manual desk research of a web page	284
eBay UK	Web-scraping of platform based on Webretailer for eBay.co.uk and eBay.de to identify top 500	797 (339 for UK and 458 for Germany)
Geizhals	Web-scraping of all profiles not listed on Amazon	2,629
Otto	Manual desk research of a web page	47
<i>E-Commerce Services</i>		<i>1,240</i>
OTAs (Airlines)	Manual desk research of web pages, guided by several listings	240
<i>Social Media</i>		<i>261</i>
YouTube	Manual desk research of web pages, guided by SocialBlade France, Germany, Poland, Sweden, UK	261
Total		14,651

The lists of business users were combined together and assessed on presence of unique email addresses. A number of business users do not have available contact information besides physical address on a website of a platform. Those business users were removed during the cleaning process. The other cleaning steps include elimination of spaces within email addresses, small corrections (for example, eliminate %20 in front of the email address). A number of companies were present on various platforms, therefore only one entry per company was kept. This resulted in total in 13,433 unique email addresses and company names.

Stimulation of response

To stimulate the response rate for the survey of online platforms, the following associations were contacted directly: European digital media association (EDiMA), Computer & communications industry association (CCIA), Interactive advertising bureau IABEurope, European internet forum EIFonline, HOTREC (acting as the European Hotel Association). EDiMA, CCIA and HOTREC distributed the links to the open survey directly to their members.

To stimulate the response rate of the closed survey among business users, we approached **business users by phone** to assure the invitation has been received by the firm, had reached the correct respondent within the organisation and would be accepted by participation in the survey. These phone calls have started once the survey was launched and continued until 31 January 2017. Information on the contact moments is presented in Table B.3.

Table B.3 Follow-up phone calls

Per Country	# calls completed	#Individual companies called	# business users	Percentage
Austria	91	66	573	11.5%
Belgium	27	26	92	28.3%
Bulgaria	13	10	47	21.3%
Croatia	1	1	1	100.0%
Cyprus	0	0	0	-
Czech Republic	20	15	93	16.1%
Denmark	42	32	93	34.4%
Estonia	5	3	32	9.4%
Finland	33	24	127	18.9%
France	91	62	673	9.2%
Germany	0	0	6781	0.0%
Greece	7	5	59	8.5%
Hungary	5	5	91	5.5%
Ireland	29	21	77	27.3%
Italy	63	48	521	9.2%
Latvia	11	7	26	26.9%
Lithuania	5	5	19	26.3%
Luxembourg	6	3	15	20.0%
Malta	6	3	7	42.9%
Netherlands	144	105	292	36.0%
Poland	90	64	882	7.3%
Portugal	23	15	90	16.7%
Romania	18	9	113	8.0%
Slovakia	6	4	55	7.3%
Slovenia	0	0	16	0.0%
Spain	88	63	732	8.6%
Sweden	22	16	235	6.8%
United Kingdom	44	32	1691	1.9%
Total	890	644	13,433	4.8%

Note: 13,433 refer to the number of business users with unique email addresses.

Cleaning and de-duplication

Cleaning and de-duplication were conducted for open survey for business users. Additionally a check was conducted to eliminate the possibility that a business user filled in both open and closed surveys.

The following steps were undertaken to clean the data of the open survey for business users:

- If in the company name a respondent indicates that it's a test, it is removed from the sample;
- If a respondent filled in only the company name and nothing else, it is removed from the sample;
- If a respondent responded to questions 'Which online platforms does your company use for e-commerce / selling/providing access to apps / communication with customers, other businesses, employees, general public via social networks or social media?' with an answer 'My company is not involved in ...' and responded to the question 'Are there other purposes for which you use online platforms?' with 'No, I don't use online platforms for other purposes', the respondent is removed from the sample assuming that this was a try out for him/her;
- If completion time of the survey is less than 50 seconds, it is assumed to be a try out;
- If a respondent stopped responding after filling in 'My company is not involved in e-commerce', it is assumed that it is a try out response;
- If a respondent stopped responding after filling in 'My company is not involved in e-commerce' AND 'My company is not involved in app development', it is assumed that it is a try out response;
- If a respondent stopped responding after filling in 'My company is not involved in e-commerce' AND 'My company is not involved in app development' AND 'My company is not involved in social media', it is assumed that it is a try out response;
- If a respondent stopped responding after filling in 'My company is not involved in e-commerce' AND 'My company is not involved in app development' AND 'My company is not involved in social media' AND 'My company doesn't advertise', it is assumed that it is a try out response;
- If a respondent stopped responding after filling in 'My company is not involved in e-commerce' AND 'My company is not involved in app development' AND 'My company is not involved in social media' AND 'My company doesn't advertise' BUT provided some information on other purposes, it is assumed that it is a try out response;
- If a respondent stopped responding after filling in 'My company is not involved in e-commerce' AND 'My company is not involved in app development' AND 'My company is not involved in social media' BUT involved in advertising on platform Zzz + there are other purposes which are Zzz (one specific response 598), it is assumed that it is a try out response;
- In case a respondent filled in the survey two or more times on the same date, it is assumed that the response with the most answered questions is kept, while the other responses are considered as try outs. The basis for determining that a business user provided more than 1 response is the answer to the question 'What is the name of your company?'
- In case a respondent filled in the survey two or more times, it is assumed that the response provided earlier is a try out. For example, if a business user provided response on 10 and 17 December, it is assumed that the one on 10 December is a try out response. The basis for determining that a business user

provided more than 1 response is the answer to the question 'What is the name of your company?'

Cleaning resulted in the removal of 473 observations from the open survey for business users.

Results of the survey of platforms

Total number of responses to the open survey and closed survey of platforms is 84 and 6. After removing all entries with no clear company names that are clearly try out responses and that stopped responding after the question on whether the platform is engaged in the same business activity as its business users, the number of responses to the open survey is reduced to 17. In total this results in 23 observations for both surveys. This does not allow drawing specific conclusions and therefore detailed description of results of the survey of platforms is not presented in this report. Expressed opinions of those platforms that have filled in the survey are incorporated in the case studies descriptions.

Potential limitations of the approach and methodology

The results of the survey as presented in the report and detailed in Annex D should be interpreted with caution because of several caveats associated with the methodology. The number of responses to the survey of platforms does not allow drawing conclusions; therefore the focus of the report is on the experience of business users that is supplemented by the input from interviews with online platforms (see detailed description of the interview process in Annex F).

All surveys for business users targeted businesses that do business online. The closed survey in particular targeted those businesses that predominantly do business online. The business panel survey targeted businesses that participate in business panel and might not be necessarily businesses that have a high share of business performed online. The open survey was displayed online on various websites and might have potentially attracted a group of business users with high share of business in the online platform environment.

The surveys were designed specifically for business users (both online platforms and their users). The questionnaires were designed having this in mind so that filling in a survey does not take a lot of time from their core business activities. The surveys targeted SMEs and a lot of respondents that filled in the questionnaire are self-employed and work for themselves. Specifically for self-employed persons it might have been difficult to separate their business experience with online platform environment from private experience.

A number of questions could have been misinterpreted by the respondents. In particular, this could be the case for business users answering a question on the impact of experienced problems or disagreements with a platform on turnover, profitability, number of employees in your company, investments, access to new markets, EU cross-border trade, cost level, relationship with your contractors, quality of the products/services of the company, final price paid by the consumers, final choice available for the consumers¹⁶⁵. This question was referred to all the problems

¹⁶⁵ See question 23 in the questionnaire for business users of online platforms: open and closed surveys and question 22 in Questionnaire for business users of online platforms: survey for a business panel in Annex C.

or disagreements experienced with an online platform and therefore the impact cannot be attributed to an individual problem or disagreement. The respondents could have interpreted the question as meaning whether the relevant parameters improved, worsened or stayed the same overall during the whole period of three years (2013-2016). Another possibility is that the respondents could have answered it as how their businesses have changed after they have managed to solve their problems or overall impact in the economy. In addition, it should be noted that in general assessment of turnover or profitability is difficult and impact on it cannot be treated in isolation from the overall performance of a company. Given various misinterpretations of this question, it is not possible to assess the actual impact of problems or disagreements. Therefore the results of the answers to this question are not presented in this report. Instead the impact of problems or disagreements with online platforms was clarified during interviews with selected business users. Annex F provides an overview of the interview process and the questions asked during those interviews.

It is also important to note that the respondents were not provided with demarcated definitions of online e-commerce marketplaces, application stores, social media and online advertising. Instead it was decided to include various platforms for each category for the business users to identify which online platforms they use. Therefore the reported usage of online platforms is subject to interpretation of what is perceived by business users.

ANNEX C: QUESTIONNAIRES FOR BUSINESS USERS AND ONLINE PLATFORMS

Three questionnaires were developed for business users of online platforms for open and closed surveys and for the surveys making use of business panel. The questionnaire for the open survey is exactly the same as for the closed survey with an addition of the question in the very beginning of the survey: "What is the name of your company?". The questionnaire developed for the survey of business panel is similar to the open and closed surveys with slight modifications of the content (for example the business panel was used only in the selection of countries, only for SME's) and the order of the questions. It is presented separately¹⁶⁶.

Two questionnaires were developed for online platforms for open and closed surveys. The questionnaire for the open survey is exactly the same as for the closed one with an addition of the question in the very beginning of the survey: "What is the name of your company?".

Questionnaire for business users of online platforms: open and closed surveys

<Title> Business experience with online platforms

<Introduction>

Thank you for agreeing to participate. The focus of the questionnaire is on how businesses experience working with online platforms where you can sell your products or services, or that you can use to advertise, to communicate or to provide access to your apps. On this website you can find an accompanying letter of recommendation from the European Commission.

The answers to the questions in the survey will be processed anonymously.

Some key definitions of terms used throughout the questionnaire:

- 'Platform' refers to an online platform where buyers and sellers of products or services meet;
- 'Business users' refers to businesses offering goods or services. For advertising platforms, business users are the parties seeking to buy advertisement space. We are also interested in your experiences if your organization uses platforms non-commercially;
- 'Customers' refers to the counter-parts of the business users, being the parties purchasing the goods or services. For advertising platforms, customers are the parties offering advertisement space.

If you have any questions regarding the survey, please contact us by sending an e-mail to b2brelations@ecorys.com.

Please start the questionnaire.

Q1 is asked only in the Open survey.

¹⁶⁶ The questions in the survey for business panel contain headings for internal use.

1. What is the name of your company?

--

2. Which online platforms does your company use for e-commerce?

Multiple answers possible.

1	<input type="checkbox"/>	Allegro
2	<input type="checkbox"/>	Amazon (e-commerce)
3	<input type="checkbox"/>	Autoscout24
4	<input type="checkbox"/>	Booking
5	<input type="checkbox"/>	Cabify
6	<input type="checkbox"/>	eBay
7	<input type="checkbox"/>	Expedia
8	<input type="checkbox"/>	Fnac
9	<input type="checkbox"/>	Groupon
10	<input type="checkbox"/>	HRS
11	<input type="checkbox"/>	Immobilienscout24
12	<input type="checkbox"/>	Kayak
13	<input type="checkbox"/>	MyTable
14	<input type="checkbox"/>	Spartoo
15	<input type="checkbox"/>	Trivago
16	<input type="checkbox"/>	Twago
17	<input type="checkbox"/>	Uvinum.com
18	<input type="checkbox"/>	Yelp (e-commerce)
19	<input type="checkbox"/>	Zalando
20	<input type="checkbox"/>	Other, please specify <i>*Open*</i>
21	<input type="checkbox"/>	My company is not involved in e-commerce

3. Which online platforms does your company use for **selling/providing access to apps?**

Multiple answers possible.

1	<input type="checkbox"/>	Amazon App Shop
2	<input type="checkbox"/>	Apple store (Apple apps)
3	<input type="checkbox"/>	Google Play (Android apps)
4	<input type="checkbox"/>	Samsung
5	<input type="checkbox"/>	LG (LG Smart World)
6	<input type="checkbox"/>	Opera (Opera Mobile Store)
7	<input type="checkbox"/>	Oculus
8	<input type="checkbox"/>	Microsoft Windows Store
9	<input type="checkbox"/>	Other, please specify <i>*Open*</i>
10	<input type="checkbox"/>	My company does not develop and sell apps

4. Which online platforms does your company use **for communication with customers, other businesses, employees, general public via social networks or social media?**

Multiple answers possible.

1	<input type="checkbox"/>	Facebook (social networks)
2	<input type="checkbox"/>	Copains d'Avant
3	<input type="checkbox"/>	Instagram

- 4 LinkedIn
- 5 Pinterest
- 6 Snapchat
- 7 Tumblr
- 8 Twitter
- 9 Viber
- 10 VK.com
- 11 Wordpress
- 12 YouTube
- 13 Other, please specify **Open**
- 14 My company does not use social networks and social media

5. Which online platforms does your company use **for serving and/or receiving online advertising**?

Multiple answers possible.

- 1 Amazon (advertising)
- 2 AOL (Ad Server)
- 3 Dailymotion
- 4 Facebook (advertising)
- 5 Google (DoubleClick)
- 6 Hi-media
- 7 Huffington Post
- 8 Microsoft (Bing ads)
- 9 Twitter
- 10 Yelp
- 12 Other, please specify **Open**
- 15 My company does not advertise online

6. Are there other purposes for which you use online platforms? (other purposes than e-commerce, selling/providing access to apps, communication, serving/receiving online advertising)

- 99 No, I don't use online platforms for other purposes
- 96 Yes, namely... **Open **

Go to Q8 if Q6 = No, I don't use online platforms for other purposes (otherwise move to Q7).

Go to Thank you page (end of questionnaire) if Q2=21, Q3=10, Q4=14, Q5=15.

7. Which online platforms do you use for these purposes? (Other purposes than e-commerce, selling/providing access to apps, communication, serving/receiving online advertising) **response is not required for this question.**

Go to Thank you page (end of questionnaire) if Q2=21, Q3=10, Q4=14, Q5=15.

8. Please provide an approximate estimate of how much of your turnover is generated via online platforms.

- 1 Less than 1/3
- 2 1/3 to 1/2
- 3 1/2 to 2/3
- 4 More than 2/3
- 5 I don't know but I consider platforms important for business development
- 6 Only marginal turnover, but strong reliance on business communication online (advertising, social media)
- 7 Marginal turnover and marginal importance for my business
- 8 Not applicable to my business model

9. Among the chosen platforms, what are the three most important platforms for your business? Please choose only 3 most important platforms from the selected above.

Respondents make a selection based on the platforms they have selected in Questions 2, 3, 4, 5 (except not question 6).

At least 1 platform has to be chosen, maximum 3 platforms can be chosen.

10. The main goal of this questionnaire is to find out about your experience in doing business with online platforms. The rest of the questions will refer only to one of the selected important platforms. Please choose a platform that you experience the most business-to-business related issues on:

Respondents choose 1 platform out of 3 indicated in question 9.

A disclaimer for the respondent:

From now on all the questions are related to platform [insert the chosen platform]. **The chosen platform is the one selected in Q10.**

11. How important is the platform for your business?

- 1 Not important at all
- 2 Not important
- 3 Not that important
- 4 Important
- 5 Very important

12. To what extent do you agree or disagree with the following statements?

		Strongly agree	Agree	I don't agree or disagree	Disagree	Strongly disagree	No opinion
1	It is easy for me get help and guidance regarding issues encountered in my experience with platform [insert the chosen platform].	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	The contractual terms, conditions and related practices of platform [insert the chosen platform] are clear to me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	I negotiated or tailored contractual terms and conditions to my needs with platform [insert the chosen platform]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	The contractual terms, conditions and related practices of platform [insert the chosen platform] are fair.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If Q12_4 is NOT 'Disagree' AND 'Strongly disagree', Go to Q14 (otherwise move to Q13).

13. You have indicated that you disagree with the statement that the contractual terms, conditions and related practices of platform [insert the chosen platform] are fair. Why do you think so? Please choose from the reasons below. *Multiple answers possible.*

- 1 No possibility to negotiate or amend the terms and conditions
- 2 Possibility of one-sided changes to the pricing and/or other terms and conditions by the platform
- 3 Unfair pricing (e.g. non-transparent pricing, distribution of revenues)
- 4 Limitation of payment possibilities
- 5 Limited access to dispute resolution
- 6 Language difficulties (e.g. difficult language, unclear language, terms and conditions are only available in foreign language)
- 7 Limitations on access and/or use of customer data
- 8 Limitations on portability of data
- 9 Biased on non-transparent search practices
- 10 Termination policy
- 11 No particular reason
- 12 Other, please specify **Open*

14. In the course of your business relationship with the indicated online platforms, has your company ever experienced any problems or disagreements with the platform [insert the chosen platform]?

- 1 Yes, often over the course of the relationship
- 2 Yes, only a few times over the course of the relationship
- 3 Yes, only once in the course of the whole relationship
- 4 Never

If Q14 = Never, Go to Q22 (Otherwise proceed with Q15 and the rest if relevant).

15. What was the cause of these problems? *Multiple answers possible.*

- 1 Lack of transparency of platform policies and practices on data/content
- 2 Lack of customer support
- 3 Sudden changes in contractual terms or pricing
- 4 Technical problems
- 5 Unfair terms and conditions for access to the platform
- 6 Limitations on payment possibilities
- 7 Bias of search related practices
- 8 Discontinuation/suspension of user account
- 9 Other, please specify *Open

(If Q14 is not equal 'Never', ask Q16.)

16. If you have experienced problems or disagreements with the online platform, what steps have you taken to resolve or remedy them? *Multiple answers possible.*

- 1 I complained to the respective online platform.
- 2 I filed an action with a court within the EU.
- 3 I filed an action with a court outside the EU.
- 4 I went to arbitration.
- 5 I went to mediation (offline).
- 6 I went to mediation (online)
- 7 I complained to an ombudsman.
- 8 I used other dispute resolution mechanism.
- 9 I significantly reduced my business relationship with the respective platform.
- 10 I terminated the relationship with the respective platform and switched to a different platform.
- 96 Other, please specify... *Open *
- 11 I took no steps to resolve the problem.

Technical note:

- If Q16 = I used other dispute resolution mechanism., ask Q17;
- If Q16=I complained to the respective online platform OR I filed an action with a court within the EU OR I filed an action with a court outside the EU OR I went to arbitration OR I went to mediation (offline) OR I went to mediation (online) OR I complained to an ombudsman OR I used other dispute resolution mechanism, ask Q18;

- If Q16= I significantly reduced my business relationship with the respective platform. OR I quit relationship with the respective platform and switched to a different platform, ask Q20;
- If Q16='I took no steps to resolve the problem', ask Q21.

If Q16 = I used other dispute resolution mechanism., ask Q17, otherwise move to Q18.

17. Please specify which other dispute resolution mechanisms you have used.

If Q16=I complained to the respective online platform OR I filed an action with a court within the EU OR I filed an action with a court outside the EU OR I went to arbitration OR I went to mediation (offline) OR I went to mediation (online) OR I complained to an ombudsman OR I used other dispute resolution mechanism, ask Q18.

18. If you took steps to resolve problems or disagreements with the online platform, what was the result of the proceedings used?

- 1 The problem was resolved completely and without difficulties.
- 2 The problem was not resolved.
- 3 The problem was resolved with difficulties.

If Q18=The problem was resolved with difficulties, ask Q19.

19. What type of difficulties did you encounter? *Multiple answers possible.*

- 1 The mechanism was not suited to resolve my problem.
- 2 I could not enforce the decision after the resolution.
- 3 The procedure was too expensive.
- 4 The procedure was too long.
- 5 I experienced language difficulties (i.e. the procedure was in a foreign language).
- 6 Foreign law applied.
- 7 The procedure was only possible abroad.
- 8 Other difficulties, please specify **Open*

If Q16= I significantly reduced my business relationship with the respective platform. OR I quit relationship with the respective platform and switched to a different platform, ask Q20.

20. If you quit or reduced your relationship with the online platform, what were the main reasons for that?

- 1 Recurring nature of the problem.
- 2 Inability or unwillingness of the platform to rectify the problem.
- 3 Unwillingness of the platform to use dispute resolution.
- 4 Quit or reduced the relationship after unsuccessfully using various available remedies/ dispute resolution mechanisms.
- 5 Other reason, please specify **Open*

If Q16='I took no steps to resolve the problem', ask Q19.

21. If you took no steps to resolve problems or disagreements with the online platforms, what were the main reasons for it? *Multiple answers possible.*

- 1 High cost of the proceedings.
- 2 Duration of the proceedings.
- 3 Difficulty of the procedure.
- 4 Lack of awareness about the existence of dispute resolution mechanisms.
- 5 Lack of knowledge how to start the proceedings.
- 6 The applicable procedure is in a foreign country or in foreign language.
- 7 I Expected the procedure to be biased.
- 8 I did not expect anything to come out of it.
- 9 I did not want to damage my business relationship with the platform.
- 10 I expected that the resolution would in any case not be enforced.
- 11 The problem was not that important.
- 12 Other reasons, please specify **Open*

22. How would you characterise changes in the terms, conditions and related practices regarding the issues below that occurred over the duration of your online business experience?

	Got significantly better	Got better	No particular changes to worse or better	Got worse	Got significantly worse	n/A or I don't know
Transparency of pricing and tariffs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to customer data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to transaction data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General balance of contractual rights and obligations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution of conflicts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarity of privacy and data rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rules on access to the platform (user/membership rules)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rules applicable to payments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Search related practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If Q14 =Never, Go to Q23, otherwise ask Q22.

