

Recent developments in consumer protection in online channel context

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Keywords

consumer protection, geo-blocking, on-line retailing, regulation.

Abstract

More and more consumers are looking for inclusion in online processes to meet the needs and fulfill their desires. The online channel opens up new opportunities for innovation in communication among people, and this has a significant impact on lifestyle changes, especially in shopping. A large number of consumers who are delighted and buy online regularly and feel safe, however, is also a great proportion of those who experiment, test the capabilities, reliability and security of the channel. It should not be neglected by a large number of consumers who do not use it, but this number decreases. Online search and purchasing has the advantages and disadvantages that depend on the attractiveness of this channel and its future. The purpose of the paper is to make a critical review of recent changes in consumer protection regulation in the context of online retailing. Numerous disadvantages of Internet retailing are removed by regulation (e.g. cost of partial delivery, geo-blocking etc.) to protect the consumer and increase online sales, however, regulation is increasingly tighter for retailers, as it has obviously been shown to have a positive impact on increasing the number of online customers. In the multitude of documents that the European Commission has been publishing so far and which is constantly developing on the issue of consumer market position, in the context of this paper, those relating to the protection of consumers' position in online purchasing will be outlined in order to give practical guidance for retail management.

Introduction

Adapting consumer market to the digital arena is one of ten strategic goals of the European Commission. To make that possible it has adopted the Digital Single Market general strategy. Civic Consulting estimates for the European Commission that European consumers may save around 11.7 billion euros each year thanks to the larger offer and lower prices offered through online channel (Civic Consulting & European Commission, 2011). Electronic commerce had a share of 7.2% in total retail sales realized in 2014 within EU, while in the United States it reached 11.6%.

In the past decade, a large increase happens in the proportion of consumers purchasing online, from 21% in 2005 to 50% in 2015. Transactions frequency also have increased. In the Union area, only 4 out of 10 retailers provide online sales service. The term online in regulation context includes any type of software, such as websites and mobile applications, which is managed by trader or managed in a trader account, through which goods and services are made available so that a commercial transaction with the customer can be carried out.

The general problem is a weak cross-border online purchase. According to the latest data, in 2015, only 15% of consumers made online purchases outside their domestic market, while 47% made purchases exclusively in-home country. Over two-thirds of online sales revenue comes from domestic customers from a country where a retailer is registered. Therefore, it is estimated that there is a large unexploited capacity of the electronic retail channel. There are three main measures to strengthen the channel's attractiveness: put geo-blocking out of action, greater transparency of parcel delivery prices

and uniformity of the rules for contracting online consumer relationships or in other words the same set of key contract law rules. An overview of the current measures is shown in Table 1.

Table 1. New guidelines in consumer policy to remove barriers and the development of online commerce in the EU.

Better online access to goods and services	Building trust for consumers and providing greater certainty	Reducing transactions costs and administrative burden
Ban unjustified geo-blocking Equal and stronger enforcement of rules across the EU Lower cross-border delivery prices	Lower cross-border delivery prices Facilitate payment methods Common contract rules Equal and stronger enforcement of rules across the EU Guidance of Unfair Commercial Practices	Reduce VAT burden Reduce costs of fragmented contract rules Lower cross-border delivery prices

Source: European Commission (2016) COM (2016) 320: *A comprehensive approach to stimulating cross-border e-Commerce for Europe's citizens and businesses*

The survey shows that only 37% of European retailers have online operations, and only 12% provide cross-border transactions. Traders also emphasize the reasons why they are unwilling to sell through electronic channels, so 57% of them explain that shipping costs reduce their price competitiveness, claiming high costs of warranty and goods return, and almost 54% of them claim they do not know enough about terms and conditions they must comply when they sell abroad. The diversity of contractual laws among members makes it difficult for retailers and operators to deal with and also how to manage the return in the case of dysfunctional or defective products.

According to the current regulation, consumers opting for online shopping from another member state are protected by the rights that apply to the retailer origin country, however, the new proposal for consumer regulation in cross-border transactions would enjoy rights in their home country. There are obviously two directives that will regulate the area of electronic commerce in the future: a) Directive on certain aspects concerning contracts for the supply of digital content and b) Directive on certain aspects concerning contracts for the online and other distance sales of goods. Selected directives would require a much more detailed and comprehensive system of incursion into national legislation. Full alignment will eliminate the fragmentation of contractual consumer rights linked to online commerce between states, thereby reducing existing barriers for traders.

