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PART 1/4

**COMMISSION STAFF WORKING DOCUMENT**

**Consumer Markets Scoreboard: Making markets work for consumers  
2018 Edition**

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## 1. EXECUTIVE SUMMARY

Since 2008, the Consumer Scoreboards have looked at how the Single Market is delivering for consumers in the EU countries, Iceland and Norway. Scoreboard findings are of interest to consumers, business stakeholders, policy-makers and enforcers at both EU and national level. The Scoreboards<sup>1</sup> are published every year, alternating between a Consumer Conditions Scoreboard<sup>2</sup> (monitoring the consumer environment in the EU) and a Consumer Markets Scoreboard (tracking the performance of key markets from the consumers' perspective).

**Consumer Markets Scoreboards** monitor how consumers in the EU, Iceland and Norway assess the performance of key goods and services markets. The Scoreboards help identify markets that are not creating the expected benefits for consumers and that may therefore be malfunctioning. The main source of statistical data for the Scoreboard is a large-scale survey of consumers' experiences and perceptions on the functioning of key markets in the EU countries, Iceland and Norway. The 2018 edition presents the results of the survey<sup>3</sup> carried out in 2017 for 40 markets<sup>4</sup>.

The Scoreboard is structured as outlined below.

**Chapter 1** Executive summary.

**Chapter 2** Explains the methodology.

**Chapter 3** Provides the overall results of the survey, and highlights differences between countries and socio-demographic groups. It also analyses the results for different market clusters and the different components of the Market Performance Indicator.

**Chapter 4** Looks into additional indicators, namely switching, complaints, prices, and consumer safety issues.

**Annexes** Include the list and definition of the markets covered by the Scoreboard. The annexes also include national country files in which the market performance in a given country is analysed in comparison to the EU-28 and previous editions.

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<sup>1</sup> The Scoreboard editions are all accessible at the EU Bookshop (<https://publications.europa.eu/en/web/general-publications/publications>) or the Commission's website ([https://ec.europa.eu/info/strategy/consumers/consumer-protection/evidence-based-consumer-policy/consumer-scoreboards\\_en](https://ec.europa.eu/info/strategy/consumers/consumer-protection/evidence-based-consumer-policy/consumer-scoreboards_en)).

<sup>2</sup> Latest edition: Consumer Conditions Scoreboard — 2017 edition; SWD (2017) 279.

<sup>3</sup> GfK Monitoring consumer markets in the European Union 2017 — Final report; earlier waves are accessible at: [https://ec.europa.eu/info/strategy/consumers/consumer-protection/evidence-based-consumer-policy/market-monitoring\\_en](https://ec.europa.eu/info/strategy/consumers/consumer-protection/evidence-based-consumer-policy/market-monitoring_en) or the EU Bookshop.

<sup>4</sup> The list of markets surveyed for the 2018 edition is included in the Annex.

## *Key findings*

- Consumers' assessment of markets in 2017 continues the positive trend observed since 2010, while adding little to the significant improvement observed in 2015.
- A consumer's financial situation is still the personal characteristic that most influences their assessment of markets.
- Although there has been a clear improvement for consumers overall since the last Scoreboard edition, the picture remains rather mixed across markets and countries. Problems remain in some areas.
- In an improving economic context, efforts to enhance consumer protection in key sectors such as in financial services, utilities and telecoms might be bringing positive results for consumers. These however need to consolidate further and will require a consistent focus on enforcement.

### ***Consumers' assessment of markets in 2017 continues the positive trend observed since 2010, while adding little to the significant improvement observed in 2015***

Consumers' overall assessment of market performance in 2017 improved by 0.3 points on average compared to 2015 for all markets surveyed. The increase, albeit less pronounced and more contrasted, nonetheless sustains the important amelioration observed two years ago and continues the positive trend observed since 2010.

Markets in western Europe still perform better for consumers, who are less likely to report having encountered problems. However, looking across the EU, the greatest improvements have been in eastern Europe. Markets in Southern Europe still lag somewhat behind in terms of overall performance.

### ***A consumer's financial situation is still the personal characteristic that most influences their assessment of markets***

A multivariate analysis was carried out based on the socioeconomic characteristics of the respondents. It showed that a consumer's personal financial situation is the factor that most influences how they assess the different components that form the Market Performance Indicator (MPI). Consumers that are struggling to make ends meet tend to assess markets less favourably than other consumer groups, and they also find it more difficult to switch provider (they are however not significantly less inclined to switch). Other socioeconomic characteristics, such as age, gender or level of education also seem to play some role in consumers' assessment of markets, albeit a far smaller one. These findings are consistent with those of the previous Scoreboard edition, in which this type of analysis was performed for the first time.

Consumers across the EU also care in roughly equal measure about each of the five MPI components — 'comparability', 'trust', 'choice', 'expectations' and 'problems & detriment'

— when assessing markets. Expressed as percentages, the weight given to each one of the components by consumers ranges between 19 % and 21 % at aggregated level, with ‘trust’, ‘expectations’ and ‘problems & detriment’ appearing to matter more (21 %) than ‘choice’ and ‘comparability’ (19 %). For services markets, ‘trust’ is on average slightly more important than it is in the goods markets. More pronounced differences between the importance attached by consumers to different MPI components appear when looking at individual countries and especially country and market pairs. Consumers in some northern countries tend to value trust significantly more than choice, especially in markets such as ‘water supply’, ‘train services’, ‘offline gambling and lottery services’ and ‘tram, local bus, metro and underground services’.

***Although there has been a clear improvement for consumers overall since the last Scoreboard edition, the picture remains rather mixed across markets and countries. Problems remain in some areas***

Although the markets overall appear to be performing better for consumers, a rather mixed picture emerges at the level of individual markets and market ‘clusters’. The ‘banking services’ and ‘utilities’ clusters are again showing the most noticeable improvements, as was the case in the previous wave. However, they still remain in the lower performance quartiles in comparison to the other market groupings. Since the first Scoreboard edition, ‘banking services’ has been the worst-performing services cluster mainly due to the poor performance of the markets for ‘mortgages’ and ‘investments, private personal pensions and securities’, despite the improvements observed in 2017 for these two markets. Moreover, there are substantial differences in the performance of markets in the ‘banking services’ cluster across countries, e.g. a 25.6-point difference between the highest and lowest ranking for ‘bank accounts’ and a 25-point difference for ‘mortgages’. The ‘utilities’ cluster remains in the middle-to-low-performing quartile, mainly due to the weak performance of the ‘water supply’ and ‘electricity services’ markets. Nonetheless both markets improved in 2017.

Out of all market clusters, ‘telecoms’ continues to have the highest proportion of consumers experiencing problems (16.9 %). It also has the highest proportion of consumers complaining about these problems (85.3 % of consumers complain when they experience problems). The four services markets that form this cluster are the four worst-performing for the ‘problems’ sub-component of the MPI.

Another market cluster that continues to dissatisfy consumers overall is the ‘automotive goods’ cluster, which scores poorly on ‘trust’, ‘expectations’, ‘choice’ and ‘comparability’. Detriment in the ‘automotive goods’ cluster is also considerable. The individual markets that make up the ‘automotive goods’ cluster rank among the lowest of the 15 goods markets surveyed. The market for second-hand cars in particular is by far the lowest ranked goods market.

***As the economy improves, efforts to increase consumer protection in key sectors such as financial services, utilities and telecoms may bring benefits for consumers. However these developments need to consolidate further (also through ongoing legislative updates) and will require a consistent focus on enforcement in the years ahead***

Legislative efforts in recent years aimed at strengthening consumer protection in areas like retail financial services, telecommunications and energy. A central part of these efforts has been to ensure that consumers have access to the right information in a clear and timely manner to make their choices. While part of this legislation still needs to be implemented,

and the more favourable economic context may also play a role in consumers' judgment, the findings of this Scoreboard edition indicate (as did the findings of the 2015 Scoreboard) that markets are performing better overall for consumers.

'Trust' has been consistently improving since 2013, but in 2017 it improved only marginally compared to 2015. Only 10.1 % of respondents expressed low levels of trust in suppliers/retailers respecting consumer-protection rules (this is 1.6 pp. less than in 2015). Two thirds of consumers are satisfied with the choice of products and services on offer, and fewer report encountering problems compared to 2015 (8.5 % of respondents, a decline of 1.1pp.). Consumers are more likely to encounter problems in the services markets than in the goods markets (9.3 % vs 7.2 % in goods markets). Fewer consumers may be switching, but this is mainly due to lack of interest (69 % of respondents said they were not interested in switching). Many consumers opt for other service packages with the same provider. Only a small percentage of consumers renounce switching due to having encountered difficulties (5 %).

Improvements can also be observed in markets that consumers tend to assess rather poorly. For instance, the market for 'mortgages' underperforms for consumers when compared to other services markets, but overall its performance has improved the most of any market since 2015 (by 2.0 points). There has also been a decline in the number of consumers that reported experiencing problems in the mortgage market (-1.9 pp. compared to 2015). The market for 'water supply' still ranks at the bottom of the markets surveyed, but it has also improved strongly (by 1.2 points) since 2015.

'Detriment' (i.e. financial or other loss) nonetheless remains sizeable in many markets, and even more so in services markets. Also, while many markets seem to meet consumers' expectations (to varying degrees), this does not necessarily mean that those markets are high-performing in terms of overall MPI.

There is therefore still room for improvement. A strong focus on implementation and effective enforcement of new consumer rules will also be essential to ensure that recent changes are effective and that consumers do not have to settle for less. The Commission presented a 'New Deal for Consumers' on 11 April 2018<sup>5</sup> following an in-depth evaluation of key consumer legislation<sup>6</sup>. The two proposals for Directive modernise consumer rights and provide for new tools for consumers to defend their rights and get redress. These proposals also include measures to strengthen deterrence and improve compliance, such as stronger penalties to tackle the most serious cross-border infringements.

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<sup>5</sup> See 'A New Deal for Consumers: Commission strengthens EU consumer rights and enforcement'; [http://europa.eu/rapid/press-release\\_IP-18-3041\\_en.htm](http://europa.eu/rapid/press-release_IP-18-3041_en.htm)

<sup>6</sup> A Fitness Check of consumer and marketing law and an evaluation of the Consumer Rights Directive, both published in May 2017, see: [http://ec.europa.eu/newsroom/just/item-detail.cfm?item\\_id=59332](http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=59332), and a Report on the implementation of the 2013 Recommendation on Collective Redress, published on 25 January 2018: COM(2018) 40.

## 2. MEASURING THE PERFORMANCE OF CONSUMER MARKETS

### 2.1. Measuring the performance of consumer markets

The Consumer Markets Scoreboards monitor how consumers in the EU, Iceland and Norway assess the performance of key markets for consumer goods and services. Market performance is assessed through five components: ‘comparability’, ‘trust’, ‘problems & detriment’, ‘expectations’ and ‘choice’. The consumer experience is also monitored through questions on complaints and switching (in selected markets).

The main source of statistical data for the Scoreboards is the Market Monitoring Survey. The Market Monitoring Survey is a survey on consumers’ experiences and perceptions on the functioning of consumer markets in all the EU countries, Iceland and Norway. The survey is carried out among consumers who recently purchased goods or services in the assessed markets. The 2018 Scoreboard edition is based on the survey carried out in 2017<sup>7</sup>. The questionnaire was not modified for the 2017 wave except for the question on switching, which was fine-tuned to distinguish decisions to change provider from those to change services with the same provider.

The Scoreboards monitor 52 consumer markets. Since 2015, the frequency of surveys has varied depending on the markets: 30 consumer markets (goods and services) were surveyed in both 2015 and 2017, while the remaining 22 were covered either by the 2015 or the 2017 survey. The list of markets covered in the 2018 edition is provided in the annex.

This change in the pool of markets surveyed has implications for the comparisons made throughout this Scoreboard between waves. It also has implications for comparisons with the 2013 survey that covered 40 markets. In particular, it should be noted that the algebraic sum of differences between 2017-2015 (30 markets) and between 2015 and 2013 (40 markets) for the aggregates on all markets, all goods markets and all services markets does not add up to the difference between 2017 and 2013 (40 markets). This applies consistently throughout the Scoreboard.

### 2.2. The Market Performance Indicator

The Market Performance Indicator (MPI) is the central piece of the Consumer Markets Scoreboard. It is a composite indicator, which measures how well a given market performs according to consumers on the basis of the components in the table below.

**Table 1: Overview of the MPI components**

<b>Comparability</b>	How easy/difficult is it to compare offers?
<b>Trust</b>	Do consumers trust that retailers/suppliers comply with consumer laws?
<b>Problems &amp; detriment</b>	Proportion of consumers who encountered problems and extent of harm (including but not limited to financial loss)

<sup>7</sup> The contractor’s report ‘Monitoring consumer markets in the European Union 2017’ (thereinafter GfK — Market Monitoring Survey 2017) is published at the same time as the Scoreboard.



<b>Expectations</b>	Does a given market live up to consumers' expectations?
<b>Choice</b>	Are consumers satisfied with the number of retailers/suppliers on the market?

The MPI ranges from 0 to 100 and allows consumers to rank the markets surveyed in the Scoreboard.

The methodology underpinning the calculation of the composite indicator was extensively reviewed in 2015 in cooperation with the Commission's Joint Research Centre<sup>8</sup>. The review validated the robustness of the conceptual framework and the indicator's statistical structure. It also provided avenues for further refinement of the MPI. For instance, a fifth component, 'choice' was added to the calculation, as was a weighting of the different components based on respondents' ratings<sup>9</sup>.

The comparability of Scoreboards was preserved as much as possible. To allow for comparability with the 2013 data, the 2017 indicators have been recalculated using the old methodology. When trends are shown they are based on fully comparable data.

### **2.3. Presentation of results**

Results in the Scoreboard are presented by markets, aggregated for the EU or in country and/or market groupings. For the EU aggregate, data for the year 2017 (as well as data concerning changes between 2017 and 2015, between 2017 and 2013, and between 2015 and 2013) refer to the EU-28, while those for the changes between the year 2013 and previous years refer to the EU-27 (without Croatia). Results from Iceland and Norway are highlighted throughout the Scoreboard where they are particularly relevant.

Statistically significant changes are indicated in the relevant tables<sup>10</sup> (except in section 3.3) with an asterisk (\*).

Since some of the markets are surveyed in longer intervals (four years instead of two for a core list of markets), aggregate results are only compared for markets surveyed in both 2015 and 2017.

#### ***Overview of regional groupings***

Where relevant, results are presented by regional groupings as defined in Table 2 below.

<sup>8</sup> Marcos Dominguez-Torreiro, Stergios Athanasoglou, Pawel Stano (2015). Consumer Markets Scoreboards refinement, further development and analysis of micro-data. European Commission, Joint Research Centre. Available at: <http://publications.jrc.ec.europa.eu/repository/bitstream/JRC99640/kjna27724enn.pdf>.

<sup>9</sup> A more comprehensive overview of the methodological changes introduced in 2015 is provided in the 2016 edition of the Consumer Markets Scoreboard.

<sup>10</sup> Except for section 3.3 where statistical significance is not reported. Where reported, statistical significance is calculated at the 95 % confidence level, meaning that the null hypothesis of no difference has been rejected at 5 % probability level. This implies that whenever a change is not statistically significant it has been considered equal to zero.

**Table 2: Overview of the regional groupings**

northern EU countries/north	Denmark, Estonia, Latvia, Lithuania, Finland, Sweden
southern EU countries/south	Greece, Spain, Italy, Cyprus, Malta, Portugal
western EU countries/west	Belgium, Germany, Ireland, France, Luxembourg, Netherlands, Austria, United Kingdom
eastern EU countries/east	Bulgaria, Czech Republic, Croatia, Hungary, Poland, Romania, Slovenia, Slovakia

***Dissemination database***

Most of the data underpinning the Consumers Markets Scoreboard is accessible via an online dissemination platform<sup>11</sup>.

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<sup>11</sup> [https://ec.europa.eu/info/policies/consumers/consumer-protection/evidence-based-consumer-policy/consumer-scoreboards\\_en#dissemination-database](https://ec.europa.eu/info/policies/consumers/consumer-protection/evidence-based-consumer-policy/consumer-scoreboards_en#dissemination-database)

### 3. CONSUMER ASSESSMENTS OF MARKET PERFORMANCE

This section of the Scoreboard presents the overall results of the 2017 Market Monitoring Survey (in 28 EU countries, Iceland and Norway) and takes a closer look at the outcome by markets, countries and MPI components. The impact of socioeconomic characteristics is also analysed in a separate sub-section.

#### 3.1. Overall results

*Consumers' assessment of markets in 2017 continues the positive trend observed since 2010, while adding little to the significant improvement observed in 2015*

Consumers' overall assessment of market performance has improved by 0.3 points on average for all the markets surveyed<sup>12</sup> compared with 2015, and by 3.3 points compared with 2013. Although the increases in 2017 are more modest compared to the previous edition, the overall results sustain the significant improvement observed in 2015 and continue the positive trend observed since 2010.

**Table 3: Market Performance Indicator (MPI) — EU-28, all markets<sup>13</sup>**

	MPI						
	2017	Difference 2017-2015	Difference 2017-2013	Difference 2015-2013	Difference 2013-2012	Difference 2012-2011	Difference 2011-2010
All markets	80.2	+0.3*	+3.3*	+3.2*	+0.4*	+0.9*	+0.4*
Goods markets	82.7	+0.1*	+2.9*	+2.8*	+0.1	+0.9*	+1.4*
Services markets	78.7	+0.3*	+3.5*	+3.4*	+0.7*	+0.8*	-0.1*

Source: GfK — Market Monitoring Survey 2017

*The 2017 survey shows greater contrasts between markets than in 2015, with the MPI for 'banking services' and 'utilities' experiencing the greatest improvements*

Compared to 2015, the MPI increased by 0.1 points on aggregate in the seven goods markets surveyed, whereas it increased by 0.3 points in the 23 services markets surveyed in both 2017 and 2015. Some of the markets saw a deterioration compared to the previous edition. For example, 2 of 7 goods markets and 7 out of 23 services markets saw a deterioration between 2015 and 2017. However, compared to 2013, all 15 goods markets surveyed increased their overall performance in 2017, as did all of the 25 services markets surveyed.

Among the 15 goods markets, the best performance was reported for 'spectacles and lenses', followed by 'small household appliances' and 'dairy products' (none of these goods markets were surveyed in 2015). Conversely, the market for 'second-hand cars' is at the bottom of the

<sup>12</sup> As outlined in section 2.1, the algebraic sum of differences between 2017-2015 (30 markets) and 2015-2013 (40 markets) for the aggregates on all markets, all goods markets and all services markets does not add up to the difference between 2017-2013 (40 markets), due to the difference in the number of comparable markets surveyed in the last two surveys. The change in the markets' scope between 2015 and 2017 also results in possible discrepancies between the 2015-2013 differences shown in this edition of this Scoreboard with respect to those shown in the 2016 edition (12th Consumer Markets Scoreboard). This is the case throughout this Scoreboard. In addition, the computation of the MPI used to compare data from 2017 and 2015 (MPI) differs from the computation used to compare data from 2015 and 2013 (trend MPI). Statistically significant differences at 5 % probability level are indicated by asterisks.

<sup>13</sup> As for the EU aggregate (see also section 2.3), data for the year 2017, as well as for changes between 2017-2015, 2017-2013 and 2015-2013 refer to the EU-28, while those for the changes between the year 2013 and previous years refer to the EU-27 (EU-28 without Croatia).