23. Please indicate how experienced problems or disagreements with the platform [insert the chosen platform] impacted the following activities of your company in the last 3 years (2013 – 2016):

	Significantl y increased / improved	Increase d / improves	Significantl y increased / improved	Decrease / worsene d	Significantl y increased / improved
Turnover	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Profitability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of employees in your company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to new markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EU cross-border trade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Relationship with your contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of the products/services of your company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Final price paid by the consumers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Final choice available for the consumers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

24. What is the number of employees in your company?

- 1 1
- 4 2-9
- 2 10-49
- 3 50-249
- 4 250+

25. In which Member State of the European Union is your company established?

1	<input type="checkbox"/>	Austria
2	<input type="checkbox"/>	Belgium
3	<input type="checkbox"/>	Bulgaria
4	<input type="checkbox"/>	Cyprus
5	<input type="checkbox"/>	Croatia
6	<input type="checkbox"/>	Czech Republic
7	<input type="checkbox"/>	Denmark
8	<input type="checkbox"/>	Estonia
9	<input type="checkbox"/>	Finland
10	<input type="checkbox"/>	France
11	<input type="checkbox"/>	Germany
12	<input type="checkbox"/>	Greece
13	<input type="checkbox"/>	Hungary
14	<input type="checkbox"/>	Ireland
15	<input type="checkbox"/>	Italy
16	<input type="checkbox"/>	Latvia
17	<input type="checkbox"/>	Lithuania
18	<input type="checkbox"/>	Luxembourg
19	<input type="checkbox"/>	Malta
20	<input type="checkbox"/>	Netherlands
21	<input type="checkbox"/>	Poland
22	<input type="checkbox"/>	Portugal
23	<input type="checkbox"/>	Romania
24	<input type="checkbox"/>	Slovakia
25	<input type="checkbox"/>	Slovenia
26	<input type="checkbox"/>	Spain
27	<input type="checkbox"/>	Sweden
28	<input type="checkbox"/>	United Kingdom
29	<input type="checkbox"/>	Other, please specify <i>*Open</i>

26. In which country/countries of the European Union is your company active via the platform [insert platform]?

1	<input type="checkbox"/>	Austria
2	<input type="checkbox"/>	Belgium
3	<input type="checkbox"/>	Bulgaria
4	<input type="checkbox"/>	Cyprus
5	<input type="checkbox"/>	Croatia
6	<input type="checkbox"/>	Czech Republic
7	<input type="checkbox"/>	Denmark
8	<input type="checkbox"/>	Estonia
9	<input type="checkbox"/>	Finland
10	<input type="checkbox"/>	France
11	<input type="checkbox"/>	Germany
12	<input type="checkbox"/>	Greece
13	<input type="checkbox"/>	Hungary
14	<input type="checkbox"/>	Ireland
15	<input type="checkbox"/>	Italy
16	<input type="checkbox"/>	Latvia
17	<input type="checkbox"/>	Lithuania
18	<input type="checkbox"/>	Luxembourg
19	<input type="checkbox"/>	Malta
20	<input type="checkbox"/>	Netherlands
21	<input type="checkbox"/>	Poland
22	<input type="checkbox"/>	Portugal
23	<input type="checkbox"/>	Romania
24	<input type="checkbox"/>	Slovakia
25	<input type="checkbox"/>	Slovenia
26	<input type="checkbox"/>	Spain
27	<input type="checkbox"/>	Sweden
28	<input type="checkbox"/>	United Kingdom
29	<input type="checkbox"/>	Other, please specify <i>*Open</i>

27. What is your job function? *Multiple answers possible.*

- | | | |
|----|--------------------------|--|
| 1 | <input type="checkbox"/> | Administration |
| 2 | <input type="checkbox"/> | Communications & PR |
| 3 | <input type="checkbox"/> | Facilities |
| 4 | <input type="checkbox"/> | Finance and accounting |
| 5 | <input type="checkbox"/> | Human resources |
| 6 | <input type="checkbox"/> | Management (management of the company itself) |
| 7 | <input type="checkbox"/> | Executive (management of a department within the organization) |
| 8 | <input type="checkbox"/> | Informational system |
| 9 | <input type="checkbox"/> | Marketing |
| 10 | <input type="checkbox"/> | Production |
| 11 | <input type="checkbox"/> | Secretarial |
| 12 | <input type="checkbox"/> | Technician |
| 13 | <input type="checkbox"/> | Research/ Development |
| 14 | <input type="checkbox"/> | Law |
| 15 | <input type="checkbox"/> | Production/operation |
| 16 | <input type="checkbox"/> | Owner |
| 17 | <input type="checkbox"/> | Other, namely <i>*Open</i> |

28. What is the size of turnover of your business made in 2015?

- | | | |
|---|--------------------------|-----------------------------|
| 1 | <input type="checkbox"/> | 0 – € 1.999.999,- |
| 2 | <input type="checkbox"/> | € 2.000.000 – € 9.999.999 |
| 3 | <input type="checkbox"/> | € 10.000.000 – € 50.000.000 |
| 4 | <input type="checkbox"/> | More than € 50.000.000 |

29. What is the sector of your company?

- | | | |
|----|--------------------------|--|
| 1 | <input type="checkbox"/> | Agriculture, forestry and fishing |
| 2 | <input type="checkbox"/> | Mining and Quarrying |
| 3 | <input type="checkbox"/> | Manufacturing |
| 4 | <input type="checkbox"/> | Electricity, gas, steam and air conditioning systems |
| 5 | <input type="checkbox"/> | Water supply; sewerage, waste management and remediation activities |
| 6 | <input type="checkbox"/> | Construction |
| 7 | <input type="checkbox"/> | Wholesale and retail trade; repair of motor vehicles and motorcycles |
| 8 | <input type="checkbox"/> | Transportation and storage |
| 9 | <input type="checkbox"/> | Accommodation and food service activities |
| 10 | <input type="checkbox"/> | Information and communication |
| 11 | <input type="checkbox"/> | Financial and insurance activities |
| 12 | <input type="checkbox"/> | Real estate activities |
| 13 | <input type="checkbox"/> | Professional, scientific and technical activities |
| 14 | <input type="checkbox"/> | Administrative and support service activities |
| 15 | <input type="checkbox"/> | Public administration and defence: compulsory social security |
| 16 | <input type="checkbox"/> | Education |
| 17 | <input type="checkbox"/> | Human health and social work activities |

18	<input type="checkbox"/>	Arts, entertainment and recreation
19	<input type="checkbox"/>	Other service activities
20	<input type="checkbox"/>	Activities of households as employers; undifferentiated goods – and services – producing activities of households for own use
21	<input type="checkbox"/>	Activities of extraterritorial organisations and bodies

30. Would you agree to be contacted in the following months by Ecorys or the European Commission for a short interview by telephone (c. 15- 30 minutes) to talk in more detail about your experiences with online platform [insert the chosen platform]?

- Yes, please provide us your contact phone number and e-mail address
- No

Thank you page.

Your responses have been registered!

Thank you for taking the time to complete the survey, your input is valuable to us.

The results of this survey are expected to be published on aggregate level in May/June 2017.

Questionnaire for business users of online platforms: survey for a business panel

Please select the country:

- 1 A. Germany
- 2 B. France
- 3 C. Spain
- 4 D. Sweden
- 5 E. Lithuania
- 6 F Greece
- 7 G Slovakia

Q001: Introduction - Business experience with online Text platforms

Not back

Ecorys is a consulting firm working on a project for the European Commission. The European Commission is interested in businesses experiences with online platforms. The answers to the questions in the survey will be processed anonymously.

In the questionnaire we refer to 'your business' and 'your business relations', this refers to the professional use of platforms (in contrast to the use of platforms by consumers). We are also interested in your experiences if your organization uses platforms non-commercially.

B001: Introduction

Begin block

B001: Introduction

End block

B002: Questions (all respondents)

Begin block

Q025: Job function**Multi coded****Min = 1**

What is your job function?

Multiple answers possible.

Normal

- | | | |
|----|--------------------------|--|
| 1 | <input type="checkbox"/> | Administration |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 2 | <input type="checkbox"/> | Communications & PR |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 3 | <input type="checkbox"/> | Facilities |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 4 | <input type="checkbox"/> | Finance and accounting |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 5 | <input type="checkbox"/> | Human resources |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 6 | <input type="checkbox"/> | Management (management of the company itself) |
| 7 | <input type="checkbox"/> | Executive (management of a department within the organization) |
| 8 | <input type="checkbox"/> | Informational system |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 9 | <input type="checkbox"/> | Marketing |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 10 | <input type="checkbox"/> | Production |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 11 | <input type="checkbox"/> | Secretarial |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 12 | <input type="checkbox"/> | Technician |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 13 | <input type="checkbox"/> | Research/ Development |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 14 | <input type="checkbox"/> | Law |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 15 | <input type="checkbox"/> | Production/operation |
| | <input type="checkbox"/> | GO TO SCREEN OUT |
| 16 | <input type="checkbox"/> | Owner |
| 17 | <input type="checkbox"/> | Other, namely *Open |
| | <input type="checkbox"/> | GO TO SCREEN OUT |

Scripter notes: if 6,7 and/or 16 go on (with or without a combination of other jobs)

Q002: Online platforms

Multi coded

Min = 1Please indicate all the online platforms your company is using **for e-commerce**.

Multiple answers are possible.

Normal

- | | | |
|----|--------------------------|--|
| 1 | <input type="checkbox"/> | Allegro |
| 2 | <input type="checkbox"/> | Amazon |
| 3 | <input type="checkbox"/> | Autoscout24 |
| 4 | <input type="checkbox"/> | Booking |
| 5 | <input type="checkbox"/> | Cabify |
| 6 | <input type="checkbox"/> | eBay |
| 7 | <input type="checkbox"/> | Expedia |
| 8 | <input type="checkbox"/> | Fnac |
| 9 | <input type="checkbox"/> | Groupon |
| 10 | <input type="checkbox"/> | HRS |
| 11 | <input type="checkbox"/> | ImmobilienScout24 |
| 12 | <input type="checkbox"/> | Kayak |
| 13 | <input type="checkbox"/> | MyTable |
| 14 | <input type="checkbox"/> | Spartoo |
| 15 | <input type="checkbox"/> | Trivago |
| 16 | <input type="checkbox"/> | Twago |
| 17 | <input type="checkbox"/> | Uvinum.com |
| 18 | <input type="checkbox"/> | Yelp |
| 19 | <input type="checkbox"/> | Zalando |
| 20 | <input type="checkbox"/> | Other, please specify <i>*Open *Position fixed</i> |
| 21 | <input type="checkbox"/> | My company is not involved in e-commerce <i>*Position fixed *Exclusive</i> |

Scripter notes: Keep 'for e-commerce' bold

Q003: selling/providing access to apps

Multi coded

Min = 1

Please indicate the online platforms(s) your company is using **for selling/providing access to apps**.

Multiple answers possible.

Normal

- 22 Amazon App Shop
- 23 Apple store (Apple apps)
- 24 Google Play (Android apps)
- 25 Samsung
- 26 LG (LG Smart World)
- 27 Opera (Opera Mobile Store)
- 28 Oculus
- 29 Microsoft Windows Store
- 30 Other, please specify **Open*
- 31 My company does not develop and sell apps **Exclusive*

Scripter notes: Keep 'for selling/providing access to apps' bold

Q004: Communication with customers, via social networks and media Multi coded

Min = 1

Please indicate the online platform(s) your company is using **for communication with customers, other businesses, employees, general public, via social networks or social media.**

Multiple answers possible.

Normal

- 32 Facebook
- 33 Copains d'Avant
- 34 Instagram
- 35 LinkedIn
- 36 Pinterest
- 37 Snapchat
- 38 Tumblr
- 39 Twitter
- 40 Viber
- 41 VK.com
- 42 Wordpress
- 43 YouTube
- 44 Other, please specify **Open*
- 45 My company does not use social networks and social media **Exclusive*

Scripter notes: Keep 'for communication with customers, other businesses, employees, general public, via social networks or social media' bold

Q005: Serving and/or receiving online advertising

Multi coded

Min = 1

Please indicate the online platform(s) your company is using **for serving and/or receiving online advertising**.

Multiple answers possible.

Normal

- 46 Amazon
- 47 AOL (ad server)
- 48 Dailymotion
- 49 Facebook
- 50 Google (DoubleClick)
- 51 Hi-media
- 52 Microsoft (Bing ads)
- 53 Huffington Post
- 54 Twitter
- 55 Yelp
- 56 Other, please specify **Open*
- 57 My company does not advertise online **Exclusive*

Scripter notes: Keep 'for serving and/or receiving online advertising' bold

Q006: Other purpose

Single coded

Answer not required

Are there other purposes for which you use online platforms?

(other purposes than e-commerce, selling/providing access to apps, communication, serving/receiving online advertising)

Normal

- 96 Yes, namely... **Open *Position fixed*
- 99 No I don't use online platforms for other purposes **Position fixed *Exclusive*

Ask only if **Q006,96**

Q007:

Open

Not back

Which online platforms do you use for these purposes? (other purposes than e-commerce, selling/providing access to apps, communication, serving/receiving online advertising)

99 I don't know *Position fixed *Exclusive

Q008: Estimate of turnover

Single coded

Please provide an approximate estimate of how much of your turnover is generated via online platforms.

Normal

- 1 Less than 1/3
- 2 1/3 to 1/2
- 3 1/2 to 2/3
- 4 More than 2/3
- 5 I don't know but I consider platforms important for business development
- 6 Only marginal turnover, but strong reliance on business communication online (advertising, social media)
- 7 Marginal turnover and marginal importance for my business
- 8 Not applicable to my business model

Q009: Chosen platforms

Multi coded

Min = 3 | Max = 3 | Top of Mind = 3

Among the chosen platforms, what are the three most important platforms for your business?

Please choose a maximum of 3 platforms.

Normal

- 1 Combine list from Q2-Q3-Q4-Q5 (including others,...)
- 2 List
- 3 List

Scripter notes: Please insert the selected answers of 2,3,4,5 (not question 6). Within this selection respondents have to choose a maximum of 3 platforms.

Control on **Q009**

Q010: Rank platforms on fairness of contractual terms

Single coded

The main goal of this questionnaire is to find out about your experience in doing business with online platforms. The rest of the questions will refer only to one of the selected important platforms. Please choose a platform that you experience the most business-to-business related issues.

Please choose which one you would like the following questions to refer to.

Normal

- 1 List Q2-Q3-Q4-Q5
- 2 list
- 3 List

Scripter notes: Insert the 3 chosen platforms in Q9. The respondent has to choose one.

The next questions will be about that online platform.

Q032:

Single coded

Not back

How important is the platform [insert platform] for your business?

Please rank the platform between 1 and 5.

Normal

- 1 Not important at all
- 2 Not important
- 3 Not that important
- 4 Important
- 5 Very important

Scripter notes: insert the platform chosen in Q10

Q011:

Text

Not back

From now on all the questions are related to platform [....]

Scripter notes: fill in the online platform chosen in the previous question (q10)

Q012: Statements

Matrix

Not back | Number of rows: 4 | Number of columns: 6

To what extent do you agree or disagree with the following statements?

Normal

Rendered as Dynamic Grid

	Strongly agree	Agree	I don't agree or disagree	Disagree	Strongly disagree	No opinion
It is easy for me get help and guidance regarding issues encountered in my experience with platform [insert the chosen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

platform].						
The contractual terms, conditions and related practices of platform [insert the chosen platform] are clear to me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I negotiated or tailored contractual terms and conditions to my needs with platform [insert the chosen platform]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The contractual terms, conditions and related practices of platform [insert the chosen platform] are fair.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Scripter notes: Insert between brackets the platform that was ranked in Q010 (the chosen one).

B002: Questions (all respondents)

End block

B003: 2

Begin block

Ask only if **Q012 ROW=4 & COL=4,5**

Q013: disagree on fairness

Multi coded

Min = 1

You have indicated that you disagree with the statement that the contractual terms, conditions and related practices of platform [insert name of the chosen platform] are fair. Why do you think so? Please choose from the reasons below.

Please choose from the reasons below.

Normal

1	<input type="checkbox"/>	No possibility to negotiate or amend the terms and conditions
2	<input type="checkbox"/>	Possibility of one-sided changes to the pricing and/or other terms and conditions by the platform
3	<input type="checkbox"/>	Unfair pricing (e.g. non-transparent pricing, distribution of revenues)
4	<input type="checkbox"/>	Limitation of payment possibilities

- | | | |
|----|--------------------------|--|
| 5 | <input type="checkbox"/> | Limited access to dispute resolution |
| 6 | <input type="checkbox"/> | Language difficulties (e.g. difficult language, unclear language, terms and conditions are only available in foreign language) |
| 7 | <input type="checkbox"/> | Limitations on access and/or use of customer data |
| 8 | <input type="checkbox"/> | Limitations on portability of data |
| 9 | <input type="checkbox"/> | Biased on non-transparent search practices |
| 10 | <input type="checkbox"/> | Termination policy |
| 11 | <input type="checkbox"/> | No particular reason |
| 12 | <input type="checkbox"/> | Other, please specify <i>*Open</i> |

Scripter notes: Insert between brackets the platform that was ranked the least fair in Q010.

Q014: Problems or disagreements with platform XX

Single coded

In the course of your business relationship with the indicated online platforms, has your company ever experienced any problems or disagreements with the platform [XX]?

Normal

- | | | |
|---|--------------------------|---|
| 1 | <input type="checkbox"/> | Yes, often over the course of the relationship |
| 2 | <input type="checkbox"/> | Yes, only a few times over the course of the relationship |
| 3 | <input type="checkbox"/> | Yes, only once in the course of the whole relationship |
| 4 | <input type="checkbox"/> | Never |

Scripter notes: In brackets insert the company that is ranked the least fair in Q010.

Ask only if **Q014,1,2,3**

Q015: Cause of problems

Multi coded

Min = 1

What was the cause of these problems?

Multiple answers possible.

Normal

- | | | |
|---|--------------------------|---|
| 1 | <input type="checkbox"/> | Lack of transparency of platform policies and practices on data/content |
| 2 | <input type="checkbox"/> | Lack of customer support |
| 3 | <input type="checkbox"/> | Sudden changes in contractual terms or pricing |
| 4 | <input type="checkbox"/> | Technical problems |
| 5 | <input type="checkbox"/> | Unfair terms and conditions for access to the platform |
| 6 | <input type="checkbox"/> | Limitations on payment possibilities |
| 7 | <input type="checkbox"/> | Bias of search related practices |
| 8 | <input type="checkbox"/> | Discontinuation/suspension of user account |
| 9 | <input type="checkbox"/> | Other, please specify <i>*Open</i> |

Ask only if **Q014,1,2,3**

Q016: Resolve problems with online platform

Multi coded

Min = 1

If you have experienced problems or disagreements with the online platform, what steps have you taken to resolve or remedy them?

Multiple answers possible.

Normal

- | | | |
|---|--------------------------|--|
| 1 | <input type="checkbox"/> | I complained to the respective online platform. |
| 2 | <input type="checkbox"/> | I filed an action with a court within the EU. |
| 3 | <input type="checkbox"/> | I filed an action with a court outside the EU. |
| 4 | <input type="checkbox"/> | I went to arbitration. |
| 5 | <input type="checkbox"/> | I went to mediation (offline). |
| 6 | <input type="checkbox"/> | I went to mediation (online) |
| 7 | <input type="checkbox"/> | I complained to an ombudsman. |
| 8 | <input type="checkbox"/> | I used other dispute resolution mechanism. Please specify. <i>*Open</i> |
| 9 | <input type="checkbox"/> | I significantly reduced my business relationship with the respective platform. |

- 10 I terminated the relationship with the respective platform and switched to a different platform.
- 96 Other, please specify... **Open *Position fixed*
- 11 I took no steps to resolve the problem.

Ask only if **Q016,1,2,3,4,5,7,8,6**

Q017: Result of the steps to resolve problems

Single coded

If you took any steps to resolve problems or disagreements with the online platform, what was the result of the proceedings used?

Normal

- 1 The problem was resolved completely and without difficulties.
- 2 The problem was not resolved.
- 3 The problem was resolved with difficulties.

Ask only if **Q017,3**

Q018: Problem resolved with difficulties

Multi coded

Min = 1

What type of difficulties did you encounter?

Multiple answers possible.

Normal

- 1 The mechanism was not suited to resolve my problem.
- 2 I could not enforce the decision after the resolution.
- 3 The procedure was too expensive.
- 4 The procedure was too long.
- 5 I experienced language difficulties (i.e. the procedure was in a foreign language).
- 6 Foreign law applied.
- 7 The procedure was only possible abroad.
- 8 Other difficulties, please specify **Open*

Ask only if **Q016,9,10**

Q019: Reduced relationship with respective platform **Single coded**

If you quit or reduced your relationship with the online platform, what were the main reasons for that?

Normal

- 1 Recurring nature of the problem.
- 2 Inability or unwillingness of the platform to rectify the problem.
- 3 Unwillingness of the platform to use dispute resolution.
- 4 Quit or reduced the relationship after unsuccessfully using various available remedies/ dispute resolution mechanisms.
- 5 Other reason, please specify **Open*

Ask only if **Q016,11**

Q020: Reason to not take steps to resolve the problem **Multi coded**

Min = 1

If you took no steps to resolve problems or disagreements with the online platform(s), what were the main reasons for it?

Multiple answers possible.

Normal

- 1 High cost of the proceedings.
- 2 Duration of the proceedings.
- 3 Difficulty of the procedure.
- 4 Lack of awareness about the existence of dispute resolution mechanisms.
- 5 Lack of knowledge how to start the proceedings.
- 6 The applicable procedure is in a foreign country or in foreign language.
- 7 I Expected the procedure to be biased.
- 8 I did not expect anything to come out of it.
- 9 I did not want to damage my business relationship with the platform.
- 10 I expected that the resolution would in any case not be enforced.
- 11 The problem was not that important.
- 12 Other reasons, please specify **Open*

Q021: Characterise changes in T&C and related practices Matrix**Number of rows: 9 | Number of columns: 6**

How would you characterise changes in the terms, conditions and related practices regarding the issues below that occurred over the duration of your online business experience?

Random**Rendered as Dynamic Grid**

	changed strongly to the worse	changed to the worse	no particular changes to the worse or better	got better	got much better	I don't know
Transparency of pricing and tariffs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to customer data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to transaction data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General balance of contractual rights and obligations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution of conflicts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarity of privacy and data rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rules on access to the platform (user/membership rules)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rules applicable to payments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Search related practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Ask only if NOT Q014,4

Q022: Negative impact in last three years Matrix**Number of rows: 11 | Number of columns: 6**

Please indicate how experienced problems or disagreements with the platform XX impacted the following activities of your company in the last 3 years (2013 – 2016).

Random

Rendered as Dynamic Grid

	Significantly increased / improved	Increased / improved	No change	Decreased / worsened	Significantly decreased / worsened	Don't know
Turnover	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Profitability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of employees in your company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to new markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EU cross-border trade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Relationship with your contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of the products of your company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Final price paid by the consumers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Final choice available for the consumers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q033:

Multi coded

Not back | Min = 1

In which country/countries is your company active via the platform [insert platform]?