From the beginning of 2015, the so-called "Mini One Stop Shop (MOSS) started. This is a new process of taxation of the provision of digital VAT services where telecommunication and electronic service providers are obliged to calculate VAT to the business or end-user service at the rate applied in the country of the customer regardless of where the service provider is based. If the online retailer from Croatia sells the software or video game to the final customer in Hungary, then the 27% VAT rate in the retail price must be included in the retail price in Hungary. Similarly, if a Croatian customer purchases from a German online merchant a subscription to a TV channel then the German retailer at a retail price is obliged to include a 25% VAT rate.

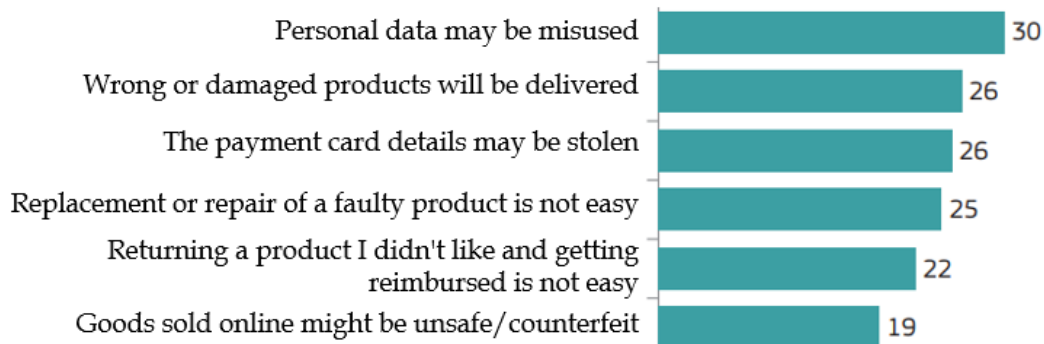
Consumer trust in online shopping

The lack of consumer trust and confidence in online shopping shows data from the survey run in 2014, where 61% of consumers feel safe if they shop at a webshop in their home country, but only every third feels safe while buying from an online retailer in another country. Consumers are stimulated to use on line channel because they can order at any time (49% of respondents) and that gives them a better use of their own available time (42%). The price search option (49%) or the bar at a price comparison (37%) gives this channel the advantage over the other (Deloitte & ECME, 2013). Consumers consider that the choice of goods online is often broader and more attractive (36%), and some products can only be ordered online (25%). What brings value to consumers is also evaluation tools, exchange of recommendations and criticisms (21%) as well as ease of price comparison (20%).

The main factors that negatively affect consumer confidence are described in Graph 1. Obviously, misuse of personal data is the most common obstacle (30% of respondents indicated this as a reason). Consumers are not sure to what extent disclosure of personal data when ordering may compromise their social, financial and physical security.

The largest trust and confidence in online transactions exist among consumers in Denmark, Austria, Great Britain, Sweden, Ireland and the Netherlands, while Croatia and Bulgaria record the lowest confidence index in the online trade of goods and services. This area is not exception, because Croatia has poor performance in other areas of consumer policy too. Online retailers' survey in Croatia reveal that 60% of them are satisfied and have confidence in online sales of goods.

Graph 1. Main concerns about buying online in own country, EU-28, 2015.



Source: European Commission, (2015a).

Multivariate correlation analysis reveals that the segment of customers searching the internet every day shows the greatest trust in the online channel (European Commission, (2015a)). Those who have financial difficulties are not prone to online shopping. It is also possible to distinguish the expected information that populations older than 65 show the least confidence for online, while the group between 25-34 years of age has the highest confidence.

Consumers who do not exercise the right or do not know they have it, are actually waiver. To be fully acquainted with his rights, the average visitor is expected to read and understand the terms of use. This often takes a lot of time and is not in line with the aspiration of quick information search on the internet, so that visitors agree to terms on "blind". One study shows the average consumer in one year of surfing needs about 250 hours a year, which would turn 33 days, to actually read the Privacy Statement required by the websites he visits.