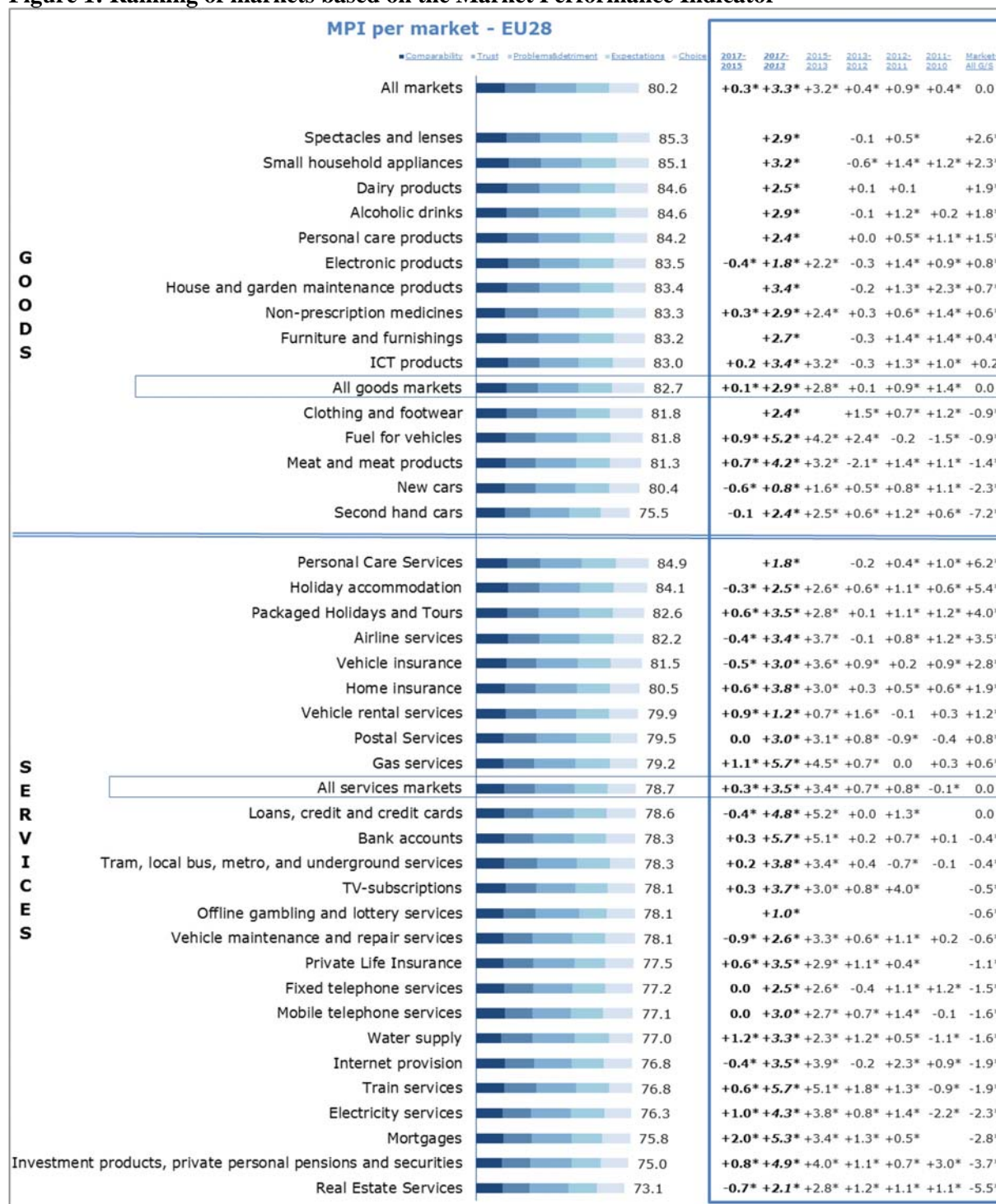
ranking (as it was in 2015), preceded by ‘new cars’ and ‘meat and meat products’. However, although the ‘meat and meat products’ market has a relatively low ranking, it recorded the second-highest improvement in its MPI score among all goods markets surveyed in 2017 (an increase of 0.7 points against an average increase of 0.1 points). The highest increase in MPI score among the goods markets was for ‘fuel for vehicles’ (up 0.9 points since 2015 and 5.2 points since 2013). In contrast, the largest decrease in MPI was seen for ‘new cars’ (down 0.6 points). This decline could be linked to the ‘Dieselgate’ scandal<sup>14</sup> that erupted in late 2015, putting this market in the second-lowest position of all goods markets in 2017. This market also recorded the smallest increase (up 0.8 points) since 2013 out of all 15 markets surveyed in these two waves.

Among the 25 services markets, the three best-performing markets are: ‘personal care services’ (not surveyed in 2015), ‘holiday accommodation’ (ranked first in 2015) and ‘packaged holidays and tours’. The bottom three services markets in 2017 are the same as those in 2013 and 2015, but they are in a different order this time. ‘Real estate services’ is in the last position (as it was in 2015), followed by ‘investment products, private personal pensions and securities’ (third-last in 2015) and ‘mortgages’ (second-last in 2015), despite increases in the MPI scores for the latter two markets. The ‘mortgages’ market recorded the highest increase in MPI among the services markets since 2015 (+2.0 points), followed by the ‘water supply’ (+1.2 points) and ‘gas services’ (+1.1 points) markets. On a negative note, ‘vehicle maintenance and repair services’ (-0.9 points), ‘real estate services’ (-0.7 points) and ‘vehicle insurance’ (-0.5 points) recorded the largest decreases in MPI scores compared to 2015 of all the services markets surveyed.

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<sup>14</sup> The issue has been widely reported in the media, see for instance: <https://euobserver.com/dieselgate>

Figure 1: Ranking of markets based on the Market Performance Indicator<sup>15</sup>



Source: GfK — Market Monitoring Survey 2017

Section 3.3 analyses in more depth the evolution over time of the MPI for nine market clusters and the main drivers of their performance.

<sup>15</sup> Due to the evolution of the pool of markets surveyed in different years the 2011-2010, 2012-2011, 2013-2012, 2015-2013 differences are not available for every market. For the same reason, it is not possible to directly compare the indicators from different Scoreboard editions. Throughout the Scoreboard, statistically significant differences at 5 % probability level are indicated by asterisks.

***The five MPI components ('comparability', 'trust', 'problems & detriment', 'expectations' and 'choice') are by and large equally important to consumers when assessing the performance of markets***

Since 2015, respondents have been asked to rate, for each market, the importance of each of the five MPI components<sup>16</sup> ('comparability', 'trust', 'problems & detriment', 'expectations' and 'choice'), with the aim of having a better understanding of the drivers behind consumers' assessment of market performance. For comparison, the relative importance of each component is expressed in percentages in Figures 2 and 3.

The results in 2017 are comparable to those observed in 2015. They show that the different components weigh in roughly equal terms in consumer assessments of market performance. At aggregate level, the variation of the importance attached to the five MPI components is relatively small, and ranges between 19 % and 21 %. Overall, the components 'trust', 'problems & detriment' and 'expectations' are seen as slightly more important (21 %) than 'comparability' and 'choice' (both 19 %).

However, some market-specific differences can be observed. For instance, compared to the average, consumers attach relatively less importance to 'choice' and 'comparability' (both 18 %) in the 'offline gambling and lottery services' market, and more to 'trust' (22 %). Similar to 2015, the only other markets where a relatively low importance score is given to a component (18 % for 'choice') are the markets for 'train services' and 'tram, local bus, metro and underground services' (both under the 'transport cluster'), and for 'postal services' and 'water supply' (both under the 'utilities' cluster). This could be due to the largely monopolistic set-up of these markets in some countries, hence the lower weight given to 'choice'. However, consumers in 2017 appear to rate the importance of 'choice' slightly higher for the 'electricity' and 'gas' markets than in 2015, which could indicate increasing consumer engagement in the liberalised energy markets.

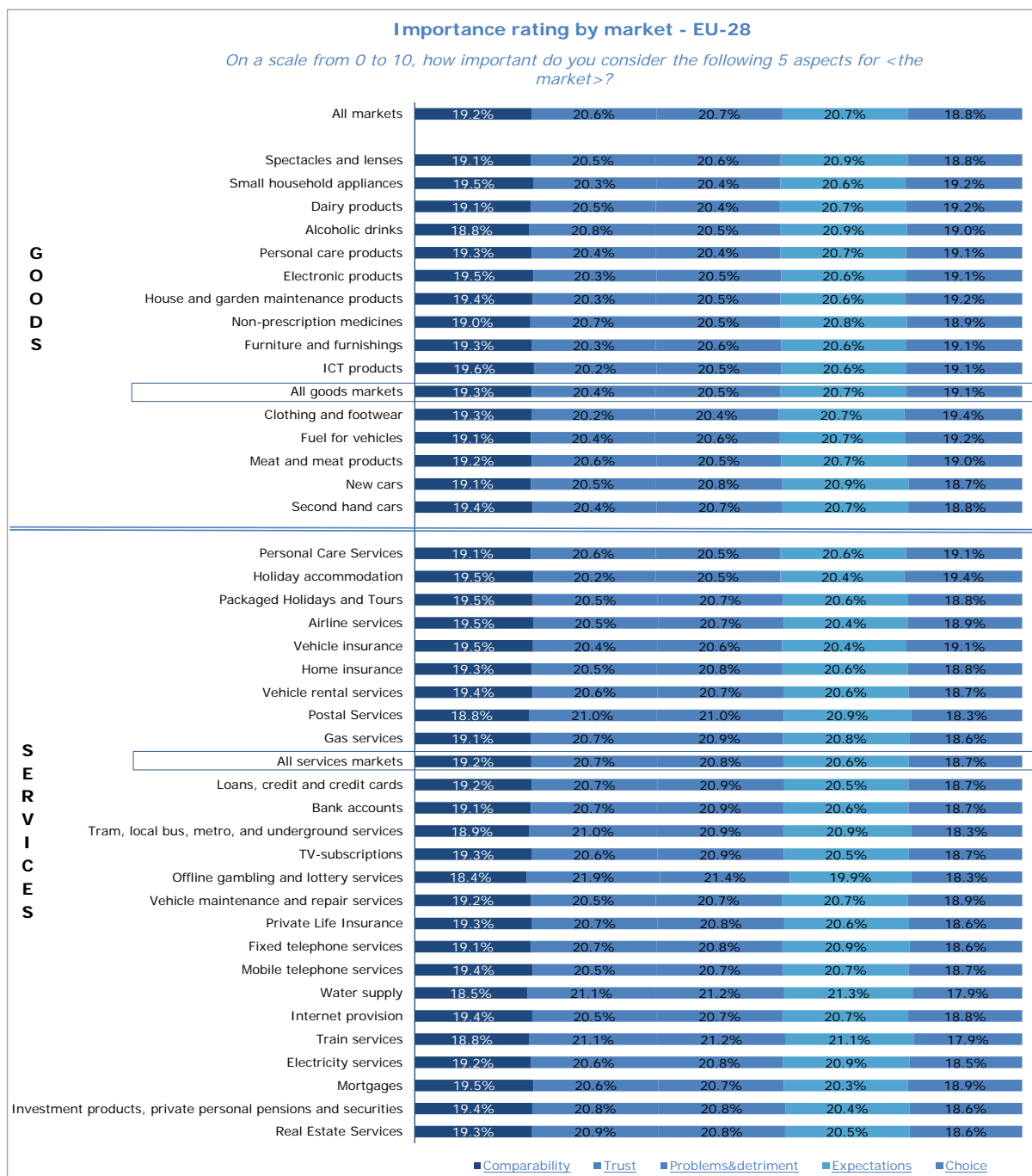
The correlations between the 'performance score' received by each component and its relative importance tend to be negligible. This shows that the assessment of the performance of each component and the relative importance assigned to it by the respondents measure different things<sup>17</sup>.

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<sup>16</sup> The importance assigned to each MPI component by individual respondents is then used for weighting the components in the aggregate MPI score.

<sup>17</sup> Correlation indexes computed on the five components range between -0.024 and +0.125.

**Figure 2: Importance rating by market**



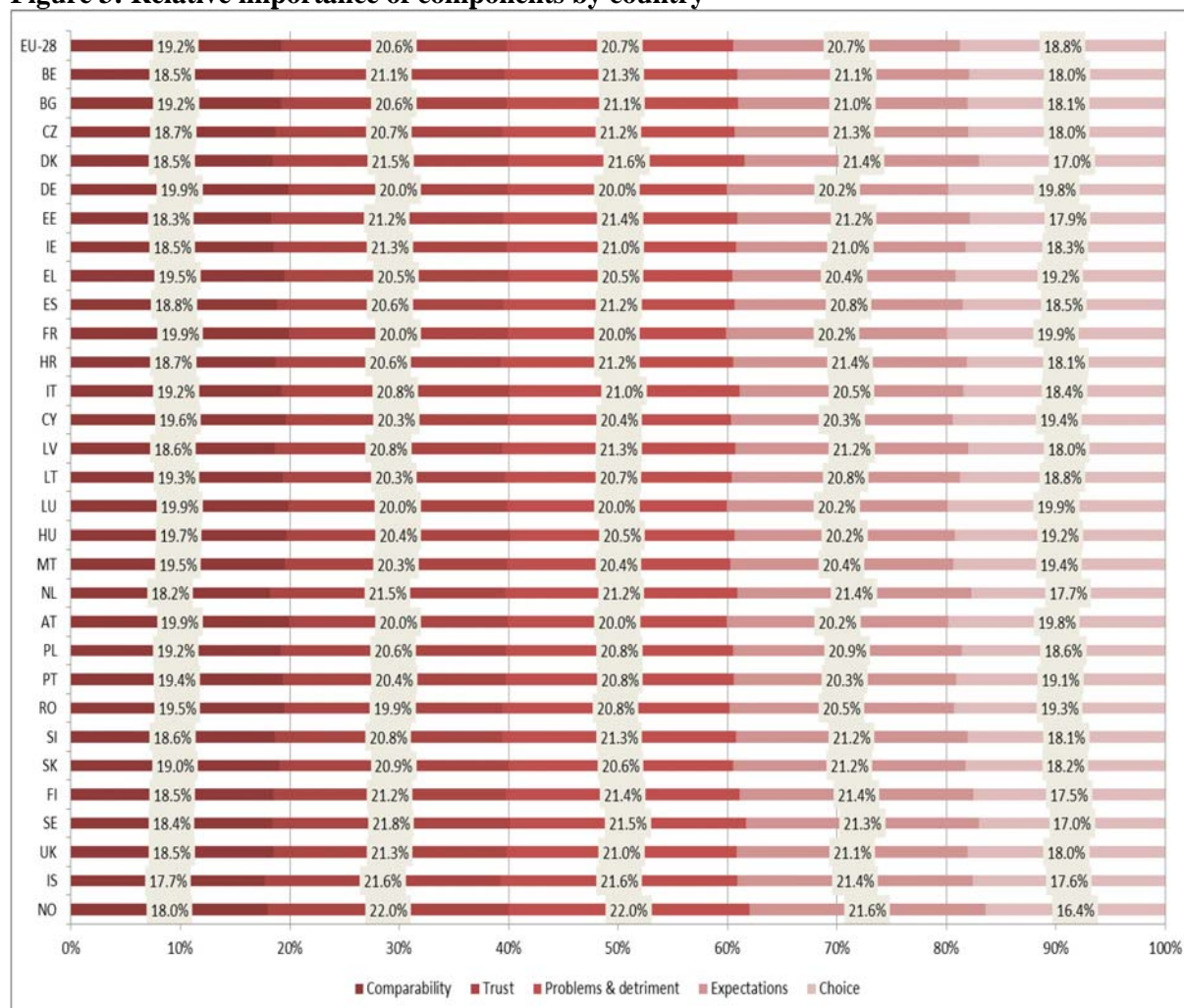
Source: GfK — Market Monitoring Survey 2017

### 3.2. Market assessments – differences between countries

When looking at the relative importance of the MPI components (on average for all markets) across the countries surveyed (summarised in Figure 3), we find that consumers in all EU countries attach roughly comparable importance to the different MPI components. However, they attach slightly more importance to the components for ‘trust’, ‘expectations’ and ‘problems & detriment’.



**Figure 3: Relative importance of components by country**



Source: GfK — Market Monitoring Survey 2017

However, there are some country-specific differences. For instance, the highest ‘dispersion’ across the relative weights (i.e. the difference between the component given the least importance and the component given the greatest importance) given by consumers to the different MPI components is found in a group of mainly northern EU countries, in particular in Sweden, (4.8 pp.), Denmark (4.5 pp.), Finland and the Netherlands (both 3.8 pp.), and Estonia (3.6 pp.). Norway (5.6 pp.) and Iceland (4.0 pp.) also show high dispersion. In these seven countries, consumers attach more importance to the components ‘trust’, ‘problems & detriment’ and ‘expectations’, and less to the components ‘choice’ and ‘comparability’ when compared to the EU-28 average.

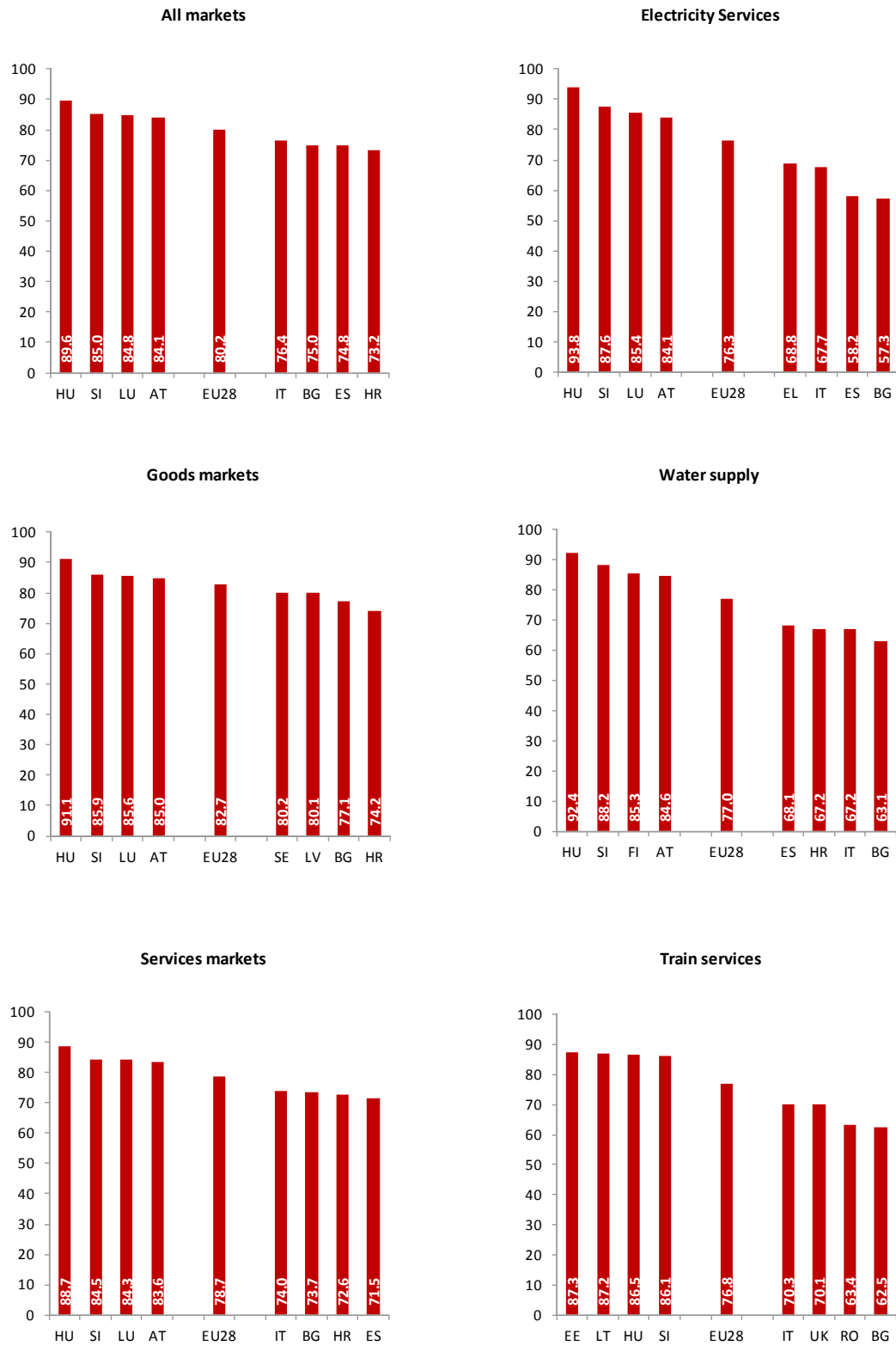
Further differences can be observed when country and market data are combined. For example, the ‘water supply’ market in Norway and Sweden stands out compared to other countries, with differences of 15 and 12 percentage points respectively between the relative importance attached to the components ‘trust’ and ‘choice’ (in both countries, consumers placed greater importance on ‘trust’ than on ‘choice’). And in Norway, for the markets ‘train services’, ‘offline gambling and lottery services’ and ‘tram, local bus, metro and underground services’, the importance attached to the different components spreads over a range of 10 pp., with the component ‘choice’ being the least important. For any other combination of country



and market data, the difference between the maximum and minimum relative weights is less than 9 pp.

