


Trust as an online currency

How marketplaces and online shops can gain and retain the trust of their customers over the long term.



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Trust as an online currency

Wherever people come together to do business, the foundation for a successful and positive experience is trust. Trust also influences consumers' purchasing behaviours when shopping online. Factors such as convenience, shipping options, payment options, data protection and customer service can all play a decisive role. But what do we mean by trust?

Trust is a subjective feeling; a conviction that we can rely on someone or something. When we trust a person or thing, we also believe that they are being honest or true — without knowing all the circumstances. If we are certain about a situation or have had positive experiences in the past, we may even tend to trust blindly. This is also the case with online shopping: consumers invest trust in their relationship with sellers and in the platforms and payment providers they use. Ultimately, they trust that the entire purchasing process will be secure, efficient and simple. This not only creates an exchange between buyer and seller on a material basis, namely money for an item or service, but also on a trust level, namely security for loyalty.

Our report shows that it is important to German consumers that they do not have to regularly invest trust in new relationships. They would much rather rely on existing familiar relationships. They are reluctant to visit new retailers, change service providers, or try out new brands. Instead, consumers prefer to invest their time and money into maintaining their existing relationships. Maintaining this trust requires not only the loyalty of consumers, but also the active participation of retailers and service providers.

Trust cannot be taken for granted

Whether it is about the trust of customers in the lawful handling of their personal data, the quality of the products or the security of the payment process — without the development and continuous maintenance of trust, customers will quickly migrate to the competition. Breaches of trust can also mean that consumers will not consider buying from the online shop or marketplace in question again. Our report shows how quickly this can happen, as well as how consumer trust can be regained.

Unlike online shops, online marketplaces usually find it more difficult to gain the trust of consumers. It is not just a question of who Germans are more likely to trust, but also how secure the purchase is. Critical factors include the protection of customer data, as well as the selection and security of payment methods. Our report shows which adjustments online shops and marketplaces can make to build up customer trust and ensure a secure shopping experience.

Finally, our report reveals that many consumers today have more points of contact with online shops than with physical stores. And more importantly, they also trust them more. At the same time, different generations also have different attitudes towards trust, which sellers must keep in consideration. It is clear from the report that trust is becoming one of the most important currencies for online shops and marketplaces.

What trust is worth to consumers

What does trust mean to us, and what is it actually worth to us? To gain an understanding of what trust means to German consumers, we first asked them about their trust in various aspects of their lives – from personal relationships and finances to politics, public transport, and technology.

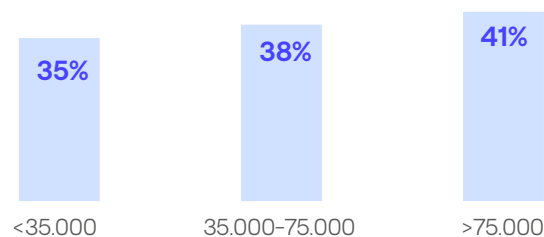
Here it becomes clear that Germans have more trust in institutions and organisations than in individuals. For example, 61% of German consumers trust that their money is safe in their bank, whereas only 57% trust their partner to never cheat on them. Trust is also generally high when shopping online: most Germans trust that the payment process is always secure (57%) and, if something goes wrong, that they will always get their money back (52%). When it comes to their own manager, less than a third (31%) trust that their boss always wants what is best for them. By contrast, politicians and the media fare the worst: only 11% of Germans have confidence in politicians, and just 17% trust newspapers to always report the truth.

People with a higher personal income are generally more trusting. On average, 41% of people with an income of over 75,000 euros trust the aspects of life mentioned in the survey, compared to only a third of people with an income of less than 35,000 euros (35%). The media, politicians and managers in particular perform better among people with a high income and enjoy more trust.

Consumers trust that...



General trust levels by individual annual income (in €)



So we trust some institutions and people more than others. But what is this trust worth to us? Would German consumers even pay money for undoubted trust? The answer is yes – and quite a lot. Consumers would pay up to 61% of their disposable monthly income for blind trust. Here, trust in their partner is worth the most to them (61%), followed by trust in the safekeeping of their money by their bank (52%). Technology and online shopping are two other aspects for which German consumers would pay the most – they would spend 48% of their budget if technology always worked and 47% of their disposable income on absolutely secure payments when shopping online.

What would consumers pay per month for doubtless trust?

Relationships



150,28

Trust that their partner never cheats

119,81

Trust that their technology works every time

90,09

Trust that their boss always has their best interest at heart

Transactions



130,14

Trust that their money is safe with banks

120,70

Trust that they always get their money back if anything goes wrong while shopping online

116,83

Trust that online payments are secure

81,02

Trust that public transport is on time

74,27

Trust that their data is secure when using social media

Values



84,35

Trust that brands stick to their sustainability claims

61,80

Trust that politicians always have their best interest at heart

60,91

Trust that the press always reports the truth

47,72

Trust that politicians never lie to them

*Consumers were asked about the percentage of their monthly disposable income, after covering all essential costs and bills. Further information can be found in the methodology section.