Regulatory reform in the sale of goods on the Internet

The aim of the new Directive on certain aspects of the sale of goods on the Internet and other remote-on-demand goods is to further remove barriers to online trade that are linked to consumer contract law and to assist in establishing a truly unique digital market in favor of retailers and consumers (European Commission, 2016b). It seeks to provide a better harmonized regulatory framework at Union level to create more affordable conditions for traders who plan to sell their goods in other Member States. Today, retailers often block online access so that they do not have to make efforts to tailor contractual relations with consumers that are regulated by different regulations from country to country. According to the new rules, retailers will no longer be faced with different consumer contract laws, but the key rules for online sales of goods and digital content downloads will be valid for everyone.

In the new regulatory framework, the most important aspect is removing the burden of proof. For example, if a Croatian consumer finds out that the product she bought online more than six months ago has become dysfunctional and if she asks the retailer to repair or replace it, she would have to prove that there was a shortage at the time of delivery. Under the new rules (European Commission,

2015a) the consumer will be entitled to a refund throughout the prescribed two-year guarantee term without the need to prove the existence of a shortage of delivery.

As a part of the new rules for online sale of digital content (software, video, music, video games, text content), the retailer is obliged to indicate to the consumer the interoperability of digital content with computer or software equipment for which the retailer knows or ought to know. In addition, there is an obligation to inform about the functionality of digital content, copyright restrictions, and the use of technical measures that may affect use (e.g., the term of the right to use). For example, a customer who is paying and downloading a video game that does not work immediately after installation can claim damages immediately, however, the trader in such a situation usually does not return the money but offers a discount on next purchase. Under the new rules, the consumer will be able to seek a solution to the problem, and if the trader fails to resolve it, he / she is obliged to offer the consumer the termination of the contract and return the entire amount.

Logistics of physical delivery of goods ordered over the Internet is a key element of the growth of electronic commerce. Delivery services offered by online retailers are one of the key factors that affect the consumer's decision to make purchases. Among the key barriers to the functioning of electronic commerce between consumers and retailers is the delivery and return of goods. Consumers are often not sufficiently familiar with the delivery opportunities, when and how their package can be delivered and how they can get it back if they want. Consumers are dissatisfied with the long delivery period and lack of information on the delivery process. The views expressed were that the prices of cross-border delivery delivered to rural or remote areas were too high. They complain about the delivery of the damaged products or their products, and the delivery of the wrong products. Often, they are not familiar with the available complaint and legal protection mechanisms in case of a problem (Copenhagen Economics, 2013).

Online retailers, especially those with low negotiating power, may have little impact on the price of delivery services that are potentially available to them and are limited in their choice and availability of quality and affordable delivery solutions (e.g. search and tracking functions, flexible delivery options for so-called "last mile delivery", etc.). Online or multichannel retailers work under time pressure. The success of their business depends on the capabilities of the postal and courier delivery sector that is required to deliver at a low price and in a practical way. Small online retailers cannot look for substantial discounts on logistics providers and ask for more convenient delivery options available. At the same time, they do not have the ability to invest in their own delivery network. In an environment based on volume economics, they hardly compete with big retailers.

The Consumer Rights Directive in 2011 created the first step in removing barriers to hidden costs and price transparency in online purchases, then greater rights to repatriation were regulated, and obligations to inform the trader about the costs of buying back purchases in case of a waiver.

Pre-contractual notices and obligations of online retailers

Providing clear information and notices can help users make informed choices. The research shows that users are more than limited when they need to collect and process the information retailers provide. Sales conditions are sometimes unclear and completely understandable so that they appear to have been written for lawyers rather than average consumers. Even adopting the notice to average consumer becomes ineffective enough for consumers with weaker and slower information processing capabilities. It can help visual and audio clips that can be embedded in the text.

The retailer is obliged under regulation to respect the special rights of consumers pertaining to online channel. The underlying obligation of a retailer is to place an overriding notice on the webshop page where he provides important information prior to the conclusion of the distance contract or before being advertised with the appropriate offer. The law determines which information is to be provided to the consumer in a clear and understandable way. This information affects the bringing of purchase decision. In practice, such a pre/contractual notification commonly summarizes: basic retailer registration data,

a notice of goods or services,
retail price,
method of payment,
terms and conditions of delivery,
the way of treating consumer privacy,
the process of filing and solving consumer complaints,
warranty and service,
contract duration,
notice of consumer rights and conditions for a one-off termination of a contract concluded at a distance,
often accompanied by a one-off termination contract.