Overall, the results described above mirror those of the previous Scoreboard edition. This suggests that, while consumers in different countries may care more for one or another aspect of market performance (which in itself is interesting to note), such differences are not the reason for the differences in the MPI scores observed across markets and countries. Hence, the dispersion in the MPI scores across countries shown in Figure 4 reflects actual differences in how consumers assess markets' performance along the various MPI components, and not a statistical effect of diverse consumer preferences for the specific components.

**Figure 4: Best-performing and worst-performing countries in terms of MPI<sup>18</sup>**



Source: GfK — Market Monitoring Survey 2017

<sup>18</sup> The markets shown in the graphs (in addition to the market aggregates) are those for which the MPI variance across countries is the highest.

### *Links with competitiveness and consumer conditions*

Putting the 2015 scoreboard results in a broader perspective suggested that market performance was linked to competitiveness and general consumer conditions. Albeit possibly less pronounced than in the previous edition, similar correlations can be identified when analysing the 2017 results.

For instance, there is a modest correlation between Gross Domestic Product (GDP) per capita at country level<sup>19</sup> and two of the MPI components, namely ‘trust’ and ‘problems & detriment’ (+0.4 for both components). This correlation might reflect a mutually reinforcing link, where on the one hand a more affluent economy caters better to consumers, and on the other hand consumers who are confident that their rights are guaranteed are (more) likely to fully play their role as economic agents, thus contributing to economic growth.

Also, a modest negative correlation can be observed between the Product Market Regulation Indicator (OECD)<sup>20</sup> and the ‘expectation’ component (-0.37). Product Market Regulation Indicators measure the extent to which national rules foster competition. The negative correlation suggests that in countries where markets are more open to competition and entrepreneurship, businesses appear to somewhat better satisfy consumer expectations.

Finally, markets seem to perform better where the environment is favourable for consumers. This can be seen in the positive correlation (0.49) between the MPI and the Consumer Conditions Index<sup>21</sup>.

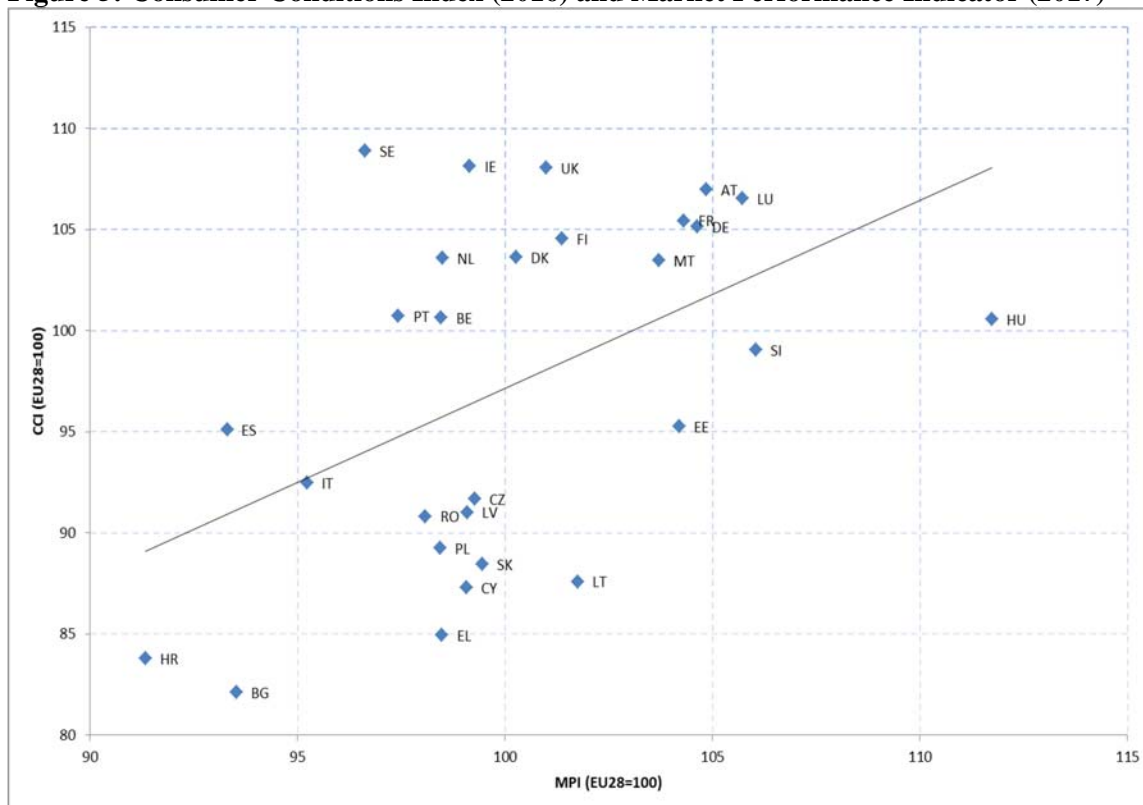
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<sup>19</sup> Source: Eurostat. In the analysis, GDP per capita in Purchasing Parities Standard was used to take into account differences in the costs of living across the EU. GDP data are from 2016.

<sup>20</sup> The Product Market Regulation Indicators (OECD) are a comprehensive and internationally-comparable set of indicators that measure the degree to which policies promote or inhibit competition in areas of the product market where competition is viable. They measure the economy-wide regulatory and market environment. The indicator used in this analysis (2015) is a composite one which covers the following areas: state control, barriers to entrepreneurship and barriers to trade and investment.

<sup>21</sup> Source: Consumer Conditions Scoreboard. The Consumer Conditions Index is a composite indicator, calculated at country level, which benchmarks national consumer environments based on three pillars: Knowledge and Trust, Compliance and Enforcement, and Complaints and Dispute Resolution. The analysis above is based on the CCI for 2016 and the MPI for 2017.

**Figure 5: Consumer Conditions Index (2016) and Market Performance Indicator (2017)**



Source: Consumer Conditions Scoreboard 2016 for the Consumer Conditions Index (2016) and GfK Market Monitoring Survey 2017 for the calculation of the Market Performance Indicator (2017)

**Markets perform better for consumers in the western region compared to the rest of the EU, but the gap with the eastern countries is decreasing**

Looking at regional differences across the EU, one can see that over the last two years the MPI increased most for consumers from eastern Europe (+1.5 points). Strong increases for eastern Europe were also noted in previous editions of the Scoreboard. In the western, southern and northern countries, the MPI remained roughly stable.

**Table 4: Market Performance Indicator (MPI) by EU region, all markets**

	MPI			
	2017	Difference 2017-2015	Difference 2017-2013	Difference 2015-2013
EU28	80.2	+0.3*	+3.3*	+3.2*
Region North	79.8 A	-0.2	+1.3*	+1.7*
Region East	79.7 A	+1.5*	+4.4*	+3.0*
Region South	76.2	-0.2	+1.5*	+2.0*
Region West	82.5	+0.0	+3.8*	+4.1*

Source: GfK — Market Monitoring Survey 2017

Nonetheless, the average scores for northern, eastern and especially southern Europe are all below the EU-28 average. Although the south continues to lag behind the rest of the EU, the east-west gap appears to be subsiding.

Similar regional differences can be seen when looking at different market clusters. The MPI is systematically higher in western Europe than in all the other regions, with lower values generally being observed in southern Europe. On average the difference in MPI between the

western and the southern region is 6.3 points, but this gap widens to more than 10 points for the ‘telecoms’, ‘utilities’ and ‘banking services’ clusters.

**Table 5: Regional differences in market assessment (2017)** <sup>22</sup>

	EU-28		North		East		South		West	
All Markets	80.2		79.8	A	79.7	A	76.2		82.5	
(Semi-)durable goods	83.6		81.4	A	83.0		81.7	A	85.1	
Fast moving retail	83.6	A	83.1		83.7	A	81.6		84.7	
Automotive goods	79.3		80.4		77.4		75.8		81.7	
Recreational services	81.6		81.1		80.2	A	79.8	A	83.1	
Insurance services	79.8	A	79.7	A	78.7		76.6		82.0	
Transport	79.1	A	79.9	B	79.1	AB	75.1		81.1	
Utilities	78.0		77.4		78.7		70.1		81.9	
Telecoms	77.3		76.3		78.7		69.3		81.0	
Banking services	76.9		77.9		75.7		70.4		80.7	
Other services	79.0	A	78.7	A	77.3	B	76.9	B	80.8	

Source: GfK — Market Monitoring Survey 2017

As already observed in the previous Scoreboard, the dispersion in market performance is higher for services markets than for goods markets. This could be linked to the lower cross-border tradability of services, which might result in comparably lower competitive pressure. This holds particularly true for the ‘banking services’ and network services clusters.

A closer look at individual markets shows that the EU-wide MPI variance is the highest for ‘electricity services’, ‘water supply’, ‘train services’, ‘mortgages’ and ‘mobile telephone services’<sup>23</sup>. The EU-wide MPI variance is lowest for ‘holiday accommodation’, ‘packaged holidays and tours’, ‘spectacles and lenses’, ‘personal care services’ and ‘airline services’.

A strong negative correlation (-0.79) can be observed between the variance of the MPIs across EU countries and the average MPI scores for the EU (Figure 6). This finding, which is consistent with previous Scoreboard editions<sup>24</sup>, suggests that more integrated markets tend to perform better.

<sup>22</sup> Letters denote statistical significance for comparison across regions and the EU-28. Averages should be considered statistically significantly different, except when the pair of categories shares one letter (in the column adjacent to the right). For example ‘all markets’ North (79.8) is not statistically significant from East (79.7) since they share the same letter (A)

<sup>23</sup> MPI variance is taken as a measure of spread (variance of the MPI for a given market and measured across the Member States of the EU) and it is computed as follows:

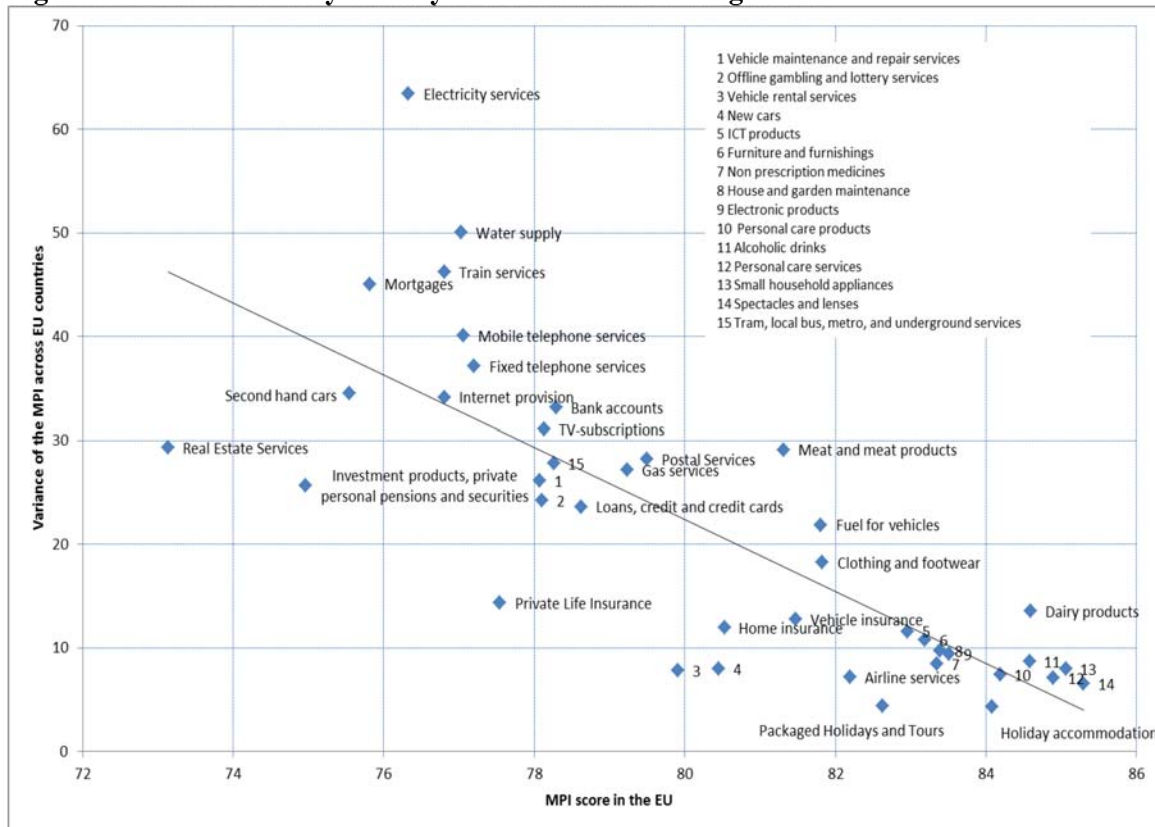
$$\sum_{i=1}^{28} \frac{[MPI(J)_i - MPI(J)_{EU}]^2}{28}$$

where  $MPI(J)_i$  is the MPI for market  $J$  in country  $i$

and  $MPI(J)_{EU}$  is the average MPI for market  $J$  in the European Union

<sup>24</sup> Similar correlations were reported in the 2012, 2014 and 2016 editions of this Scoreboard.

**Figure 6: MPI variance by country and MPI EU-28 average score**



Source: Own estimates based on GfK- Market Monitoring Survey 2017

Compared to 2010, the dispersion in performance across EU countries has increased in most of the markets that were regularly covered by the Market Monitoring Survey, with the exception of ‘tram, local bus, metro and underground services’, ‘packaged holidays and tours’, ‘train services’ and ‘holiday accommodation’ (see Table 6). Moreover, in relative terms, the highest increases in MPI dispersion between 2010 and 2017 are observed for ‘electronic products’ (almost 1.8 times), followed by ‘postal services’ and ‘internet provision’ (both 1.55 times). This points to persistent, and even widening discrepancies in how consumer markets perform in different countries.

**Table 6: MPI dispersion (coefficient of variation<sup>25</sup>) across countries<sup>26</sup>**

Market	2010	2011	2012	2013	2015	2017	2017/2010
Tram, local bus, metro, and underground services	0.08	0.07	0.06	0.06	0.06	0.06	0.81
Packaged Holidays and Tours	0.03	0.03	0.03	0.03	0.03	0.03	0.81
Train services	0.10	0.10	0.09	0.08	0.08	0.08	0.87
Holiday accommodation	0.03	0.03	0.02	0.02	0.03	0.03	0.89
Non prescription medicines	0.03	0.03	0.04	0.03	0.03	0.03	1.02
Fuel for vehicles	0.06	0.07	0.08	0.07	0.07	0.06	1.05
Water supply	0.08	0.07	0.07	0.07	0.08	0.08	1.07
Vehicle insurance	0.04	0.05	0.04	0.04	0.04	0.05	1.08
Airline services	0.03	0.03	0.03	0.04	0.03	0.04	1.08
Gas services	0.06	0.05	0.06	0.06	0.06	0.06	1.09
Home insurance	0.04	0.04	0.04	0.04	0.04	0.04	1.10
Meat and meat products	0.05	0.05	0.07	0.07	0.06	0.06	1.18
Bank accounts	0.07	0.07	0.08	0.09	0.07	0.08	1.18
Vehicle maintenance and repair services	0.06	0.05	0.05	0.06	0.06	0.07	1.19
Real Estate Services	0.06	0.06	0.07	0.07	0.07	0.08	1.21
Fixed telephone services	0.07	0.06	0.06	0.06	0.07	0.08	1.21
Electricity services	0.09	0.09	0.09	0.10	0.10	0.10	1.23
Investment products, private personal pensions and securities	0.06	0.06	0.06	0.09	0.07	0.07	1.25
New cars	0.03	0.04	0.03	0.03	0.03	0.04	1.27
ICT products	0.03	0.03	0.03	0.04	0.04	0.04	1.27
Mobile telephone services	0.07	0.09	0.09	0.09	0.09	0.09	1.34
Second hand cars	0.06	0.07	0.07	0.08	0.08	0.09	1.39
Vehicle rental services	0.03	0.04	0.03	0.03	0.03	0.04	1.45
Internet provision	0.05	0.06	0.06	0.07	0.07	0.08	1.55
Postal Services	0.05	0.05	0.05	0.05	0.05	0.07	1.55
Electronic products	0.02	0.03	0.02	0.03	0.04	0.04	1.78

Source: own estimates based on the GfK — Market Monitoring Survey (2010-2017)

### 3.3. Assessment of different market groups

#### 3.3.1. Overall assessment

The individual markets surveyed were grouped thematically into the following nine market clusters: ‘fast-moving retail goods’, ‘(semi-)durable goods’, ‘automotive goods’, ‘telecoms’, ‘transport’, ‘utilities’, ‘banking services’, ‘insurance services’ and ‘recreational services’<sup>27</sup>.

Of these nine clusters, six are formed of markets surveyed regularly in each survey since 2015<sup>28</sup>. The remaining three clusters include a group of markets surveyed with varying frequency, i.e. not all were covered in the past two survey waves<sup>29</sup>. For these three clusters, no difference with the previous reference period is calculated. However, as 2017-2013

<sup>25</sup> The coefficient of variation is computed as the ratio between the standard deviation and the average across the EU countries (both on data not weighted by country size).

<sup>26</sup> Only markets covered in all the editions of the Market Monitoring Survey are shown in the table. The MPI used in these calculations is computed according to a definition that allows for comparison over time.

<sup>27</sup> The following services markets were not classified in any of the clusters: ‘personal care’, ‘real estate’, ‘vehicle maintenance and repair’ and ‘vehicle rental’.

<sup>28</sup> The six clusters are: ‘automotive goods’, ‘telecoms’, ‘transport’, ‘utilities’, ‘banking services’ and ‘insurance services’.