The results of our survey show that consumers would pay more to strengthen existing trust than to invest in low trust and building new trust. But once trust is gone, is it lost forever?

Loss of confidence

If we take a closer look at online trade, we see that the basic trust in online payments and refunds among German consumers is quite high. However, online shops and marketplaces can easily lose this trust through missteps.

Who do consumers trust online?

Online retailers enjoy the greatest trust and are even ahead of their physical counterparts: a full 78% of Germans have fundamental trust in online retailers, compared to only 72% in local department stores. This is probably due in part to the fact that 82% of German consumers shop at least once a month with online retailers and thus have regular points of contact with them.

In online marketplaces, different buyers and sellers, usually private individuals, come together on one platform (e.g. Vinted, Etsy, Ebay, etc). Online retailers include, for example, Amazon and Zalando, which sell goods from multiple brands, while some brands may have their own online shops (e.g. the Adidas or Apple online shop).

However, the situation is different for marketplaces: Here, more people (54%) have confidence in physical marketplaces and flea markets, whereas only 48% trust online marketplaces. There are specific reasons for this: more than a third of consumers (39%) have no trust in private sellers on marketplaces, and 63% feel uncomfortable sharing their credit card or bank details with marketplaces. Similarly, while 72% of respondents trust that they will receive a quick refund after returning an item to an online shop, only 57% believe this is the case when returning an item to a private seller. The problem here is therefore more to do with the relationship between buyers and private sellers than with the platform itself.

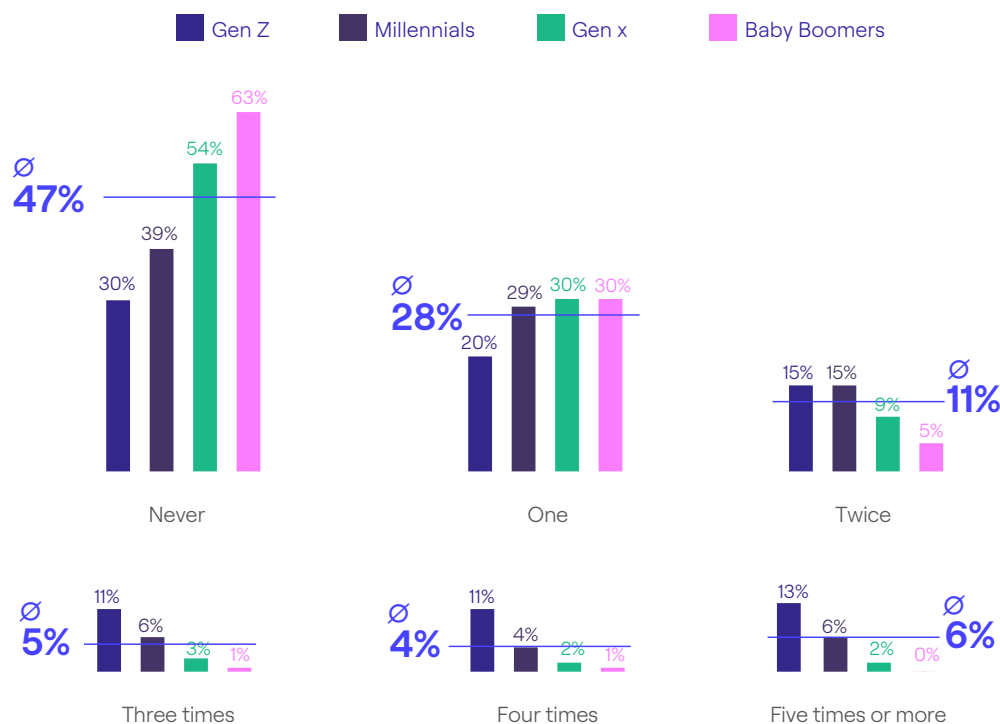
General trust levels in shops and marketplaces



