EU online Trustmarks
Building Digital Confidence in Europe

FINAL REPORT

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Executive Summary

The EU eCommerce market
A recent study shows that Europe is the largest eCommerce market in the world, overtaking North America in 2011. The total value of the European market was estimated at €246bn, and online retail sales account for around 5.1% of the total value of the retail market in Europe. Still, cross-border eCommerce falls behind its targets (20% in 2020) set by the European Commission in the Digital Agenda for Europe. Considering the potential savings of around 16% that can be made by shopping online, cross-border eCommerce has many untapped potential benefits.

In 2010 the online retail market represents around 3.5% (almost €91 billion) of the total retail market in the EU (€2604.5 billion), but variations between the countries can be observed. The three largest eCommerce markets in Europe (United Kingdom, Germany and France) account for around 72% of all online sales that are made within the EU. Within the EU, eCommerce accounted in 2011 for around 14% of turnover for enterprises employing at least ten persons and has been relatively stable in the last three years. However, there are large sectoral differences in the use of eCommerce.

Overall percentages show that 43% of Europeans have made online purchases from national sellers in the last year, which has grown from 30% in 2007. Regarding EU cross-border online transactions, figures from 2011 show that 10% of Europeans have made purchases online across borders in the past twelve months, and eight countries have 20% or more of their citizens purchasing online across borders.

Barriers to eCommerce
The percentage of consumers buying online domestically has by now already met the target of 40% set by the Digital Agenda for Europe. However, the target of 20% of consumers shopping online across borders, is not yet in sight. Only 10% of the consumers have made purchases online in another EU country in 2011.

There are still barriers to (cross-border) eCommerce that need to be overcome, both on the consumer side and on the side of retailers. These barriers can be divided into operational barriers, legal barriers and barriers to trust.

Operational barriers include language barriers, lack of information, issues with payments (especially across borders), issues with delivery and logistics (especially across borders) and a lack of IT-skills. Legal barriers include uncertainty of customers regarding their rights as consumers and the fragmentation of legislation across the EU, for example in the fields of consumer law, VAT regulations and copyright regulations. Trust barriers include fear of fraud, fear of non-delivery, lack of trust in eCommerce and lack of trust in the after-sales process.

Not all these barriers can be overcome by trustmarks. Most legal issues can only be solved by harmonization of regulations and by other types of policy measures, addressing. Besides trustmarks, other instruments exist that can stimulate (cross-border) eCommerce, such as price comparison website, new payment methods, and consumer rating websites.

Online trustmarks
Many webshops carry online trustmarks to enhance trust in eCommerce. Trustmarks are seals or labels that represent a certification of the webshop by looking at, for example, the validity of its business model, its financial stability and its support of the after-sales support. Online trustmarks thus aim to assure consumers that a particular online seller has been validated by a trustmark provider and is found to be safe. As such, trustmarks are a form of branding. Therefore, their use is especially important for SMEs, as these are often not a well-known brand of their own.
Trustmarks may cover a wide range of topics, such as compliance with (consumer) regulations, the financial situation of the webshop, privacy and security measures taken to protect transactions and personal data of consumers, clarity of information provided on the website, dispute resolution in case a conflict emerges between webshops and consumers, mystery shopping and payment and delivery methods.

The maturity and extent to which they cover certain aspects are found to reflect the maturity and the development of the market. Based on the information provided by the trustmark providers, around 30,000 webshops in the EU carry a trustmark. However, there may be a significant number of duplications within this number, since webshops may be active in multiple countries. Based on numbers provided by the TrustedShops trustmark provider, this means between 6% and 7.5% of a total of 400,000 to 500,000 EU-based webshops that have online revenue of more than 50,000 euros carry a trustmark.

Main outcomes of the trustmarks inventory within the EU

Our inventory of trustmarks is based on desk research, survey research, and interviews. Among a selection of 75 trustmarks, (54 from within the EU and 21 outside of the EU, mainly in the US and Asia), 46 trustmarks were found to be active (29 from within the EU). This summary will focus only on the EU-based trustmarks. The majority of these (25) operate in only one country, while 4 EU trustmarks operate across borders: SafeBuy (UK), Tüv Süd (DE), Trusted Shops (DE) and ISIS (UK). The latter two are now merged and have by far the largest coverage of webshops within Europe. There are no EU-based trustmarks that have a more or less global coverage, such as the US-based technically oriented trustmarks that perform SSL-certification.

While the core business of trustmarks is to assess the fairness and correctness of the online sales process, they also provide services, such as assurance policies and dispute resolution mechanisms. Most trustmarks providers perform the assessment using a code of conduct. These codes of conduct are usually partly based on EU and national regulations and check whether webshops comply with these regulations. In addition, their code of conducts also contain a number of aspects, such as checking whether webshops provide clear information about their products on their website, that are not based on compliance with any law.