<sup>29</sup> This concerns the following clusters: ‘fast-moving retail goods’, ‘(semi-)durable goods’, and ‘recreational services’; an overview of the markets by survey is provided in the annex.

differences can be calculated for each cluster, all markets surveyed in 2017 could be taken into account for the purposes of the analysis below.

In order to clearly summarise and present the cluster data, an approach based on quartiles<sup>30</sup> was used (as in previous Scoreboard editions). All MPI and component scores are categorised in four groups using the colour scheme in the box below.

- **Dark green for ‘high-performing’**: the score of this market cluster is in the highest quartile (top 25 % results).
- **Light green for ‘middle-to-high-performing’**: the score of this market cluster is above the median but below the top quartile (50-75 % of results).
- **Orange ‘middle-to-low-performing’**: the score of this market cluster is below the median but above the bottom quartile (25-50 % of results).
- **Red for ‘low-performing’**: the score of this market cluster is in the lowest quartile (bottom 25 % results).

Table 7 shows the overall results for each market cluster and their evolution in the period 2010-2017.

In general terms, the MPI scores for all market clusters indicate an improvement of between 0.1 and 0.8 points since 2015 (except for the marginal decrease of 0.1 points in the ‘telecoms’ cluster). When compared to 2013, all market clusters registered a remarkable increase, ranging from 2.4 to 5.2 points, with the ‘fast-moving retail’ cluster moving from the middle-to-low-performing quartile to the middle-to-high one.

**Table 7: Market Performance Indicator (MPI) per market cluster<sup>31</sup>**

		MPI 2017	Diff 2017-2015	Diff 2017-2013	Diff 2015-2013	Diff 2013-2012	Diff 2012-2011	Diff 2011-2010
Goods	Fast moving retail	83.6		+3.0		-0.3	+0.7	+1.4
	(Semi-)durable goods	83.6		+2.8		-0.1	+1.1	+1.8
	Automotive goods	79.3	+0.1	+2.8	+2.8	+1.2	+0.6	+0.1
Services	Recreational services	81.6		+2.4		-0.7	+1.1	+0.9
	Insurance services	79.8	+0.2	+3.4	+3.2	+0.7	+0.4	-0.5
	Transport	79.1	+0.2	+4.3	+4.1	+0.7	+0.4	+0.1
	Utilities	78.0	+0.8	+4.1	+3.4	+0.9	+0.2	-0.8
	Telecoms	77.3	-0.1	+3.2	+3.0	+0.2	+2.2	+0.1
	Banking services	76.9	+0.7	+5.2	+4.4	+0.7	+0.8	+2.2

Source: Market Monitoring Survey 2017

Compared to 2015, the most notable increases are in the ‘utilities’ and ‘banking services’ clusters (+0.8 and +0.7 points respectively). However, compared to other clusters, both ‘utilities’ and ‘banking services’ remain in the lower-ranked quartiles (middle-to-low-performing and low-performing respectively). Among the goods clusters, ‘automotive goods’ has remained in the low-performing quartile since 2010, despite registering a constant increase in performance over the years (+0.1 points in 2017). A similar situation can be observed for the ‘banking services’ cluster.

<sup>30</sup> The estimation of quartiles (for the MPI, its components and other indicators), as reported in the Market Monitoring Survey, is done using the Quartile.INC function in Excel. The basis for computing the quartiles is either the MPI score (Table 7) or the component score (Table 8) of individual markets for goods and services separately. For example, the light green colour for ‘fast moving retail’ indicates that the MPI of this cluster falls in the quartile with the 50-75 % of results of the 15 goods markets.

<sup>31</sup> In this section (3.3), the differences in scores between different waves are reported regardless of their statistical significance. The colours marked in the columns indicate to which quartile the market cluster MPI belonged in respectively 2017, 2015, 2013, 2012, 2011 and 2010.



Table 8 provides a more granular overview of how various components of the MPI drive the results in each cluster presented above.

**Table 8: MPI components: the drivers of the performance of market clusters<sup>32</sup>**

		MPI 2017	Components and subcomponents of the MPI					
			Comparability (Avg)	Trust (Avg)	Problems and detriment		Expectations (Avg)	Choice (Avg)
					Problems (%)	Detriment (Avg)		
Goods	Fast moving retail	High	High	Low	High	Low	High	High
	(Semi-)durable goods	High	High	High	High	High	High	High
	Automotive goods	Low	Low	Low	High	Low	Low	Low
Services	Recreational services	High	High	High	High	High	High	High
	Insurance services	High	High	High	High	Low	High	High
	Transport	High	High	High	High	High	Low	Low
	Utilities	High	High	High	High	High	High	High
	Telecoms	High	High	High	High	Low	High	High
	Banking services	Low	Low	Low	High	Low	Low	High

Source: Market Monitoring Survey 2017

Looking across the nine clusters, it can be seen that ‘automotive goods’ is the only cluster performing poorly on all four MPI components and one sub-component (‘detriment’), except for the ‘problems’ sub-component, for which it is in the middle-to-low quartile. In the same vein, the relatively poor assessment for the ‘banking services’ cluster derives from having three of its MPI components and one sub-component (‘detriment’) in the low-performing quartile (the ‘choice’ component being in the middle-to-high quartile, together with the ‘problems’ sub-component).

The ‘telecoms’ and ‘utilities’ clusters are characterised by medium-to-low performance overall, with the ‘telecoms’ cluster displaying a particularly poor score on the ‘problems’ sub-component (for which ‘telecoms’ is in the low-performing quartile). The ‘utilities’ cluster has a very low ranking for ‘comparability’ and ‘choice’ (it is in the low-performing quartile for both these components). ‘Choice’ also appears to be by far the poorest-scoring MPI component for the transport cluster (where it is in the low-performing quartile), even though the cluster is performing quite satisfactorily overall (in the middle-to-high quartile). The ‘recreational services’ cluster is the best-scoring services cluster, followed by the ‘insurance’ cluster. The ‘insurance’ cluster is characterised by a very low score on ‘detriment’ (for which it is in the low-performing quartile), even though a low proportion of consumers overall experience problems in this sector. ‘Recreational services’ and ‘fast-moving retail’ are the other two clusters for which the ‘problems’ sub-component is assessed very satisfactorily (in the high-performing quartile). For ‘(semi-)durable goods’, the ‘trust’ component scores by far the highest out of all nine clusters. This, together with the middle-to-high performance scores for ‘comparability’, ‘expectations’ and ‘choice’ can account for the good overall performance of the ‘(semi-)durable goods’ cluster. ‘Fast-moving retail’ and ‘(semi-)durable goods’ are the clusters that display the highest overall MPI score out of all the clusters evaluated.

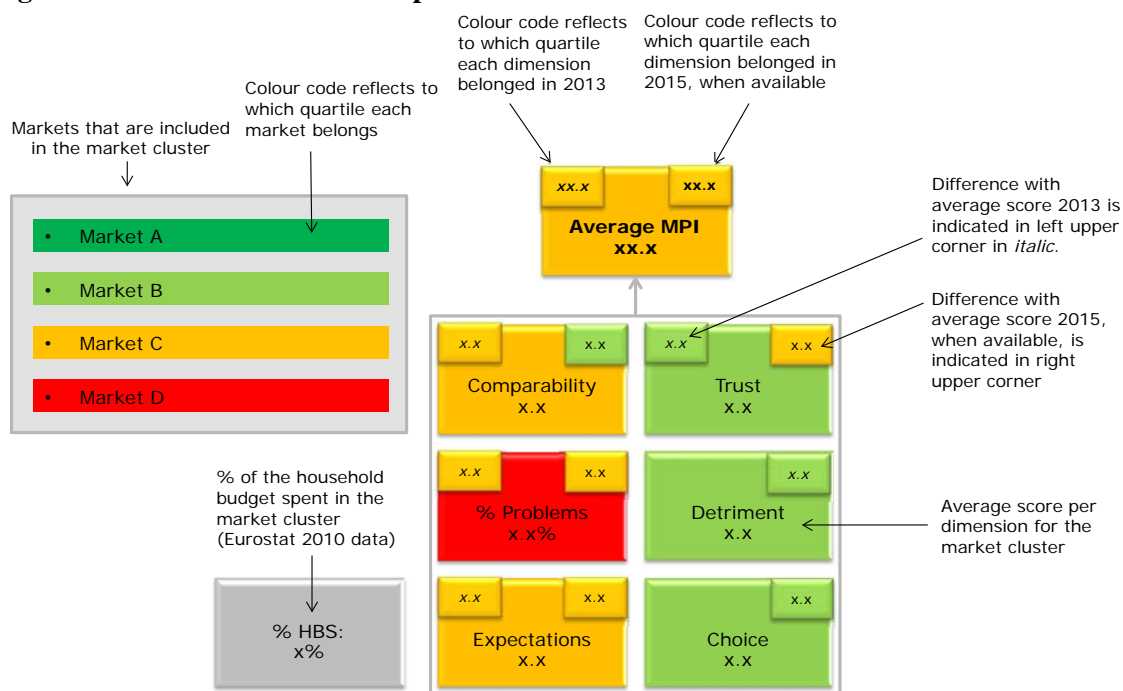
### 3.3.2. Results by market cluster

The following sections present more detailed results by market cluster. They highlight similarities and differences both within the cluster components and between the markets that belong to the same cluster. For each market cluster, the main graphic presents the MPI and

<sup>32</sup> This section (3.3), looks into the two sub-components ‘problems’ and ‘detriment’ separately (instead of at the overall component ‘problems & detriment’).

component scores in 2017, and the difference compared to 2013 (in italics in the left upper corner). Where applicable, the graphic also presents the differences compared to 2015<sup>33</sup>. The share of the household budget spent on each market cluster is also provided in the left-hand corner of the graph<sup>34</sup>. An example of how to interpret the visuals and the respective colours is provided below<sup>35</sup>.

**Figure 7: How to read the results per market cluster**



Source: Market Monitoring Survey 2017

### 3.3.2.1. Fast-moving retail

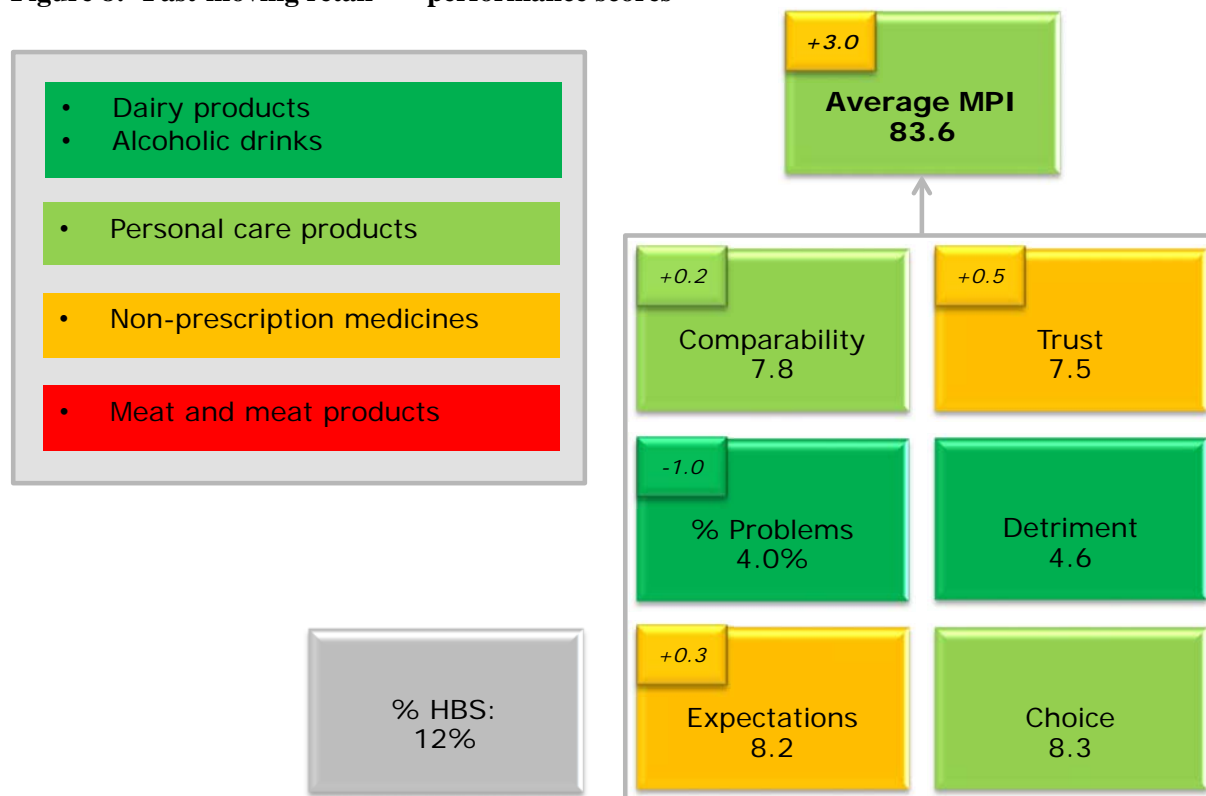
The 'fast-moving retail' cluster is composed of five markets, all characterised by a high frequency of purchase and usage/consumption. The goods in this cluster have a somewhat generic character and are products that can be easily purchased across a range of different retailers. Altogether, these markets account for 12 % of the average household budget.

<sup>33</sup> Differences compared to 2015 are only shown where a sufficient number of markets forming the cluster were surveyed in both the 2015 and 2017 wave.

<sup>34</sup> For the purpose of market correspondence, the Eurostat Household Budget Survey (HBS) is used (hbs\_str\_t211). The most relevant product and services categories were selected to produce an overall estimate for each market cluster.

<sup>35</sup> The colours indicate in which quartile each result appears based on the data for all services or all goods markets. For instance, a services market presented in dark green is in the top quartile of all service market results.

**Figure 8: ‘Fast-moving retail’ — performance scores**



Source: Market Monitoring Survey 2017

***The ‘fast-moving retail’ cluster saw the highest increase in MPI among the goods clusters between 2013 and 2017***

This cluster is one of the two best-performing goods clusters (together with ‘(semi-)durable goods’), with an average MPI in the middle-to-high quartile. Compared to 2013, its score increased by 3.0 points, meaning that the cluster is no longer in the middle-to-low-performing quartile for MPI.

For the individual MPI components, the cluster is associated with a very good performance for both ‘problems’ and ‘detriment’ sub-components. The good performance of ‘fast-moving retail’ in the ‘detriment’ sub-component is probably due to the relatively low-value products that one expects to find in this cluster. ‘Comparability’ and ‘choice’ are the components which appear in the middle-to-high performing quartile, while ‘trust’ and ‘expectations’ continue to be in the middle-to-low-performing quartile.

The markets that form this cluster are mixed in performance. Out of the five markets, ‘dairy products’ and ‘alcoholic drinks’ are high-performing, and ‘personal care products’ is middle-to-high-performing. However, ‘non-prescription medicines’ are middle-to-low-performing, while the market for ‘meat and meat products’ continues to be in the low-performing quartile, despite registering the second-highest increase for overall MPI score compared to both 2015 and 2013. Compared to 2015, this market has experienced a remarkable decrease in the proportion of consumers who experienced problems (-3.4 pp.), and a significant decrease in ‘detriment’ (-0.5 points). It appears that consumers’ trust in this particular market is recovering after the poor assessment in 2013 (likely influenced by the outbreak of the horse meat scandal during that period).

In March 2017, the new Official Controls Regulation<sup>36</sup> was adopted to provide a single framework for all official controls along the agri-food chain. Although the Regulation is not specific to the meat sector, the new harmonised EU rules are expected to ensure food safety and high standards for plant health, animal health and welfare. They are also expected to help prevent fraud. With the risk-based control rules, the frequency of controls will be linked to risks that a product or process presents for fraud, health, safety, and animal welfare (and in certain cases the environment). Other factors will also be taken into consideration, such as the operator's past record of compliance or the likelihood that consumers are misled about the properties, quality, composition or country of provenance of the food.

Meanwhile, cooperation between competent authorities has been intensifying through various networks, such as the EU Food Fraud Network, which was set up in response to the horse meat crisis. The EU Food Fraud Network seeks to provide more efficient cross-border administrative assistance for detecting and countering frauds in the food chain. Work is also underway to further improve and integrate the different tools to exchange information between competent authorities.

A new dedicated IT tool<sup>37</sup> has been in place since the end of 2015 to enable members of the EU Food Fraud Network to rapidly exchange information on potential cases of cross-border fraud. In 2017, a total of 178 cases were exchanged through the network, an increase compared to 2015, when a little more than 100 were exchanged. More recently, the Commission issued a set of guidelines<sup>38</sup> in September 2017 on how to apply and enforce the relevant EU food and consumer-protection laws. This was in response to concern in certain eastern European countries that consumers in these countries are being sold food products or other consumables of lower quality than in other countries, despite the packaging and branding being identical. The guidelines will help national authorities to determine whether a company is breaking EU law when selling their products in this way in different countries. In addition, a common testing methodology to gather comparable scientific evidence on this matter has been developed by the Commission's Joint Research Centre, with support from Member States and stakeholders. The methodology was made available in June 2018<sup>39</sup>.

#### 3.3.2.2. (Semi-)durable goods

The '(semi-)durable goods' market cluster includes seven markets, which together account for 3 % of consumers' household budget. These markets tend to have a lower purchase-frequency but a high usage-frequency. This cluster is well-performing, with an MPI on par with that of 'fast-moving retail', while the goods purchased in any of the seven markets of this cluster are typically more expensive.

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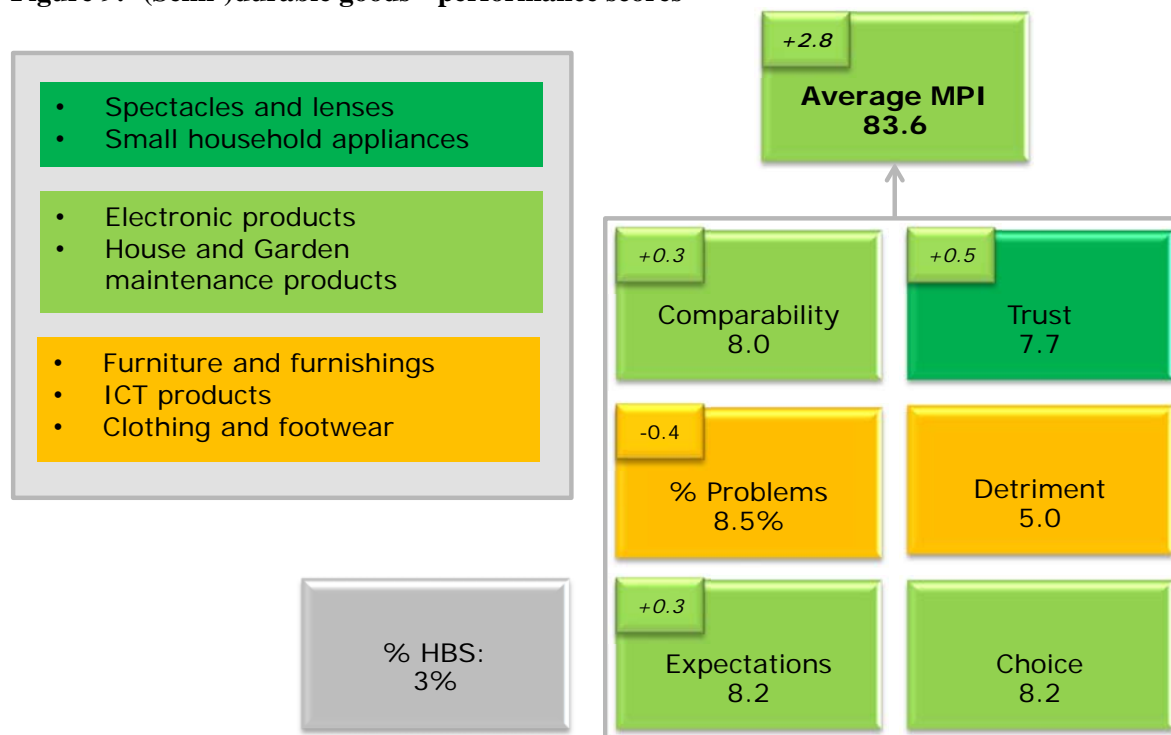
<sup>36</sup> Regulation (EU) 2017/625, OJ L 95, 7.4.2017, pp. 1-142.