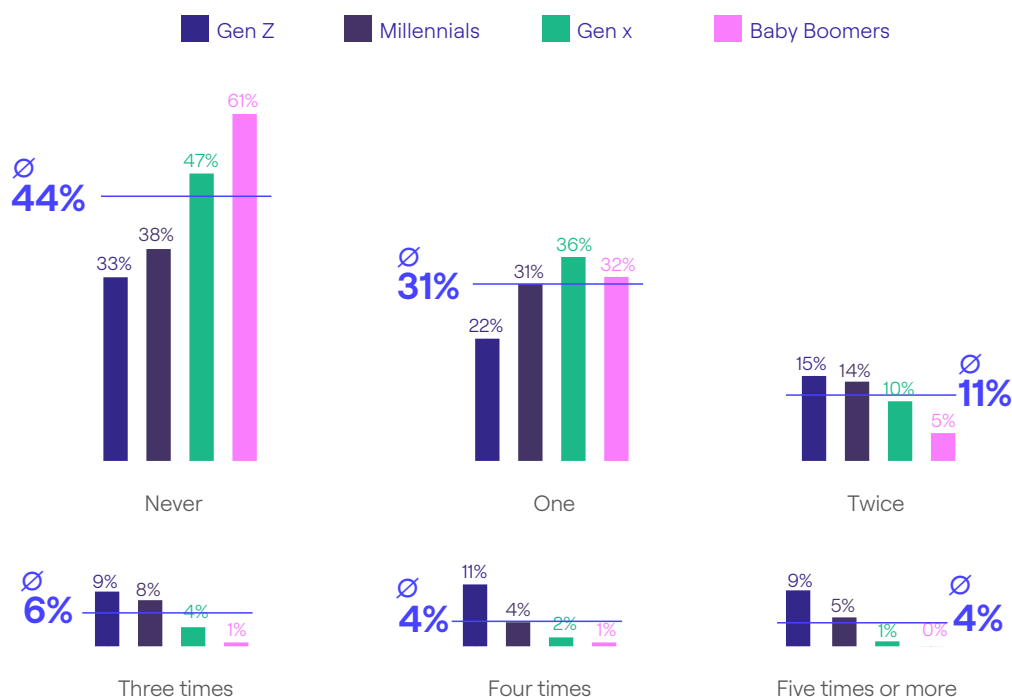
Loss of trust – a generational issue

A closer look at the age groups of respondents shows that different generations have different attitudes towards trust. Baby boomers (those aged 59-to-75 years old) generally appear to be more trusting than Gen Z (18-to-26 years old) and millennials (27-to-42 years old), but are less forgiving of mistakes overall. For the most part, baby boomers say that they would not accept a bad experience once before avoiding a purchase. For example, almost two thirds (63%) of them would not tolerate an online shop debiting a payment twice. In contrast, only half as many Gen Z consumers (30%) would not accept a double debit from an online shop. Such missteps on the part of the platforms can therefore quickly lead to a loss of customers across all generations.

How often do **online shoppers** forgive being double charged before turning their backs on an online shop?



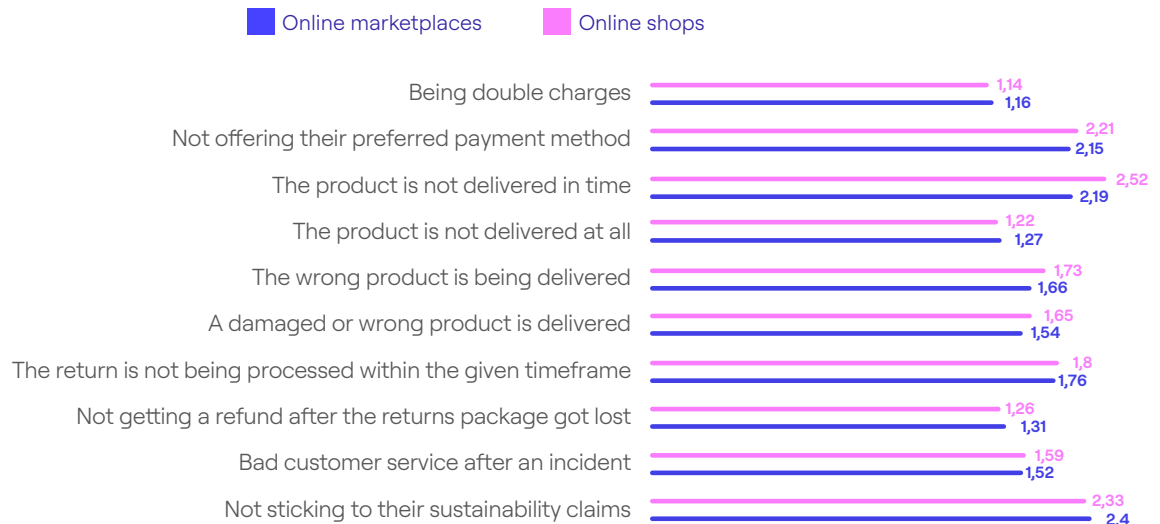
How often do online shoppers forgive being double charged before turning their backs on an **online marketplace**?



Online retailers and marketplaces should therefore strongly avoid mistakes in order not to lose the trust of their customers and thus often the customers themselves.

Customers of all generations hardly differentiate between online retailers and marketplaces. When it comes to online shopping options, customers would forgive mistakes made by a platform once or twice before turning away and shopping with another provider.

How often do online shoppers excuse the following issues, before turning their back on an online shop or marketplace?



