



# Online price comparison tools in the energy area – consumer aspects

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# Empowerment via information = trust

- Consumer Policy: not only protection but also empowerment
- Our choices reflect our means, priorities, principles

## Questions:

- What is the 'right' information?
- How much?
- How to present it?

**Priority:** How to instil consumer trust to use online tools

# Online tools: consumer attitudes I

- **Online tools are the norm** – 80% of online consumers use price comparison webs in their shopping decisions
- Price comparison webs used **widely** all over the EU – 80% online consumers have used a price comparison web in 2010
- Only 20% of consumers have **never** used one; about 50% of consumers use such webs **once a month**.

## Why consumers use price comparison websites?

- **56%** “quickest way to compare price”
- **51%** “to find the cheapest price”
- **22%** “to find out more about the range of offers”
- **16%** “to find info about specific products”, and
- **13%** “to find customer comments, product reviews and ratings”

# Online tools: consumer attitudes II

## How consumers shop online?

### ➤ **Online shoppers:**

- 31% visited sellers' websites,
- 30% used a search engine,
- 27% used a price comparison website and
- 24% visited an online market place
- while 24% read customer reviews

### ➤ **Offline shoppers using online tools** for their research

- 49% used at least one online research method
- visits to sellers' websites, search engines, online consumer reviews, price comparison webs, visits to traders websites

**Source:** SWP Paper Bringing E-Commerce Benefits To Consumers (2011)

# CEER Recommendations I

## Independence, non-discrimination, consistent presentation

- Fundamental preconditions → without them information can be misleading

## Regulatory oversight

- If private web; energy regulator or other competent body

## Self-regulation

- Focus on trust → transparency → quality
- Web tools used on basis of trust
- Voluntary codes of conduct, coupled with reg. review
- Very difficult to restore trust & confidence once compromised

the right order!

## CEER Recommendations II

### Transparency

- Good to disclose funding, ownership etc. but *primarily* regulator to process this info
- Not the consumer's responsibility to review ownership or operational modalities of web tool to discover conflict of interest!

### Exhaustiveness

- *Step-by-step* approach: first complete overview → filtering
- More data is less
- Specific data: ensure personal data protection → no record keeping, no cookies, no commercial use (unless clear user consent)

## **CEER Recommendations III**

### **Clarity and comprehensibility**

- Consumers to compare like for like → total costs or €/kWh
- Must test behaviour for optimal solutions & active consumers
- Estimated results → clear message incl. budget implications
- Explanation/presentation of characteristics: language matters
- Add. info → separate from 'main page' but not 'disconnected'

### **Correctness and accuracy**

- Frequent updating, regular review for quality

# Policy issues to consider in the Advice

## Feedback

- Direct link with regulator or secure system to report malfunctioning or abuse

## Awareness

- Accompanying measures to 'nudge' consumers to use tools
  - ✓ awareness campaigns,
  - ✓ Info with the bill (sent by all energy companies)

## Accessibility

- still many consumers without access to the internet;
- equally many that cannot process info.  
They should not be penalised!



**Thank you !**

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