Multiple answers are possible

Normal

- 1 Austria
- 2 Belgium
- 3 Bulgaria
- 4 Cyprus
- 5 Croatia
- 6 Czech Republic
- 7 Denmark
- 8 Estonia
- 9 Finland
- 10 France
- 11 Germany
- 12 Greece
- 13 Hungary
- 14 Ireland
- 15 Italy
- 16 Latvia
- 17 Lithuania
- 18 Luxembourg
- 19 Malta
- 20 Netherlands
- 21 Poland
- 22 Portugal
- 23 Romania
- 24 Slovakia
- 25 Slovenia
- 26 Spain
- 27 Sweden
- 28 United Kingdom

Scripter notes: insert platform chosen in Q10

B003: 2

End block

B004: Background questions

Begin block

Q023: Company size

Single coded

What is the number of employees in your company?

Normal

1	<input type="checkbox"/>	1
4	<input type="checkbox"/>	2-9
2	<input type="checkbox"/>	10-49
3	<input type="checkbox"/>	50-249

Q026: Company sector

Single coded

What is the sector of your company?

Normal

- 1 Agriculture, forestry and fishing
- 2 Mining and Quarrying
- 3 Manufacturing
- 4 Electricity, gas, steam and air conditioning systems
- 5 Water supply; sewerage, waste management and remediation activities
- 6 Construction
- 7 Wholesale and retail trade; repair of motor vehicles and motorcycles
- 8 Transportation and storage
- 9 Accommodation and food service activities
- 10 Information and communication
- 11 Financial and insurance activities
- 12 Real estate activities
- 13 Professional, scientific and technical activities
- 14 Administrative and support service activities
- 15 Public administration and defence: compulsory social security
- 16 Education
- 17 Human health and social work activities
- 18 Arts, entertainment and recreation
- 19 Other service activities
- 20 Activities of households as employers; undifferentiated goods – and services – producing activities of households for own use
- 21 Activities of extraterritorial organisations and bodies

Q031: turnover

Single coded

Not back

What is the size of turnover of your business made in 2015?

Please indicate your turnover in **Euro's** (or calculate your turnover into Euro's).

Normal

- | | | | |
|---|--------------------------|---|-----------------------------|
| 1 | <input type="checkbox"/> | • | 0 – € 1.999.999,- |
| 2 | <input type="checkbox"/> | • | € 2.000.000 – € 9.999.999 |
| 3 | <input type="checkbox"/> | • | € 10.000.000 – € 50.000.000 |
| 4 | <input type="checkbox"/> | • | More than € 50.000.000 |

Scripter notes: please keep euro's bold

Q027: Continue discussion with clients

Single coded

The client of this research (Ecorys) would like to approach some participants of this research to continue discussing the experience of online platforms by phone. It will be a phone call of around 20-25 minutes. This will take place in the period 10-12-2016 and 15-12-2016 or 09-01-2017 and 20-01-2017. Therefore, she would like to read the answers you've just given and to ask for your phone number. TNS NIPO is able to share your answers, on identifying level, to the client ONLY if you approve it. Your information will only be used exclusively for this phone call.

Are you willing to continue discussing your experience of online platforms with Ecorys?

Normal

- | | | |
|---|--------------------------|--|
| 1 | <input type="checkbox"/> | Yes, I consent to TNS NIPO to provide my answers to this research, identifying form, for said purposes. Also I want to give my telephone number. |
| 2 | <input type="checkbox"/> | No, I do not want to participate. |

Ask only if **Q027,1**

Q028: Telephone number?

Open

What is your telephone number?

Scripter notes: Use the telephone check for this question

B004: Background questions

End block

Questionnaire for online platforms: open and closed surveys

<Title> EU Commission interested in your experiences with business users

<Introduction>

Thank you for agreeing to participate. The focus of the questionnaire is on terms and conditions, related practices and policies applicable to business users on your platform. The answers to the questions in the survey will be processed anonymously.

Some key definitions of terms used throughout the questionnaire:

- 'Platform' refers to an online platform where buyers and sellers of products or services meet;
- 'Business users' refers to businesses offering goods or services. For advertising platforms, business users are the parties seeking to buy advertisement space.
- 'Customers' refers to the counter-parts of the business users, being the parties purchasing the goods or services. For advertising platforms, customers are the parties offering advertisement space.

If you have any questions regarding the survey, please contact us by sending an e-mail to b2brelations@ecorys.com.

Please start the questionnaire.

Q1 is asked only in the Open survey.

1. What is the name of your company?

2. For what purpose is your platform mainly used by business users?
Multiple answers possible.

- 1 For selling goods (e-commerce in goods)
- 2 For selling services (e-commerce in services)

- 3 Publishing online advertising
- 4 Offering advertising slots
- 5 Developing and selling apps
- 6 Communication with potential business partners
- 7 Promotion of brands and marketing
- 8 Communication with customers
- 9 Other uses, please specify *Open

If more than 1 answer is responded, ask Q3, otherwise move to Q4.

- 3. The rest of the questions will refer only to one of the selected purposes. Please choose which one you would like your answers to refer to:

- Answers are only those selected in Q2 and only 1 answer is possible.

- 4. Is your platform itself engaged in the same business activity as your business users?

- 1 Yes
- 2 No

- 5. What topics are addressed in the terms and conditions of use of your online platform for business users? *Multiple answers possible.*

- 1 Use of customer data by the online platform
- 2 Use of business data by the online platform
- 3 Privacy rules and/or resulting liabilities
- 4 Pricing for the use of the platform services
- 5 Revenue sharing
- 6 Liability for content/ product / service
- 7 Search related rules (for example, ranking within search results)
- 8 Payment possibilities
- 9 Termination of contract / membership
- 10 Refusal / removal of specific offers
- 11 Restrictions and obligations concerning inventory
- 12 Sanctions in case of violation of contractual terms and conditions
- 13 Other issues. Please give examples of the most important topics for your platform. <text box>

- 6. Do the terms and conditions of use of your platform differ in application to different categories of users?

- 1 There is no difference.
- 2 Different standard terms and conditions apply to consumers and to businesses.
- 3 Standard terms and conditions differ depending on the amount of use (for example light users v heavy users, for users achieving certain revenue etc.).
- 4 Contractual terms and conditions are negotiated individually with all business users.
- 5 Contractual terms and conditions are negotiated individually with some business users, while other business users are subject to standard terms and conditions.
- 6 Other. Please specify <text box>

Technical note:

If Q6="Contractual terms and conditions are negotiated individually with some business users, while other business users are subject to standard terms and conditions" OR "Standard terms and conditions differ depending on the amount of use (for example light users v heavy users, for users achieving certain revenue etc).", ask Q7.

If Q6='different terms and conditions' OR 'differ depending on the amount of use' OR 'contractual terms and conditions are negotiated', then ask Q8.

Else go to Q9.

If Q6="Contractual terms and conditions are negotiated individually with some business users, while other business users are subject to standard terms and conditions" OR "Standard terms and conditions differ depending on the amount of use (for example light users v heavy users, for users achieving certain revenue etc).", ask Q6, otherwise move to Q8 if needed, or Q9.

7. What percentage of your business users is subject to individually negotiated contractual terms and conditions? Please estimate.
<text box>

If Q6='different terms and conditions' OR 'differ depending on the amount of use' OR 'contractual terms and conditions are negotiated', then ask Q8.

8. What are the main differences in terms of conditions for different user categories? *Multiple answers possible.*

- 1 In pricing of the platform's services
- 2 In access to customer data, data use and/or portability conditions
- 3 In access, use and portability of data of business users
- 4 In availability of remedies and dispute resolution mechanisms
- 5 In restrictions and obligations concerning inventory
- 6 In sanctions for violations of terms and conditions
- 7 Other differences. Please specify. <text box>

9. Please indicate which of the following options regarding your contractual terms and conditions of use are available for your business users: *Multiple answers possible.*

- 1 Summary of the most important points of contractual terms and conditions;
- 2 Q&A on contractual terms and conditions;
- 3 Contractual terms and conditions in several European languages;
- 4 Plain/simple language version of terms and conditions;
- 5 Business user support with regard to contractual terms and conditions (hotline, chat functions);
- 6 None of the above;
- 7 Other, please specify. <text box>

10. Have you ever received complaints from business users regarding contractual terms and conditions and related practices, including data and privacy policies, as well as about possible other (non-contractual) issues?

- 1 Yes
- 2 No

If Q10=Yes, proceed with Q11, Q12 and the rest if needed; otherwise go to Q17.

11. How many complaints from business users did your platform receive regarding contractual terms and conditions and related practices, including data and privacy policies, as well as about possible other (non-contractual) issues?

If exact numbers are not available, please estimate.

- In 2014: <text box>
- In 2015: <text box>
- During the first half of 2016: <text box>

If Q10=Yes, proceed with Q11, Q12 and the rest if needed; otherwise go to Q17.

12. What are top five recurring subjects of complaints by business users? Please specify.

- i. <text box>
- ii. <text box>
- iii. <text box>
- iv. <text box>
- v. <text box>

If Q10=Yes, proceed with Q11, Q12 and the rest if needed; otherwise go to Q17.

13. For each of the top five recurring subjects of complaints, what is the share (%) of this specific complaint in the total number of complaints. *If exact numbers are not available, please estimate.*

1. <text box>
2. <text box>
3. <text box>
4. <text box>
5. <text box>

If Q10=Yes, proceed with Q11, Q12 and the rest if needed; otherwise go to Q17.

14. What actions did you undertake to address the recurring problem XY? (first choice of the subjects named in Q12¹⁶⁷)

Multiple answers possible.

- 1 Renegotiation or amendment of the contract(s) with the complainants
- 2 Changes to the standard terms and conditions
- 3 Introduction/use of an internal dispute resolution system
- 4 Improvement of transparency and provision of information to business users
- 5 Discontinued relationship with the complainant
- 6 Re-instated/re-activated full functionality of business user's account
- 7 Reduced functionality of business user's account
- 8 Other actions. Please specify. <text box>
- 9 Nothing at all

Technical note:

If Q14='renegotiation or amendment of contracts with the complainants', ask Q16.

If Q14= 'changes to standard terms and conditions', ask Q16.

Otherwise go to Q17.

If Q14='renegotiation or amendment of contracts with the complainants', ask Q15.

15. What contractual terms and conditions were renegotiated? *Multiple answers possible.*

- 1 Conditions on access and use of transaction and commercial data
- 2 Conditions on access and use of customer data
- 3 Data portability
- 4 Tariffs and prices
- 5 Payment related conditions, including payment possibilities

¹⁶⁷ We will monitor the responses to question 4.B., if a large share of platforms mention the same subject first we may decide to refer to the second or third ranked subject.

- 6 Other issues. Please specify <text box>
- 7 No information available

If Q14= 'changes to standard terms and conditions', ask Q16.

16. What standard terms and conditions were changed? *Multiple answers possible.*

- 1 Conditions on access and use of transaction and commercial data
- 2 Conditions on access and use of customer data
- 3 Tariffs and/or pricing policy
- 4 Data portability
- 5 Payment possibilities
- 6 Search related rules
- 7 Changes to termination rules, rules on alteration of contracts
- 8 Introduce stricter sanctions
- 9 Other. Please specify <text box>
- 10 No information available

17. What contractual measures are foreseen in case business users violate contractual terms, conditions and related policies of your platform? *Multiple answers possible.*

- 1 Restriction of functionalities of business user account;
- 2 Removal of business users' accounts
- 3 Temporary suspension of business users after first violation
- 4 Temporary suspension of business users after repeated violation
- 5 Warning messages
- 6 Legal actions in court
- 7 Mediation
- 8 Arbitration
- 9 Fines
- 10 Other, please specify <text box>

18. What conflict resolution mechanisms are available to business users of your platform if they encounter problems in the course of commercial relations with your platform? *Multiple answers possible.*

- 1 An internal dispute resolution mechanism
- 2 Independent mediation offline
- 3 Independent mediation online
- 4 Independent arbitration
- 5 A dedicated dispute resolution authority within the EU
- 6 (National) Ombudsman in the EU
- 7 Commercial court in the EU
- 8 Commercial court outside of the EU
- 9 Other. Please specify <text box>

If Q18 is 'an internal dispute resolution mechanism', proceed with Q19, otherwise go to Q20.

19. Please briefly describe the internal redress mechanism? Provide us with links (URL) to it if possible.

--

If Q10=Yes, proceed with Q20, Q21 and Q22; otherwise go to Q23.

20. How many complaints from business users were resolved by using only one of the following mechanisms?

If exact numbers are not available, please estimate.

Negotiation	<text box>
Internal dispute resolution mechanism	<text box>
Mediation or other third party alternative dispute resolution mechanism	<text box>
Commercial court in the EU	<text box>
Commercial court outside of the EU	<text box>
A dedicated dispute resolution authority within the EU	<text box>
Ombudsman within the EU	<text box>
Other. Please specify	<text box>

If Q10=Yes, proceed with Q20, Q21 and Q22; otherwise go to Q23.

21. How many complaints from business users could be resolved only after using several of the mentioned mechanism(s)?

If exact numbers are not available, please estimate.

- 1 One mechanism was always sufficient
- 2 Less than 5% of all complaints
- 3 5%-10% of all complaints
- 4 10%-30% of all complaints
- 5 30%-50% of all complaints
- 6 Several mechanisms are commonly used (more than 50%)

If Q10=yes, proceed with Q20, Q21 and Q22; otherwise go to Q23.

22. How long on average does it take to resolve a complaint by a business user in the majority of cases?

If exact numbers are not available, please estimate.

- 1 Within 3 working days
- 2 Within 1 week
- 3 1-2 weeks
- 4 Within 1 month
- 5 More than 1 month

23. To what extent are changes and amendments of your contractual terms and conditions, including data and privacy rules, for business users driven by the following factors?

	No influence				Very strong influence	N/A or I don't know
Market developments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business users behaviour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business users' complaints	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business users misconduct	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Competitive pressure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General considerations of optimisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technological developments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public opinion / governmental pressure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other. Please specify <Text box>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

24. Do you foresee any major developments (for example technological developments, changes in business model, regulatory requirements, changes in customers' preferences) that may require a fundamental change in terms and conditions in the next couple of years?

- 1 Yes.
- 2 No
- 3 I don't know.

If Q24 is Yes, proceed with Q25; otherwise go to Q26.

25. Please specify the developments and related changes in terms and conditions.

26. What types of measures do you adopt to prevent conflicts and disagreements with your business users? *Multiple answers possible.*

- 1 Transparent and clear data policies
- 2 Transparent and objective search-related rules (e.g. search algorithm based on objective factors)
- 3 Policies and general terms and conditions in plain language
- 4 Policies and general terms and conditions in several languages
- 5 Information about changes in terms and conditions
- 6 Possibility to negotiate the general terms and conditions of the service contract

- 7 Adherence to code of good practice or best practices.
- 8 Other (please specify) <text box>
- 9 I don't know

If Q26 is 'Adherence to code of good practice or best practices', proceed with Q27; otherwise go to Q28.

27. Please indicate to which code of good practice or best practices you adhere.

28. How often do you detect violation of your terms and conditions of use and related policies (including privacy, data protection, intellectual property rights) by business users?

- 1 Very often
- 2 Often
- 3 Rarely
- 4 Very rarely
- 5 Never
- 6 I don't know

If Q28 is 'Very often', OR 'Often', OR 'Rarely', OR 'Very rarely', proceed with Q29; go to Q30.

29. What actions do you undertake when you detect violation of your terms and conditions of use and related policies (including privacy, data protection, intellectual property rights) by business users? *Multiple answers possible.*

- 1 Introduce membership with restricted functionalities;
- 2 Delete business users' accounts
- 3 Ban business users after first violation (temporary suspension)
- 4 Ban business users after repeated violations (temporary suspension)
- 5 Send a warning message
- 6 File an action with a court
- 7 Involve a mediator
- 8 Go to arbitration
- 9 Impose a fine on violators
- 10 Other, please specify <text box>

30. What type of business model do you apply?
Multiple answers possible.

- 1 Fee charged to business users (sellers)
- 2 Fee charged to buyers
- 3 Advertising based
- 4 Other, please specify <text box>

31. Would you agree to be contacted in the following months by or on behalf of the European Commission for a short interview (around 15-30 minutes) to talk in more detail about your terms and conditions of use in relation to business users?

- 1 Yes.
- 2 No

If Q31=Yes, ask Q32, otherwise proceed to Thank you page.

32. Please indicate your phone number and/or email address so that we can contact you.

Phone number	<text box>
Email address	<text box>

Thank you page.

ANNEX D: DETAILED RESULTS OF THE SURVEYS FOR BUSINESS USERS

This Annex presents the results for the three surveys for business users:

- A survey using the TNS business panel (from now onwards referred to as “business panel survey”);
- A survey targeting among selected business users on an invitation-only basis (from now onwards referred to as “closed survey for business users” or “closed survey”);
- A survey made accessible to all business users and platforms via the website of the EC (from now onwards referred to as “open survey for business users” or “open survey”).

For each of the surveys the distinction is made between total sample, heavy users and non-heavy users:

- Total sample constitute the sample for a survey including both heavy and non-heavy users;
- Heavy users are business users that generate more than third of their turnover via online platforms. This criterion is assessed based on the question of the survey ‘Please provide an approximate estimate of how much of your turnover is generated via online platforms.’ (question 8 in Annex C);
- Non-heavy users are those business users that are not heavy.

The results of the surveys include a detailed description of the surveys samples and additional survey results, in particular the following for business panel survey, closed and open surveys:

- Size of the company;
- Job function of a respondent;
- Country of reach via online platforms;
- Usage of online platforms: purposes of use;
- Importance of online platforms;
- Problems and disagreements experienced over the course of business relationship;
- Changes in the terms, conditions and related practices.

Business panel survey

This section describes the results of the survey conducted by Kantor TNS on behalf of Ecorys from 25 November to 11 December 2016. In total 2,553 business users responded to the survey. The survey targeted SMEs in seven EU Member States: Germany, France, Spain, Sweden, Lithuania, Greece, and Slovakia. Countries covered and the total number of respondents who completed the questionnaire are presented in the table below.

Table D.1 Country of origin of respondents – business panel survey

Country	Germany	France	Spain	Sweden	Lithuania	Greece	Slovakia	Total
Total	537	579	505	516	56	68	292	2,553
Heavy users	72	101	72	30	10	10	28	323
Non-heavy	465	478	433	486	46	58	264	2,230

Country	Germany	France	Spain	Sweden	Lithuania	Greece	Slovakia	Total
users								

Source: Ecorys analysis.

Business users were asked to indicate which sector of economic activity they conduct business in, the size of the company (in terms of turnover and number of employees), and their job function.

Business users are active in various sectors of economic activity. Table D.2 presents an overview of respondents per sector. Majority of the respondents is active in the sector 'other service activities' (16% of business users). Heavy users are mostly active in the sector wholesale and retail trade (14%).

Table D.2 Sector of economic activity of business users – business panel survey

Sector of a company	Share of respondents		
	Total	Heavy users	Non-heavy users
Agriculture, forestry and fishing	2%	2%	3%
Mining and Quarrying	1%	2%	1%
Manufacturing	8%	9%	8%
Electricity, gas, steam and air conditioning systems	1%	2%	1%
Water supply; sewerage, waste management and remediation activities	1%	2%	1%
Construction	6%	2%	6%
Wholesale and retail trade; repair of motor vehicles and motorcycles	11%	14%	11%
Transportation and storage	3%	5%	3%
Accommodation and food service activities	4%	7%	4%
Information and communication	7%	11%	7%
Financial and insurance activities	4%	3%	4%
Real estate activities	4%	6%	4%
Professional, scientific and technical activities	8%	4%	9%
Administrative and support service activities	3%	4%	3%
Public administration and defence: compulsory social security	1%	1%	1%
Education	4%	4%	5%
Human health and social work activities	4%	2%	5%
Arts, entertainment and recreation	8%	10%	8%
Other service activities	16%	8%	17%
Activities of households as employers; undifferentiated goods – and services – producing activities of households for own	1%	2%	0%
Activities of extraterritorial organisations and bodies	1%	1%	1%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively.

Size of the company

The survey targeted SMEs in various Member States. Table D.3 and show the breakdown of the sample by the number of employees and by the generated turnover. The biggest group of respondents that filled in the questionnaire employs between 2 and 9 employees and generates below € 2 mln turnover.

Table D.3 Size of the company in terms of number of employees – business panel survey

Number of employees	Total	Heavy users	Non-heavy users
1	27%	21%	28%
2-9	35%	34%	35%
10-49	19%	22%	19%
50-249	19%	24%	19%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively.

Table D.4 Size of the company in terms of annual turnover– business panel survey

Annual turnover	Total	Heavy users	Non-heavy users
0 – € 1.999.999,-	66%	52%	68%
€ 2.000.000 – € 9.999.999	18%	26%	17%
€ 10.000.000 – € 50.000.000	10%	16%	9%
More than € 50.000.000	6%	6%	6%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively.

Job function

Business users filling in the questionnaire have various job functions, see Table D.5. Mostly, the respondents hold a managerial position or own the business (Management and Owner of the company).

Table D.5 Job function of respondents - business panel survey

Job function	Share of respondents		
	Total	Heavy users	Non-heavy users
Administration	14%	12%	15%
Communications & PR	8%	8%	8%
Facilities	4%	4%	3%
Finance and accounting	10%	8%	10%
Human resources	7%	6%	7%
Management	35%	27%	37%
Executive	29%	33%	29%
Informational system	5%	7%	5%
Marketing	9%	8%	9%
Production	6%	6%	6%

Job function	Share of respondents		
	Total	Heavy users	Non-heavy users
Secretarial	4%	3%	4%
Technician	5%	4%	5%
Research/ Development	4%	4%	4%
Law	2%	3%	2%
Production/operation	6%	5%	6%
Owner of the company	55%	58%	55%
Other	2%	1%	2%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively.

Country of reach via online platforms

While using online platform environment, business users reach out to various countries within the EU as well as outside, as presented in Table D.6. Majority of businesses are active in more than 1 country.