Negative prejudices shape our perceptions

Our study shows that the more frequently consumers shop, the more often they have already had a negative experience. For instance, when shopping online in general or buying from a private seller on marketplaces, the product often did not meet their expectations. Bad experiences also include payments that were not accepted or were charged several times, as well as products that were delivered too late. One quarter of respondents have even had personal information stolen while shopping online in the past 12 months – a worst-case scenario that occurred almost equally in online shopping in general and on marketplaces.

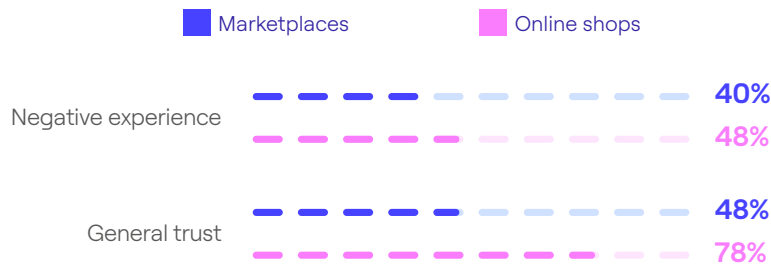
On average, people have actually experienced fewer negative situations on online marketplaces and platforms (21%) than in online shopping in general (25%) – although they are more sceptical about marketplaces than online shops and online retailers.

This example parallels with people's general approaches to trust, because as already described, trust in people such as one's partner or a politician tends to be lower than in a professional service provider (e.g. a bank or payment provider). Consumers generally trust online shops and online merchants more than private sellers on marketplaces, even though they have had fewer negative experiences there.

Number of consumers who have experienced the following issues one or more times in the past year.



Negative experiences compared to general trust level in online shops and marketplaces.

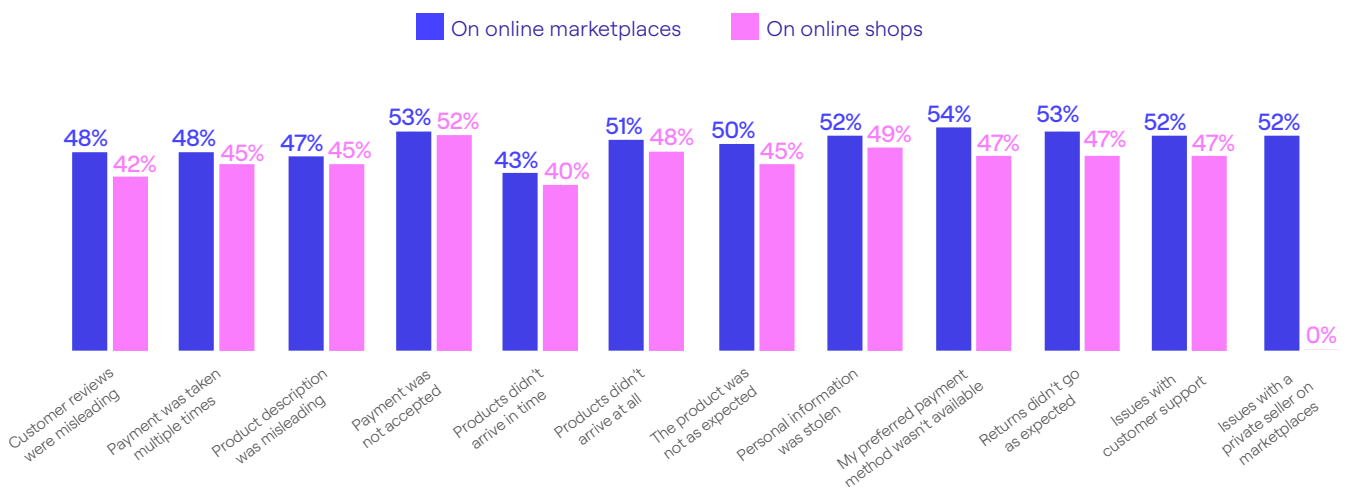


Even though consumers have made more negative experiences with online shops, their general level of trust is higher in online shops than marketplaces – even though they have made less negative experiences on marketplaces.

Loss of confidence leads to abandonment

Once negative experiences have occurred, the loss of trust weighs heavily and will often lead to customers abandoning their purchases on marketplaces and platforms. Slightly more than half of respondents have abandoned a purchase on a marketplace because their preferred payment method was not available, because a payment was not accepted, the return did not go as expected, or there were problems with the customer support or the private seller. Across all categories, this means that every second consumer in Germany has abandoned a purchase from an online marketplace after a bad experience – in the case of an online shop, the figure was 46%.

Percentage of consumers who have taken their business to a different online shop or marketplace after experiencing any of the following scenarios.



The results of our survey show precise areas for improvement that online retailers and online marketplaces alike can work on. In order not to lose the trust of their customers, they should, among other things, ensure a smooth payment and shipping process, protect personal information, and provide efficient customer support. Online marketplaces have a somewhat more difficult time in this regard because they involve private individuals, whom consumers generally trust less.