<sup>37</sup> The Administrative Assistance and Cooperation System (AAC).

<sup>38</sup> C(2017) 6532 final.

<sup>39</sup> [http://europa.eu/rapid/press-release\\_IP-18-4122\\_en.htm](http://europa.eu/rapid/press-release_IP-18-4122_en.htm)

**Figure 9: ‘(Semi-)durable goods’- performance scores**



Source: Market Monitoring Survey 2017

***The ‘(semi-)durable goods’ cluster performs satisfactorily overall — nonetheless, certain markets in the cluster score only just above or below the EU average***

Together with ‘fast-moving retail’, ‘(semi-)durable goods’ is the best performing of the goods clusters, with an average MPI of 83.6. Its score increased by 2.8 points compared to 2013.

The cluster’s good performance is driven by the high-performing ‘spectacles and lenses’ and ‘small household appliances’ markets. ‘Electronic products’ and ‘house and garden maintenance products’ are in the middle-to-high performing quartile, whereas ‘furniture and furnishings’, ‘ICT products’ and ‘clothing and footwear’ are in the middle-to-low-performing quartile. The latter market is the only one from this cluster which ranks below the average for all goods markets (by 0.9 points). It ranks 11<sup>th</sup> of the 15 goods markets assessed.

The ‘(semi-)durable goods’ cluster is high-performing in ‘trust’ and middle-to-high performing for ‘comparability’, ‘expectations’ and ‘choice’. The score for ‘trust’ is the only one that has changed quartile since 2013, going up to high-performing.

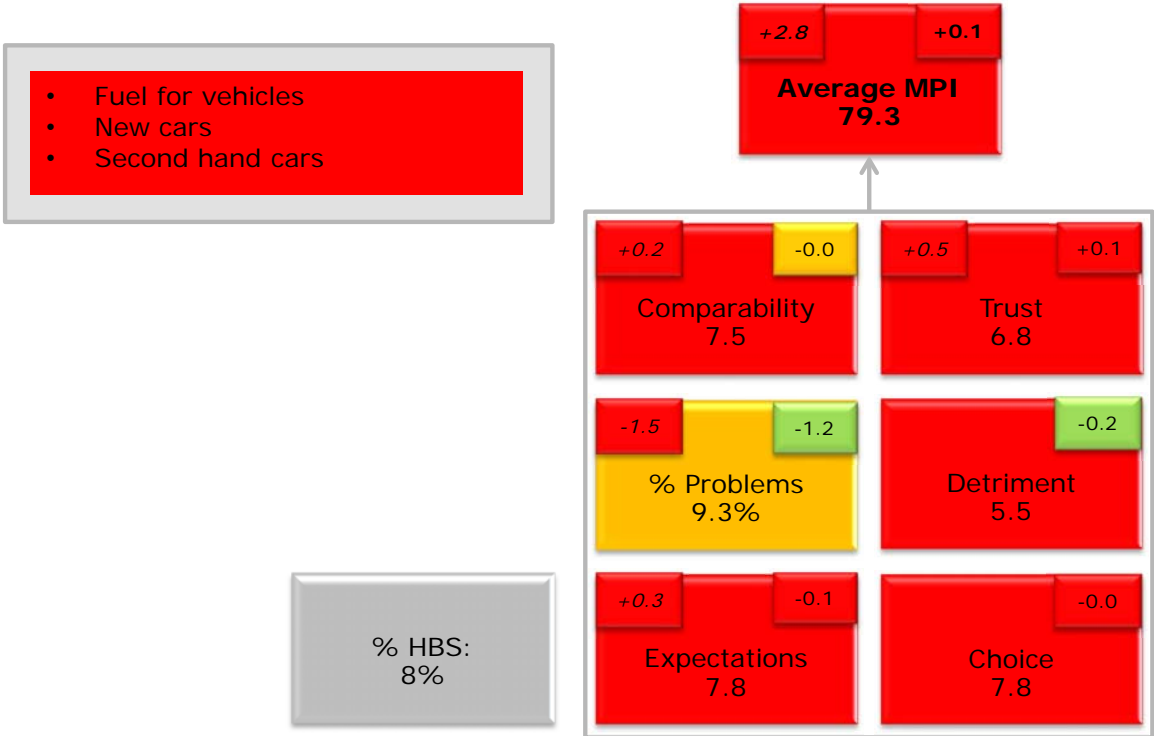
In spite of these positive aspects, the cluster remains in the middle-to-low-performing quartile for both the ‘problems’ and ‘detriment’ sub-components. Several markets in the cluster have been the target of EU-coordinated enforcement activities. In 2015 for instance, the European Commission and EU consumer-protection authorities carried out a coordinated screening of 743 websites across the EU on the quality of information available to consumers before they

make a purchase (so-called pre-contractual information<sup>40</sup>). Overall, irregularities were confirmed in 436 cases (63 %). Among these websites, slightly more than half belonged to markets which are part of the ‘(semi-)durable goods’ cluster<sup>41</sup>. The previous year, authorities had screened how websites selling consumer electronics complied with EU legislation on guarantees. This screening process uncovered results similar to the 2015 screening<sup>42</sup>. The infringements detected in both sweeps were followed up by national authorities to achieve compliance. In late 2015, the Commission adopted a proposal for a directive<sup>43</sup> on online sales of goods as part of its commitment under the digital single market strategy. The proposal aims to harmonise key consumer-contract rules on conformity and remedies. The inter-institutional negotiations exposed the need to extend the scope of the proposal to also cover ‘offline’ sales (sales not completed online) and avoid a situation where different rules applied depending on the sales channel. In October 2017, the Commission amended its proposal accordingly<sup>44</sup>.

3.3.2.3. Automotive goods

The ‘automotive goods’ cluster contains three markets linked to personal motorised transportation: ‘fuel for vehicles’, ‘new cars’, and ‘second-hand cars’. Together, these markets account for around 8 % of an average household budget.

Figure 10: ‘Automotive goods’ — performance scores



Source: Market Monitoring Survey 2017

<sup>40</sup> This information is regulated by the Consumer Rights Directive. [https://ec.europa.eu/info/live-work-travel-eu/consumers/enforcement-consumer-protection/eu-wide-screening-websites-sweeps\\_en#pre-contractual-information-sweep](https://ec.europa.eu/info/live-work-travel-eu/consumers/enforcement-consumer-protection/eu-wide-screening-websites-sweeps_en#pre-contractual-information-sweep)

<sup>41</sup> Some 29 % were websites selling clothes, shoes and fashion accessories, 15 % were selling electronic goods and household appliances, and 12 % were selling furnishings and home decorations.

<sup>42</sup> [https://ec.europa.eu/info/live-work-travel-eu/consumers/enforcement-consumer-protection/sweeps\\_en](https://ec.europa.eu/info/live-work-travel-eu/consumers/enforcement-consumer-protection/sweeps_en)

<sup>43</sup> COM/2015/0635 final.

<sup>44</sup> [http://europa.eu/rapid/press-release\\_MEX-17-4325\\_en.htm](http://europa.eu/rapid/press-release_MEX-17-4325_en.htm) (currently with co-legislators).

***No improvement for the ‘automotive goods’ cluster overall, despite a significant increase in the performance of the fuel for vehicles market***

This cluster performs very poorly overall, with an average MPI in the lowest quartile, where it has been since 2010. Compared to 2015, there was only a marginal increase of 0.1 points in the MPI score of the overall cluster. However, the increase was much greater between 2013 and the 2017 (+ 2.8).

For 2017, the four MPI components ‘trust’, ‘expectations’, ‘choice’ and ‘comparability’, as well as the ‘detriment’ sub-component are in the lowest-performing quartile. Compared to 2015, the ‘comparability’ component dropped from the middle-to-low quartile, and the ‘detriment’ sub-component dropped from the middle-to-high quartile. The ‘problems’ sub-component is now the only indicator in the middle-to-low-performing quartile, although here too there was a deterioration in performance (in relative terms), as this sub-component featured in the middle-to-high quartile in 2015.

The market cluster results are fully in line with the results at individual market level. The market for ‘second-hand cars’ is ranked, once again, lowest of all the goods markets assessed, with no improvement since 2015. The markets for ‘new cars’ and ‘fuel for vehicles’ rank second-last and fourth-last respectively out of the 15 goods markets. The performance of the market for ‘new cars’ declined by 0.6 points since 2015, driven mostly by decreases in the ‘comparability’, ‘trust’ and ‘expectations’ components. However, the market for ‘fuel for vehicles’ has improved its overall MPI score by 0.9 points since 2015.

In the market for ‘second-hand cars’, it should be stressed that there is still a significant difference (22 points) in the MPI between the top-ranked and the lowest-ranked country in the EU (5.1 points greater than the EU-28 goods-markets range). This is due to the poor assessment of this market by consumers from the eastern region, as opposed to those residing in western countries, with the lowest-scoring countries (Bulgaria and Croatia) seeing a significant decrease in consumers’ MPI scores.

The ‘automotive goods’ cluster has been performing poorly for several years. However, it is possible that consumers’ assessment may have been affected by the ‘Dieselgate’ scandal that began in 2015, as the carmaker’s response to consumers in Europe has fallen short of expectations. In September 2017, following persistent indications that many of the cars affected have not been repaired yet, national consumer authorities across the EU urged Volkswagen<sup>45</sup> to swiftly repair all cars affected. This was part of a coordinated action under the Consumer Protection Cooperation Regulation<sup>46</sup> by EU consumer authorities to ensure the Volkswagen group complies with consumer law.

In addition, in an attempt to ensure compliance with EU law on the real emission levels of vehicles, the Commission supported Member States by developing a common testing methodology to screen for ‘defeat devices’ installed in cars that may be altering the results of laboratory tests. It published a guidance<sup>47</sup> in early 2017 to help Member State authorities assess whether a car manufacturer is using defeat devices (or other strategies that lead to higher vehicle emissions outside of the test cycle) and analyse whether they are technically justified. As of September 2017, all new car models will have to pass new and more reliable

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<sup>45</sup> [http://europa.eu/rapid/press-release\\_IP-17-3102\\_en.htm](http://europa.eu/rapid/press-release_IP-17-3102_en.htm)

<sup>46</sup> OJ L364 dated 9.12.2004.

<sup>47</sup> C(2017) 352 final.

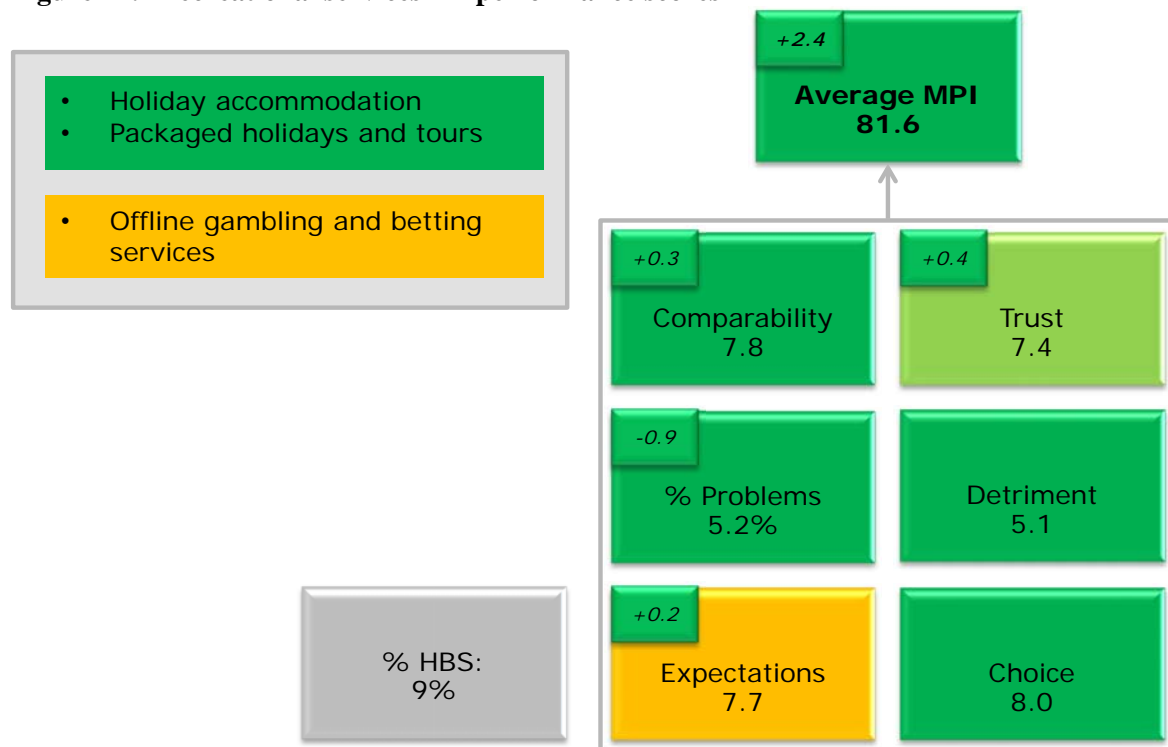


emissions tests<sup>48</sup> in real-world driving conditions, as well as an improved laboratory test, before they can be driven on European roads.

### 3.3.2.4. Recreational services

The ‘recreational services’ market cluster comprises three markets that account for 9 % of the average household budget.

**Figure 11: ‘Recreational services’ — performance scores**



Source: Market Monitoring Survey 2017

***‘Recreational services’ continue to perform better than all other services clusters, even though consumers rated the ‘holiday accommodation’ market worse than two years ago***

This cluster continues to perform very satisfactorily, with two of its components, (‘comparability’ and ‘choice’) and two of its sub-components (‘problems’ and ‘detriment’) in the high-performing quartile. As a consequence, the cluster continues to be ranked the highest out of all six services clusters. The components of ‘trust’ and ‘expectations’ are the only two indicators that experienced a change in quartile, decreasing one and two quartiles respectively (from the high-performing quartile). Compared to 2013, the cluster has seen an increase of 2.4 points in its overall MPI score.

The only exception to the very good overall performance of this market cluster is the market for ‘offline gambling and lottery services’. While the markets for ‘holiday accommodation’ and ‘packaged holidays and tours’ are ranked in the second and third position respectively out

<sup>48</sup> [http://europa.eu/rapid/press-release\\_IP-17-2822\\_en.htm](http://europa.eu/rapid/press-release_IP-17-2822_en.htm)



of all 25 services markets assessed, ‘offline gambling and lottery services’ is ranked 14<sup>th</sup> and is in the middle-to-low-performing quartile.

Compared with assessments in previous years, a mixed pattern is observed, with the market for ‘packaged holidays and tours’ seeing an increase in its overall MPI score of 0.6 points compared to 2015, whereas ‘holiday accommodation’ registered a decrease of 0.3 points during the same period, driven by decreases in the ‘expectations’ and ‘choice’ components. Lastly, the market for ‘offline gambling and lottery services’ registered an increase of 1.0 point since 2013, mostly due to a consistent increase in ‘comparability’ and ‘trust’. Of the three markets in this cluster, the market for ‘offline gambling and lottery services’ is the only one where the difference in MPI (22.7 points) between the top-ranked and the lowest-ranked country is greater than the average difference across the EU-28 services markets (by 5.5 points).

A non-negligible share of consumer complaints that are received by the European Consumer Centres Network relate to package holidays, time-share products and hotel accommodation. In 2016, for instance, of the 45 016 complaints<sup>49</sup> received, almost 2 000 (4.38 % of the total) referred to time-share products and package holidays. In 2015, 5 % of complaints concerned time-share products and package holidays. In 2016, the Consumer Protection Cooperation Network screened more than 300 price-comparison and travel-booking sites to check their compliance with consumer laws<sup>50</sup>. The authorities identified irregularities in 67 % of the screened websites that were later followed up to achieve compliance. Most of the problems that were detected were:

- the price first shown not being the same as the final price;
- the total price (or the way it was calculated) not being clear;
- promotional offers not existing in reality;
- user reviews not being presented in a clear and transparent way.

The 2015 Package Travel Directive<sup>51</sup>, which came into effect on 1 July 2018, further increases the protection offered to consumers buying traditional packages predominantly put together by tour operators. The Directive also extends this protection to customised packages purchased online or offline. The modernisation of the 1990 rules (drafted when the internet was in its infancy) means that millions of EU holidaymakers who opt for customised packages will enjoy the same rights as those who purchase traditional, ready-made travel packages. In addition, a basic protection is provided for so-called linked travel arrangements.

### 3.3.2.5. Insurance services

The ‘insurance services’ market cluster includes three markets and represents 2 % of the average household budget. This cluster is based on consumers’ need to manage risks and has a more utilitarian character than some of the other clusters.

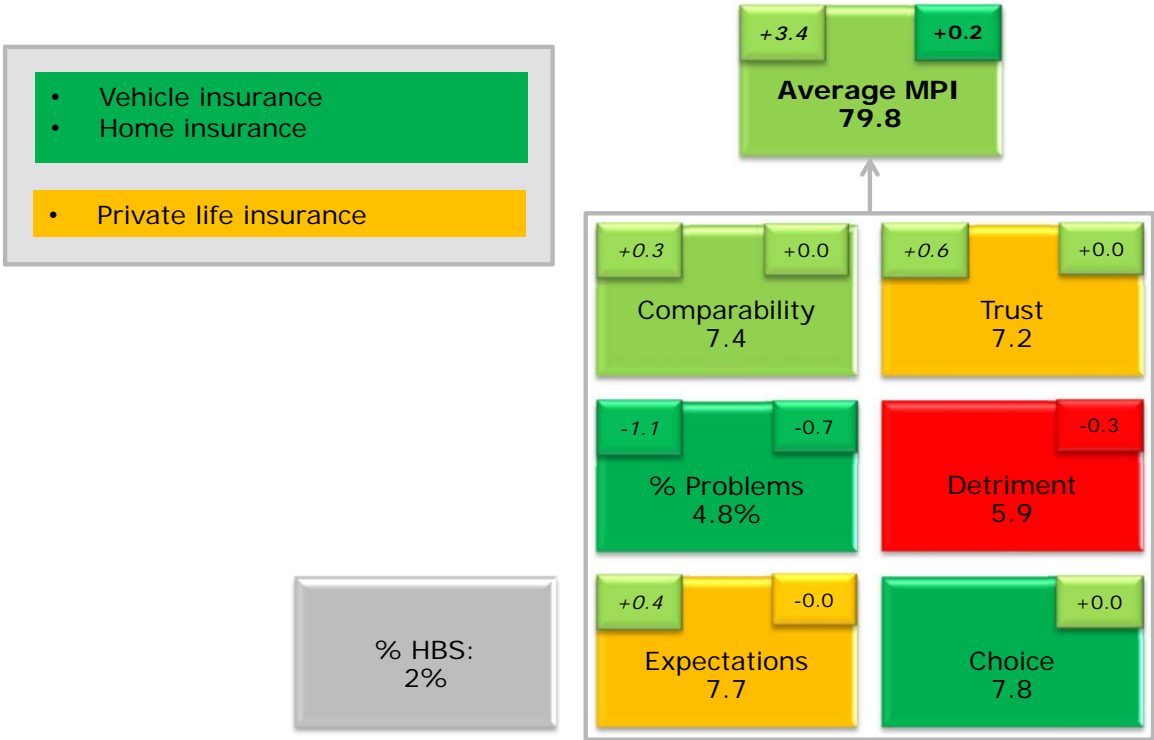
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<sup>49</sup> [http://ec.europa.eu/internal\\_market/scoreboard/performance\\_by\\_governance\\_tool/european\\_consumer\\_centre\\_network/index\\_en.htm](http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/european_consumer_centre_network/index_en.htm)

<sup>50</sup> [http://europa.eu/rapid/press-release\\_MEMO-17-845\\_en.htm](http://europa.eu/rapid/press-release_MEMO-17-845_en.htm)

<sup>51</sup> OJ L 326 dated 11.12.2015.