Table D.6 Country of reach via online platforms - business panel survey

Country	Total	Heavy users	Non-heavy users
Austria	8%	15%	7%
Belgium	7%	15%	6%
Bulgaria	2%	6%	2%
Croatia	2%	6%	2%
Cyprus	3%	7%	2%
Czech Republic	5%	9%	5%
Denmark	5%	11%	5%
Estonia	2%	5%	2%
Finland	25%	36%	23%
France	26%	33%	25%
Germany	7%	11%	6%
Greece	4%	8%	4%
Hungary	3%	7%	3%
Ireland	5%	10%	4%
Italy	4%	8%	3%
Latvia	2%	4%	2%
Lithuania	3%	7%	3%
Luxembourg	4%	8%	3%
Malta	4%	9%	4%
Netherlands	4%	9%	3%
Poland	4%	9%	3%
Portugal	4%	7%	3%
Romania	2%	4%	2%
Slovakia	12%	14%	12%
Slovenia	5%	10%	4%
Spain	20%	25%	20%
Sweden	20%	14%	21%
UK	9%	16%	8%
No country indicated	6%	4%	6%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively. A respondent could indicate more than 1 country to be active in.

Usage of online platforms: purposes

Businesses use online platforms for different purposes, as indicated in Table D.7. Social networks and social media are the most popular ones and are used for business purposes by 90% of the respondents. Online advertising and e-commerce over platforms are on the second and third place with over 60% of respondents. 46% of respondents are involved in distribution and sales of apps over platforms. 14% of all respondents use online platforms for other purposes.

Table D.7 For what purposes companies use online platforms – business panel survey

Purpose / Share of respondents	Total	Heavy users	Non-heavy users
Online e-commerce marketplaces	63%	92%	59%
App selling or distributing	46%	72%	42%
Communication over social networks	90%	94%	90%
Online advertising	65%	87%	62%
Other purposes	14%	3%	16%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

On average, the respondents indicated to use 3 different online e-commerce market places, and 3 different social media platforms. Businesses use on average slightly fewer application stores and online advertising platforms (namely 2). The most commonly reported platforms are listed in Table D.8. For e-commerce, Amazon and eBay are leading among the business users. Among app distribution platforms, Google Play is the most popular. Facebook is the most popular social network platform, followed by LinkedIn and Twitter. Facebook is also leading in online advertising. Google DoubleClick and Amazon follow on the second and third place, respectively.

Table D.8 Top online platforms per type of purpose – business panel survey

Top platforms			
Online e-commerce marketplaces	App selling or distributing	Communication over social networks	Online advertising
Amazon	Google Play	Facebook	Facebook
eBay	Amazon App Shop	LinkedIn	Google (DoubleClick)
Booking.com	Apple Store	Twitter	Amazon
Trivago	Samsung	YouTube	Twitter
	Microsoft Windows Store	Instagram	Microsoft (Bing ads)

Total number of respondents is 2,553. A respondent can use multiple online platforms for multiple purposes. The list of top indicated platforms is sorted alphabetically.

Importance of online platforms: generated turnover via online platforms

Business users were asked to assess the amount of generated turnover via online platforms. 20% of the respondents estimate that less than 1/3 of their turnover is generated via online platforms and another 10% estimate that from 1/3 to 1/2 is

generated online (Table D.9). 13% rely more heavily on online platforms: 6% generate from 1/2 to 2/3 of their turnover online, and 7% generate more than 2/3 of their turnover. 24% indicated that online platforms are not applicable to their business model.

Table D.9 Generated turnover via online platforms – business panel survey

Share of turnover / Share of respondents	Total	Heavy users	Non-heavy users
Less than 1/3	20%	0%	22%
1/3 to 1/2	10%	0%	12%
1/2 to 2/3	7%	55%	0%
More than 2/3	6%	45%	0%
I don't know but I consider platforms important for business development	12%	0%	13%
Only marginal turnover, but strong reliance on business communication online (advertising, social media)	11%	0%	13%
Marginal turnover and marginal importance for my business	11%	0%	12%
Not applicable to my business model	24%	0%	28%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively.

Business users were asked to choose three most important platforms for their business among the ones that they selected to use for various purposes. Then it was indicated for business users that 'the main goal of the questionnaire is to find out about their experience in doing business with online platforms. The rest of the questions will refer only to one of the selected important platforms. Please choose a platform that you experience the most business-to-business related issues on'. Top chosen platforms to provide input on business-to-business issues are Amazon, Booking, eBay, Google Play, Facebook, LinkedIn as shown in Table D.10.

Table D.10 Top chosen platforms to provide information on out of three most important ones– business panel survey

Platform	Sector
Amazon	multi purpose
Booking.com	e-commerce
eBay	e-commerce
Google Play (Android apps)	selling/providing apps
Facebook	multi purpose
LinkedIn	social networks
Google (DoubleClick)	advertising

Total number of respondents is 2,553.

For the chosen online platform respondents were asked to indicate whether they agree or disagree with a number of statements. The details of their responses are provided in Table D.11 – Table D.14. The majority of respondents agree or strongly agree with

the statement "It is easy for me get help and guidance regarding issues encountered in my experience with platform". A large majority agree with the statement "The contractual terms, conditions and related practices of platform are clear to me" (55%) while 12% disagree. 30% of respondents agreed that they "negotiated or tailored contractual terms and conditions to their needs with platform". 48% agree with the statement "The contractual terms, conditions and related practices of platform are fair". 10% disagree or strongly disagree with the statement or 277 business users. Slightly higher share of heavy business users disagree or strongly disagree with the statement on fairness of T&C and related practices (13%).

Table D.11 Summary of the responses on perceived easiness of getting help and guidance of the platforms per type of users – business panel survey

Level of agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	12%	25%	10%
Agree	31%	41%	30%
I don't agree or disagree	28%	20%	29%
Disagree	11%	9%	11%
Strongly disagree	5%	4%	6%
No opinion	12%	1%	14%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively.

Table D.12 Summary of the responses on perceived clarity of T&C and related practices per type of users – business panel survey

Level agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	15%	32%	12%
Agree	40%	47%	40%
I don't agree or disagree	25%	15%	26%
Disagree	9%	5%	9%
Strongly disagree	3%	2%	3%
No opinion	8%	1%	10%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively.

Table D.13 Summary of the responses on where T&C were negotiated or tailored to the needs of business users per type of users – business panel survey

Level agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	9%	23%	7%
Agree	21%	33%	19%
I don't agree or disagree	24%	18%	24%
Disagree	15%	14%	15%
Strongly disagree	19%	10%	20%
No opinion	12%	2%	14%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively.

Table D.14 Summary of the responses on perceived fairness of terms and conditions of the platforms and related practices per type of users – business panel survey

Level agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	12%	27%	9%
Agree	36%	39%	36%
I don't agree or disagree	30%	20%	32%
Disagree	7%	10%	7%
Strongly disagree	3%	3%	3%
No opinion	11%	1%	13%

Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively.

Reasons why terms, conditions and related practices are considered not fair

Those business users that disagreed with a statement 'The contractual terms, conditions and related practices of the chosen platform are fair' were asked to provide reasons for it (see Table D.15). About 10% of all respondents (277 respondents) considered terms and conditions of the chosen platform not fair. The main reason is the lack of possibility to negotiate or amend the terms and conditions specified by 60% of business users. Other commonly indicated reasons are the possibility of unilateral changes of the terms and conditions by the platform and limited access to dispute resolution and unfair pricing. 7% of business users did not have a particular reason for disagreement with the statement. For heavy and non-heavy business users distribution of response is similar.

Table D.15 Reasons to consider terms and conditions unfair – business panel survey

Reason	Total	Heavy users	Non-heavy users
Biased or non-transparent search practices	15%	17%	14%
Language difficulties	12%	10%	12%
Limitation of payment possibilities	7%	10%	7%
Limitations on customer data	13%	20%	12%
Limitations on portability of data	10%	12%	10%
Limited access to dispute resolution	21%	27%	20%
No possibility to negotiate or amend T&C	60%	44%	63%
Possibility of one-sided changes by the platform	27%	34%	25%
Termination policy	8%	10%	7%
Unfair pricing	20%	32%	18%
No particular reason	7%	2%	8%
Other	4%	2%	4%

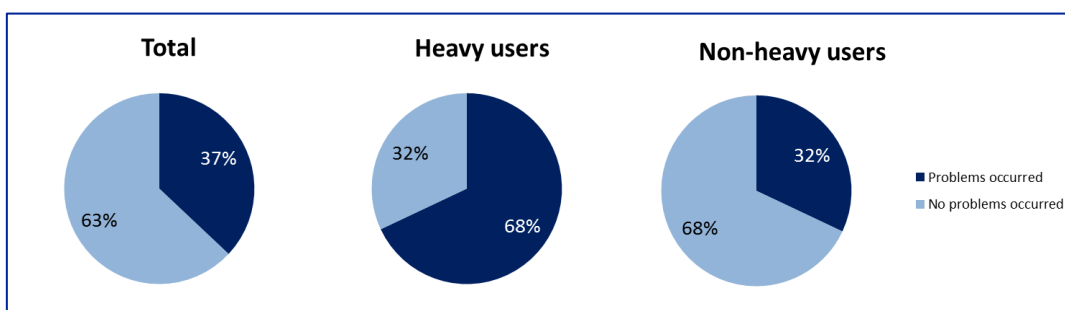
Respondents could indicate reasons to consider terms and conditions unfair only if they responded that they disagree or strongly disagree with the statement 'The contractual terms, conditions and related practices of platform are fair'. Total number of respondents is 277, 41 and 236 for samples total, heavy and non-heavy users respectively. Respondents could indicate multiple reasons; therefore the total does not add up to 100%.

Problems and disagreements with platforms

Figure D.1 shows that 37% of business users responded that they have experienced problems and disagreements with the platforms in the course of their business relationship (935 respondents). A larger share of heavy business users indicated that they have experienced problems (68%). Table D.16 provides an overview of platforms on which respondents indicated to have experienced problems or disagreements.

18% of business users indicated that they have experienced problems often the course of the business relationship (171 respondents). 28% of them have experienced it only once (255 respondents). Heavy users experienced problems more often than non-heavy users.

Figure D.1 Share of experienced problems per type of users – business panel survey



Total number of respondents is 2,553, 323 and 2,230 for samples total, heavy and non-heavy users respectively.

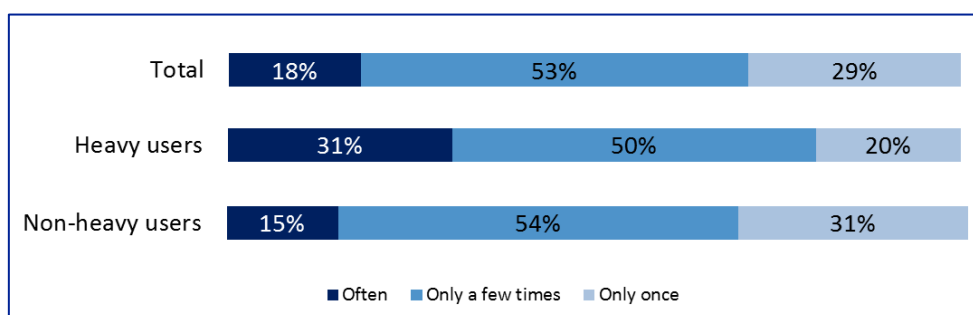
Table D.16 List of platforms on which problems were experienced – business panel survey

Platform	Purpose	Platform	Purpose
Allegro	e-commerce	Opera (Opera Mobile Store)	selling/providing apps
Amazon	multi purpose	Oculus	selling/providing apps
Autoscout24	e-commerce	Microsoft Windows Store	selling/providing apps
Booking.com	e-commerce	Facebook	multi purpose
Cabify	e-commerce	Copains d'Avant	social networks
eBay	e-commerce	Instagram	social networks
Expedia	e-commerce	LinkedIn	social networks
Fnac	e-commerce	Snapchat	social networks
Groupon	e-commerce	Tumblr	social networks
HRS	e-commerce	Twitter	social networks
Immobilienscout24	e-commerce	Viber	social networks
Kayak	e-commerce	VK.com	social networks
MyTable	e-commerce	Wordpress	social networks
Trivago	e-commerce	YouTube	social networks
Uvinum.com	e-commerce	Dailymotion	advertising
Yelp	multi purpose	Google (DoubleClick)	advertising
Zalando	e-commerce	Microsoft (Bing ads)	advertising
Amazon App Shop	selling/providing apps	Other	e-commerce

Platform	Purpose	Platform	Purpose
Apple store (Apple apps)	selling/providing apps	Other	selling/providing apps
Google Play (Android apps)	selling/providing apps	Other	social networks
Samsung	selling/providing apps	Other	advertising
LG (LG Smart World)	selling/providing apps		

Total number of respondents is 935.

Figure D.2 Frequency of experienced problems per type of users – business panel survey



Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Causes of problems and disagreements with platforms

Business users were asked to indicate the causes of problems and/or disagreements if they have experienced them. The most common cause is of technical nature (43%) as shown in Table D.17. Second most quoted cause is lack of customer support (37%). 20% report the lack of transparency of platform's policies on data or content as a cause. The distribution of answers for heavy and non-heavy users is similar.

Table D.17 Cause of problems per type of users – business panel survey

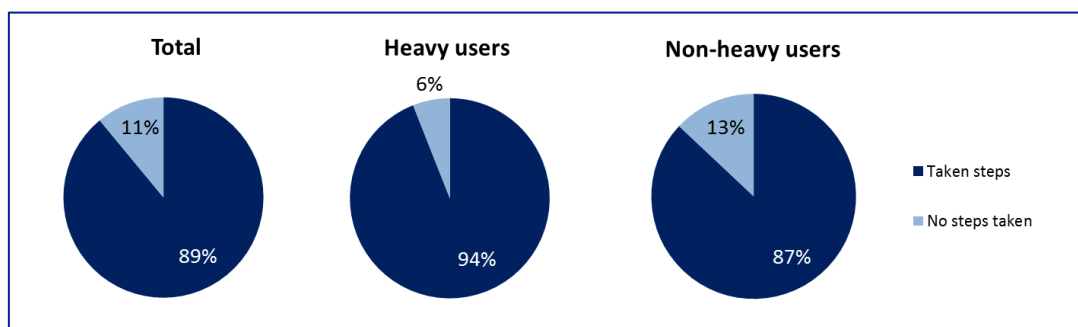
Cause	Total	Heavy users	Non-heavy users
Bias of search related practices	9%	9%	9%
Discontinuation/suspension of user account	8%	11%	8%
Lack of customer support	37%	38%	36%
Lack of transparency of platform policies and practices on data/content	20%	18%	21%
Limitations on payment possibilities	9%	13%	8%
Sudden changes in contractual terms or pricing	18%	19%	17%
Technical problems	43%	41%	44%
Unfair terms and conditions for access to the platform	8%	13%	7%
Other	4%	4%	4%

Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Undertaken steps to resolve problems and disagreements with platforms

The majority of respondents (89%) took some step to resolve their problems and disagreements (Figure D.3). However, 11% took no steps at all. A higher share of heavy business users undertaken steps to resolve problems and disagreements with platforms (94%).

Figure D.3 Share of respondent that took steps to resolve problems/disagreements with platforms – business panel survey



Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Table D.18 presents an overview of undertaken steps by business users if they have experienced problems and/or disagreements with online platforms. Majority of respondents undertook only one step. Both heavy and non-heavy business users most commonly complain to the platform itself. However, heavy business users make use of other steps more often than non-heavy users. 49% of heavy users indicated that they complained to the respective platform while 66% of non heavy users make use of this step. 14% significantly reduced their business with the platform. 4% terminated their relationship with the platforms and switched to a different one.

Table D.18 Undertaken steps to resolve problems and disagreements with a platform – business panel survey

Steps taken	Total	Heavy users	Non-heavy users
Complaint to the respective online platform	61%	49%	66%
An action with a court within the EU	7%	12%	5%
An action with a court outside the EU	8%	17%	5%
Arbitration	7%	12%	5%
Mediation (offline)	7%	11%	5%
Mediation (online)	8%	11%	8%
A complaint to an ombudsman	7%	11%	6%
Other dispute resolution mechanisms	0%	1%	0%
Significant reduction in business relationship	16%	9%	19%
Termination of the relationship (and switch)	4%	4%	4%
Other	2%	1%	2%

Total number of respondents is 828, 206 and 622 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

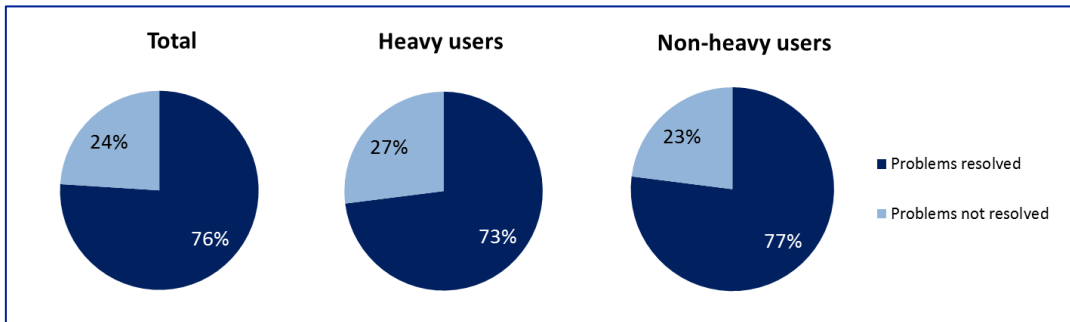
Other dispute resolution mechanisms include usage of PayPal to resolve problems. One respondent indicated that he gave in to the platform after experiencing some problems. Other undertaken steps include usage of hotline or customer support, usage of technical support of the business users, complaint to the management of a platform and a one-man protest.

Result of undertaken steps to resolve problems and disagreements

Figure D.4 presents an overview of the outcome of undertaken steps to resolve problems and disagreements with online platforms. 76% of business users indicated that the problem was resolved with an online platform. A slightly lower share of heavy users had their problems resolved (73%). In case of specific causes of problems, the highest share of resolved cases is when technical problems occur that was resolved by 87% of business users. The lowest share of resolved problems (59%) is in case when business users experienced unfair terms and conditions for access to the platform.

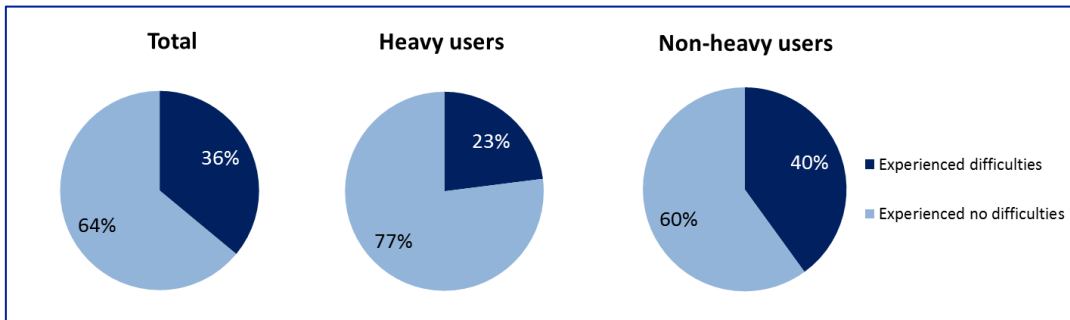
36% of respondents indicated that they have experienced some difficulties while they resolved the occurred problems and disagreements with online platforms. For heavy users, the share of those that experienced difficulties is lower than for non-heavy users. Figure D.5 shows the share of respondents that encountered difficulties while resolving problems and disagreements. The length of the procedure is the most commonly referred difficulty, mentioned by 49% of business users (Table D.19). Other commonly referred reason is that the mechanism was not suited to resolve a problem.

Figure D.4 Share of respondents that resolved problems and disagreements – business panel survey



Total number of respondents is 741, 192 and 549 for samples total, heavy and non-heavy users respectively.

Figure D.5 Share of respondents that experienced difficulties while resolving problems – business panel survey



Total number of respondents is 564, 141 and 423 for samples total, heavy and non-heavy users respectively.

Table D.19 Difficulties encountered to resolve problems and disagreements – business panel survey

Type of difficulty	Total	Heavy users	Non-heavy users
The mechanism was not suited to resolve my problem	33%	16%	36%
I could not enforce the decision after the resolution	13%	19%	12%
The procedure was too expensive	16%	16%	16%
The procedure was too long	49%	56%	47%
I experienced language difficulties	0%	0%	0%
Foreign law was applied	0%	0%	0%
The procedure was only possible abroad	2%	0%	2%
Other difficulties	6%	3%	7%

Total number of respondents is 203, 32 and 171 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Other experienced difficulties (type of difficulty 'other difficulties' in Table D.19) include difficulties of technical nature; modifications of content; preferential treatment of consumers by comparison to sellers; lack of guidelines and explanations; inability to understand the problem on platform's part; low quality of customer support; difficulty to understand who is the responsible party (the platform, the customer or someone else).

Reasons to reduce/terminate the relationship with a platform

164 respondents or 18% of those who had problems with the platform have significantly reduced or terminated their business relationship with the platform. Table D.20 shows that the most common reason for this decision is inability or unwillingness of the platform to rectify the problem (25%). 25% name the recurring nature of the problem as a reason for their decision. The results are similar for heavy and non-heavy users.

Table D.20 Reasons to terminate the relationship with a platform – business panel survey

Reason	Total	Heavy users	Non-heavy users
Recurring nature of the problem	25%	23%	25%
Inability or unwillingness of the platform to rectify the problem	0%	0%	0%
Unwillingness of the platform to use dispute resolution	15%	23%	14%
Quit or reduced the relationship after unsuccessfully using various available remedies	0%	0%	0%
Other reason	2%	0%	3%

Total number of respondents is 164, 26 and 138 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Reasons to take no steps to resolve problems or disagreements with a platform

107 respondents or 11% of those who have experienced problems took no steps at all to resolve them. Table D.21 shows the reasons for such actions. The main reason for this was that the problem was not that important indicated by 57% of respondents. For heavy users this reason was mentioned by 77% of respondents. 18% claimed that they did not expect anything to come out of it. 12% that the procedure was too expensive. Several respondents found a solution on their own (other reasons).