By confirming the order of the e-basket and by accepting the general terms and conditions of trading it is considered that a distance contract has been concluded between the retailer and the consumer if all the conditions provided by the law are met. Timely and orderly information should ensure rational and informed consumer decision on the contract that she enters into.

At the webshop, the retailer is obliged to indicate the total price of the goods and services including VAT. All possible additional costs, such as shipping costs, must be highlighted separately. Costs that occur later, after the checkout, the buyer is not required to settle. Online retailer and customer, according to the law, make a distance contract by online purchases. In such a contract, the consumer has the right to cancel the purchase within 14 days from the day he took over the package with the goods. This means that a consumer has the right to terminate a sales or service contract concluded online without giving any special explanation during that period. If merchandise is in place, consumer is obliged to return the undamaged goods to the retailer's address and the retailer is obliged to return the entire amount paid by the customer for the returned goods. It is the obligation of online retailer to inform the consumer before purchasing his / her right to a one-off termination and the right to a refund if it assesses that the goods / services are not in line with the expectations. The retailer is forbidden to point this consumer right for marketing purposes to attract the customer. There is an additional obligation for the trader to publish a unique one-off termination form unique to the EU market and which consumer has to fill prior returning the goods.

The second common misconception with consumers is related to the cost of goods return. The retailer is obliged in the contract notice to clearly indicate how the consumer can return the goods and who will incur the cost. If the trader does not accurately give this information in the foreword notice, this means that he or she will bear the expense.

If a button on the screen or similar function has to be activated for the order, that field on the screen or similar function must be marked in an easily visible manner with the words "payment order" or similar unambiguous statement explaining that the order includes a payment obligation. At the beginning of the ordering process, the retailer's web pages must clearly and unambiguously indicate whether there are certain limitations on the delivery and what means of payment are acceptable.

One of the reasons why consumers and smaller businesses do not participate in cross-border transactions to a greater extent is that the rules that apply to these transactions may be intricate and vague and may differ. Having 28 different national laws on consumer protection and the same number of different contractual rights, it discourages businesses from cross-border trade and disables consumers to take advantage of the full range of online offers and to choose more competitively between them.

Blocking online shopping by geo-blocking

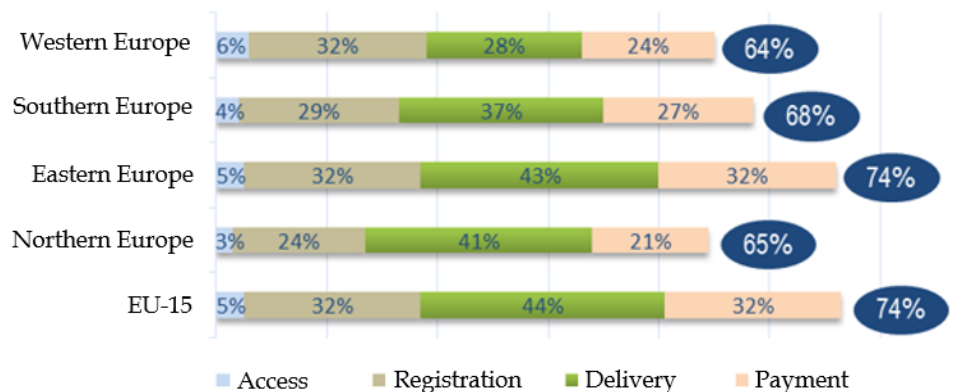
Consumers are encouraged to cross-border on-line shopping, however, there are online retailers that set certain information and transaction limits for consumers outside the home market. They thus refuse to sell goods or to adjust the terms of sale to a consumer visiting web shop from another country. The representation of these constraints based on geographical location and affiliation is investigated by mystery shopping, with the latest 2015 results of 10,296 web shops showing that

only 37% of cross-border online attempts were successful until the last step, while others were blocked when accessed or at some stage of the order process (European Commission & GfK, 2016). There are reasons why retailers block: differences in contract law between countries, different VAT calculation, obstacles in distribution channels for cross-border delivery of goods, etc. (European Commission, 2016c). Despite these reasons, the regulator's position is that most of the blocked cases are not justified, therefore a new Regulation (European Commission, 2016g) is proposed in this field.

