



Next on the Consumer Agenda

Moving ahead while
managing multiple crises

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Workshop 3: Consumer vulnerability and how to reach specific consumer groups

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Objectives of the presentation

1. Introduce the concept of consumer vulnerability
2. Share insights into success factors for reaching out to specific (vulnerable) consumer groups

Presentation is based on our study on local advice, that was published in January 2023.





Objectives and approach of the study

Our goal:

Identify the needs and demands of consumers for local advice

Map innovative and original initiatives that give advice to consumers locally

Find out what makes initiatives successful

How we did it:

- Asked consumers about their experiences and what they need
- Consulted the main consumer bodies in each EU member state
- Interviewed local organisations across the EU
- Conducted a practitioners workshop

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Part 1

Introduction to the concept of consumer vulnerability



The ambition

Green Deal: A Europe that is fit for the digital age and for an economy that works for people. – No one should be left behind.

New Consumer Agenda: Consumers should play an active role in the green and digital transition whenever and wherever they are in the EU and they should benefit fully from the single market.

To make this consumer role possible throughout their consumption journeys, consumers need to be well equipped:

- Pre-purchase phase
- During the purchase phase
- Post-purchase, use and disposal phases



The reality

While consumers should be aware of a wide range of different consumption aspects along their consumption journeys, **studies** show that they are **not adequately equipped**. For example:

- Only 45.5% of consumers know of their specific rights and remedies in distance purchases.
- Only 16% of consumers that experienced a problem, took action.
- **HENCE: There is a need to step up consumer competences and skills and to empower them.**

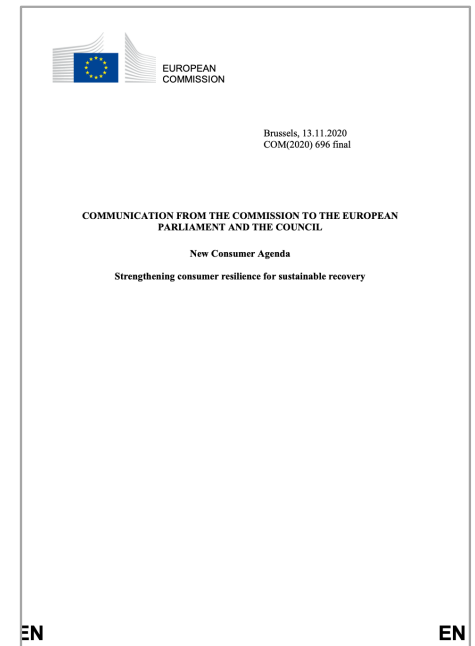
Source: European Commission, Consumers' Attitudes towards cross-border trade and consumer protection – 2018 Final Report, pp. 35, 36, 127.



European Commission aims to close the gap

The 2020 New Consumer Agenda:

Action 16: "The Commission aims to support ... initiatives providing local advice to consumers, who for structural or personal reasons do not have access to support and information provided online or at central information offices."





The concept of consumer vulnerability

Consumer vulnerability is caused by different factors:

- **Personal and demographic characteristics** such as age, gender, living in a low-density region, level of education or being a non-native speaker.
- **Behavioural characteristics** such as trust in people, being an impulsive shopper or willingness to take risks.
- **Market-related characteristics** such as being able/unable to read contract terms and conditions, knowing contract conditions, reading communication from providers or the frequency comparing deals from providers.
- **Situational characteristics** such as finding it hard to make ends meet, employment status, sickness or disabilities.
- **Access characteristics** such as using the internet to search for information.

Important note: Consumer vulnerability is not a static condition!

Source: see e.g. European Commission, Consumer vulnerability across key markets in the European Union (January 2016), pp. xvii-xx and Chapter 6.



Empirical evidence

The European Commission's 2019 consumer study shows that:

- 43% of EU citizens believe to be vulnerable as consumers for one or more aspects of the above-mentioned aspects.
 - The most important causes of vulnerability were their poor financial circumstances and current employment situation.
 - Furthermore, consumers felt vulnerable due to their age, health problems and ability to speak in the country's mother tongue.
- Also: Self-reported consumer vulnerability was highest in the Eastern part of the EU and Southern member states
- **HENCE:** Supporting initiatives providing local advice particularly to vulnerable consumers is therefore of great relevance for a successful transformation that leaves no one behind.

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Part 2

Insights into success factors for reaching out to
specific (vulnerable) consumer groups



Key findings of the study

1) Tailoring the initiatives to consumer group

- Tailored approach
- Tailored communication
- Innovative ways of providing information

2) Collaboration and partnerships

- Involving multiple actors

3) Advice at the right moment

- Venues of formal institutions
- Going to public spaces

4) Online advice development

- Development of digital tools



Success factor 1: Tailoring the initiatives to the specific needs and problems encountered by the targeted consumer group

1. Be aware of specific consumer problems encountered in a specific territory (supported by research, such as a survey, focus group, talking with other organisations) and tailor the overall approach to the specific problem of the consumer group.
2. Develop communication content specifically to the target audience.
3. Use innovative ways of providing information to the target audience.



Success factor 2: Collaboration and partnership with other local actors

Collaboration and partnerships with local actors allows ...

- each actor to bring their knowledge of specific topics or particular consumer needs to the table, which are often very complementary.
- organisations to improve the outreach to consumers, by building on the presence that each actor already has in a specific territory.

→ Overall, collaboration tends to improve the quality and relevance of the information provided to consumers at relatively low costs for the organisations involved.



Success factor 3: Advice given at the relevant place and moment (place and time) in a proactive manner

- Going out to public spaces (street, supermarkets etc.), and establish a direct and personalised contact with consumers.
- Also, implementation of initiatives on the premises of different institutions such as schools, museums, nursery homes, city halls ...

→ Effective strategies for raising consumer awareness and improving the overall outreach of the initiative.



Success factor 4: Focus on digital ways of providing information and advice to consumers

- Increasing interest in advice available through online means.
- Developing digital ways of providing information and advice to consumers, either by itself or in combination with other offline activities.
- In particular, relevant for:
 - reaching out to specific consumer groups, such as young consumers;
 - educate consumers about digital-related consumer problems (e-commerce, privacy and confidentiality etc.).

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You want to learn more and exchange your experience?

! PARTICIPATE AT THE SEMINAR !

A formal invitation will follow soon!



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THANK YOU FOR YOUR ATTENTION!