Table D.21 Reasons to take no steps to resolve problems or difficulties with a platforms – business panel survey

Reason	Total	Heavy users	Non-heavy users
High cost of the proceedings	11%	8%	12%
Duration of the proceedings	11%	15%	11%
Difficulty of the procedure	12%	15%	12%
Lack of awareness about the existence of dispute resolution mechanisms	9%	8%	10%
Lack of knowledge how to start the proceedings	7%	0%	9%
The applicable procedure is in a foreign country or in foreign language	6%	0%	6%
I expected the procedure to be biased	3%	8%	2%
I did not expect anything to come out of it	18%	15%	18%
I did not want to damage my business relationship with the platform	6%	15%	4%
I expected that the resolution would in any case not be enforced	3%	0%	3%
The problem was not that important	57%	77%	54%
Other reasons	2%	8%	1%

Total number of respondents is 107, 13 and 94 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Changes in the terms, conditions and related practices

All respondents were asked to answer the question 'How would you characterise changes in the terms, conditions and related practices regarding the issues below that occurred over the duration of your online business experience?'. Tables D.22 – D.30 present an overview of responses of businesses on transparency of pricing and tariffs, access to customer data, access to transaction data, general balance of contractual rights and obligations, resolution of conflicts, clarity of privacy and data rules, rules on access to the platform (user/membership rules), rules applicable to payments, search

related practices. The majority of businesses reported that they noticed no particular changes to worse or better or have no opinion on the matters.

Table D.22 Characteristics of changes in the T&C and related practices on transparency of pricing and tariffs – business panel survey

Transparency of pricing and tariffs	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	10%	3%
Increased / Improved	18%	29%	16%
No change	52%	45%	53%
Decreased / Worsened	8%	10%	7%
Significantly decreased / worsened	1%	3%	1%
I don't know	17%	4%	19%

Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Table D.23 Characteristics of changes in the T&C and related practices on access to customer data – business panel survey

Access to customer data	Total	Heavy	Non-heavy users
Significantly increased / improved	5%	10%	4%
Increased / Improved	19%	31%	17%
No change	51%	44%	52%
Decreased / Worsened	6%	8%	5%
Significantly decreased / worsened	2%	4%	1%
I don't know	18%	3%	20%

Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Table D.24 Characteristics of changes in the T&C and related practices on access to transaction data – business panel survey

Access to transaction data	Total	Heavy	Non-heavy users
Significantly increased / improved	5%	11%	4%
Increased / Improved	18%	28%	17%
No change	51%	46%	52%
Decreased / Worsened	5%	9%	4%
Significantly decreased / worsened	1%	3%	1%
I don't know	19%	3%	22%

Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Table D.25 Characteristics of changes in the T&C and related practices on general balance of contractual rights and obligations – business panel survey

General balance of contractual rights and obligations	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	12%	3%
Increased / Improved	14%	22%	13%
No change	55%	49%	56%
Decreased / Worsened	7%	7%	7%

General balance of contractual rights and obligations	Total	Heavy	Non-heavy users
Significantly decreased / worsened	1%	4%	1%
I don't know	19%	5%	21%

Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Table D.26 Characteristics of changes in the T&C and related practices on resolution of conflicts – business panel survey

Resolution of conflicts	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	11%	3%
Increased / Improved	17%	27%	16%
No change	49%	44%	50%
Decreased / Worsened	6%	8%	5%
Significantly decreased / worsened	2%	6%	1%
I don't know	22%	4%	25%

Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Table D.27 Characteristics of changes in the T&C and related practices on clarity of privacy and data rules – business panel survey

Clarity of privacy and data rules	Total	Heavy	Non-heavy users
Significantly increased / improved	6%	13%	5%
Increased / Improved	19%	25%	18%
No change	50%	48%	51%
Decreased / Worsened	7%	7%	8%
Significantly decreased / worsened	2%	4%	2%
I don't know	16%	3%	17%

Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Table D.28 Characteristics of changes in the T&C and related practices rules on access to the platform (user or membership rules) – business panel survey

Rules on access to the platform (user/membership rules)	Total	Heavy	Non-heavy users
Significantly increased / improved	5%	12%	4%
Increased / Improved	18%	24%	17%
No change	56%	51%	56%
Decreased / Worsened	5%	7%	5%
Significantly decreased / worsened	1%	3%	1%
I don't know	15%	3%	17%

Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Table D.29 Characteristics of changes in the T&C and related practices on rules applicable to payments – business panel survey

Rules applicable to payments	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	10%	3%

Rules applicable to payments	Total	Heavy	Non-heavy users
Increased / Improved	17%	27%	15%
No change	54%	46%	55%
Decreased / Worsened	5%	10%	5%
Significantly decreased / worsened	1%	3%	1%
I don't know	19%	4%	21%

Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Table D.30 Characteristics of changes in the T&C and related practices on search related practices – business panel survey

Search related practices	Total	Heavy	Non-heavy users
Significantly increased / improved	6%	11%	5%
Increased / Improved	24%	26%	24%
No change	47%	42%	48%
Decreased / Worsened	5%	10%	5%
Significantly decreased / worsened	2%	7%	1%
I don't know	15%	4%	17%

Total number of respondents is 935, 219 and 716 for samples total, heavy and non-heavy users respectively.

Closed survey

Table D.31 presents an overview of the number of business users that responded to the questionnaire of closed survey between 30 November 2016 and 31 January 2017. In total 256 business users responded to the survey. Countries of establishments of the respondents who completed the questionnaire are presented in the table below.

Table D.31 Country of establishment of respondents – closed survey

Country	Total	Heavy users	Non-heavy users
Austria	9%	10%	7%
Belgium	5%	7%	3%
Bulgaria	4%	5%	3%
Croatia	4%	5%	1%
Cyprus	5%	8%	1%
Czech Republic	7%	8%	6%
Denmark	7%	9%	6%
Estonia	4%	7%	1%
Finland	6%	8%	4%
France	9%	11%	6%
Germany	34%	45%	20%
Greece	7%	7%	7%
Hungary	4%	7%	1%
Ireland	5%	8%	1%
Italy	8%	10%	6%
Latvia	4%	5%	3%
Lithuania	4%	5%	3%
Luxembourg	4%	7%	1%
Malta	4%	5%	1%
Netherlands	6%	8%	4%

Country	Total	Heavy users	Non-heavy users
Poland	10%	10%	11%
Portugal	9%	10%	7%
Romania	8%	8%	8%
Slovakia	4%	5%	1%
Slovenia	4%	7%	1%
Spain	15%	15%	15%
Sweden	7%	9%	4%
United Kingdom	16%	20%	11%
Other	6%	8%	3%

Total number of respondents is 163, 92 and 71 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 93, 21, and 72 respondents for total, heavy users and non-heavy users samples.

Business users were asked to indicate which sector of economic activity they conduct business in, the size of the company (in terms of turnover and number of employees), and their job function.

Business users are active in various sectors of economic activity. Table D.32 presents an overview of respondents per sector. Majority of the respondents is active in the sector 'other service activities' (16% of business users), followed by wholesale and retail trade (11%), manufacturing, professional, scientific and technical activities and arts, entertainment and recreation (all 8%).

Table D.32 Sector of economic activity of business users – closed survey

Sector of a company	Share of respondents		
	Total	Heavy users	Non-heavy users
Agriculture, forestry and fishing	1%	0%	1%
Mining and Quarrying	0%	0%	0%
Manufacturing	0%	0%	0%
Electricity, gas, steam and air conditioning systems	1%	0%	1%
Water supply; sewerage, waste management and remediation activities	0%	0%	0%
Construction	1%	1%	0%
Wholesale and retail trade; repair of motor vehicles and motorcycles	22%	28%	14%
Transportation and storage	2%	1%	3%
Accommodation and food service activities	1%	1%	0%
Information and communication	28%	23%	36%
Financial and insurance activities	0%	0%	0%
Real estate activities	0%	0%	0%
Professional, scientific and technical activities	4%	3%	4%
Administrative and support service activities	0%	0%	0%
Public administration and defence: compulsory social security	0%	0%	0%
Education	7%	8%	6%

Sector of a company	Share of respondents		
	Total	Heavy users	Non-heavy users
Human health and social work activities	2%	1%	4%
Arts, entertainment and recreation	17%	17%	17%
Other service activities	14%	15%	11%
Activities of households as employers; undifferentiated goods – and services – producing activities of households for ow	1%	1%	1%
Activities of extraterritorial organisations and bodies	0%	0%	0%

Total number of respondents is 162, 92 and 70 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 94, 21, and 73 respondents for total, heavy users and non-heavy users samples.

Size of the company

Majority of the business users that filled in the questionnaires are SMEs. Table D.33 and D.34 show the breakdown of the sample by the number of employees and by the generated turnover. Most of the respondents are micro and small enterprises with fewer than 9 employed people and an annual turnover of below 2 mln euro.

Table D.33 Size of the company in terms of number of employees – closed survey

Number of employees	Total	Heavy users	Non-heavy users
1	31%	33%	30%
2-9	49%	48%	50%
10-49	14%	16%	11%
50-249	4%	2%	6%
250+	2%	1%	3%

Total number of respondents is 162, 92 and 71 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 94, 21, and 73 respondents for total, heavy users and non-heavy users samples.

Table D.34 Size of the company in terms of annual turnover– business panel survey – closed survey

Annual turnover	Total	Heavy users	Non-heavy users
0 – € 1.999.999,-	81%	79%	83%
€ 2.000.000 – € 9.999.999	12%	13%	10%
€ 10.000.000 – € 50.000.000	6%	5%	6%
More than € 50.000.000	2%	2%	1%

Total number of respondents is 161, 92 and 69 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 95, 21, and 74 respondents for total, heavy users and non-heavy users samples.

Job function

Business users filling in the questionnaire have various job function, see Table D.35. Mostly, the respondents hold a managerial position or own the business (Management and Owner of the company).

Table D.35 Job function of respondents – closed survey

Job function	Share of respondents		
	Total	Heavy users	Non-heavy users
Administration	40%	41%	38%
Communications & PR	25%	26%	23%
Facilities	4%	4%	4%
Finance and accounting	16%	18%	12%
Human resources	9%	13%	3%
Management	56%	57%	55%
Executive	22%	24%	19%
Informational system	16%	13%	20%
Marketing	27%	24%	30%
Production	18%	18%	17%
Secretarial	7%	7%	9%
Technician	19%	14%	25%
Research/ Development	27%	26%	29%
Law	4%	4%	4%
Production/operation	15%	16%	13%
Owner of the company	10%	12%	7%
Other	40%	41%	38%

Total number of respondents is 161, 92 and 69 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 95, 21, and 74 respondents for total, heavy users and non-heavy users samples.

Country of reach via online platforms

While using online platform environment, business users reach out to various countries within the EU as well as outside, as presented in Table D.36. Majority of businesses are active in more than 1 country.

Table D.36 Country of reach via online platforms – closed survey

Country	Total	Heavy users	Non-heavy users
Austria	63%	68%	55%
Belgium	52%	58%	45%
Bulgaria	47%	52%	39%
Croatia	46%	50%	41%
Cyprus	45%	50%	39%
Czech Republic	48%	50%	45%
Denmark	53%	57%	49%
Estonia	45%	50%	38%
Finland	52%	57%	45%
France	64%	71%	55%
Germany	82%	88%	73%
Greece	48%	50%	45%
Hungary	49%	52%	45%

Country	Total	Heavy users	Non-heavy users
Ireland	52%	57%	46%
Italy	66%	73%	56%
Latvia	45%	51%	38%
Lithuania	45%	50%	38%
Luxembourg	48%	55%	39%
Malta	45%	51%	37%
The Netherlands	55%	60%	49%
Poland	56%	61%	49%
Portugal	55%	58%	51%
Romania	48%	50%	45%
Slovakia	45%	49%	41%
Slovenia	45%	50%	38%
Spain	66%	72%	58%
Sweden	52%	54%	48%
United Kingdom	69%	76%	61%

Total number of respondents is 163, 92, and 71 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 93, 21, and 72 respondents for total, heavy users and non-heavy users samples.

Usage of online platforms: purposes

Businesses use online platforms for different purposes, as indicated in Table D.37. The most prevalent reported activity is for the purposes of communication over social networks (75%). Online advertising and Selling and developing application embedded in mobile operating systems are also among relatively often reported (by 70% and 65% of respondents). The least mentioned type of purpose is online e-commerce marketplaces. Slightly higher share of heavy users use online platforms for various purposes.

Table D.37 For what purposes companies use online platforms – closed survey

Purpose / Share of respondents	Total	Heavy users	Non-heavy users
Online e-commerce marketplaces	54%	59%	50%
App selling or distributing	65%	65%	66%
Communication over social networks	75%	80%	72%
Online advertising	70%	81%	61%
Other purposes	9%	10%	9%

Total number of respondents is 256, 113 and 143 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

On average, the respondents indicated to use 3 different online e-commerce market places, and 3 different social media platforms. Businesses use on average slightly fewer application stores and online advertising platforms (namely 2). The most commonly reported platforms are listed in Table D.38. For e-commerce, Allegro, Amazon, Booking.com, and eBay are leading among the business users. Among app distribution platforms, Amazon App Shop, Apple Store, Google Play, Microsoft Windows and Samsung are the most popular. Facebook, Instagram, LinkedIn, Twitter,

and YouTube are the most popular social network platform. Facebook is also leading in online advertising. Other examples of online platforms used for online advertising include Amazon, Google DoubleClick and Twitter follow on the second and third place, respectively. Top chosen platforms to provide input on business-to-business issues are Amazon, Booking, eBay, Google Play, Facebook, LinkedIn.

Table D.38 Top online platforms per type of purpose – closed survey

Top platforms			
Online e-commerce marketplaces	App selling or distributing	Communication over social networks	Online advertising
Allegro	Amazon App Shop	Facebook	Amazon
Amazon	Apple Store	Instagram	Facebook
Booking.com	Google Play	LinkedIn	Google (Double Click)
eBay	Microsoft Windows Store	Twitter	Twitter
	Samsung	YouTube	

Total number of respondents is 256, 113, and 143 for samples total, heavy and non-heavy users respectively. A respondent can use multiple online platforms for multiple purposes. The list of top indicated platforms is sorted alphabetically.

Importance of online platforms: generated turnover via online platforms

Business users were asked to assess the amount of generated turnover via online platforms (Table D.39). 44% of the respondents estimate that more than 2/3 of their turnover is generated via online platforms. 12% of business users indicated that generated turnover via online platforms constitutes less than 33%. 11% indicated that online platforms are not applicable to their business model.

Table D.39 Generated turnover via online platforms – closed survey

Share of turnover / Share of respondents	Total	Heavy users	Non-heavy users
Less than 1/3	12%	0%	25%
1/3 to 1/2	6%	0%	14%
1/2 to 2/3	8%	16%	0%
More than 2/3	44%	84%	0%
I don't know but I consider platforms important for business development	8%	0%	17%
Only marginal turnover, but strong reliance on business communication online (advertising, social media)	5%	0%	11%
Marginal turnover and marginal importance for my business	6%	0%	12%
Not applicable to my business model	11%	0%	22%

Total number of respondents is 216, 113 and 103 for samples total, heavy and non-heavy users respectively.

Business users were asked to choose three most important platforms for their business among the ones that they selected to use for various purposes. Then it was

indicated for business users that 'the main goal of the questionnaire is to find out about their experience in doing business with online platforms. The rest of the questions will refer only to one of the selected important platforms. Please choose a platform that you experience the most business-to-business related issues on'. Top chosen platforms to provide input on business-to-business issues are Allegro, Amazon, eBay, Apple store, and Facebook among others as shown in Table D.40.

Table D.40 Top chosen platforms to provide information on out of three most important ones – closed survey

Platform	Sector
Allegro	e-commerce
Amazon	e-commerce
eBay	e-commerce
Apple store (Apple apps)	selling/providing apps
Facebook	social networks
Wordpress	social networks
YouTube	social networks
Facebook	advertising
Google (DoubleClick)	advertising

Total number of respondents is 207, 111, and 96 for samples total, heavy and non-heavy users respectively. A respondent could choose only one platform. The list of top indicated platforms is sorted alphabetically per sector.

For the chosen online platform respondents were asked to indicate whether they agree or disagree with a number of statements. The details of their responses are provided in Table D.41 – Table D.44. The majority of respondents agree or strongly agree with the statement "It is easy for me get help and guidance regarding issues encountered in my experience with platform". A large majority agree with the statement "The contractual terms, conditions and related practices of platform are clear to me" (55%) while 20% disagree. 30% of respondents agreed that they "negotiated or tailored contractual terms and conditions to their needs with platform". 38% agree with the statement "The contractual terms, conditions and related practices of platform are fair". 27% disagree or strongly disagree with the statement or 48 business users. Slightly higher share of heavy business users disagree or strongly disagree with the statement on fairness of T&C and related practices (31%).

Table D.41 Summary of the responses on perceived easiness of getting help and guidance of the platforms per type of users – closed survey

Level of agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	19%	18%	20%
Agree	42%	41%	43%
I don't agree or disagree	13%	14%	12%
Disagree	13%	13%	14%
Strongly disagree	10%	14%	6%
No opinion	3%	1%	5%

Total number of respondents is 182, 101, and 81 for samples total, heavy and non-heavy users respectively.

Table D.42 Summary of the responses on perceived clarity of T&C and related practices per type of users – closed survey

Level agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	14%	15%	12%
Agree	50%	51%	48%
I don't agree or disagree	13%	9%	17%
Disagree	13%	13%	12%
Strongly disagree	7%	10%	4%
No opinion	4%	2%	6%

Total number of respondents is 182, 101, and 81 for samples total, heavy and non-heavy users respectively.

Table D.43 Summary of the responses on whether T&C were negotiated or tailored to the needs of business users per type of users – closed survey

Level agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	4%	2%	6%
Agree	8%	12%	4%
I don't agree or disagree	11%	8%	15%
Disagree	21%	20%	22%
Strongly disagree	41%	48%	33%
No opinion	15%	11%	20%

Total number of respondents is 182, 101, and 81 for samples total, heavy and non-heavy users respectively.

Table D.44 Summary of the responses on perceived fairness of terms and conditions of the platforms and related practices per type of users – closed survey

Level agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	8%	8%	7%
Agree	30%	36%	23%
I don't agree or disagree	27%	22%	35%
Disagree	15%	16%	14%
Strongly disagree	12%	15%	7%
No opinion	8%	4%	14%

Total number of respondents is 182, 101, and 81 for samples total, heavy and non-heavy users respectively.

Reasons why terms, conditions and related practices are considered not fair

Those business users that disagreed with a statement 'The contractual terms, conditions and related practices of the chosen platform are fair' were asked to provide reasons for it. 27% of all respondents (48 respondents) considered terms and conditions of the chosen platform not fair. The main reason is the lack of possibility to negotiate or amend the terms and conditions specified by 60% of business users (Table D.45). Other commonly indicated reasons are the possibility of unilateral changes of the terms and conditions by the platform and limited access to dispute resolution and unfair pricing. For heavy and non-heavy business users distribution of response is similar.

Table D. 45 Reasons to consider terms and conditions unfair – closed survey

Reason	Total	Heavy users	Non-heavy users
Biased or non-transparent search practices	36%	33%	40%
Language difficulties	7%	3%	13%
Limitation of payment possibilities	24%	23%	27%
Limitations on customer data	33%	37%	27%
Limitations on portability of data	16%	17%	13%
Limited access to dispute resolution	40%	50%	20%
No possibility to negotiate or amend T&C	87%	97%	67%
Possibility of one-sided changes by the platform	67%	77%	47%
Termination policy	27%	30%	20%
Unfair pricing	51%	60%	33%
No particular reason	2%	0%	7%
Other	24%	27%	20%

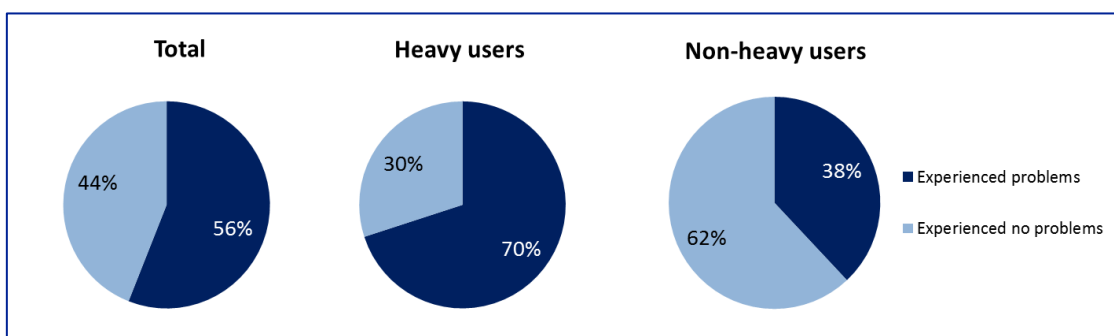
Respondents could indicate reasons to consider terms and conditions unfair only if they responded that they disagree or strongly disagree with the statement 'The contractual terms, conditions and related practices of platform are fair'. Total number of respondents is 45, 30, and 15 for samples total, heavy and non-heavy users respectively. Respondents could indicate multiple reasons; therefore the total does not add up to 100%.

Problems and disagreements with platforms

56% of business users responded that they have experienced problems and disagreements with the platforms in the course of their business relationship (Figure D.6). A larger share of heavy business users indicated that they have experienced problems (70%). Table D.46 provides an overview of platforms on which respondents indicated to have experienced problems or disagreements.

Figure D.7 shows the frequency of experienced problems. 17% of business users indicated that they have experienced problems often the course of the business relationship. 23% have experienced it only once. Heavy users experienced problems slightly more often than non-heavy users.