Based on the analysis of the trustmark landscape, it becomes clear that trustmarks provide trust in two ways. They create trust upfront by creating ‘face-value’; and by supporting the after-sales process in case a transaction is not successful. The first is guaranteed by certifying webshops providing them with a label. The latter is created by ensuring that the webshops that carry the logo will put in place all the measures to solve any conflict which might emerge with the customer. Trustmarks providers enter the online trust business for business reasons or for institutional reasons. The trust activity start from the establishment of a set of uniform criteria which constitute the scheme for the certification of webshops. This scheme specifies and describes the single elements of trust of the webshop which the trustmarks organization will observe and monitor in the initial phase and in the maintenance phase.

The interviews showed that many of the domestic trustmarks do not have any specific plans to operate beyond their own borders. One of the main reasons is that they believe that the trust value of their trustmark is likely to be lower in another country. Rather, some of the major trustmark schemes in Europe are currently trying to collaborate in order to operate cross-border.

The results of the landscape inventory show that, despite the clustering of trustmarks into homogenous groups and subsequently further clustering them into “superclusters”, the operating schemes and the trust features of trustmark services are extremely diverse. This diversity is reflected in the approach to certification (e.g. by checking the website or checking the registration and legal form of the webshop) and in the aspects that are included in their code of conduct (e.g. clarity of information provided or compliance of the after-sales
processes with the law). Still, three different archetypical types of trustmarks can be distinguished: (1) commercially owned cross-border trustmarks, (2) domestic trustmarks, and (3) single-aspect (such as security or privacy) trustmarks.

**The preferential features and characteristics of trustmarks**

The third part of this report consists of a survey among the main stakeholders: industry associations, consumer associations, and trustmark providers. A group of experts participated in the assessment of the outcomes of the inventory and the survey and helped formulating a set of policy options for the stakeholder platform. The survey investigated the opinion of different stakeholders on the characteristics of trustmarks by, to identify the characteristics which may increase trust in cross-border eCommerce and should thus be supported by a pan-European stakeholder platform.

**The policy-relevant facts emerging from the survey**

The survey confirms that the trustmarks landscape is heterogeneous and dominated by the speed and diversity of developments in the eCommerce market. A number of policy-relevant facts emerge from this research that influence cross-border eCommerce, which lead to a set of policy options for the development and harmonisation of cross-border trustmark services and, in parallel, for the establishment and operation of the EU trustmarks platform envisaged by the Digital Agenda for Europe.

The policy section was structured under the assumption – supported by domain experts attending the workshop – that there is scope for action on the part of the European Commission to support the cross-border development of trustmarks. It is divided into two parts. The first part indicates those facts and results that have emerged and that are relevant for the policy making process, but which are not policy measures in themselves. The second part addresses the policy options, which include a set of specific actions.

The percentages of citizens of the EU purchasing online domestically as well as across borders are increasing. The cross-border dimension of online trade seems less developed than the national one, mostly because of the lack of a Europe-wide coordination, just like the cross-border development of trustmark services.

An important factor considered by consumers when they make an online purchase decision is the shop reputation. The different stakeholders confirm that trustmarks are an important factor for the promotion of cross-border eCommerce and that the way they operate is central to their trust-building capability. The EC as one of the main bodies in charge of the cross-border dimension in the European Union can effectively contribute to support the cross-border activity of trustmarks.

The cross-border policy coordination needs to be aware that

a) The trust relationship between customer and merchant is of utmost importance;

b) The most important driver is competitive pricing;

c) Not all barriers to eCommerce can be overcome by trustmarks.

The cross-border coordination needs to be aware of

The promotion of cross-border eCommerce requires a comprehensive consideration of fostering and hampering factors and the identification of the most appropriate policy and regulatory solutions, also seeking the commitment of industry.

Trustmarks stakeholders indicate that government bodies are the most trustworthy warrantors in the field, followed by foundations or non-profit organizations. Surprisingly, opinions on trustmarks provided by industry organisations or trade organisations are almost evenly spread when it comes to assessing level of trust and trustmarks provided by private companies are either neutral or provide a low level of trust. The European Commission should take account of this general opinion, probably not so much to engage directly in the provision of trustmark services, but more to leverage the trust-building role of neutral (public) bodies.
It is worthwhile noting that there are several important trustmarks that are promoted or owned by the private sector and by enterprises, in particular single-aspect trustmarks focusing on SSL certification or on privacy.

Stakeholders indicate that a set of minimum trustmark features would be an important step to reduce the heterogeneity in the trustmark field and to define what trustmarks should look like. Policy makers and stakeholders can start from the preferences on the trustmark features as a basis for the discussion in the stakeholder platform and then develop them further to determine the minimum set of features EU for cross-border trustmarks.