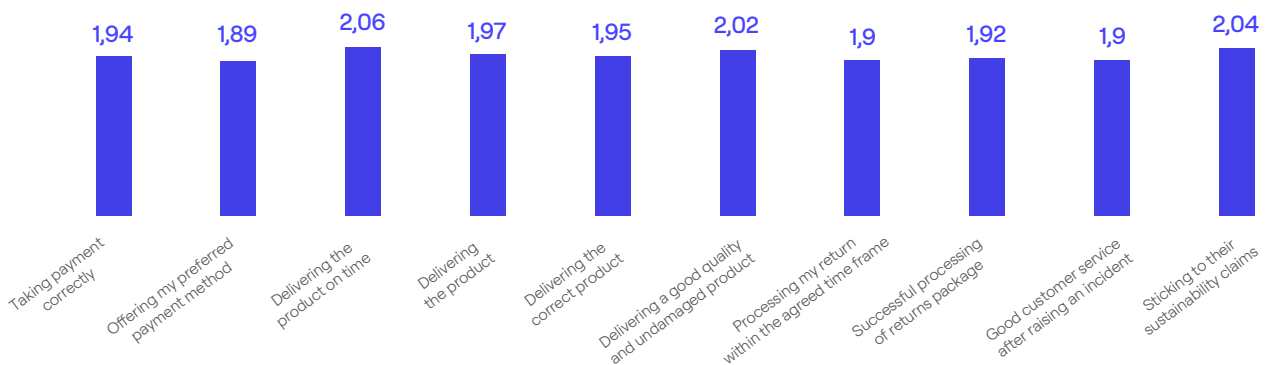
But trust is available – in professional service providers. Providers of online marketplaces and platforms can capitalise on this by having a strong presence in the sales process themselves. It is equally helpful to work with trustworthy partners who already enjoy the trust of consumers or can quickly build it up.

Blueprint for building trust

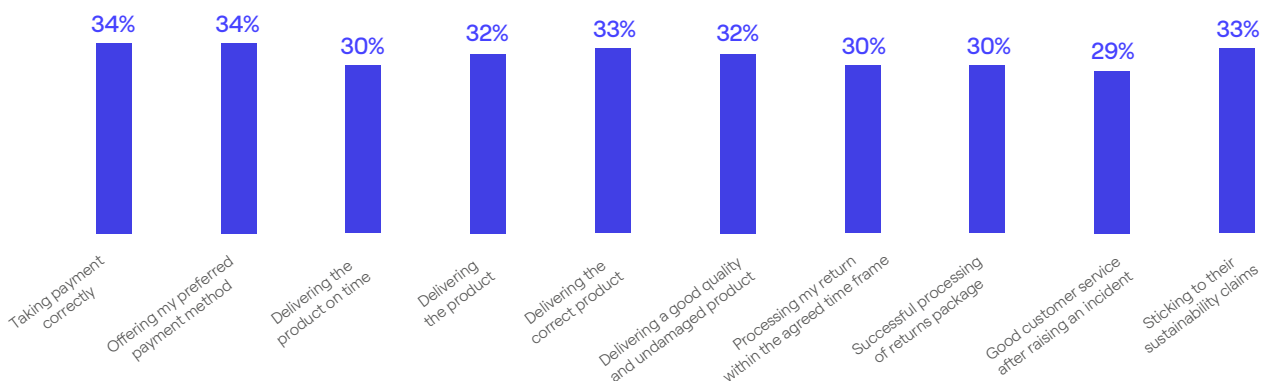
If it is up to German consumers, our data shows that they themselves would tend to invest less in building new trust. It also becomes clear that online marketplaces and platforms in particular have a hard time when it comes to trust. So how can traders, whether private or professional, win consumers' trust and retain it in the long term?

While only one in three consumers takes a leap of faith when making an initial purchase from an online shop or marketplace, in most cases trust must first be won through good service and products. Both online shops and marketplaces can score here, for example, by offering good customer support after a problem is reported. For almost a third of consumers, this is a particularly important factor in building trust.

How often do consumers need to experience any of the following scenarios without any issues before establishing trust?



Percentage of consumers who automatically trust that the following processes work without any issues when shopping online