Figure D.6 Share of respondents that experienced problems per type of users – closed survey



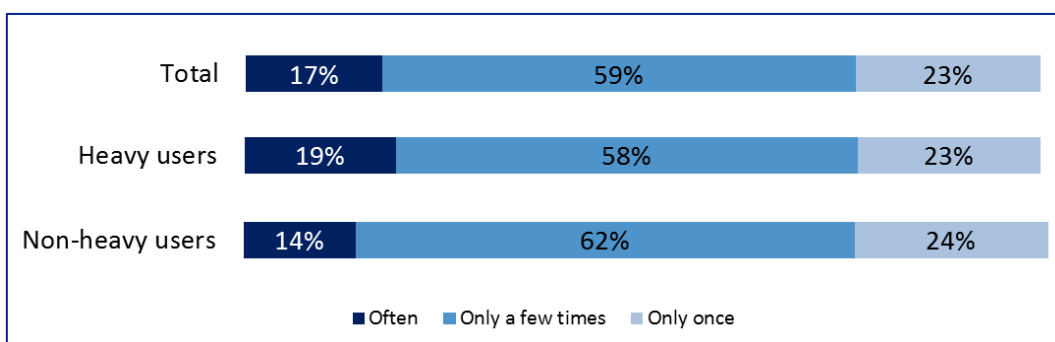
Total number of respondents is 175, 98, and 77 for samples total, heavy and non-heavy users respectively.

Table D.46 List of platforms on which problems were experienced – closed survey

Platform	Purpose	Platform	Purpose
Allegro	e-commerce	Facebook	social networks
Amazon	e-commerce	LinkedIn	social networks
eBay	e-commerce	Twitter	social networks
Other	e-commerce	Wordpress	social networks
Amazon App Shop	selling/providing apps	YouTube	social networks
Apple store (Apple apps)	selling/providing apps	Amazon	advertising
Google Play (Android apps)	selling/providing apps	Facebook	advertising
Samsung	selling/providing apps	Google (DoubleClick)	advertising
Microsoft Windows Store	selling/providing apps	Other	advertising
Other	selling/providing apps		

Total number of respondents is 98.

Figure D.7 Frequency of experienced problems per type of users – closed survey



Total number of respondents is 98, 69, and 29 for samples total, heavy and non-heavy users respectively.

Causes of problems and disagreements with platforms

Business users were asked to indicate the causes of problems and/or disagreements if they have experienced them. The most common cause is of technical nature (40%) as shown in Table D.47. Second most quoted cause is lack of transparency of platform policies and practices on data and/or content (36%). 34% report the lack of customer support as a cause. The distribution of answers for heavy and non-heavy users is similar.

Table D.47 Cause of problems per type of users – closed survey

Cause	Total	Heavy users	Non-heavy users
Lack of transparency of platform policies and practices on data/content	36%	39%	29%
Lack of customer support	34%	37%	25%
Sudden changes in contractual terms or pricing	14%	16%	7%
Technical problems	40%	42%	36%
Unfair terms and conditions for access to the platform	18%	19%	14%

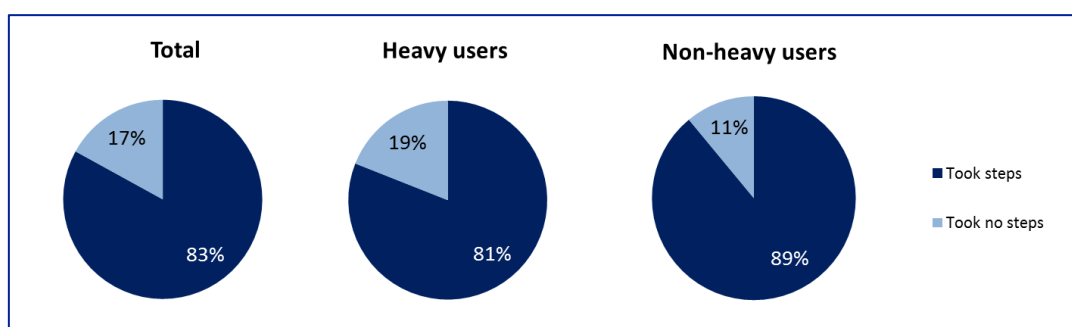
Cause	Total	Heavy users	Non-heavy users
Limitations on payment possibilities	7%	4%	14%
Bias of search related practices	8%	7%	11%
Discontinuation/suspension of user account	20%	22%	14%
Other	17%	21%	7%

Total number of respondents is 95, 67, and 28 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Undertaken steps to resolve problems and disagreements with platforms

The majority of respondents (83%) took some step to resolve their problems and disagreements (Figure D.8). However, 17% took no steps at all. A higher share of non-heavy business users undertaken steps to resolve problems and disagreements with platforms (89%).

Figure D.8 Share of respondents that took steps to resolve problems/disagreements with platforms – closed survey



Total number of respondents is 95, 67 and 28 for samples total, heavy and non-heavy users respectively.

Table D.48 presents an overview of undertaken steps by business users if they have experienced problems and/or disagreements with online platforms. Majority of respondents undertook only one step. Both heavy and non-heavy business users most commonly complain to the platform itself. 15% significantly reduced their business with the platform. 1% terminated their relationship with the platforms and switched to a different one. This step was mainly undertaken by non-heavy users.

Table D.48 Undertaken steps to resolve problems and disagreements with a platform – closed survey

Steps taken	Total	Heavy users	Non-heavy users
Complaint to the respective online platform	81%	83%	76%
An action with a court within the EU	0%	0%	0%
An action with a court outside the EU	0%	0%	0%
Arbitration	3%	4%	0%
Mediation (offline)	1%	0%	4%
Mediation (online)	4%	2%	8%
A complaint to an ombudsman	0%	0%	0%
Other dispute resolution mechanisms	6%	7%	4%

Steps taken	Total	Heavy users	Non-heavy users
Significant reduction in business relationship	15%	13%	20%
Termination of the relationship (and switch)	1%	0%	4%
Other	11%	13%	8%

Total number of respondents is 79, 54 and 25 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

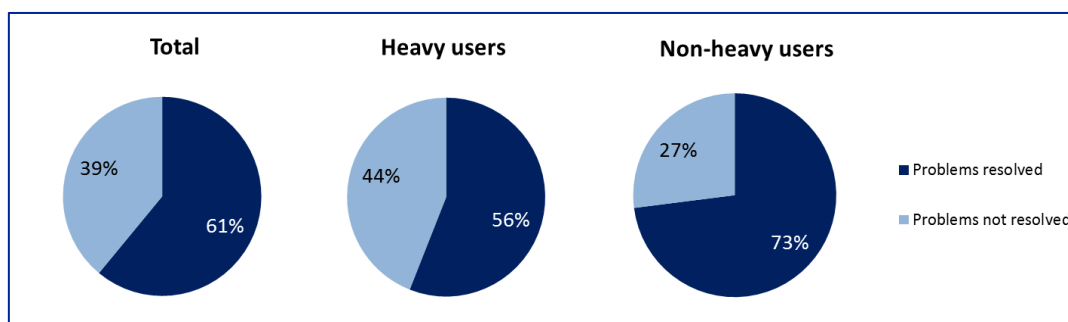
Other dispute resolution mechanisms included consultation with legal counsellors and intermediaries to resolve problems. Other undertaken steps include a start up of own webshop, acquisition of a technical consultancy.

Result of undertaken steps to resolve problems and disagreements

Figure D.9 presents an overview of the outcome of undertaken steps to resolve problems and disagreements with online platforms. 61% of business users indicated that the problem was resolved with an online platform. A slightly lower share of heavy users had their problems resolved (56%). In case of specific causes of problems, the highest shares of resolved cases is when business users indicated limitation on payment possibilities and bias of search related practices that was resolved by more than 80% of business users. The lowest share of resolved problems (53%) is in case when business users experienced lack of customer support.

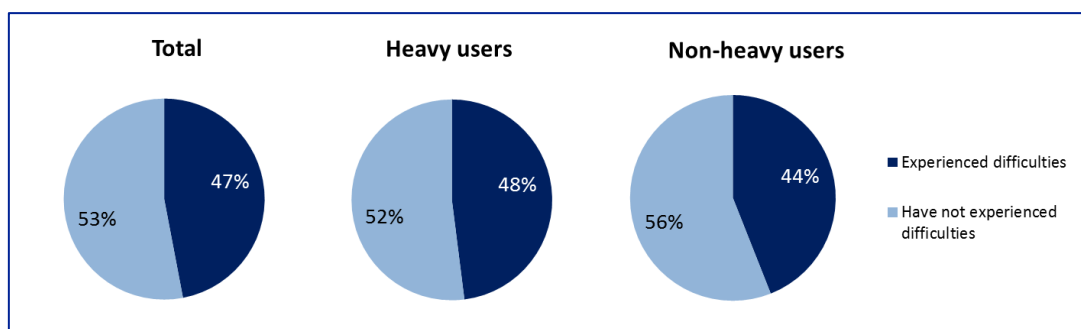
47% of respondents indicated that they have experienced some difficulties while they resolved the occurred problems and disagreements with online platforms (Figure D.10). For heavy users, the share of those that experienced difficulties is slightly higher than for non-heavy users. Table D.49 shows the difficulties encountered to resolve problems and disagreements. The length of the procedure is the most commonly referred difficulty, mentioned by 35% of business users. Other commonly referred reason is that the mechanism was not suited to resolve a problem.

Figure D.9 Share of respondents that resolved problems and disagreements – closed survey



Total number of respondents is 70, 48 and 22 for samples total, heavy and non-heavy users respectively.

Figure D.10 Share of respondents that experienced difficulties while resolving problems – closed survey



Total number of respondents is 43, 27 and 16 for samples total, heavy and non-heavy users respectively.

Table D.49 Difficulties encountered to resolve problems and disagreements – closed survey

Type of difficulty	Total	Heavy users	Non-heavy users
The mechanism was not suited to resolve my problem	35%	31%	43%
I could not enforce the decision after the resolution	20%	23%	14%
The procedure was too expensive	10%	15%	0%
The procedure was too long	35%	38%	29%
I experienced language difficulties	0%	0%	0%
Foreign law was applied	15%	15%	14%
The procedure was only possible abroad	10%	8%	14%
Other difficulties	25%	23%	29%

Total number of respondents is 20, 13 and 7 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Other experienced difficulties include difficulties like additional pressure had to be imposed on the staff of the platform, additional usage of the network of a business user, being offline while a problem was being resolved, adjustment of the products to reflect changes in the terms and conditions.

Reasons to reduce/terminate the relationship with a platform

16% of those who had problems with the platform have significantly reduced or terminated their business relationship with the platform. Table D.50 indicates the reasons for such an action. The most common reason for this decision is inability or unwillingness of the platform to rectify the problem (69%). 23% name the recurring nature of the problem as a reason for their decision. The results are similar for heavy and non-heavy users.

Table D.50 Reasons to terminate the relationship with a platform – closed survey

Reason	Total	Heavy users	Non-heavy users
Recurring nature of the problem	8%	0%	17%
Inability or unwillingness of the platform to rectify the problem	69%	71%	67%

Reason	Total	Heavy users	Non-heavy users
Unwillingness of the platform to use dispute resolution	0%	0%	0%
Quit or reduced the relationship after unsuccessfully using various available remedies	23%	29%	17%
Other reason	0%	0%	0%

Total number of respondents is 13, 7 and 6 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Reasons to take no steps to resolve problems or difficulties with a platform

17% of those who have experienced problems took no steps at all to resolve them. Table D.51 shows the reasons for such actions. The main reason for this was that a respondent did not expect anything to come out of it indicated by 53% of respondents. For heavy users this reason was mentioned by 58% of respondents. Other common reasons include difficulty of the procedure and that a respondent did not want to damage a business relationship with the online platform.

Table D.51 Reasons to take no steps to resolve problems or difficulties with a platforms – closed survey

Reason	Total	Heavy users	Non-heavy users
High cost of the proceedings	20%	17%	33%
Duration of the proceedings	20%	17%	33%
Difficulty of the procedure	47%	42%	67%
Lack of awareness about the existence of dispute resolution mechanisms	7%	8%	0%
Lack of knowledge how to start the proceedings	20%	25%	0%
The applicable procedure is in a foreign country or in foreign language	0%	0%	0%
I expected the procedure to be biased	20%	17%	33%
I did not expect anything to come out of it	53%	58%	33%
I did not want to damage my business relationship with the platform	33%	42%	0%
I expected that the resolution would in any case not be enforced	13%	17%	0%
The problem was not that important	33%	42%	0%
Other reasons	0%	0%	0%

Total number of respondents is 15, 12 and 3 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Changes in the terms, conditions and related practices

All respondents were asked to answer the question 'How would you characterise changes in the terms, conditions and related practices regarding the issues below that occurred over the duration of your online business experience?'. Table D.52 – D.60

present an overview of responses of businesses on transparency of pricing and tariffs, access to customer data, access to transaction data, general balance of contractual rights and obligations, resolution of conflicts, clarity of privacy and data rules, rules on access to the platform (user/membership rules), rules applicable to payments, search related practices. The majority of businesses reported that they noticed no particular changes to worse or better or have no opinion on the matters.

Table D.52 Characteristics of changes in the T&C and related practices on transparency of pricing and tariffs – closed survey

Transparency of pricing and tariffs	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	5%	1%
Increased / Improved	19%	21%	17%
No change	65%	61%	69%
Decreased / Worsened	4%	4%	3%
Significantly decreased / worsened	1%	1%	0%
I don't know	9%	8%	10%

Total number of respondents is 164, 92 and 72 for samples total, heavy and non-heavy users respectively.

Table D.53 Characteristics of changes in the T&C and related practices on access to customer data – closed survey

Access to customer data	Total	Heavy	Non-heavy users
Significantly increased / improved	3%	3%	3%
Increased / Improved	25%	21%	31%
No change	52%	57%	47%
Decreased / Worsened	9%	12%	4%
Significantly decreased / worsened	1%	1%	0%
I don't know	10%	7%	15%

Total number of respondents is 164, 92 and 72 for samples total, heavy and non-heavy users respectively.

Table D.54 Characteristics of changes in the T&C and related practices on access to transaction data – closed survey

Access to transaction data	Total	Heavy	Non-heavy users
Significantly increased / improved	3%	4%	1%
Increased / Improved	26%	25%	26%
No change	54%	59%	49%
Decreased / Worsened	6%	7%	6%
Significantly decreased / worsened	1%	1%	0%
I don't know	10%	4%	18%

Total number of respondents is 164, 92 and 72 for samples total, heavy and non-heavy users respectively.

Table D.55 Characteristics of changes in the T&C and related practices on general balance of contractual rights and obligations – closed survey

General balance of contractual rights and obligations	Total	Heavy	Non-heavy users
Significantly increased / improved	2%	2%	1%

Increased / Improved	13%	14%	13%
No change	58%	59%	57%
Decreased / Worsened	12%	14%	10%
Significantly decreased / worsened	2%	3%	0%
I don't know	13%	8%	19%

Total number of respondents is 164, 92 and 72 for samples total, heavy and non-heavy users respectively.

Table D.56 Characteristics of changes in the T&C and related practices on resolution of conflicts – closed survey

Resolution of conflicts	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	4%	3%
Increased / Improved	16%	21%	11%
No change	53%	54%	51%
Decreased / Worsened	9%	10%	7%
Significantly decreased / worsened	2%	2%	1%
I don't know	16%	9%	26%

Total number of respondents is 164, 92 and 72 for samples total, heavy and non-heavy users respectively.

Table D.57 Characteristics of changes in the T&C and related practices on clarity of privacy and data rules – closed survey

Clarity of privacy and data rules	Total	Heavy	Non-heavy users
Significantly increased / improved	2%	3%	1%
Increased / Improved	16%	20%	13%
No change	58%	60%	56%
Decreased / Worsened	7%	4%	11%
Significantly decreased / worsened	2%	2%	1%
I don't know	14%	11%	18%

Total number of respondents is 164, 92 and 72 for samples total, heavy and non-heavy users respectively.

Table D.58 Characteristics of changes in the T&C and related practices rules on access to the platform (user or membership rules) – closed survey

Rules on access to the platform (user/membership rules)	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	4%	4%
Increased / Improved	17%	16%	18%
No change	63%	65%	60%
Decreased / Worsened	5%	4%	6%
Significantly decreased / worsened	1%	1%	0%
I don't know	10%	9%	13%

Total number of respondents is 164, 92 and 72 for samples total, heavy and non-heavy users respectively.

Table D.59 Characteristics of changes in the T&C and related practices on rules applicable to payments – closed survey

Rules applicable to payments	Total	Heavy	Non-heavy users
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Significantly increased / improved	3%	4%	1%
Increased / Improved	18%	16%	19%
No change	67%	73%	60%
Decreased / Worsened	3%	1%	6%
Significantly decreased / worsened	1%	0%	0%
I don't know	9%	5%	13%

Total number of respondents is 164, 92 and 72 for samples total, heavy and non-heavy users respectively.

Table D.60 Characteristics of changes in the T&C and related practices on search related practices – closed survey

Search related practices	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	7%	0%
Increased / Improved	16%	13%	19%
No change	55%	61%	47%
Decreased / Worsened	7%	7%	7%
Significantly decreased / worsened	3%	2%	4%
I don't know	15%	4%	17%

Total number of respondents is 164, 92 and 72 for samples total, heavy and non-heavy users respectively.

Open survey

Table D.61 presents an overview of the number of business users that responded to the questionnaire of open survey between 30 November 2016 and 31 January 2017. Once the survey was completed, the resulting datasets was cleaned (for details on the exact cleaning steps see Annex B). In total 978 business users responded to the survey. Countries of establishments of the respondents who completed the questionnaire are presented in the table below.

Table D.61 Country of establishment of respondents – open survey

Country	Total	Heavy users	Non-heavy users
Austria	5%	6%	5%
Belgium	9%	6%	12%
Bulgaria	1%	0%	2%
Croatia	2%	1%	2%
Cyprus	1%	0%	2%
Czech Republic	2%	1%	2%
Denmark	8%	4%	10%
Estonia	1%	0%	2%
Finland	1%	0%	2%
France	4%	4%	5%
Germany	21%	27%	17%
Greece	2%	0%	2%
Hungary	5%	4%	6%
Ireland	9%	5%	11%
Italy	3%	1%	4%
Latvia	1%	0%	1%
Lithuania	1%	1%	1%
Luxembourg	2%	1%	3%
Malta	1%	1%	2%

Country	Total	Heavy users	Non-heavy users
Netherlands	3%	3%	4%
Poland	3%	3%	4%
Portugal	2%	1%	3%
Romania	2%	0%	2%
Slovakia	2%	0%	2%
Slovenia	2%	1%	2%
Spain	9%	7%	9%
Sweden	14%	11%	16%
United Kingdom	17%	29%	9%
Other	12%	4%	17%
Total	717	272	445

Total number of respondents is 717, 272 and 445 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 261, 70, and 191 respondents for total, heavy users and non-heavy users samples. Business users were asked to indicate which sector of economic activity they conduct business in, the size of the company (in terms of turnover and number of employees), and their job function.

Business users are active in various sectors of economic activity. Table D.62 presents an overview of respondents per sector. Majority of the respondents is active in the sector 'other service activities' (16% of business users), followed by wholesale and retail trade (11%), manufacturing, professional, scientific and technical activities and arts, entertainment and recreation (all 8%).

Table D.62 Sector of economic activity of business users – open survey

Sector of a company	Share of respondents		
	Total	Heavy users	Non-heavy users
Agriculture, forestry and fishing	1%	1%	1%
Mining and Quarrying	0%	0%	0%
Manufacturing	3%	2%	3%
Electricity, gas, steam and air conditioning systems	0%	0%	0%
Water supply; sewerage, waste management and remediation activities	0%	0%	0%
Construction	1%	1%	0%
Wholesale and retail trade; repair of motor vehicles and motorcycles	13%	29%	3%
Transportation and storage	1%	1%	0%
Accommodation and food service activities	57%	39%	68%
Information and communication	4%	3%	4%
Financial and insurance activities	0%	0%	0%
Real estate activities	0%	0%	0%
Professional, scientific and technical activities	1%	0%	1%
Administrative and support service activities	0%	0%	0%
Public administration and defence: compulsory social security	0%	0%	0%
Education	1%	1%	1%
Human health and social work	0%	0%	0%

Sector of a company	Share of respondents		
	Total	Heavy users	Non-heavy users
activities			
Arts, entertainment and recreation	4%	6%	3%
Other service activities	13%	13%	12%
Activities of households as employers; undifferentiated goods – and services – producing activities of households for ow	1%	2%	0%
Activities of extraterritorial organisations and bodies	0%	0%	0%

Total number of respondents is 709, 269 and 440 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 269, 73, and 196 respondents for total, heavy users and non-heavy users samples.

Size of the company

Majority of the business users that filled in the questionnaires are SMEs. Table D.63 and show the breakdown of the sample by the number of employees and by the generated turnover. Most of the respondents are micro and small enterprises with fewer than 9 employed people and an annual turnover of below 2 mln euro.

Table D.63 Size of the company in terms of number of employees – open survey

Number of employees	Total	Heavy users	Non-heavy users
1	10%	17%	6%
2-9	34%	42%	29%
10-49	33%	29%	36%
50-249	15%	7%	21%
250+	7%	5%	9%

Total number of respondents is 704, 269 and 435 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 274, 73, and 201 respondents for total, heavy users and non-heavy users samples.

Table D.64 Size of the company in terms of annual turnover– open survey

Annual turnover	Total	Heavy users	Non-heavy users
0 – € 1.999.999,-	61%	68%	56%
€ 2.000.000 – € 9.999.999	25%	21%	28%
€ 10.000.000 – € 50.000.000	6%	6%	7%
More than € 50.000.000	8%	5%	9%

Total number of respondents is 700, 266 and 434 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 278, 76, and 202 respondents for total, heavy users and non-heavy users samples.

Job function

Business users filling in the questionnaire have various job function (Table D.65). Mostly, the respondents hold a managerial position or own the business (Management and Owner of the company).

Table D.65 Job function of respondents – open survey

Job function	Share of respondents		
	Total	Heavy users	Non-heavy users
Administration	33%	35%	31%
Communications & PR	20%	23%	17%
Facilities	7%	8%	7%
Finance and accounting	16%	18%	14%
Human resources	10%	11%	10%
Management	58%	65%	53%
Executive	23%	26%	21%
Informational system	9%	11%	8%
Marketing	28%	29%	27%
Production	5%	6%	5%
Secretarial	7%	9%	6%
Technician	6%	7%	5%
Research/ Development	7%	8%	6%
Law	4%	4%	3%
Production/operation	9%	13%	6%
Owner of the company	10%	8%	12%
Other	33%	35%	31%

Total number of respondents is 695, 265 and 430 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 283, 77, and 206 respondents for total, heavy users and non-heavy users samples.