**Figure 12: ‘Insurance services’ — performance scores**



Source: Market Monitoring Survey 2017

**Consumer ‘detriment’ has decreased significantly in insurance services but remains relatively high, with the ‘home insurance’ market scoring worst on ‘detriment’ of all the 25 services markets assessed**

This market cluster performs fairly well, ranked in the second place of the six services clusters in overall MPI. Between 2015 and 2017, the cluster dropped from the high-performing quartile to the middle-to-high-performing quartile, despite an increase in MPI of 0.2 points over the two years. The performance for ‘comparability’ is in line with the overall market performance in terms of quartile (middle-to-high). The ‘trust’ and ‘expectations’ scores are in the middle-to-low-performing quartile. ‘Choice’ is rated in the high-performing quartile, as is the proportion of consumers who experienced problems. However, the associated ‘detriment’ for those consumers who experience problems continues to remain disproportionately high (and is therefore in the low-performing quartile), despite the decrease by 0.3 points in ‘detriment’ in the last two years.

The overall satisfactory performance of the cluster is driven by the markets for ‘vehicle insurance’ and ‘home insurance’, both of which are in the high-performing quartile and rank fifth and sixth respectively out of 25 services in their overall MPI. At the other end of the scale, the ‘private life insurance’ market ranks in the 16<sup>th</sup> place of all services markets, although it registered a considerable increase of 0.6 points in its overall MPI score. The main drive for this improvement in the MPI score for ‘private life insurance’ was a significant decrease in ‘detriment’ by 0.6 points compared to 2015. However, the components for ‘comparability’ and ‘expectations’ for this market both remain well below the EU average for all services. Among the three markets that are part of this cluster, the market for ‘home insurance’ displays by far the highest level of ‘detriment’ of all 25 services markets.

Insurance products are ‘credence goods’, whose quality cannot be fully established at the time of purchase. Because of the way in which insurance is supplied, consumers often struggle to purchase the correct coverage. In addition to being characterised by information asymmetry (with insurance companies routinely having at their disposal a wealth of statistical data that allows to estimate the level of risk), insurance is also an area where there are numerous behavioural biases at work. For example, systematic misjudgment of probabilities can cause consumers to prefer products that cover small losses with high probability to occur, rather than low-probability but high-impact losses. Another problem is the ‘availability bias’, which may draw consumers’ attention to coverage that is commonly advertised in a specific market, while leading to neglecting other risks that are not as salient but are present nonetheless. The combination of these factors may result in costly over-insurance in some areas, while leaving consumers exposed to substantial financial risks due to under-insurance in others.

In October 2017, the Commission published the results of a behavioural study<sup>52</sup> on consumers’ decision-making when buying non-life insurance. The study showed that consumers are prevented from getting the best deals by behavioural biases and by the time and effort needed to compare alternatives. The study also identified as reasons for the low rates of cross-border purchase of insurance that consumers either do not know that it is possible to buy insurance in another EU Member State, or they are concerned that solving problems with foreign insurers could be difficult. The highest premium overpayment was caused by consumers choosing excessively small deductibles<sup>53</sup>, rather than from selecting an overpriced insurance company or insuring an unnecessary risk. On average, this decision-making error amounted to EUR 44 per respondent for home contents and EUR 48 for motor insurance, equivalent to 19 % and 11 % respectively of the average premium paid.

The new Directive on Insurance Distribution<sup>54</sup>, which comes into effect in 2018<sup>55</sup>, sets a modernised framework and rules of conduct for all sellers of insurance, including those selling directly to consumers. It also introduces new and improved consumer-protection rules to help consumers make informed choices. In particular, the new Insurance Product Information Document provides consumers with basic information on insurance products in a simple and clear manner and in a standardised format to make it easy to compare the products on offer.

### 3.3.2.6. Transport

The ‘transport’ market cluster includes three markets, all of which are linked to personal transportation, and all of which have varying usage frequencies. This market represents 1 % of the household budget on average.

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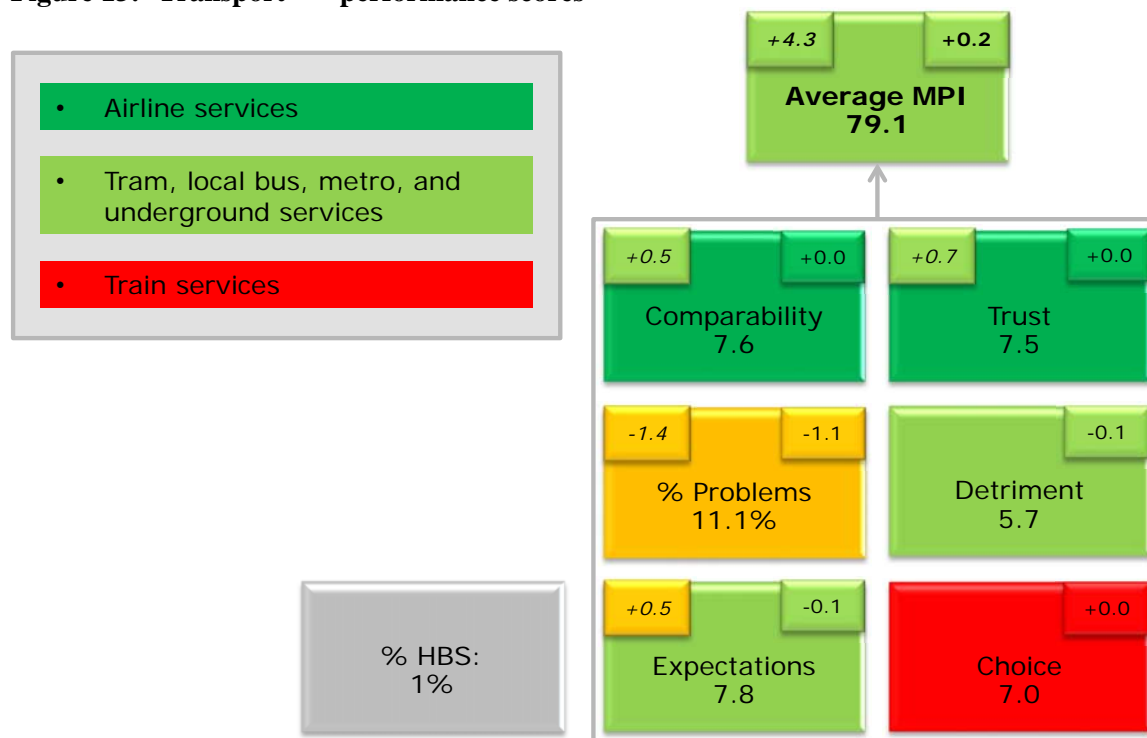
<sup>52</sup> Among other things, the study: (i) tested how to help consumers to make better decisions, (ii) estimated potential savings in insurance premiums, and (iii) collected data on the industry. [http://ec.europa.eu/newsroom/just/item-detail.cfm?item\\_id=117420](http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=117420)

<sup>53</sup> The ‘deductible’ (also known as the ‘excess’) is the portion of any damage that must be paid for by the insured policyholder. For example, a deductible of EUR 100 means that damage of EUR 90 must be paid for entirely by the policyholder. However, if the policyholder suffers damage of EUR 1 000, they will pay EUR 100, and the insurer will pay EUR 900.

<sup>54</sup> Directive 2016/97/EC.

<sup>55</sup> COM(2017) 792.

**Figure 13: ‘Transport’ — performance scores**



Source: Market Monitoring Survey 2017

Overall, the ‘transport’ cluster has remained in the middle-to-high-performing quartile since 2011. In 2017, its overall MPI increased by 0.2 points compared to 2015, and by 4.3 points compared to 2013. As in the previous Scoreboard edition, ‘comparability’ and ‘trust’ are assessed very favourably (the ‘transport’ cluster remains in the high-performing quartile for these two components). In addition, ‘expectations’ and ‘detriment’ are both in the middle-to-high quartile with negligible changes since 2015. Once again, the cluster performs less satisfactorily for ‘problems’, where it ranks in the middle-to-low quartile. Despite a decrease of 1.1 pp. in this sub-component since 2015, the proportion of consumers who experienced problems in the transport cluster remains above the all-services average (9.3 %).

***With the exception of airline services, consumers still perceive choice as limited in the markets of the transport cluster***

Insufficient choice of providers is the one component that negatively affects consumers’ assessments of this cluster. This is particularly the case for ‘train services’ and for ‘tram, local bus, metro and underground services’, where satisfaction with ‘choice’ was assessed as the second-lowest and third-lowest respectively of all 25 services markets. This was also the case in 2015. ‘Choice’ in the airline sector, on the other hand, is assessed quite favourably (it has the sixth-highest score among all services markets), although it has not improved in the last two years. However, it should be noted that ‘choice’ was given a low importance score for ‘train services’ and for ‘tram, local bus, metro and underground services’ (second-lowest and third-lowest respectively). This indicates that consumers value the punctuality and consistency of such services more than having a number of providers to choose from.

Of the three markets that are part of this cluster, ‘train services’<sup>56</sup> is by far the least favourably assessed by consumers. This market is in the low-performing quartile, as it was in 2015, and

<sup>56</sup> Cyprus and Malta do not have train services so they are not included in this analysis.

has the fifth-lowest score in overall MPI. Apart from ‘choice’, where its score is remarkably low, the ‘train services’ market also has a higher proportion of consumers who experience problems than the average for all services markets. The ‘train services’ market is characterised by one of the largest differences in MPI score between the highest-ranked and lowest-ranked EU country (24.8 points), with two Member States scoring remarkably poorly (Bulgaria and Romania with 62.5 and 63.4 points respectively).

‘Tram, local bus, metro and underground services’<sup>57</sup> is in the middle-to-high-performing quartile, and ranks three places below the all-services EU average in MPI. Consumers’ satisfaction with choice in this market is remarkably low, and a relatively high proportion of consumers experience problems. As with ‘train services’, the difference (19.8 points) in MPI between the highest-scoring and the lowest-scoring EU country is larger than the services-market average, with consumers in Italy, Malta and Bulgaria assessing their markets as the least performing in the EU-28.

In contrast, the ‘airline services’ market is the market in this cluster most favourably assessed by consumers. Despite a decrease of 0.4 points since 2015, it is the fourth-highest ranked services market in MPI, with a very high score for ‘comparability’, ‘trust’ and ‘expectations’. Although the proportion of respondents who experience problems is below the all-services EU average, the level of ‘detriment’ when such problems occur is the third-highest of all services. Transport has been one of the main areas of complaints received by the European Consumer Centre Network. In 2016 these represented 36 % of all complaints.

In recent years, the EU has developed a full set of passenger rights, which apply irrespective of the transport mode. Whether travelling by air, rail, ship, bus or coach in Europe, passengers benefit from rights that include the right to accurate and timely information, and the right to various forms of assistance in situations of delays and/or cancellations. Some of these rights are being revisited to modernise and improve the protection of passengers while taking due account of business interests. In 2013, the European Commission tabled a proposal<sup>58</sup> to reform the existing legislation on air passenger rights (and the liability of airlines). This proposal is still in the legislative process. In 2017, a proposal updating the rights granted to passengers travelling by train was adopted by the Commission. In July 2018, a new Directive on package travel and linked travel arrangements comes into force, further strengthening consumer rights.

### 3.3.2.7. Utilities

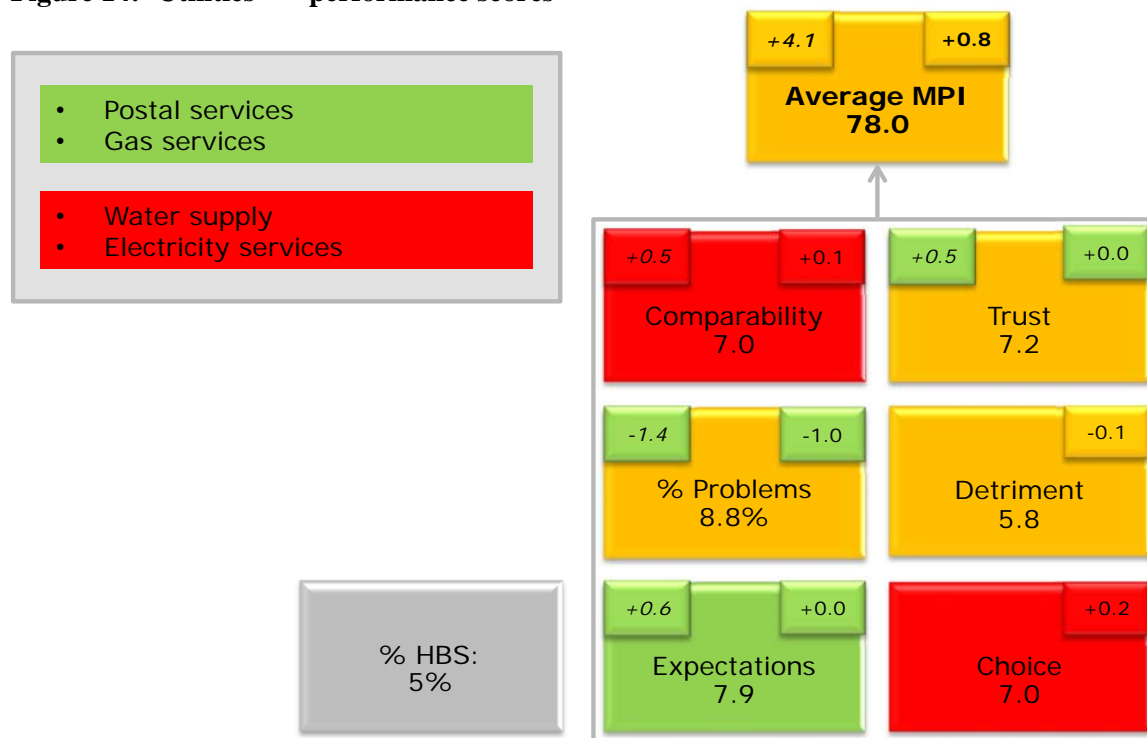
The ‘utilities’ market cluster brings together four markets. In many countries, these four markets have a limited number of providers. The services in this cluster are used on a daily or frequent basis and account for 5 % of the household budget.

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<sup>57</sup> For Cyprus, Malta and Luxembourg this market only includes local bus services.

<sup>58</sup> COM(2013) 130 final.

**Figure 14: ‘Utilities’ — performance scores**



Source: Market Monitoring Survey 2017

The average MPI for this cluster is in the middle-to-low-performing quartile, as was the case in both 2015 and 2013. However, the MPI has increased by 4.1 points since 2013 and by 0.8 points since 2015. The cluster is characterised by two distinct groups of services, with sharply contrasting performances. ‘Postal services’ and ‘gas services’ are in the middle-to-high-performing quartile, while ‘water supply’ and ‘electricity services’ fall into the low-performing quartile.

The same contrasting picture can be observed for the different components and sub-components assessed. ‘Expectations’ is in the middle-to-high-performing quartile, whereas ‘problems’, ‘detriment’ and ‘trust’ are all middle-to-low-performing. The MPI components which continue to be assessed very poorly are ‘comparability’ and ‘choice’ (both are in the low-performing quartile) with only a marginal increase since 2015. The poor consumer assessment could be due to the fact that in some countries these markets may still feature monopolies or have very low competition (if the market was only recently opened up).

### *Contrasting performance of energy markets*

When looking at the individual markets belonging to this cluster, ‘electricity services’ is the market assessed least favourably by consumers. It ranks 22<sup>nd</sup> of all 25 services markets, with an increase in MPI score of 1.0 point since 2015 (its MPI score has been consistently improving since 2011). When compared to 2015, of all its MPI components the highest increase was observed for ‘choice’, likely a consequence of ongoing market liberalisation. ‘Electricity services’ also saw a decline since 2015 in the proportion of consumers who experienced problems. The very large points difference in the MPI between the top-ranked and lowest-ranked EU country in this market (36.5 points, which is 19.3 points greater than the EU-28 all-services markets range) indicates a market with mixed performance, which is assessed as being the least satisfactory by consumers from southern Europe (their assessment

of ‘electricity services’ is 11.7 points below the EU-28 average). Nonetheless, the bottom two countries in MPI score (Bulgaria and Spain) have both increased their scores by 5.5 and 3.1 points respectively since 2015.

In 2017, the Commission released the results of a study on consumer detriment in the EU<sup>59</sup>, which indicated the magnitude of the detriment consumers suffer due to poorly functioning electricity services in the EU. The study estimated that the total post-redress financial detriment over the last 12 months in the EU-28 was between EUR 1.9 billion and EUR 6.4 billion.

In contrast, the market for ‘gas services’ is middle-to-high-performing, ranking ninth out of all services markets. Its MPI score increased by 1.1 points since 2015, and there is much less variation between the top-ranking and lowest-ranking country scores when compared to the electricity market (22.5 points for the ‘gas services’ market compared to 36.5 for the ‘electricity services’ market), with Spain performing worst. The countries ranked in the last eight positions for MPI have experienced no improvement in consumers’ assessment since 2015. In southern Europe, and in some eastern European countries, the ‘gas services’ market scores below the EU average. As for ‘electricity services’, the largest increase in MPI is with ‘choice’. However, consumers attach lower importance to choice in both ‘gas services’ and ‘electricity services’ compared to other aspects of market performance.

There are continued efforts at EU level to make the energy sector more competitive and sustainable while delivering a better deal to consumers. In November 2016, the Commission presented a new package of measures<sup>60</sup>, with the aim to provide the stable legislative framework needed to facilitate the clean energy transition – and thereby take a significant step towards the creation of the Energy Union. These ‘Clean Energy for All Europeans’ proposals are intended to help the EU energy sector become more stable, competitive, sustainable and fit for the 21<sup>st</sup> century. One of the goals of this package is to provide consumers with a fair deal on energy.

The Commission is currently undertaking a study on energy<sup>61</sup>, which investigates how clarity, comparability and transparency in the energy market could be increased through the information provided to energy consumers at different phases of their participation in the energy market. The study will assist the Commission’s work to ensure that Europeans have access to better information and more possibilities to engage in the energy market, as well as greater control of their energy costs. It looks into the standardisation of energy offers and bills to ensure increased clarity and comparability, and suggest better designs for energy bills. The study also examines the main factors discouraging energy consumers from switching provider. Finally, price-comparison tools in the energy sector are being examined and (independent) verification schemes for such tools will be identified.

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<sup>59</sup> [https://ec.europa.eu/info/publications/study-measuring-consumer-detriment-european-union\\_en](https://ec.europa.eu/info/publications/study-measuring-consumer-detriment-european-union_en). The study estimated consumer detriment in six different markets — mobile telephone services; clothing, footwear and bags; train services; large household appliances; electricity services; and loans, credit and credit cards. It particularly focused on France, Italy, Poland and the UK.