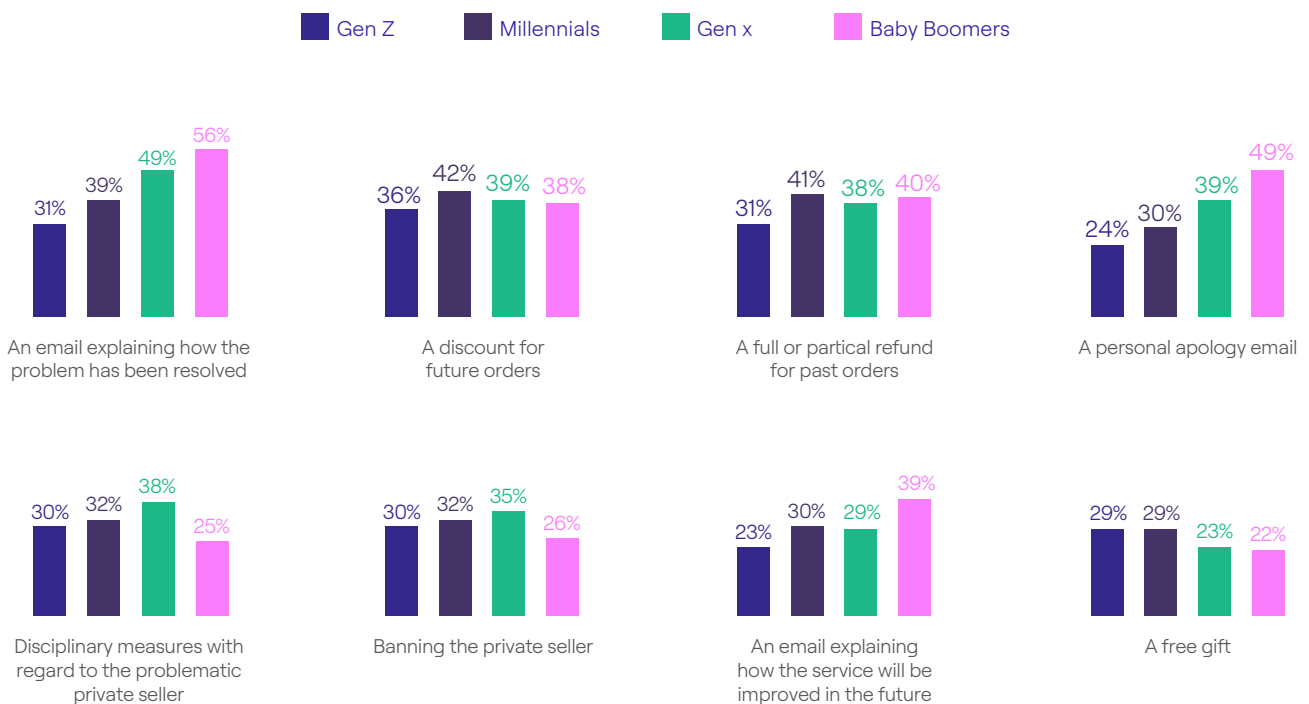
Financial vs emotional support for rebuilding trust

If trust has to be earned first or has even been lost through bad experiences, online shops and marketplaces must turn the right screws to build trust. Here, too, the different generations diverge: while financial incentives are important for the younger age group, baby boomers focus more on emotional support.

After a loss of trust in an online shop, discounts for future orders would particularly contribute to rebuilding trust among Gen Z (42%). For millennials, a full or partial refund is the biggest bonus (48%) to regain trust. Baby boomers, on the other hand, expect a personal email explaining the problem resolution (64%).

If a marketplace has lost trust, a discount on future orders would help build trust among both Gen Z (36%) and millennials (42%). Again, for baby boomers, a personal email to clarify the issue would be most appropriate (56%). Direct measures against misbehaving private sellers seem to play a less important role here, even though across all age groups 30% would still expect to block the seller after a loss of trust.

Expected actions after losing trust in an online marketplace

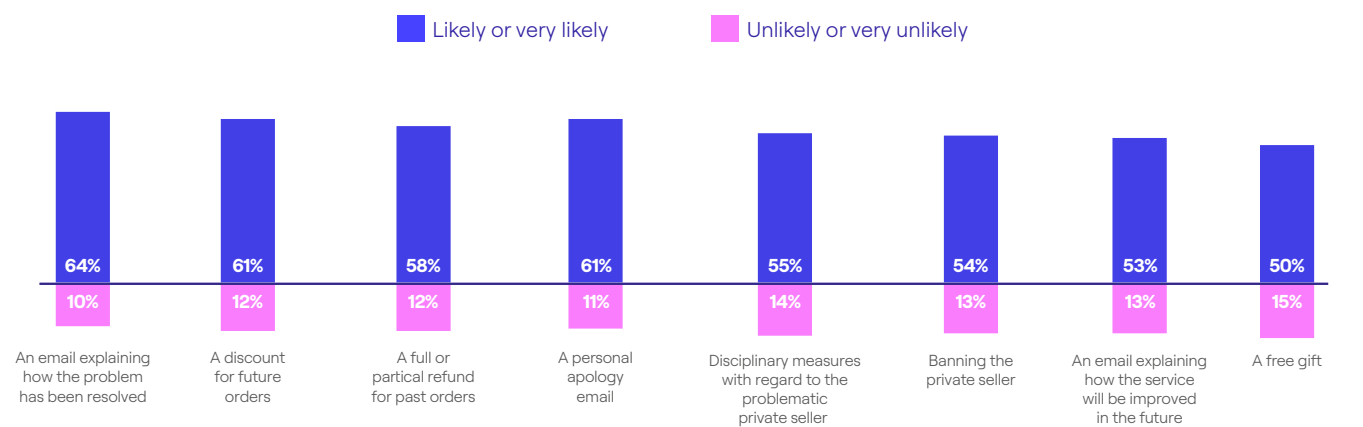


Support from the right partners

At the beginning of our study, we asked ourselves whether loss of trust can be reversed. Our data shows that it can. There are measures that can be used to rebuild trust, and more importantly, there are ways to maintain trust in the long term. Online marketplaces have the double burden of building trust in their own platform as well as trust in their own users, who take on the role of the seller.