Country of reach via online platforms

While using online platform environment, business users reach out to various countries within the EU as well as outside, as presented in Table D.66. Majority of businesses are active in more than 1 country.

Table D.66 Country of reach via online platforms – open survey

Austria	35%	44%	29%
Belgium	38%	44%	34%
Bulgaria	25%	28%	22%
Croatia	25%	28%	22%
Cyprus	24%	28%	21%
Czech Republic	27%	32%	24%
Denmark	34%	40%	30%
Estonia	24%	28%	22%
Finland	29%	34%	26%

France	41%	54%	33%
Germany	51%	65%	42%
Greece	26%	30%	24%
Hungary	28%	31%	26%
Ireland	34%	41%	30%
Italy	36%	45%	30%
Latvia	23%	27%	21%
Lithuania	24%	28%	22%
Luxembourg	28%	34%	24%
Malta	24%	30%	21%
The Netherlands	34%	38%	31%
Poland	29%	34%	26%
Portugal	28%	34%	25%
Romania	25%	28%	23%
Slovakia	25%	30%	23%
Slovenia	25%	29%	23%
Spain	38%	48%	32%
Sweden	39%	40%	38%
United Kingdom	48%	61%	40%
Other	29%	23%	32%

Total number of respondents is 713, 271, and 442 for samples total, heavy and non-heavy users respectively. Note: a number of respondents didn't reach question, in particular 265, 71, and 194 respondents for total, heavy users and non-heavy users samples.

Usage of online platforms: purposes

Businesses use online platforms for different purposes, as indicated in Table D.67. The most prevalent reported activity is for the purposes of communication over social networks (90%). Online e-commerce marketplaces and online advertising are also among relatively often reported (by 88% and 77% of respondents). The least mentioned type of purpose is app selling or distributing. The usage of online platforms is similar for heavy and non-heavy users.

Table D.67 For what purposes companies use online platforms– open survey

Purpose / Share of respondents	Total	Heavy users	Non-heavy users
Online e-commerce marketplaces	88%	94%	85%
App selling or distributing	24%	26%	24%
Communication over social networks	90%	81%	95%
Online advertising	77%	70%	80%
Other purposes	15%	13%	16%

Total number of respondents is 978, 342 and 636 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

On average, the respondents indicated to use 3 different online e-commerce market places, and 3 different social media platforms. Businesses use on average slightly

fewer application stores and online advertising platforms (namely 2). The most commonly reported platforms are listed in Table D.68. For e-commerce, Allegro, Amazon, Booking.com, and eBay are leading among the business users. Among app distribution platforms, Amazon App Shop, Apple Store, Google Play, Microsoft Windows and Samsung are the most popular. Facebook, Instagram, LinkedIn, Twitter, and YouTube are the most popular social network platform. Facebook is also leading in online advertising. Other examples of online platforms used for online advertising include Amazon, Google DoubleClick and Twitter follow on the second and third place, respectively. Top chosen platforms to provide input on business-to-business issues are Amazon, Booking, eBay, Google Play, Facebook, LinkedIn as shown in Table D.68.

Table D.68 Top online platforms per type of purpose – open survey

Top platforms			
Online e-commerce marketplaces	App selling or distributing	Communication over social networks	Online advertising
Amazon	Amazon App Shop	Facebook	Amazon
Booking.com	Apple Store	Instagram	Facebook
eBay	Google Play	LinkedIn	Google (Double Click)
Expedia	Microsoft Windows	Twitter	Microsoft (Bind ads)
HRS	Store	YouTube	Twitter
Trivago	Samsung		
	Opera		

Total number of respondents is 939, 342, and 597 for samples total, heavy and non-heavy users respectively. A respondent can use multiple online platforms for multiple purposes. The list of top indicated platforms is sorted alphabetically.

Importance of online platforms: generated turnover via online platforms

Business users were asked to assess the amount of generated turnover via online platforms (Table D.69). 23% of the respondents estimate that more than 2/3 of their turnover is generated via online platforms. 19% of business users indicated that generated turnover via online platforms constitutes less than 33%. 4% indicated that online platforms are not applicable to their business model.

Table D.69 Generated turnover via online platforms

Share of turnover / Share of respondents	Total	Heavy users	Non-heavy users
Less than 1/3	19%	0%	31%
1/3 to 1/2	18%	0%	29%
1/2 to 2/3	13%	36%	0%
More than 2/3	23%	64%	0%
I don't know but I consider platforms important for business development	12%	0%	19%
Only marginal turnover, but strong reliance on business communication online (advertising, social media)	6%	0%	10%
Marginal turnover and marginal importance for my business	3%	0%	5%

Share of turnover / Share of respondents	Total	Heavy users	Non-heavy users
Not applicable to my business model	4%	0%	7%

Total number of respondents is 939, 342 and 597 for samples total, heavy and non-heavy users respectively.

Business users were asked to choose three most important platforms for their business among the ones that they selected to use for various purposes. Then it was indicated for business users that 'the main goal of the questionnaire is to find out about their experience in doing business with online platforms. The rest of the questions will refer only to one of the selected important platforms. Please choose a platform that you experience the most business-to-business related issues on'. Top chosen platforms to provide input on business-to-business issues are Allegro, Amazon, eBay, Apple store, and Facebook among others as shown in Table D.70.

Table D.70 Top chosen platforms to provide information on out of three most important ones – open survey

Platform	Sector
Amazon	e-commerce
Booking.com	e-commerce
eBay	e-commerce
Expedia	e-commerce
HRS	e-commerce
Apple store (Apple apps)	selling/providing apps
Google Play (Android apps)	selling/providing apps
Facebook	social networks
LinkedIn	social networks
Google (DoubleClick)	advertising

Total number of respondents is 939. A respondent could choose only one platform. The list of top indicated platforms is sorted alphabetically per sector.

For the chosen online platform respondents were asked to indicate whether they agree or disagree with a number of statements. The details of their responses are provided in Table D.71 – Table D.74. The majority of respondents agree or strongly agree with the statement "It is easy for me get help and guidance regarding issues encountered in my experience with platform". A large majority agree with the statement "The contractual terms, conditions and related practices of platform are clear to me" (56%) while 22% disagree or strongly disagree. 24% of respondents agreed that they "negotiated or tailored contractual terms and conditions to their needs with platform". 25% agree with the statement "The contractual terms, conditions and related practices of platform are fair". 44% disagree or strongly disagree with the statement or 373 business users. A higher share of heavy business users disagree or strongly disagree with the statement on fairness of T&C and related practices (56%).

Table D.71 Summary of the responses on perceived easiness of getting help and guidance of the platforms per type of users – open survey

Level of agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	15%	16%	15%
Agree	38%	34%	40%

Level of agreement with a statement	Total	Heavy users	Non-heavy users
I don't agree or disagree	18%	13%	21%
Disagree	14%	17%	12%
Strongly disagree	11%	19%	6%
No opinion	5%	2%	7%

Total number of respondents is 841, 316, and 525 for samples total, heavy and non-heavy users respectively.

Table D.72 Summary of the responses on perceived clarity of T&C and related practices per type of users – open survey

Level agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	13%	16%	11%
Agree	43%	36%	47%
I don't agree or disagree	17%	18%	16%
Disagree	14%	15%	14%
Strongly disagree	8%	13%	6%
No opinion	5%	2%	7%

Total number of respondents is 841, 316, and 525 for samples total, heavy and non-heavy users respectively.

Table D.73 Summary of the responses on whether T&C were negotiated or tailored to the needs of business users per type of users – open survey

Level agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	7%	8%	6%
Agree	17%	15%	18%
I don't agree or disagree	15%	9%	19%
Disagree	17%	16%	18%
Strongly disagree	33%	45%	26%
No opinion	11%	7%	13%

Total number of respondents is 841, 316, and 525 for samples total, heavy and non-heavy users respectively.

Table D.74 Summary of the responses on perceived fairness of terms and conditions of the platforms and related practices per type of users – open survey

Level agreement with a statement	Total	Heavy users	Non-heavy users
Strongly agree	8%	10%	7%
Agree	17%	14%	20%
I don't agree or disagree	23%	17%	27%
Disagree	24%	26%	22%
Strongly disagree	21%	30%	15%
No opinion	7%	3%	9%

Total number of respondents is 841, 316, and 525 for samples total, heavy and non-heavy users respectively.

Reasons why terms, conditions and related practices are considered not fair

Those business users that disagreed with a statement 'The contractual terms, conditions and related practices of the chosen platform are fair' were asked to provide reasons for it (see Table D.75). 44% of all respondents (373 respondents) considered

terms and conditions of the chosen platform not fair. The main reason is absence of the possibility to negotiate or amend terms and conditions of their contract specified by 80% of business users. Other commonly indicated reasons are the possibility of unilateral changes of the terms and conditions by the platform and limited access to dispute resolution and unfair pricing. For heavy and non-heavy business users distribution of response is similar with the most prominent reason is absence of the possibility to negotiate or amend terms and conditions.

Table D.75 Reasons to consider terms and conditions unfair – open survey

Reason	Total	Heavy users	Non-heavy users
Biased or non-transparent search practices	38%	50%	28%
Language difficulties	7%	10%	4%
Limitation of payment possibilities	21%	30%	14%
Limitations on customer data	42%	42%	43%
Limitations on portability of data	17%	20%	15%
Limited access to dispute resolution	40%	54%	28%
No possibility to negotiate or amend T&C	80%	84%	76%
Possibility of one-sided changes by the platform	52%	60%	45%
Termination policy	17%	26%	8%
Unfair pricing	42%	43%	42%
No particular reason	1%	1%	2%
Other	20%	18%	21%
<i>Total number of respondents</i>			
<i>Number of respondents that didn't reach question</i>			

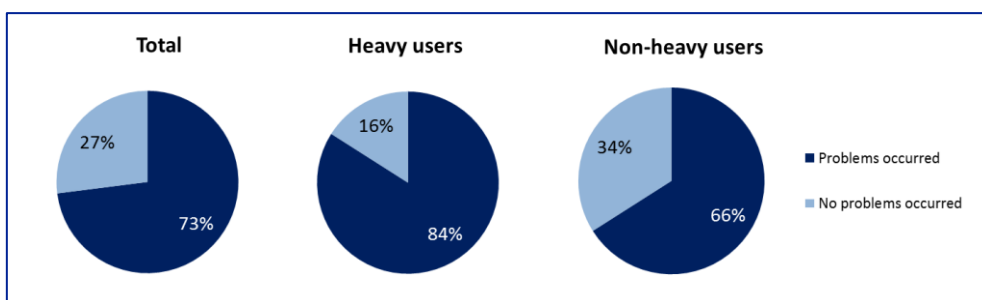
Respondents could indicate reasons to consider terms and conditions unfair only if they responded that they disagree or strongly disagree with the statement 'The contractual terms, conditions and related practices of platform are fair'. Total number of respondents is 365, 173, and 192 for samples total, heavy and non-heavy users respectively. Respondents could indicate multiple reasons; therefore the total does not add up to 100%.

Problems and disagreements with platforms

73% of business users responded that they have experienced problems and disagreements with the platforms in the course of their business relationship (Figure D.11). A larger share of heavy business users indicated that they have experienced problems (84%). Table D.76 provides an overview of platforms on which respondents indicated to have experienced problems or disagreements.

26% of business users indicated that they have experienced problems often the course of the business relationship (Figure D.12). 13% have experienced it only once. Heavy users experienced problems slightly more often than non-heavy users.

Figure D.11 Share of experienced problems per type of users – open survey



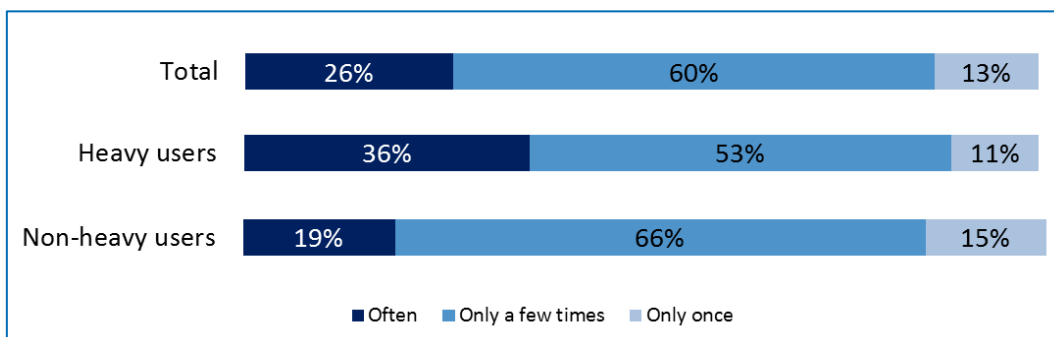
Total number of respondents is 812, 309, and 512 for samples total, heavy and non-heavy users respectively.

Table D.76 List of platforms on which problems were experienced – business panel survey

Platform	Purpose	Platform	Purpose
Allegro	e-commerce	Other	selling/providing apps
Amazon	e-commerce	Facebook	social networks
Booking.com	e-commerce	Instagram	social networks
eBay	e-commerce	LinkedIn	social networks
Expedia	e-commerce	Twitter	social networks
Groupon	e-commerce	Viber	social networks
HRS	e-commerce	Wordpress	social networks
Trivago	e-commerce	YouTube	social networks
Zalando	e-commerce	Other	social networks
Other	e-commerce	Facebook	advertising
Apple store (Apple apps)	selling/providing apps	Google (DoubleClick)	advertising
Google Play (Android apps)	selling/providing apps	Microsoft (Bing ads)	advertising
Samsung	selling/providing apps	Yelp	advertising
Oculus	selling/providing apps	Other	advertising

Total number of respondents is 596.

Figure D.12 Frequency of experienced problems per type of users – open survey



Total number of respondents is 596, 259, and 337 for samples total, heavy and non-heavy users respectively.

Causes of problems and disagreements with platforms

Business users were asked to indicate the causes of problems and/or disagreements if they have experienced them. The most common cause is lack of transparency of platform policies and practices on data/content (39%) and technical problems (39%) as shown in Table D.77. Other commonly indicated causes are lack of customer support and unfair terms and conditions for access to the platform. The distribution of answers for heavy and non-heavy users is similar. On average respondents indicated two cause of problems.

Table D.77 Cause of problems per type of users – open survey

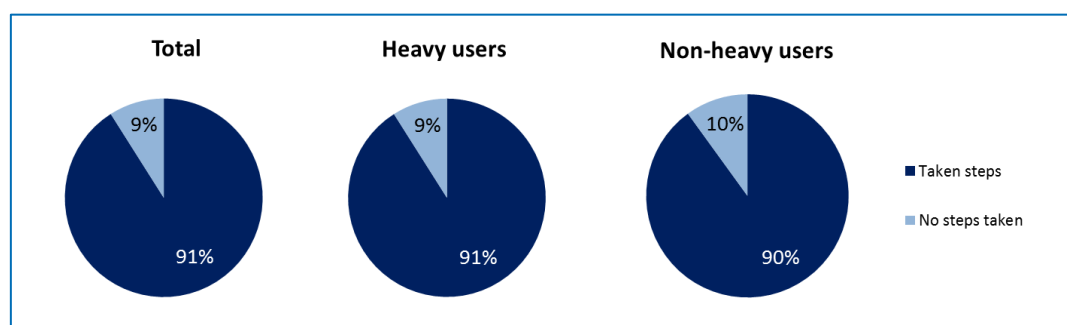
Cause	Total	Heavy users	Non-heavy users
Lack of transparency of platform policies and practices on data/content	39%	45%	34%
Lack of customer support	38%	44%	34%
Sudden changes in contractual terms or pricing	22%	24%	20%
Technical problems	39%	43%	36%
Unfair terms and conditions for access to the platform	26%	30%	24%
Limitations on payment possibilities	14%	20%	9%
Bias of search related practices	18%	22%	15%
Discontinuation/suspension of user account	14%	24%	7%
Other	16%	17%	16%

Total number of respondents is 578, 251, and 327 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Undertaken steps to resolve problems and disagreements with platforms

The majority of respondents (91%) took some step to resolve their problems and disagreements (Figure D.13). However, 9% took no steps at all. Similar share of heavy and non-heavy users took steps to resolve issues.

Figure D.13 Share of respondents that took steps to resolve problems/disagreements with platforms– open survey



Total number of respondents is 578, 251 and 327 for samples total, heavy and non-heavy users respectively.

Table D.78 presents an overview of undertaken steps by business users if they have experienced problems and/or disagreements with online platforms. Majority of respondents undertook only one step. Both heavy and non-heavy business users most commonly complain to the platform itself. 13% significantly reduced their business with the platform. A higher share of heavy users decided to significantly reduce their

business relationship with online platforms. 1% terminated their relationship with the platforms and switched to a different one.

Table D.78 Undertaken steps to resolve problems and disagreements with a platform – open survey

Steps taken	Total	Heavy users	Non-heavy users
Complaint to the respective online platform	83%	87%	81%
An action with a court within the EU	2%	0%	2%
An action with a court outside the EU	2%	1%	2%
Arbitration	1%	0%	1%
Mediation (offline)	2%	3%	2%
Mediation (online)	3%	2%	3%
A complaint to an ombudsman	2%	3%	1%
Other dispute resolution mechanisms	4%	4%	4%
Significant reduction in business relationship	13%	17%	10%
Termination of the relationship (and switch)	1%	1%	1%
Other	11%	13%	9%

Total number of respondents is 524, 229 and 295 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

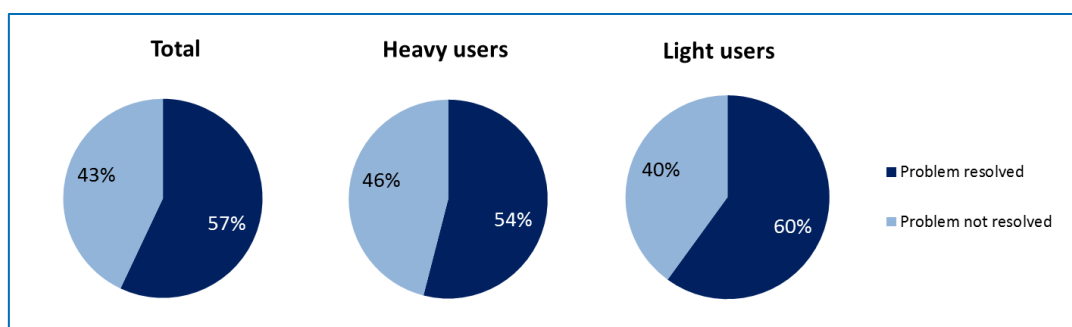
Other dispute resolution mechanisms included consultation with legal counsellors, personal meetings with top management of a platform, consultation with an association to resolve problems. Other undertaken steps include contact with associations, consultations with an account manager.

Result of undertaken steps to resolve problems and disagreements

Figure D.14 presents an overview of the outcome of undertaken steps to resolve problems and disagreements with online platforms. 57% of business users indicated that the problem was resolved with an online platform. A slightly lower share of heavy users had their problems resolved (54%). In case of specific causes of problems, the highest shares of resolved cases is when business users had their account discontinued or suspended indicated by 75% of business users. The lowest share of resolved problems (34%) is in case when business users experienced a bias of search related practices.

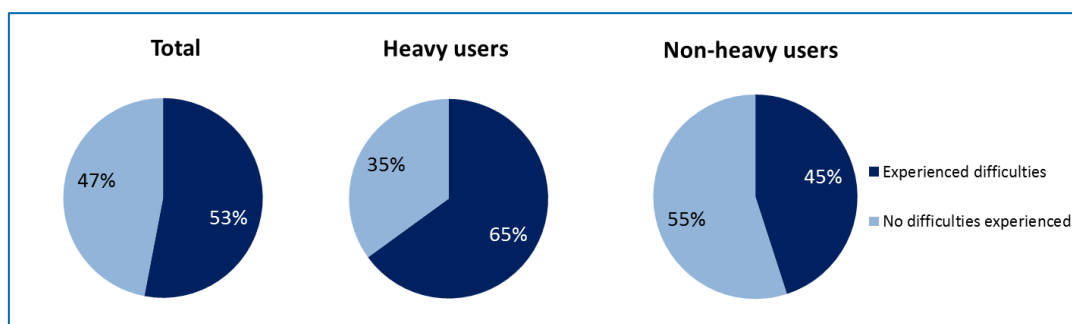
53% of respondents indicated that they have experienced some difficulties while they resolved the occurred problems and disagreements with online platforms (Figure D.15). For heavy users, the share of those that experienced difficulties is higher than for non-heavy users. Table D.79 shows the difficulties encountered to resolve problems and disagreements. Unsuitability of the mechanism to resolve a problem is the most commonly referred difficulty, mentioned by 53% of business users. Other most commonly mentioned difficulty is the length of a procedure.

Figure D.14 Result of undertaken steps to resolve problems and disagreements – open survey



Total number of respondents is 476, 209 and 267 for samples total, heavy and non-heavy users respectively.

Figure D.15 Result of undertaken steps to resolve problems and disagreements – open survey



Total number of respondents is 271, 112 and 159 for samples total, heavy and non-heavy users respectively.

Table D.79 Difficulties encountered to resolve problems and disagreements – open survey

Type of difficulty	Total	Heavy users	Non-heavy users
The mechanism was not suited to resolve my problem	53%	51%	54%
I could not enforce the decision after the resolution	18%	20%	16%
The procedure was too expensive	6%	4%	7%
The procedure was too long	46%	50%	42%
I experienced language difficulties	6%	7%	4%
Foreign law was applied	5%	4%	6%
The procedure was only possible abroad	4%	6%	1%
Other difficulties	16%	17%	14%

Total number of respondents is 139, 70 and 69 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Other experienced difficulties include absence of a human contact and mostly contact with automated/robot responses, very complex communication, unwillingness of a platform to resolve an issue.

Reasons to reduce/terminate the relationship with a platform

14% of those who had problems with the platform have significantly reduced or terminated their business relationship with the platform. Table D.80 summarises the reasons for such actions. The most common reason for this decision is inability or unwillingness of the platform to rectify the problem (47%). 23% name the recurring nature of the problem as a reason for their decision. The results are similar for heavy and non-heavy users.