The survey done for European Commission (2016f) reveals that only 8% of web shops allow to start shopping without prior registration, so every nine out of ten require previous registration. In such a way, the goal is to collect data on e-mail address, phone number, payment method, and in 14% of cases, activation via e-mail was also requested. Although there are several types of geo-blocking, most often, when registering or confirming an order, appears in the form of an unacceptable input of address of the delivery of goods or services (for example, in 20% of cases of a tourist service order from another country is blocked).

Geo-blocking refers to the practice of online traders that creates the effect of refusing access to a webshop from another country. This includes situations where the shopper has access to the search but cannot access the payment system or to select the delivery address. Geo-blocking occurs even when the shopper due to the location is not entitled to lower prices or more favorable sales conditions in comparison with customers from other countries. The regulator's goal is to reduce the representation of geo-blocking in practice by limiting the behavior of online retailers put a special regulation into force.

Graph 2. Geo-blocking prevalence at different stages of the online shopping process by shoppers' EU region.



Source: European Commission & GfK (2016).

Graph 2 shows the structure of representation of a particular form of geo-blocking in relation to the region where the shopper comes from. Mystery shopping shows that the majority of visitors from Eastern European countries were blocked (up 74%) while intending to buy from other countries. It can be concluded that geo-blocking is most noticeable at the delivery stage (when entering delivery address). Thus, 27% of shoppers from Southern Europe were stopped at the final payment stage, 37% visitors were blocked at one of the delivery stages, and some at the registration stage.

Another important change concerns the regulatory ban on blocking access to the webshop and automatic redirection without prior consent of the visitor. In the present practice the retailer could block access to the visitor who visit the same retailer's website in another country where prices and conditions might be more favorable. For example, despite the fact that the customer intends to visit the Italian webshop (in the Italian domain), the system automatically redirects it to the Croatian version. By introducing a new regulation, the redemption requirement will be customer consent, and even if the visitor agrees to redirect to the second page, the access to the original page he / she intends to visit must be enabled.

The third change is related to online payment methods. Although the retailer will still be able to decide independently on what payment methods are acceptable to the webshop, it will not be permitted to discriminate between these accepted forms of payment due to the location where the financial online payment service provider is located. A retailer will be prohibited from blocking the payment if these three conditions are met: a) the customer is paying in a currency acceptable to the retailer (e.g. EUR); b) if a retailer applies a high level of payment authorization (e.g. PayPal); and c) if payment is suitable in electronic fashion (such as a card payment).

The Services Directive (2006/123 / EC) already stipulates that access conditions to the service, which are made available to the general public by the provider, must not contain discriminatory provisions regarding the nationality or place of residence of the recipient. However, in practice, no trader has been sanctioned because it violated this rule, which means that the measure was not effective.

It should be made clear that the new regulation does not impose an obligation on the online trader to sell goods and services to his webshop on the entire European market, but only more precisely defines when and in what situations the discrimination and rejection of the visitor based on the location where they live and the nationality will not be allowed. By the new geo-blocking regulation regulator does not interfere with the level and price formation. Online retailers will still be able to offer goods and services at different prices in different countries to attract customers from these countries. It is important to enable consumers to buy also under the terms that have domestic buyers in the country from which the online retailer comes.

New regulation of the supply of goods purchased online

In order to build consumer confidence in online trade, it is important to ensure affordable prices and high-quality parcel delivery service that does not significantly differ among countries (a parcel is considered to be an object not exceeding 31.5 Kg, with the smallest dimension exceeds 20mm). Lower and near uniform prices of cross-border package delivery would increase the attractiveness of online shopping (European Commission, 2013). The lack of transparency in shipping pricing makes it difficult for traders to guarantee their customers the cost of delivery to other countries (Copenhagen Economics, 2013). Thus, sending the same package from the Netherlands to Spain stands for EUR 13, and in the reverse direction EUR 32. The regulator aims to introduce control over the prices of postal delivery packages and ensure their greater transparency for traders and consumers.

Consumers of goods purchased over the Internet often do not know which delivery options are available to them, when and how they can get their package and how to get it back if they want to. They complain about the long delivery period and the lack of information about the delivery procedure. There were also frequent views that the prices of cross-border delivery and delivery to rural or remote areas are too high. They complain that they are being delivered damaged products or they are not delivered to the products at all and deliver the wrong products.