However, online marketplaces do not have to work alone when it comes to building trust and supporting their users. Especially when it comes to financial processes and customer support, there is the opportunity to work with professional payment providers who have specialised in the specific needs of online marketplaces and platforms. They offer the tools and experience to make processes user-friendly and secure, and can resolve disputes and conflicts quickly. Ultimately, they enable marketplaces and platforms to conclude trustworthy transactions.

Once trust has been lost, how likely are consumers to return to an online marketplace after any of the following actions?



Kleinanzeigen: Trust as a foundation for business

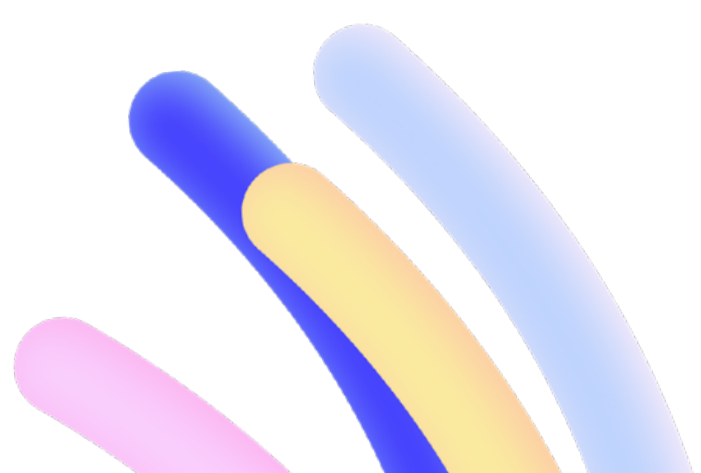
At kleinanzeigen, Germany's largest online classified marketplace, all sorts of people come together to negotiate, sell and buy. On average, more than 36 million people visit the online marketplace every month. The basis for successful transactions through the platform is mutual trust. In many cases, goods are collected in person and paid for in cash at the door. This requires trust in the truthful description of the goods and in honest communication between the buyer and seller, as well as the secure exchange of personal information.

If on-site payment is not possible or desired, payment must be made by other means, such as by bank transfer. Given the fact that, according to our survey, 63% of Germans feel uncomfortable sharing credit card and bank details with marketplaces, this type of payment requires even more trust. However, in order to protect its own users from fraud in the best possible way, Kleinanzeigen has offered the "Secure payment" function via OPP since November 2020. As a payment service provider, we assume the trustee function for Kleinanzeigen. The buyer's money is held back until the seller has delivered the product or service. If there are any disagreements between buyer and seller regarding the online payment, we take over the dispute resolution. In this way, we ensure smooth payments when shopping on the platform, and buyers and sellers can rely on a well-organised and secure process.



There is hardly any other payment service provider that has so much experience with consumer-to-consumer payments and provides specific services for a platform like ours. In addition, we are very satisfied with the flexibility of the team at Online Payment Platform and their ambition to realize the best solution for us. Together we will discover what works best for the German consumer"

Paul Heimann
CEO of Kleinanzeigen



Conclusion

Online retailers and marketplaces have a major influence when it comes to whether consumers place their trust in them. There are certain levers that sellers and service providers can pull to gain the trust of consumers in the long term. Our report shows that a smooth payment and dispatch process is of great importance. The protection of consumer data should also be guaranteed, and efficient customer support should be available to the buyer.

In order to avoid the issue that consumers prefer to place their trust in retailers than in private sellers, online marketplaces can rely on professional service providers who enjoy the trust of consumers. This strengthens the existing trust in the respective online marketplace and prevents consumers from having to invest in building new trust with other platforms. When it comes to financial processes, for example, online platforms have the option of working with payment providers who not only specialise in the needs of online marketplaces and platforms, but also keep the needs of consumers in mind.