<sup>60</sup> <https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition>

<sup>61</sup> Consumer market study on pre-contractual information and billing in the energy market — improved clarity and comparability.



***Trust in the postal services market remains high, but consumers from Nordic countries are less satisfied***

‘Postal services’ is the other market in this cluster that shares the middle-to-high-performing quartile with the ‘gas services’ market. It ranks in the eighth position in MPI score, with no significant change compared to 2015. For its individual components, a small increase in the ‘comparability’ and ‘choice’ components can be seen, while the ‘expectations’ component marginally decreased. Overall, ‘trust’ in the market is high and the services on offer meet consumers’ ‘expectations’. Nonetheless, the proportion of consumers experiencing problems in the ‘postal services’ market is higher than the all-services average, whereas the ‘detriment’ suffered is marginally higher than the average level.

Overall, the market scores well in western and eastern Europe, whereas certain countries from the northern region, like Denmark, Finland and Sweden saw the sharpest decrease in consumers’ assessment for this market (declines of between 4.7 and 8.7 points).

In April 2018, the European Parliament and the Council adopted a Regulation on cross-border parcel delivery<sup>62</sup>. This came as part of an extended plan to boost e-commerce and cross-border e-commerce in particular, being one of deliverables under the digital single market strategy. The new rules are expected to make such services more transparent and affordable and to increase regulatory oversight of the EU parcel market. According to the new provisions, parcel delivery providers will have to disclose prices for the services individual consumers and small companies use, which the Commission will publish on a website. In line with the Consumer Rights Directive, traders will also have to provide consumers with clear information about available cross-border delivery options and charges payable by consumers for cross-border parcel delivery. Traders will also have to provide consumers with customer complaints procedures, where applicable. The new rules have already entered into force and will be fully applicable in 2019<sup>63</sup>.

***Comparability and choice improve in the market for water supply, but consumers are not satisfied overall***

Finally, the market for ‘water supply’ is a low-performing market, ranking 19<sup>th</sup> of the 25 services markets. The market saw a 1.2 point increase in its overall MPI score compared to 2015, with the largest increase for ‘comparability’ and ‘choice’ (i.e. the two components which have by far the lowest scores for ‘water supply’ among all other services markets). This market scores better than average on ‘problems’, and it even improved on this indicator by 0.9 pp. compared to 2015.

Consumers’ assessment of the ‘water supply’ market across Member States is quite heterogeneous. There is a 29.3-point difference in the MPI between the top-ranked and lowest-ranked EU country. Certain eastern and southern European countries, like Bulgaria, Italy, Croatia and Spain stand out as the countries where consumers rate this market least favourably in the EU.

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<sup>62</sup> <http://www.consilium.europa.eu/en/press/press-releases/2018/04/12/council-adopts-cross-border-parcel-delivery-rules-to-boost-e-commerce/>.

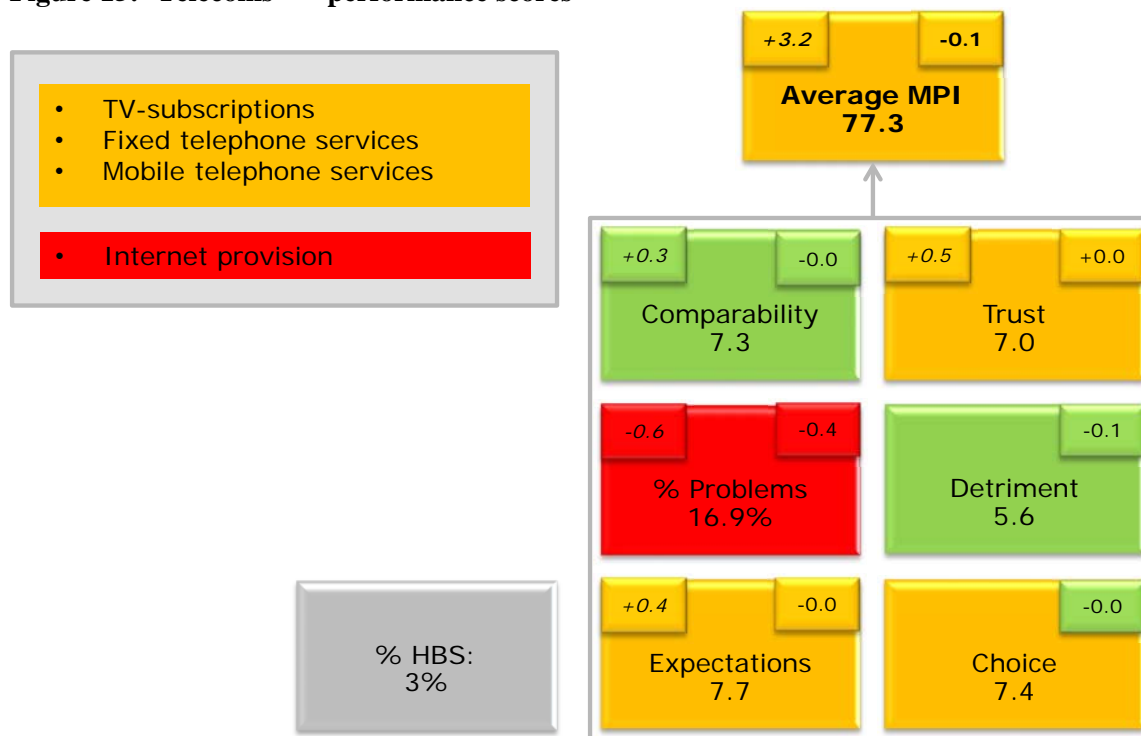
<sup>63</sup> In mid-December 2017, a provisional agreement was reached by EU co-legislators.



### 3.3.2.8. Telecoms

The ‘telecoms’ market cluster includes four markets, representing 3 % of the average household budget. This cluster is characterised by its subscription-based approach, a more limited number of providers, and daily usage that is typically paid for by monthly fees. ‘Bundling’ of services is also quite frequently offered to consumers for most of the services in the cluster.

**Figure 15: ‘Telecoms’ — performance scores**



Source: Market Monitoring Survey 2017

Consumers’ assessment of the performance of the markets in this cluster is quite consistent, with three markets in the middle-to-low quartile and one market (the market for ‘internet provision’) in the low-performing quartile. The market for ‘internet provision’ only fell into the low-performing quartile in this edition, while in 2015 it was still in the middle-to-low-performing quartile.

***The high incidence of problems faced by consumers drags down the overall performance of the ‘telecoms’ cluster***

When looking across the various components, sub-components and indicators, the worst assessment for the ‘telecoms’ cluster is for ‘problems’. On average, 16.9 % of consumers have experienced problems with the four services markets, ranging from 14.6 % of consumers experiencing problems in ‘fixed telephone services’ to 20.3 % experiencing problems in ‘internet provision’. This makes these markets the four worst services markets of all 25 for ‘problems’. The same is true for the ‘problems & detriment’ component (‘problems’ and ‘detriment’ combined), where these four services rank in the last four positions of all 25 services markets. This is despite the fact that the individual level of ‘detriment’ experienced when problems arise is in line with the all-services average (middle-to-high performance). ‘Comparability’ in this cluster is equally in line with the EU average (middle-to-high

performance), whereas ‘trust’, ‘choice’, and ‘expectations’ are all in the middle-to-low-performing quartile.

***‘Telecoms’ markets perform unevenly across Europe, with consumers from southern Europe being by far the least satisfied***

The ‘TV-subscriptions market’ ranks in the 13<sup>th</sup> position out of the 25 services in MPI, with no statistically significant increase since 2015. Since 2015, the ‘trust’ component has increased, while all other components and sub-components have remained stable. Market performance is the lowest in Croatia and Portugal (with Portugal seeing a 5.9 point decrease in the assessment of performance), whereas countries in the western region assess its performance most favourably.

The market for ‘fixed telephone services’ is middle-to-low-performing, ranking 17<sup>th</sup> of the 25 services markets. Its overall MPI score remained stable from 2015 to 2017, registering only an increase in the ‘comparability’ component and a decrease in ‘expectations’, both of which remain totally in line with the all-services EU average. The proportion of consumers experiencing problems continues to remain high and has shown no statistically significant change compared to 2015. The ‘fixed telephone services’ market is assessed most favourably in western regions of Europe and least favourably in southern Europe: Spain, Croatia and Italy (countries which rank the lowest in the EU) saw no increase in their MPI scores. Across the EU, there is a large difference in the MPI between the top-ranked and lowest-ranked EU country (26.5 points).

The market for ‘mobile telephone services’ ranks 18<sup>th</sup> out of the 25 services markets, just below ‘fixed telephone services’. Its overall MPI score saw no change since 2015, despite a decrease in ‘comparability’ and ‘choice’. The ‘trust’ component remains remarkably low in the market for ‘mobile telephone services’. In addition, the proportion of consumers who experienced problems is still quite high (17.5 %) despite a decrease of 2.5 pp. over the last two years. The large difference (27.2 points) in the MPI between the top-ranked and lowest-ranked EU country reflects the poor performance of this market in southern countries. Three of the four lowest-performing countries for ‘mobile telephone services’ (Spain, Italy and Portugal) belong to this region (with Croatia being the second-worst performer) and have experienced either no improvement or large decreases in their overall MPI scores since 2015.

The market for ‘internet provision’ ranks 20<sup>th</sup> of 25 services markets. Its MPI decreased by 0.4 points since 2015, and the market is now in the low-performing quartile. The biggest driver of this decline is a decrease in its ‘expectations’ score, which is now ranked marginally below the EU average. ‘Internet provision’ is the market with the highest proportion of consumers who experience problems (20.3 %) and with the lowest score on ‘problems & detriment’. Across all countries surveyed, there are considerable differences in market performance, with the most favourable conditions in western and eastern Europe, and the least favourable conditions in the southern region. The lowest scores can be found in Spain, Italy, Ireland and Croatia.

To tackle market fragmentation in the telecoms markets, the EU adopted the Telecoms Single Market Regulation in 2015<sup>64</sup>. This ensured for the first time the principle of net neutrality in the EU and began the process to abolish mobile roaming charges. The abolition of roaming

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<sup>64</sup> OJ L 310, 26.11.2015, pp. 1-18.

charges meant that, as of mid-June 2017, European citizens travelling within the EU have been able to ‘roam like at home’ and be charged domestic prices for any roaming calls, SMS or data. This is an example of EU action that has a direct impact on the lives of EU citizens. This provision has also further promoted the use of mobile telephony services, benefiting both consumers and telecom operators.

In September 2016, the Commission presented proposals for an ambitious overhaul of the telecoms regulatory framework<sup>65</sup>. One of the aims of the proposals was to encourage investment in very-high-capacity networks and accelerate public access to Wi-Fi for European citizens. The proposed rules sought to meet European consumers’ growing demand for more connectivity and boost the competitiveness of the EU ‘telecoms’ sector.

### 3.3.2.9. Banking services

The ‘banking services’ market cluster accounts for only 0.2 % of the average household budget<sup>66</sup> and includes four markets. However, this cluster is directly linked to consumers’ finances and income, and it therefore plays a much more important role than its budget share may suggest.

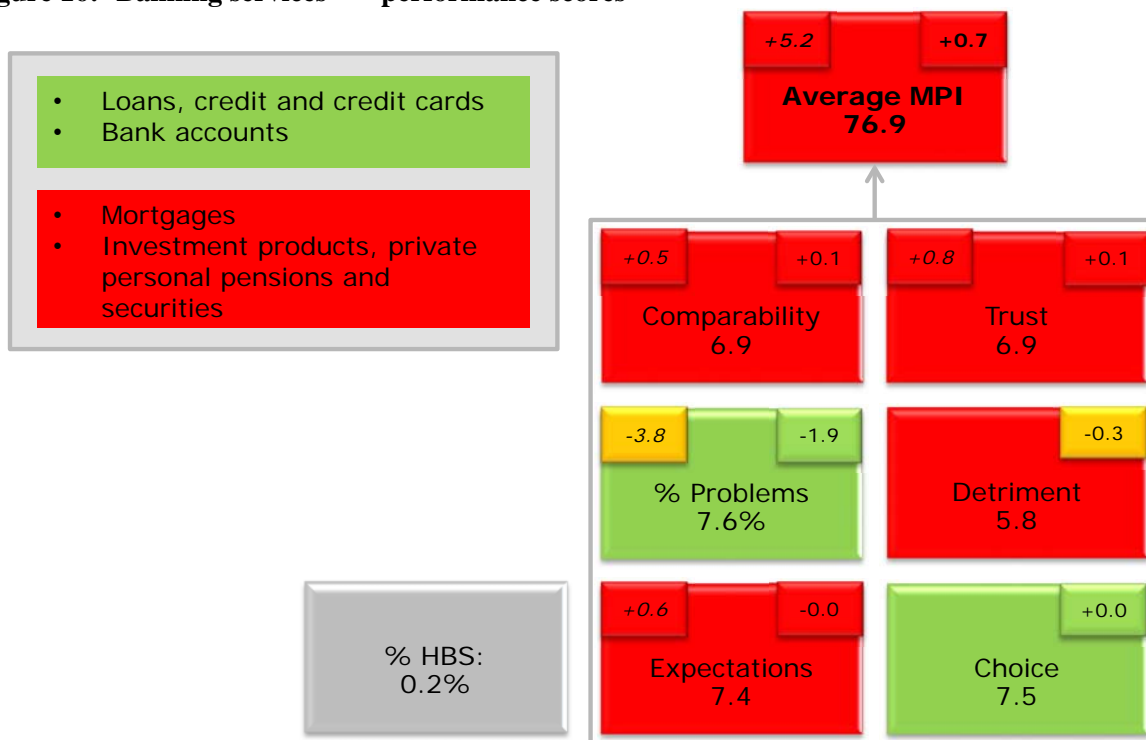
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<sup>65</sup> [http://ec.europa.eu/competition/sectors/telecommunications/overview\\_en.html](http://ec.europa.eu/competition/sectors/telecommunications/overview_en.html)  
[http://europa.eu/rapid/press-release\\_IP-16-3008\\_en.htm](http://europa.eu/rapid/press-release_IP-16-3008_en.htm)

The focus is on: a consistent single-market approach to spectrum policy; the tackling of regulatory fragmentation; ensuring a level playing field; incentivising investment in high-speed broadband networks; and a more effective regulatory institutional framework.

<sup>66</sup> This mainly stems from the fact that in the case of ‘loans, credit and credit cards’ and ‘mortgages’, only charges associated with the loans are included.

**Figure 16: ‘Banking services’ — performance scores**



Source: Market Monitoring Survey 2017

‘Banking services’ continues to be the lowest-performing services cluster since the first Scoreboard editions were published. The MPI of the cluster increased by 0.7 points since 2015, but individual components and sub-components like ‘comparability’, ‘trust’, ‘expectations’ and ‘detriment’ still perform poorly (all four are in the low-performing quartile). The scores for ‘choice’ and ‘problems’ show better results, with both indicators in the middle-to-high-performing quartile. The proportion of consumers who experience problems has decreased by 3.8 pp. since 2013.

***Despite some improvements, consumers are still dissatisfied with performance of the markets ‘investment products, private personal pensions and securities’ and ‘mortgages’***

The poor performance of this cluster is driven by the ‘investment products, private personal pensions<sup>67</sup> and securities’ market and the ‘mortgages’ market. Both markets are in the low-performing quartile.

The market for ‘investment products, private personal pensions and securities’ is the second-worst assessed services market in overall MPI, despite an increase of 0.8 points since 2015. This market has the lowest score of all the 25 services markets for ‘comparability’. It also has very low scores for ‘trust’ and ‘expectations’. Although the proportion of consumers who experience problems in this market is below the all-services EU average and has decreased significantly since 2015 (by 3.2 points), the average ‘detriment’ associated with these problems is rather high. Across the EU, the market scores are higher than the EU-28 market average in western Europe, and lower than the EU-28 market average in the other regions. Spain, Bulgaria and Croatia are the worst-performing countries in the EU in overall MPI, with no improvement since 2015. Hungary is the country which recorded the largest improvement

<sup>67</sup> The consumer survey targeted private personal pension plans, i.e. situations where individuals independently purchase and select material aspects of the arrangements.

in MPI since 2015 (+9.0), and Cyprus saw an increase in consumers' assessment by 5.4 points since 2015.

'Mortgages' is the third-worst-assessed market of the 25 services markets, even though its MPI increased by 2.0 points since 2015. 'Comparability', 'trust' and 'expectations' are assessed as very low (in the fourth-lowest position among all other markets), despite an increase of 0.2, 0.3 and 0.2 points respectively since 2015. Although fewer consumers are experiencing problems (7.8 %, a decrease of 1.9 pp. since 2015), the associated 'detriment' is the second-highest of all 25 services markets. There is a large difference (25.0 points) in the MPI between the top-ranked and the lowest-ranked country in this market. The assessments are more favourable in western Europe than in the eastern region, while the lowest scores are in southern Europe. Spain, Cyprus, Bulgaria and Croatia are the countries where the 'mortgages' market is ranked lowest. Bulgaria is the only of these four countries to see an improvement in its MPI score (of 3.2 points) since 2015.

In 2014, the EU created new rules and standards for the mortgage market with the adoption of the Mortgage Directive<sup>68</sup>. The Directive aims to further integrate the EU mortgage market and increase consumer protection. For example, it sets out new information obligations which ensure that consumers are provided with detailed and clear information on the terms of the mortgages. The Directive also grants consumers the right to early repayment of their mortgages (similar to the rules already in place for consumer credit agreements). The new rules apply to mortgages granted since March 2016, and are likely to have contributed to the improved assessment of the mortgage market by consumers shown in this Scoreboard edition.

***The market for 'loans, credit and credit cards' scores in line with the all-services market average, while the one for 'bank accounts' scores slightly below***

The 'bank accounts' market is in the middle-to-high-performing quartile (as opposed to middle-to-low in 2015), ranking 11<sup>th</sup> out of all 25 services markets. However, its MPI did not change significantly since 2015. 'Comparability', 'trust' and 'expectations' remain below the EU-28 all-services average, whereas 'choice' remains above EU-average levels. Since 2015, both 'problems' and 'detriment' decreased (by 1.7 pp. and 0.4 points respectively). In addition, the proportion of consumers who switched banking provider decreased by 1.8 pp. between 2015 and 2017. As with 'mortgages', there is a large variation in MPI scores between the top-ranked and lowest-ranked EU country for the 'bank accounts' market (25.6 points). The highest scores are in the western region. By contrast, countries from southern regions perform below average, with particularly low scores in Spain, Cyprus and Italy.

Finally, the market for 'loans, credit and credit cards' is in the middle-to-high-performing quartile. This market is ranked 10<sup>th</sup> out of 25 services markets surveyed, despite a decrease in its MPI score by 0.4 points in the last two years. The biggest drivers of this decline are decreases in the 'choice' and 'expectations' components, which still rank above the EU all-services average and in line with the EU all-services average respectively. In contrast, 'comparability' and 'trust' did not improve between 2015 and 2017 and remain just below the all-services EU average. The proportion of consumers who experienced problems in this market has decreased since 2015 (-0.8 pp.) and remains below the EU-28 average. Across the EU, performance is better in western and northern Europe, while the southern and eastern regions assess the market least favourably. The market performs most poorly in Cyprus, Spain and Greece.

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<sup>68</sup> OJ L 60/34 dated 28.2.2014.