Postal operators with more than 50 employees and who have operations in two or more countries will be obliged to send to the national regulatory body the basic information about their operations (the volume of shipments, traffic and movement of employees). The second measure is the public announcement of basic services prices (e.g. sending a package of 2 Kg). This is to provide online retailers with better access to information. It is important that they can be easily informed about the essential features of various delivery options (primarily information on the delivery period, tracking options, and various delivery options for the so-called last mile, delivery and return tariffs) and related tariffs.

Under such new regulatory conditions, a number of criteria is taken into account in order to determine the objective price of cross-border deliveries: domestic freight rates, distance of destinations, term remuneration (charges for transferring responsibility to another operator in another country), costs transportation and handling and quantity of consignments. Such a regulatory model will mostly affect small online retailers who cannot agree on better terms with major players, ultimately negatively

reflecting their price competitiveness. By introducing supervision and transparency of the delivery price of the EU-level shipping service, a more competitive package distribution market was created, which could stimulate online traffic by 4.3% and increase the number of online retailers by 6.2%.

Favorable and high-quality cross-border delivery services can build consumer confidence in cross-border retail sales over the internet. Stakeholders are concerned with the lack of transparency, excessive costs for small consignments and the lack of compliance among the various operators commonly involved in the delivery of cross-border shipments. All these are sources of impracticality for the consumer. Amongst companies currently not selling over the internet but intended to that soon, 62% of them suggesting that the problem is too expensive to deliver. It is estimated that the above-mentioned tariffs for cross-border delivery charged by national postal operators are two to five times more than domestic prices.

The price dynamics of online shopping

Dynamic prices of goods and services have become a common way of attracting customers. Prices at the webshop are constantly changing depending on the offer and demand, but also depending on the weather forecast, the day of the week, the offer of the competition etc. Despite the frequent changes, all the shopkeepers at one point offer the same price for a particular product or service. For example, there are cases where the product in one day changes the online price several times.

The second price technique, commonly practiced in online retailing, is to set personalized prices according to shopper's features. This means that the same goods are offered to different customers at a different customized price. The buyer who needs to attract and encourage the purchase will be offered at a lower price. The software that manages the webshop can differentiate the cost of cookie information stored on a visitor's computer, identifying the device through which the visitor accesses the site (mobile device or computer), or depending on the location from which it is accessed (zip code or IP address). In reality, it is not easy to come up with individual price examples because traders are cautious in using price differentiation and sensitive price setting because they are responding to negative customer reactions that might be considered unfair to sell.

Shoppers using online search tools and price comparison to find the best bidder are considered to be price-sensitive buyers (80% compare prices, and only 8% searches for ratings and opinions). Thus, a visitor who has been redirected to the webshop by the comparison platform is likely to be more sensitive than the one who visits the webshop directly (European Commission, 2016e). This is a prerequisite because some studies show that the price for such visitors decreased by up to 25% compared to the price offered to direct webshop visitors.

The online price dynamics and the individual price setting at the webshop are not limited and prohibited by regulations. However, it is important to inform the visitor with the way the price is determined i.e. the Consumer Rights Directive requires the trader to inform if the price is individually set up or if the mechanism of automatic dynamic pricing is used by the online platform depending on the features of the visitor. It is in fact the necessity of informing the shopper of the criteria according to which the price level is formed, for example, according to the information of other pages, location, IP address, access device, shopping history, etc. In this context it is clear that sensitive and data for which exploitation trader should seek consent. Part of this security mechanism is providing information on how the website uses cookies to track visits.

Ranking of bids on online platforms

Consumers on the Internet are so exposed to numerous bids that often make it difficult for them to make the right choices about choosing and purchasing. For this reason, they seek ways to better compare offers and facilitate the decision-making process. Comparison tools can encourage consumers and increase market transparency (Boom, 2011), and are therefore a very sensitive issue that links many of the examples of unfair business practices (European Commission, 2015b).

For example, if a visitor considers a touristic arrangement at booking.com and with the offer it comes up with the information "there are only two rooms available" - does this mean: a) that the

observed hotel has only two more rooms in that term; b) to offer only two more rooms at this price; c) that only so many other agents are still available through this website; or something else? Such information acts confusing to visitors and certainly puts pressure on the visitor to shorten the time to make the decision.