Table D.80 Reasons to terminate the relationship with a platform – open survey

Reason	Total	Heavy users	Non-heavy users
Recurring nature of the problem	23%	15%	33%
Inability or unwillingness of the platform to rectify the problem	47%	50%	42%
Unwillingness of the platform to use dispute resolution	10%	8%	12%
Quit or reduced the relationship after unsuccessfully using various available remedies	11%	18%	3%
Other reason	10%	10%	9%

Total number of respondents is 73, 40 and 33 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Reasons to take no steps to resolve problems or difficulties with a platform

9% of those who have experienced problems took no steps at all to resolve them. Table D.81 shows the reasons for such actions. The main reason for this was that a respondent did not expect anything to come out of it indicated by 51% of respondents. For heavy users this reason was mentioned by 59% of respondents. Other common reason is that a respondent did not want to damage a business relationship with the online platform.

Table D.81 Reasons to take no steps to resolve problems or difficulties with a platforms – open survey

Reason	Total	Heavy users	Non-heavy users
High cost of the proceedings	8%	9%	6%
Duration of the proceedings	11%	18%	6%
Difficulty of the procedure	21%	36%	10%
Lack of awareness about the existence of dispute resolution mechanisms	11%	18%	6%
Lack of knowledge how to start the proceedings	13%	27%	3%
The applicable procedure is in a foreign country or in foreign language	2%	5%	0%
I expected the procedure to be biased	13%	18%	10%
I did not expect anything to come out of it	51%	59%	45%
I did not want to damage my	34%	41%	29%

Reason	Total	Heavy users	Non-heavy users
business relationship with the platform			
I expected that the resolution would in any case not be enforced	9%	5%	13%
The problem was not that important	21%	14%	26%
Other reasons	13%	23%	6%

Total number of respondents is 53, 22 and 31 for samples total, heavy and non-heavy users respectively. A respondent can use online platforms for multiple purposes; therefore the number of responses does not add up to 100%.

Changes in the terms, conditions and related practices

All respondents were asked to answer the question 'How would you characterise changes in the terms, conditions and related practices regarding the issues below that occurred over the duration of your online business experience?'. Table D.82 – D.90 present an overview of responses of businesses on transparency of pricing and tariffs, access to customer data, access to transaction data, general balance of contractual rights and obligations, resolution of conflicts, clarity of privacy and data rules, rules on access to the platform (user/membership rules), rules applicable to payments, search related practices. The majority of businesses reported that they noticed no particular changes to worse or better or have no opinion on the matters.

Table D.82 Characteristics of changes in the T&C and related practices on transparency of pricing and tariffs – open survey

Transparency of pricing and tariffs	Total	Heavy	Non-heavy users
Significantly increased / improved	5%	6%	5%
Increased / Improved	16%	15%	16%
No change	53%	53%	52%
Decreased / Worsened	9%	11%	7%
Significantly decreased / worsened	5%	6%	4%
I don't know	12%	8%	15%

Total number of respondents is 734, 279 and 455 for samples total, heavy and non-heavy users respectively.

Table D.83 Characteristics of changes in the T&C and related practices on access to customer data– open survey

Access to customer data	Total	Heavy	Non-heavy users
Significantly increased / improved	6%	7%	6%
Increased / Improved	18%	19%	18%
No change	39%	42%	38%
Decreased / Worsened	14%	15%	13%
Significantly decreased / worsened	11%	12%	10%
I don't know	12%	6%	15%

Total number of respondents is 734, 279 and 455 for samples total, heavy and non-heavy users respectively.

Table D.84 Characteristics of changes in the T&C and related practices on access to transaction data– open survey

Access to transaction data	Total	Heavy	Non-heavy users
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Significantly increased / improved	5%	5%	5%
Increased / Improved	17%	16%	18%
No change	48%	53%	45%
Decreased / Worsened	10%	10%	9%
Significantly decreased / worsened	4%	6%	3%
I don't know	15%	9%	19%

Total number of respondents is 734, 279 and 455 for samples total, heavy and non-heavy users respectively.

Table D.85 Characteristics of changes in the T&C and related practices on general balance of contractual rights and obligations– open survey

General balance of contractual rights and obligations	Total	Heavy	Non-heavy users
Significantly increased / improved	5%	6%	4%
Increased / Improved	13%	13%	14%
No change	51%	49%	52%
Decreased / Worsened	10%	14%	8%
Significantly decreased / worsened	6%	9%	4%
I don't know	15%	9%	19%

Total number of respondents is 734, 279 and 455 for samples total, heavy and non-heavy users respectively.

Table D.86 Characteristics of changes in the T&C and related practices on resolution of conflicts– open survey

Resolution of conflicts	Total	Heavy	Non-heavy users
Significantly increased / improved	5%	7%	3%
Increased / Improved	14%	15%	13%
No change	46%	39%	50%
Decreased / Worsened	11%	13%	9%
Significantly decreased / worsened	8%	17%	3%
I don't know	17%	9%	21%

Total number of respondents is 734, 279 and 455 for samples total, heavy and non-heavy users respectively.

Table D. 87 Characteristics of changes in the T&C and related practices on clarity of privacy and data rules– open survey

Clarity of privacy and data rules	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	5%	3%
Increased / Improved	11%	9%	13%
No change	55%	61%	52%
Decreased / Worsened	8%	9%	8%
Significantly decreased / worsened	4%	5%	4%
I don't know	17%	11%	21%

Total number of respondents is 734, 279 and 455 for samples total, heavy and non-heavy users respectively.

Table D.88 Characteristics of changes in the T&C and related practices rules on access to the platform (user or membership rules) – open survey

Rules on access to the platform (user/membership rules)	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	4%	4%
Increased / Improved	14%	13%	14%
No change	55%	55%	55%
Decreased / Worsened	7%	8%	6%
Significantly decreased / worsened	4%	8%	2%
I don't know	16%	12%	18%

Total number of respondents is 734, 279 and 455 for samples total, heavy and non-heavy users respectively.

Table D.89 Characteristics of changes in the T&C and related practices on rules applicable to payments– open survey

Rules applicable to payments	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	5%	4%
Increased / Improved	13%	12%	14%
No change	54%	55%	54%
Decreased / Worsened	9%	11%	7%
Significantly decreased / worsened	4%	6%	3%
I don't know	16%	10%	19%

Total number of respondents is 734, 279 and 455 for samples total, heavy and non-heavy users respectively.

Table D.90 Characteristics of changes in the T&C and related practices on search related practices– open survey

Search related practices	Total	Heavy	Non-heavy users
Significantly increased / improved	4%	6%	4%
Increased / Improved	12%	11%	13%
No change	49%	47%	51%
Decreased / Worsened	10%	12%	8%
Significantly decreased / worsened	8%	14%	5%
I don't know	16%	11%	20%

Total number of respondents is 734, 279 and 455 for samples total, heavy and non-heavy users respectively.

ANNEX E METHOD FOR SELECTION OF PRACTICES

Criteria for selection

A number of practices identified during the study were selected to be discussed more in-depth during interviews with business users and platforms. In order to select the most relevant trading practices as case studies, the importance of the practice for the business users was used. Ideally, importance is derived by both frequency of practice and the impact of the practice for the sector. Unfortunately, isolated impact of individual practices could not be surveyed (due to restrictions on the size of the survey). Consequently, for these surveyed practices, only *frequency of the practice* could be quantified. Impacts of the individual practices have been assessed on a qualitative basis, making use of signal received from other sources (most notably the workshops organised by the European Commission).

In addition, some of the potentially problematic practices were identified after the launch of the survey. As a result, quantitative information on both frequency and impact is lacking for these practices. Instead, a qualitative assessment of frequency and importance was made for these practices.

Table E.1 summarizes which sources of information were used to obtain a quantitative or qualitative estimate of frequency of the practice. For impact, the workshops in combination with desk research and scoping interviews were the source for all practices.

Table E.1 Sources of information for frequency of practices

Practice	Source
1. Setting the terms and conditions	
<ul style="list-style-type: none"> Refusal to negotiate 	Workshops, scoping interviews
<ul style="list-style-type: none"> Lack of clarity on the full T&C 	Scoping interviews
<ul style="list-style-type: none"> Non-negotiability of changes 	Survey (Unfair T&C: No possibility to negotiate or amend the terms and conditions)
<ul style="list-style-type: none"> Lack of clarity and vague language of T&C 	Survey (Unfair T&C: Language difficulties, e.g. difficult language, unclear language,...)
<ul style="list-style-type: none"> Unilateral changes 	Survey (Unfair T&C: Possibility of one-sided changes to the pricing and/or other terms)
<ul style="list-style-type: none"> Unilateral interpretation of T&C 	Scoping interviews
<ul style="list-style-type: none"> Lack of or very short-term prior notice about changes 	Survey (Problem: Sudden changes in contractual terms or pricing)
<ul style="list-style-type: none"> Continuation of use as a presumption of acceptance of changes 	Workshops, scoping interviews
<ul style="list-style-type: none"> Unilateral termination 	Survey (Unfair T&C: Termination policy)
2. Search and ranking	
<ul style="list-style-type: none"> Transparency of search criteria 	Survey (Unfair T&C: Biased or non-transparent search practices)
<ul style="list-style-type: none"> Lack of transparency with regard to search, ranking and reference functions 	Survey (Problem: Lack of transparency of platform policies and practices on data/content)

Practice	Source
<ul style="list-style-type: none"> Provision of information on changes to ranking algorithms 	Workshops, scoping interviews
<ul style="list-style-type: none"> Use of alternative tool to present offers 	Workshops, scoping interviews
3. Access to the platform	
<ul style="list-style-type: none"> Eligibility to access the platform 	Workshops, scoping interviews
<ul style="list-style-type: none"> Lack of transparency of rules related to delisting of products, suspension of account and termination of accounts 	Survey (Problems: Discontinuation/suspension of user account)
<ul style="list-style-type: none"> Lack of information on delisting of products of services 	Survey (Problems: Discontinuation/suspension of user account)
<ul style="list-style-type: none"> Lack of information on temporary suspension of an account 	Survey (Problems: Discontinuation/suspension of user account)
<ul style="list-style-type: none"> Lack of information on actions required for relisting of products/services or re-instating of an account 	Workshops, scoping interviews
<ul style="list-style-type: none"> Lack of information on termination 	Workshops, scoping interviews
4. Platforms competing with business users or limiting options	
<ul style="list-style-type: none"> Parity clauses (price and non-price related) 	Desk research
<ul style="list-style-type: none"> Limitations of choice of auxiliary services 	Survey (Unfair T&C: Limitation of payment possibilities)
<ul style="list-style-type: none"> Platforms favouring own products 	Desk research, workshops
<ul style="list-style-type: none"> Lack of explanation of operational decisions 	Survey (Unfair T&C: Unfair pricing, e.g. non-transparent pricing, distribution of revenues)
5. Data access and portability	
<ul style="list-style-type: none"> Lack of information on policy re data 	Workshops, scoping interviews
<ul style="list-style-type: none"> Lack of transparency with regard to data access and portability 	Workshops, scoping interviews
<ul style="list-style-type: none"> Limited access to data 	Survey (Unfair T&C: Limitations on access and/or use of customer data)
<ul style="list-style-type: none"> Restrictive application of provisions on data access/ sharing and use 	Scoping interviews
<ul style="list-style-type: none"> Retention of data related to business user 	Survey (Unfair T&C: Limitations on portability of data)
6. Problem solving	
<ul style="list-style-type: none"> Non-EU jurisdiction and applicable law 	Desk research, scoping interviews
<ul style="list-style-type: none"> Liability disclaimers 	Desk research
<ul style="list-style-type: none"> Lack of penalties for platforms 	Workshops, scoping interviews
<ul style="list-style-type: none"> Restrictions on access to redress possibilities 	Survey (Unfair T&C: Limited access to dispute resolution)

Application of the method

Inclusion of quantitative survey information on frequency of surveyed practices and qualitative estimates on the frequency of the other practices, as well as on the impact of all practices, leads to the overview of frequency and impact of the individual practices as presented in Table E.2. It is noted that for the frequency of surveyed

practices, the results for heavy users (more than 50% turnover dependency on online platforms) were used, in line with the scope of the study (see section 1.2). Percentages presented is the share of respondents within the relevant category (for practices based on unfair T&C answers: all heavy users; for practices related to problems encountered: all heavy users with problems encountered).

Table E.2 Frequency and impact of practices – merged open and closed survey

Practice	Frequency	Impact
1. Setting the terms and conditions		
• Refusal to negotiate	High	High
• Lack of clarity on the full T&C	Medium	Medium
• Non-negotiability of changes	53%	Medium
• Lack of clarity and vague language of T&C	6%	Medium
• Unilateral changes	40%	High
• Unilateral interpretation of T&C	High	High
• Lack of or very short-term prior notice about changes	38%	High
• Continuation of use as a presumption of acceptance of changes	Medium	High
• Unilateral termination	18%	High
2. Search and ranking		
• Transparency of search criteria	30%	High
• Lack of transparency with regard to search, ranking and reference functions	45%	High
• Provision of information on changes to ranking algorithms	Medium	Medium
• Use of alternative tool to present offers	High	Medium
3. Access to the platform		
• Eligibility to access the platform	Low	High
• Lack of transparency of rules related to delisting of products, suspension of account and termination of accounts	21%	High
• Lack of information on delisting of products of services	21%	High
• Lack of information on temporary suspension of an account	21%	High
• Lack of information on actions required for relisting of products/services or re-instating of an account	Medium	High
• Lack of information on termination	Medium	High
4. Platforms competing with business users or limiting options		
• Parity clauses (price and non-price related)	Medium	Medium
• Limitations of choice of auxiliary services	19%	High
• Platforms favouring own products	Medium	High
• Lack of explanation of operational decisions	28%	Medium

Practice	Frequency	Impact
5. Data access and portability		
• Lack of information on policy re data	Medium	Medium
• Lack of transparency with regard to data access and portability	Medium	High
• Limited access to data	27%	High
• Restrictive application of provisions on data access/ sharing and use	Low	High
• Retention of data related to business user	13%	Medium
6. Problem solving		
• Non-EU jurisdiction and applicable law	Medium	Medium
• Liability disclaimers	Medium	Medium
• Lack of penalties for platforms	Medium	Medium
• Restrictions on access to redress possibilities	34%	High

Selection of practices

Of the practices flagged above, practices related to unilateral behaviour with respect to setting or changing of terms and conditions are excluded, as these are closely linked to the area of competition law which is explicitly excluded from this study. Selecting the most prominent remaining practices, both in terms of high impact and reasonably frequency, from the list, the following list of practices resulted:

1. Setting the terms and conditions:
 - a) Lack of or very short-term prior notice about changes;
 - b) Continuation of use as a presumption of acceptance of changes.
2. Search and ranking:
 - a) Practices related to search and ranking (lack of transparency, rules and means for users to control the results).
3. Access to the platform:
 - a) Content or product removal / delisting of a product;
 - b) Lack of information on termination.
4. Platforms competing with business users or limiting options:
 - a) Platform favouring their own products;
 - b) Limitations of choice of auxiliary services.
5. Data access and portability:
 - a) Lack of transparency of the platforms' terms and conditions and/or their practice on data;
 - b) Limitation of the extent to which users can access, use and transfer data relating to or generated on the basis of the transactions carried out through platforms.
6. Problem solving:
 - a) Restrictions on access to redress possibilities.

ANNEX F: INTERVIEWS

This Annex presents a methodology for selecting interviewees, interviewed organisations and the list of questions for interviews with business users and with online platforms.

The interviewees were selected based on the answer they provided in the survey question 'Would you agree to be contacted in the following months by Ecorys or the European Commission for a short interview by telephone (c. 15- 30 minutes) to talk in more detail about your experiences with online platforms?'. Those respondents that indicated that they agree to be contacted later on were eligible to have an interview. A number of interviews were piloted with business users in February 2017. As a result of this interviews, the list of questions was revised and adjusted to reflect the feedback from the interviewees.

For business users, an additional criterion was applied: the size of the turnover generated via online platforms (on the basis of the answer to the question 'Please provide an approximate estimate of how much of your turnover is generated via online platforms.'). Those respondents that generate more than half of their turnover were invited to participate in an interview.

Since participation of online platform in a survey was low, an additional measure was undertaken to contact online platforms for interviews. A number of online platforms that were invited to the European Commission workshop "Online platforms – Points of view and exchanges" on 24.03.2017 were invited to participate in an interview. In total, 7 online platforms and 42 business users were interviewed between February and April 2017. Table F.1 presents an overview of the interviewees per type.

Table F.1 Number of interviews with online platforms and their business users

	Number of platforms interviewed	Number of business users interviewed about their experience with
Online e-commerce market places: e-commerce in goods/services	2	18
Online e-commerce market places: e-commerce in services (hospitality platforms)	3	7
Application stores embedded in mobile operating systems	2	12
Online advertising platforms	1	6

Note: a platform can be active in multiple sectors; business users shared their experience with multiple platforms.

Interview questions for business users

Introduction

This interview is a follow-up to the survey on experiences with online platforms in which you participated:

- If you desire, the minutes of the interview can be sent to you for review. Do you wish to receive the minutes of this interview?
- In our report on the study, we will not attribute statements to any individual person or organisation. However, we intend to include a list of persons or organisations that were interviewed. Do you agree with your name being included in the list of interviewees?
- Do you have any question before we move to the main section of the interview?

Company background

First of all, I would like to learn a bit more about your company.

- Could you briefly describe the type of products or services you offer?
- Since when is your company active?
- How has the company developed since establishment?

Experiences with selected practice

I would like to learn more about problems encountered when dealing with platforms. As online platform with which you encountered as one of the three you encountered the most negative experiences with, you selected [SURVEY]. Among the practices you indicated unfair or leading to problems, are:

- [SURVEY LIST]

I'd like to learn a bit more about these practices.

Get description of each practice: what is the problem.

- Could you indicate if, in addition to these practices, you also encountered one of the following problems:
 - [LIST NON-QUANTIFIED PRACTICES]

I would like to discuss with you [SELECT ONE CASE STUDY PRACTICE]

Pic only one. If multiple options, pick the one still under-represented in the set to date. If time allows, feel free to discuss more.

- Could you describe the detailed nature of the problem?
- If this issue would not exist, how would this differ your business in terms of:
 - Business operations;
 - Turnover;
 - Profitability;
 - Offering of new products;
 - Kind of business model;
 - Other.

Presence of this practice in the sector

Next, I would like to understand if the problem described is more wide-spread.

- Do you know to what extend other online platforms, either major platforms or less well-known platforms, make use of the same practice?
 - Which platforms make use of the same practice?
 - Which platforms offer alternatives?
 - *In case of platforms with different practices:*

- Could you please describe how this alternative approach looks like?
- What would this alternative approach mean for your business in terms of: business operations, turnover, other?

Redress possibilities for business users

Next, I would like to explore possibilities for redress

Redress possibilities are a possibility to object to a certain practice, for example by filing a complaint at the platform, complain at authorities, or start court cases, with the aim to get the practice changes, and where applicable receive compensation for one's grievance.

You indicated most problems were experienced with platform [SURVEY ANSWERS] and redress options [SURVEY ANSWER].

On-platform:

- What redress possibilities does the platform offer? Please describe how the redress mechanism works:
 - In what situations would you use this redress mechanism?
 - What can be improved in this redress mechanism?

If the respondent is also active on another competing platform (check previous question)

I was wondering how opportunities for redress at other platforms you are active on or are aware of is organised

- Do the other platforms offer a different redress mechanism?
- *If so:* Is this alternative mechanism more suited to solve problems?

Maybe looking even further beyond the platforms you are active on.

- Are you aware of other redress mechanisms offered by platforms in your industry sector?

Other redress possibilities:

Moving to other redress possibilities, offered outside platforms (such as court, mediation, arbitration).

- Did you use any of these other redress mechanism to rectify your problem? [CHECK SURVEY ANSWERS]
 - *If YES:* What did you choose? Why did you choose it? Did it lead to the desired result? Would you choose it again?
 - *If NO:* Were you aware of any redress possibilities available to you? Which were they? Why did you decide not to make use of these possibilities?
- What other redress possibilities are available in your country – besides courts, mediation/arbitration and the platform redress mechanism? For example market solutions, self-regulation, chamber of commerce etc.
- What redress possibilities would be a useful addition in your view (introduced wither by the platforms or by legislator)?

Emerging trends

Finally, I would like to explore future development of the online platform environment with you. First of all, your personal situation:

- How do you foresee the use of online platforms by your company in the next 5 to 10 years?

Next, for the sector at large:

- Do you see any current or future technological trends, socio-economic trends, policy and legal trends, like new upcoming legislation or current initiatives, which may affect the business model of platforms or the experienced problems in dealing with platforms as a business?

Interview questions for online platforms

Introduction

- If you desire, the minutes of the interview can be sent to you for review. Do you wish to receive the minutes of this interview?
- In our report on the study, we will not attribute statements to any individual person or organisation. However, we intend to include a list of persons or organisations that were interviewed. Do you agree with your name being included in the list of interviewees?
- Do you have any question before we move to the main section of the interview?

Use of practices

Practices to be discussed:

- Unilateral changes of contract;
 - Search and ranking related practices;
 - Delisting of products and blocking of accounts;
 - Favouring certain products and auxiliary services (payments systems, ad serving);
 - Limited data access and portability;
 - Access to redress mechanisms.
-
- Understanding the practice;
 - Awareness of impact on business users (are you aware of business users considering this problematic / unfair?);
 - Motivation for the existence developing a certain practice (why was this practice introduced?);
 - Link to platform's business model (how does this fit into your business model?);
 - Discuss any possible technical limitations and possibilities (to what extent are these practices unavoidable?);
 - Alternatives to these practices (what alternative approached are you aware of?):
 - Plus the consequences such alternatives would have for the platform and its business model.

Emerging trends

- Do you see any current or future **technological trends**, like big data analytics, blockchain or artificial intelligence that may affect the business model of platforms or the experienced problems flagged by business-users?
- Do you see any current or future **socio-economic trends**, like further digitalisation of society or development of expandable household income that may affect the business model of platforms or the experienced problems flagged by business-users?
- Do you see any current or future **policy and legal trends**, like new upcoming legislation or current initiatives that may affect the business model of platforms or the experienced problems flagged by business-users?

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