Results of a Commission study on consumer detriment in the EU<sup>69</sup> showed that among six sectors assessed, the average level of post-redress financial detriment per problem was second-highest for the ‘loans, credit and credit cards’ market. The detriment in this market ranged between EUR 83.0 and EUR 154.9. Aggregating results over the last 12 months in the different EU-28 countries, the total post-redress financial detriment for ‘loans, credit and credit cards’ ranges between EUR 1.3 billion and EUR 8.8 billion. This shows the magnitude of consumer concerns for this particular financial sector.

Consumer conditions can be expected to further improve as several pieces of legislation adopted in recent years are implemented. Since 2016, the Payments Accounts Directive<sup>70</sup> has made it easier for consumers to switch bank accounts. The Directive also introduces new information requirements for the fees attached to a bank account, which will apply as of 2018. These requirements will increase the transparency of fee information for consumers. The standardised presentation of key fee information in the new Fee Information Document should help consumers compare the different offers on the market. The application of the Regulation on inter-change fees for card-based payment transactions in 2016 capped these fees and helped reduce costs.

In March 2017, the Commission adopted an action plan<sup>71</sup> to further strengthen the EU’s single market for retail financial services. The action plan followed an extensive consultation with stakeholders, and contains a series of measures that aim to increase consumer trust, reduce remaining regulatory obstacles, and support the development of innovative digital services. In particular, these actions aim to improve the process for creditworthiness assessments when consumer loans are being granted. They also aim to explore ways to address over-indebtedness. As announced in the action plan, the Commission has launched a behavioural study aimed at studying how the digitalisation of the market for retail financial services will affect consumers. This study will place particular focus on information disclosure at the advertising and pre-contractual stage. In 2018, the Commission will also launch the evaluation of Directive 2008/48/EC on consumer credit.

### **3.4. Socio-demographic differences in market assessments**

The previous Scoreboard edition introduced for the first time multivariate statistical techniques<sup>72</sup> to analyse how consumer assessments may vary according to different socio-demographic characteristics. In the 2017 edition, the multivariate analysis was performed not only for all markets surveyed, but also by market clusters, in an attempt to identify patterns specific to given market groupings.

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<sup>69</sup> [https://ec.europa.eu/info/publications/study-measuring-consumer-detriment-european-union\\_en](https://ec.europa.eu/info/publications/study-measuring-consumer-detriment-european-union_en). The study estimated consumer detriment in six different markets (including credit and credit cards) in four EU Member States.

<sup>70</sup> OJ L 257 dated 28.08.2014.

<sup>71</sup> COM (2017) 139.

<sup>72</sup> Multivariate statistical techniques make it possible to estimate the impact of each independent variable (e.g. gender) while controlling for the other independent variables (e.g. age, education, condition of employment, market, country, etc.). The analysis was conducted on the micro-data from the 2017 edition of the Market Monitoring Survey and it covers the EU-28. The General Linear Model was applied to all the dependent variables, except for those expressed as binary ones (problems and switching) for which the logit models were used. More information is available in the GfK final report (part 1) on the Market Monitoring Survey 2017.

### ***Persons struggling to make ends meet are more negative in their assessments of markets' performance***

A closer look at the socioeconomic characteristics of respondents reveals interesting insights, even though these characteristics do not seem to strongly influence how consumers assess markets overall. The relatively small difference of 4.8 points<sup>73</sup> between the highest and lowest average MPI score across all markets (which is expressed on a scale from 0 to 100) given by the different socio-demographic groupings would at least suggest this.

Out of the set of socioeconomic characteristics considered for the survey, the respondent's financial situation appears to be the most influential. This shows that people struggling financially are more negative in their assessments than other consumers. People who struggle financially also find it more difficult to switch the provider of their services or goods. However, the likelihood of switching provider does not appear to be influenced by the financial situation of respondents. Conversely, those without financial difficulties appear to complain less than other consumers when they have a problem worth taking action. The gap between those finding it 'very easy' to make ends meet and those finding it 'very difficult' is greatest for the MPI component 'trust' (0.7 points).

### ***Women and elderly people tend to be more positive in their assessments of markets' performance and less inclined to change provider***

Gender also seems to influence consumers' evaluations, with women generally assessing markets more favourably (awarding a higher MPI score) than men. The same can be observed for each of the MPI components (in particular for 'trust', where the difference between assessments by men and assessments by women is 0.3<sup>74</sup>). In addition, women are slightly less likely to change provider, while no statistically significant differences can be observed between men and women in the tendency to complain or the assessment on whether it is easy to switch.

Older people (55 years and older) tend to assess markets slightly more favourably than other age groups, both at the composite indicator level and at the component level. However, the difference between those aged at least 65 and those between 18 and 34 never exceeds 0.1 for the different MPI components. Moreover, the propensity to switch provider decreases with age, but age does not appear to influence the likelihood to complain or the assessment on how easy it is to switch (no statistically significant difference can be observed).

A consumer's level of education correlates negatively with: (i) MPI scores, (ii) components of MPI scores and (iii) the indicator on the ease of switching. This suggests that consumers with a higher level of education are more demanding. On the other hand, no clear pattern can be observed on the likelihood to complain and on the likelihood to switch provider. Of the MPI components, 'comparability' shows the largest difference (+0.3) between less-well-educated people and highly educated people.

Consumers whose mother tongue is not an official language in the country or region they live tend to have a more negative view on the functioning of markets, although this is not the case

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<sup>73</sup> This refers to the difference in MPI between consumers who have declared that it is very difficult to make ends meet (76.3) and those who declared that it is fairly easy to make ends meet (81.1). This represents an increase on the range observed in 2015 (4.1 points).

<sup>74</sup> For 'trust' the difference is 0.27 while it is 0.24 for 'choice' and 0.22 for 'expectations'. Due to rounding, this is not visible in table 9, where instead it is presented as a 0.3-point difference for all three components.

for all MPI components (e.g. for ‘comparability’ the contrary is true). Of the five MPI components, the greatest difference between consumers whose mother tongue is not an official language and the rest of the population can be observed for the extent to which ‘expectations’ are met by products/services (-0.2)<sup>75</sup>. Consumers whose mother tongue is not an official language in the country or region they live are also less likely to complain if they encounter problems, but no statistically significant differences (with respect to non-native speakers) can be observed on the propensity of these consumers to switch or their perception on the ease of switching.

***The effect of internet usage habits or occupation on consumers’ assessment of markets is less obvious***

There is no clear pattern between consumers’ internet use and their assessment of market performance. Indeed, the highest MPI scores are observed both among people who never use the internet and those who use it daily. This can also be observed for most of the MPI components. Nonetheless, regular internet users (i.e. the two groups who use the internet ‘at least once per week’ or ‘every day’) are more likely to complain in the event of problems than people who never use the internet. And those that do not use the internet at all are less likely to switch provider compared to groups that use the internet.

Occupation does not seem to play a significant role in the assessment of markets, even though managers and other white-collar workers assess markets more favourably than self-employed people and blue-collar workers. The MPI score is the highest for students who are also the least likely to complain in case of problems. Managers are more inclined to switch provider than any other group.

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<sup>75</sup> For choice, the difference computed on unrounded figures is equal to -0.1.



**Table 9: Estimated averages<sup>76</sup> of consumers' assessments by socio-demographic groups**

	MPI	Comparability	Trust	Problems	Detriment	Problems and detriment	Expectations	Choice	Complaints (*)	Switching provider	Ease of switching
<b>Gender</b>											
Man	79.3	7.4	7.1	9%	5.4	9.5	7.7	7.6	67% A	10%	7.7 A
Woman	81.1	7.6	7.4	8%	5.5	9.6	8.0	7.9	67% A	9%	7.7 A
<b>Age</b>											
18-34	79.9	7.5	7.3	10%	5.4 A	9.5	7.8 A	7.7 A	66% A	11%	7.7 A
35-54	79.7	7.4	7.2	9%	5.5 B	9.5	7.8 A	7.7 A	68% A	10%	7.7 A
55-64	81.1 A	7.6 A	7.3 A	8%	5.5 AB	9.6	8.0 B	7.9	67% A	8%	7.6 A
65+	81.0 A	7.6 A	7.4 A	7%	5.5 AB	9.6	7.9 B	7.8	67% A	7%	7.6 A
<b>Education</b>											
Low	81.1	7.7	7.4	8%	5.5 A	9.6 A	7.9	7.9	67% AB	9% A	7.8 A
Medium	80.4	7.5	7.3	8%	5.4	9.6 A	7.8	7.8	66% A	9% A	7.8 A
High	79.7	7.4	7.2	9%	5.5 A	9.5	7.8	7.7	69% B	9% A	7.5
<b>Occupation</b>											
Self-employed	79.8 A	7.5 C	7.1	9% E	5.6 C	9.5 A	7.8 A	7.7 AB	70% F	10% D	7.8 A
Manager	80.5 DE	7.5 BC	7.3 A	9% DE	5.6 BC	9.5 AB	7.9 BC	7.8	70% EF	12%	7.7 A
Other white collar	80.2 C	7.5 AB	7.3 A	8% A	5.4 B	9.6 DE	7.9 A	7.8 B	68% CDE	9% AB	7.8 A
Blue collar	79.9 AB	7.5 ABC	7.3 A	9% CD	5.5 BC	9.5 C	7.7	7.7 AB	66% BC	10% CD	7.6 A
Student	80.8 E	7.5 A	7.5	8% AB	5.2 A	9.6 E	8.0 C	7.7 A	61% A	8% A	7.5 A
House-person	80.3 CD	7.5 C	7.3 A	9% CDE	5.5 BC	9.5 BC	7.9 A	7.8 B	64% AB	9% ABCD	7.7 A
Seeking a job	80.3 BCD	7.5 C	7.3 A	9% CDE	5.5 BC	9.5 ABC	7.9 AB	7.8 AB	66% BCD	9% ABC	7.7 A
Retired	80.3 CD	7.5 C	7.3 A	9% BC	5.4 AB	9.5 CD	7.9 AB	7.8 B	69% DEF	10% BCD	7.7 A
<b>Internet usage</b>											
Every day or almost every day	80.3 C	7.5 C	7.3 C	9% A	5.5 AB	9.5 A	7.9 BC	7.8 C	68% BC	10% B	7.7 ABC
At least once a week	79.3 A	7.4 A	7.2 AB	8% A	5.4 AB	9.5 A	7.7	7.6 A	69% C	9% B	7.5 AB
At least once a month	79.9 BC	7.5 BC	7.3 BC	9% A	5.6 B	9.5 A	7.8 B	7.7 AB	60% A	8% B	7.7 ABC
Less than once a month	79.1 AB	7.3 A	7.3 BC	11%	5.8 B	9.4	7.6 A	7.6 A	62% ABC	8% AB	8.3 BC
Hardly ever	79.0 A	7.4 AB	7.1 A	8% A	5.4 AB	9.6 A	7.6 A	7.6 A	63% AB	8% B	7.1 A
Never	81.2	7.6	7.5	7%	5.3 A	9.7	7.9 C	7.8 BC	60% A	7% A	7.9 C
<b>Mother tongue</b>											
Official national or official regional language	80.2	7.5	7.3 A	8%	5.5 A	9.5	7.9	7.8	67%	9% A	7.7 A
Other notable, other regional or other language	79.2	7.6	7.2 A	10%	5.5 A	9.4	7.7	7.6	64%	9% A	7.6 A
<b>Financial conditions (difficulty to make ends meet)</b>											
Very difficult	76.3	7.2	6.7	12%	5.9	9.3	7.4	7.4	69% A	11% B	7.4 A
Fairly difficult	79.2	7.4	7.1	9%	5.6	9.5	7.8	7.7	67% A	10% A	7.5 A
Fairly easy	81.1	7.6 A	7.4 A	8% A	5.3	9.6 A	8.0	7.8 A	68% A	9%	7.8 B
Very easy	81.0	7.6 A	7.4 A	8% A	5.2	9.6 A	7.9	7.9 A	64%	10% AB	7.9 B

GfK — Market Monitoring Survey 2017 (\*) The indicator on complaints used in this multivariate analysis is a binary variable being equal to 1 if the person complained about the problem experienced to the retailer/provider, the manufacturer or a third party (and equal to 0, otherwise).

<sup>76</sup> The table shows the estimated averages of the model for each dependent variable according to the different values of the independent variable (which do not necessarily match with the values computed through a simple cross-tabulation that does not take into account the interaction with the remaining independent variables). In addition, these averages should be considered statistically significantly different, except when the pair of categories shares one letter (see the column adjacent to the right). When a category is associated to a blank it means that it is statistically significantly different from all the other categories. The letters used in the table have no meaning as they are only used for comparing categories. For example, the Market Performance Indicator (MPI) is 80.1 for women and 79.5 for men, and this difference is statistically significant (both categories are associated to a blank). Conversely, the estimated average of the MPI is 80.5 ('DE') among managers and 80.3 ('CD') among retired, but this difference is not statistically significant (they both have the letter 'D'). In the same vein, the MPI for the self-employed which is equal to 79.8 ('A') is statistically significantly different from the MPI for all the other categories related to occupation, except for the one of people who work in blue-collar occupations (79.9 and associated to 'AB').

### *Comparable findings can be observed for the different market clusters*

Applying the multivariate analysis to the different market clusters (Table 10) provides a broadly similar picture, although slightly different in some details.

A consumer's financial situation is the socioeconomic characteristic with the strongest influence on their MPI scores for all nine market clusters, although this varies across market groupings. The difference between the assessment of consumers with the most difficulties making ends meet and the assessment of those consumers that find it 'very easy' to make ends meet ranges from 3.5 points for 'semi-durable goods' to 7.6 points for 'banking services' (i.e. those consumers with the most difficulties making ends meet have a lower assessment of both these market clusters than those consumers who find it 'very easy' to make ends meet).

Women generally have a more positive assessment of consumer markets than men. This is true for all market clusters. Overall, the differences in the MPI scores between men and women are rather small, ranging from 2.2 for the 'fast-moving retail', 'automotive goods' and 'insurance services' markets to 1.2 for 'banking services' and 'transport services'.

Mother tongue plays a role in six out of the nine clusters analysed. In particular, for the 'recreational services' cluster, the greatest difference in MPI scores is between those having as mother tongue (one of) the official language(s) of the country they live in and those who do not, a difference of 3.2 points (i.e. native speakers of the official language or languages of the country they live in gave a higher assessment of the 'recreational services' market than people who do not have as mother tongue one of the official languages of the country they live in). On the other hand, in the 'utilities' cluster people whose mother tongue is different from the official language of their country of residency appear to assess markets more positively than other groups.

The tendency of older people (those 55 and older) to assess markets more favourably can be observed for the clusters '(semi-)durable goods', 'automotive goods', 'transport' and 'utilities'. However, there is no clear pattern by age cohort for the remaining market groupings. Nor can any clear pattern be observed for internet-use or occupation. However, the two results worth noticing are that: (i) daily internet users tend to assess the market for '(semi-)durable goods' more favourably than others, and (ii) people looking for a job assess 'banking services' less favourably than others.

**Table 10: Estimated Market Performance Indicator (MPI) averages for different market clusters by socio-demographic groups**

	Market clusters									
	Fast moving retail	(Semi-)durable goods	Automotive goods	Telecoms	Transport	Utilities	Banking services	Insurance services	Recreational services	
<b>Gender</b>										
Man	82.4	82.8	78.3	76.3	78.5	77.0	76.4	78.8	80.9	
Woman	84.7	84.4	80.4	78.3	79.7	78.9	77.6	81.0	82.3	
<b>Age</b>										
18-34	82.7	83.1 A	78.4 A	77.3 B	78.5 A	77.1 A	77.7 B	80.0 AB	81.7 B	
35-54	83.7 A	83.1 A	78.9 A	76.6 A	78.4 A	77.0 A	76.4 A	79.6 A	81.1 A	
55-64	84.2 B	84.8 B	80.4 B	78.1 C	80.5 B	78.9	77.4 B	80.3 B	82.7	
65+	84.2 AB	84.4 B	80.8 B	77.6 ABC	80.7 B	80.1	77.0 AB	79.9 AB	81.1 AB	
<b>Education</b>										
Low	84.2	84.3	79.3 A	78.6	80.9	79.5	77.4 AB	80.6 A	82.1 A	
Medium	83.6 A	83.7	79.2 A	77.5	79.4	78.3	77.2 B	80.3 A	81.5 A	
High	83.4 A	83.3	79.4 A	76.4	78.3	76.8	76.7 A	79.0	81.6 A	
<b>Occupation</b>										
Self-employed	83.7 A	83.6 AB	79.9 CD	76.4 A	78.8 A	76.8 A	75.3 A	79.5 AB	81.7 B	
Manager	83.8 AB	84.0 B	80.5 D	76.7 ABC	79.2 AB	77.2 A	77.9 C	80.7 B	82.2 B	
Other white collar	82.9	83.9 B	79.3 ABC	77.0 AB	78.9 A	77.3 A	77.7 C	80.0 B	82.0 B	
Blue collar	84.2 AB	83.2 A	78.6 AB	77.8 C	78.7 A	79.1 B	75.7 A	79.1 A	80.6 A	
Student	84.4 AB	84.0 B	78.8 ABC	80.2	79.1 AB	79.7 BC	78.2 C	79.0 AB	81.4 AB	
House-person	83.8 AB	83.1 A	78.2 A	77.9 BC	79.5 AB	79.4 BC	76.5 AB	80.1 AB	81.4 AB	
Seeking a job	84.7 B	83.7 AB	77.8 AB	77.3 ABC	78.7 AB	80.9 C	73.1	79.4 AB	81.8 AB	
Retired	83.7 AB	83.2 A	79.6 BCD	77.2 ABC	80.2 B	77.8 A	77.6 BC	80.1 AB	81.3 AB	
<b>Internet usage</b>										
Every day or almost every day	83.8 BC	83.9	79.4 C	77.3 B	79.2 C	77.5 A	77.0 AB	79.9 BC	81.9 B	
At least once a week	82.4 A	82.6 A	78.6 AB	76.1 A	77.8 AB	77.1 A	76.8 AB	79.6 BC	80.4 A	
At least once a month	83.6 BC	81.9 A	79.5 BC	76.2 AB	78.7 ABCD	78.3 AB	78.1 B	80.8 C	82.2 B	
Less than once a month	84.0 BC	81.2 A	75.7 A	76.6 AB	79.3 ABCD	79.9 BC	74.9 A	77.4 AB	77.2 A	
Hardly ever	82.4 AB	82.4 A	78.4 ABC	76.8 AB	76.0 A	78.8 AB	76.2 AB	76.1 A	78.0 A	
Never	83.7 BC	82.7 A	79.5 BC	79.6	80.7 D	81.9 C	76.8 AB	80.3 BC	79.4 A	
<b>Mother tongue</b>										
Official national or official regional language	83.7	83.6 A	79.4	77.3 A	79.0 A	77.9	77.0	79.9	81.7	
Other notable, other regional or other language	81.7	83.0 A	77.5	77.8 A	80.1 A	79.5	75.8	77.5	78.5	
<b>Financial conditions (difficulty to make ends meet)</b>										
Very difficult	80.5	80.6	74.3	73.6	74.9	74.2	70.7	76.4	77.4	
Fairly difficult	82.6	83.1	77.8	76.4	78.3 A	76.8	75.3	78.8	80.7	
Fairly easy	84.6 A	84.2 A	80.3 A	78.2 A	80.1	79.4	78.3 A	80.9	82.2 A	
Very easy	84.6 A	84.1 A	80.6 A	78.1 A	79.1 A	78.4	78.4 A	80.2	82.6 A	

Source: GfK – Market Monitoring Survey 2017