Platforms can be described as business models emerging in a digital economy such as search engines (Google, Yahoo), social networks (Facebook, Twitter), rating (TripAdvisor), comparison of bids (booking.com, trivago.com), Collaborative (Uber), Marketplaces (Amazon, Ebay, Sniffer) and other online product and price comparison platforms. They altogether should contribute to strengthening the transparency of the offer so that customers can easily reach lower prices, but in practice they do not always achieve that goal because they are under the influence of commercial platform-led operators and traders whose products and services displayed on those websites (European Commission, 2016a). Some sites apply business models based on commercial conditions, so they actually show visitors misleading information about what is more beneficial. There are several such business models that break neutrality such as fee per click, pay per order, commission and promotion. Promotion payment usually appears as a reason for high positioning of products / services.

In a court case in 2015, where the hotel sued the rating platform operator who revealed the customer's critique as a "hotel room at a hotel price of 37 euros per night," the German court granted to the operator because it estimated that the role the platform is neutral and the operator's responsibility lies only in the part to make the allegations. Online platforms mediate between traders and consumers, and if, according to jurisprudence, the consumer creates the impression that the platform sells goods or services then the platform operator will be responsible for solving problems and returning merchandise as this is a result of misleading business practices.

Advertising and the results of the sponsored bid ranking must be visually separate from the original comparison. You must clearly enable the selection of ranking criteria. Consumers must be clearly informed about the relationship between the trader and the operator that manages the platform and must be allowed to choose a fair comparison and ranking method on the platform. In order to move away from unfair business practices, the platform operator should be notified if there are proprietary relationships between platform operators and traders whose merchandise or services are compared (on the FAQ page or "About Us"). If the bids are valued at the price, then the final retail price must be taken into account. Given that platforms often do not provide additional information on shipping costs, it would be useful to invest effort in collecting at standard delivery costs.

Comparison tools are expected to be neutral and objective in providing information and ranking bids or, if not, to provide true information to the user if there are other conditions to promote the position of the merchandise and services on the scale (European Commission, 2016e). Hiding these other conditions by ranking are deceiving consumers and losing their trust because positioning is not in their interest. When such impressions of consumers expand, a negative impact on the economy and on-line trade as a whole is created.

All criteria and commercial relationships that create deviation of the online platform and thus harm the economic interests of consumers, must be appropriately revealed to the visitor (i.e. easily accessible). Therefore, providers of these online services are required to indicate the criteria for ranking the bids because it affects the decision-making process. There are cases in practice where an operator discretely denies criticism and gives preference to the evaluation of goods or services, which is an act from a list of unfair business practices (European Commission, 2016d). An example is consumer persuasion as a user rating (customer rating) and is actually a false recommendation associated with the promotion. Such sponsored ratings should not be included either in the aggregate number of reviews highlighted in the offer of goods.

Dispute resolution from online shopping

The regulation is trying to strengthen B2C trade by removing as many obstacles as consumers face in online shopping. One of the obstacles is finding alternative out-of-court solutions to their disputes arising in cross-border online transactions, as well as disputes with national traders.

By adopting the Directive on Alternative Dispute Resolution mitigating circumstances were created for consumers who buy online in other countries. This instrument brings something important to Internet retailing, which is the introduction of an online platform for dealing with complaints and disputes arising in this channel (online dispute resolution, ODR). Submitting complaints and resolving disputes through a newly developed interactive web platform would help consumers deal with problems arise between them and traders after purchasing goods and services.

Conclusion

Online retailers are faced with the implementation of the more sophisticated regulation and supervision of activities related to the online trade of merchandize and services, including the regulation of parcel delivery. It is planned to expand the way consumers submit complaints and a new way to resolve cross-border consumer disputes online. It is proposed to remove barriers and equalize contractual rights in online shopping so there will be no problem if the buyer rely on his national contract law. Guidelines are provided on how to remove the features of unfair business practices on web shops, price comparison platforms, and other processes such as the delivery of goods and the download of digital content.

The emergence of new business models in the digital economy is opening up new opportunities for e-commerce growth, but also the emergence of some that are not allowed, which will all affect the position and protection of consumers. The trader's definition will soon change under such conditions as the internet allows individual online trading with resources that is more economical and seriously competing with companies.

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