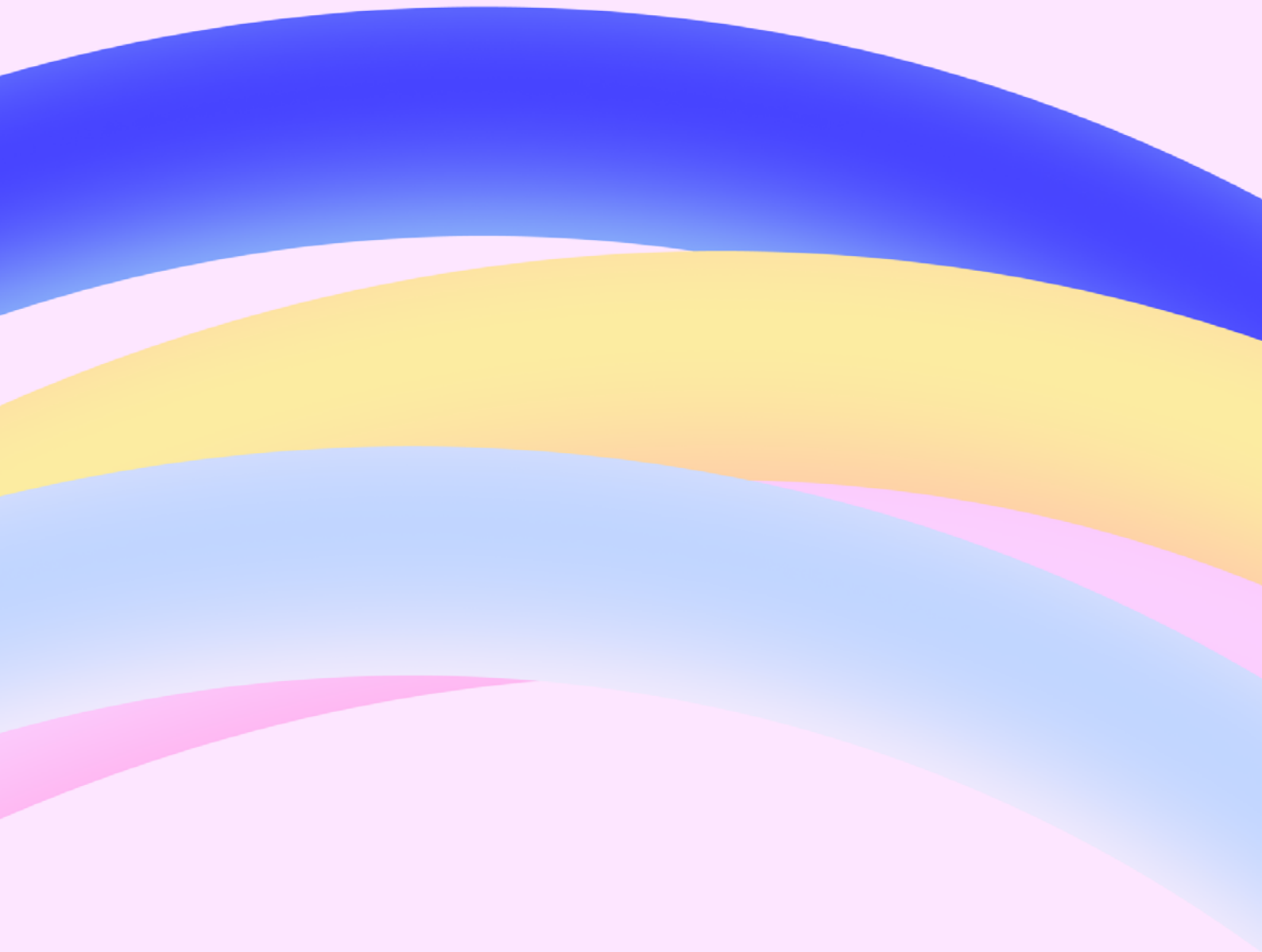
Gaining the trust of consumers is only the beginning of the story; the goal is to build a long-term customer relationship. As a payment service provider, we are able to assume the role of partner for both the buyer and the seller. In this way, we can build a trustworthy bridge between both parties to ensure a successful shopping experience and a secure online payment process.



About OPP

Online Payment Platform (OPP) is a payment service provider specialising in facilitating payments for platforms and marketplaces. More than 200 platforms and millions of business and consumer merchants across Europe use OPP's services and process a transaction volume of several billion euros. Customers include Classifieds, Gumtree, Royal FloraHolland, Nature.House, Marktplaats and PayPal. OPP is headquartered in Delft, the Netherlands, and employs more than 50 people. OPP also has offices in Antwerp, Berlin and London. Online Payment Platform is part of the Worldline Group.

For more information about OPP, please visit: <https://www.onlinepaymentplatform.com>





Survey methodology

OPP commissioned the market research institute Sapio Research to survey 2,000 consumers in Germany. The selection focused on people who regularly shop online in order to be able to inquire about personal experiences around the topic of online shopping. The survey was conducted in September 2023 via an online questionnaire.

The survey participants were asked about their personal income. This served as the basis for the calculations around the value of trust. The basis for the calculation was the average monthly net basic income (with an average tax and contribution burden of 37.4% according to the OECD), minus all standard costs that are incurred in a German household according to the Federal Statistical Office (rent and ancillary costs, food, communication costs, as well as costs for health and transport).