There is a significant uncertainty among stakeholders on the regulatory basis for a trustmark. There is no clear preference for EU regulations, trustmarks codes of conduct, or rather national regulations. The position on the regulatory framework of trustmarks operations is most likely related to the very different attitudes, opinions and different levels of information on trustmarks, their operation and their rules. There are very mixed opinions on the regulatory setting, with contradictory positions also within the same respondent group. There is an important scope for action on the part of the European Commission to clarify the situation and create a harmonised view on this important reference framework. The matter of trustmarks regulation should be brought in front of the trustmarks stakeholders to stimulate a key policy discussion for the cross-border operation of trustmarks in Europe.

The trustmark stakeholders provide an indication on which policies the EC should put in place to support the development of cross-border trustmarks:

- Define a minimum set of harmonised trustmarks trust-building features to be guaranteed by the trustmark certification
- Promote awareness-raising actions of stakeholders
- Identify the general, operational, legal, and trust barriers which are within the scope of trustmarks

In conclusion, the stakeholders that were consulted in this study confirm that a cross-border coordinated action – possibly facilitated by the European Commission – can generate a positive effect on cross-border eCommerce. Stakeholders clearly have a preference for the development of a set of minimum criteria to harmonize trustmarks, through a concerted consensus building process. The European Commission could effectively promote and facilitate the agreement on a minimum set of criteria for trustmarks, bring the criteria in front of EU trustmarks stakeholders and discuss their implementation and eventually their integration into a scheme.

The policy options

Four possible policy options can be proposed based on this study:

1) ‘Business as usual’: doing nothing (on the part of the EC) might not stimulate cross-border eCommerce in the way the EC would prefer. There needs to be a growth path to stimulate development. Doing nothing may lead to or continue the current fragmentation of the EU eCommerce market, leaving the initiative to industry and losing control of market failures which would determine a patchy development of trust services in Europe

2) Self-regulation/self-organisation with some non-binding instruments such as standards: the stakeholder group participating in the focus group considers a ‘self-constructed federation’ of trustmarks the most feasible and useful option, as long as it remains voluntary, not mandatory. In this option, the two main players would be the EC and an Industry Forum. The operational rules would indicate the level of responsibility of each of the player. Here the role of EU institutions would be to merely facilitate the cooperation and talks between stakeholder representatives and the industry. The EC would take a small coordination role but no major organisation role.
3) An European trustmarks accreditation scheme. The scheme would be based on a hierarchical ISO approach, and a European institution/agency would take up the challenge of accreditation. The development of a European trustmark accreditation scheme could start with the self-regulatory approach (policy option 2) and then further investigate whether the elaborated standard could be part of the European accreditation scheme. Also in this option, one of the main factors could be an Industry Forum where industry would organise itself under the guidance of the EU. The investment to achieve an EU accreditation scheme would be significantly higher and require a stronger role of the Commission in steering the contributions of the industry and the stakeholders.

4) An EU-level trustmark: a European trustmark as a fully-fledged EU trustmark is proposed. European policy makers would set up a European trustmark, comparable to the EU Ecolabel scheme, to be granted to traders. Such a trustmark would compete with existing trustmarks. The award would be following an audit based on a set of requirements and a code of conduct. Stakeholders would participate in setting up the trustmark. This theoretical option would require a major operational investment and go beyond the borders of policy making. Running a EU trustmark would mean creating a complex, multi-layered trust services body capable of operating in the whole of Europe.

The present final report discusses the four options, presents related evidence to allow a founded decision to be made by the European Commission.
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1 Introduction

A recent study shows that Europe has the largest eCommerce market in the world, overtaking North America in 2011. The total value of the European market was estimated at €246bn, and online retail sales account for around 5.1% of the total value of the retail market in Europe. Although eCommerce is firmly established within Europe, especially cross-border eCommerce still falls behind its targets set by the European Commission in the Digital Agenda for Europe.

Cross-border eCommerce has many untapped potential benefits. It is estimated that consumers could save a lot of money (up to 16%) by buying online across borders. However, many cross-border transactions fail, for example because sellers are not willing to ship to certain countries. Besides these practical reasons, one reason for this unfulfilled potential of eCommerce is that citizens may lack trust in cross-border eCommerce.

One of the instruments that may overcome these trust issues is a trustmark. Online trustmarks aim to assure consumers that a particular online seller has been validated by a trustmark provider and is found to be safe. To stimulate cross-border eCommerce and meet its target for cross-border eCommerce, the European Commission formulated an action to “create a stakeholder platform by 2012 for EU online trustmarks, notably for retail websites” (action 17).

The European Commission commissioned TNO and Intrasoft International to conduct a study on trustmarks and their services for cross-border eCommerce. The study aims to make a comprehensive inventory of existing trustmarks and to determine their role, functions and effectiveness in supporting electronic cross-border Business-to-Consumer transactions in Europe. The study will propose a set of policy options for a cross-border trustmark setup and to involve stakeholders, and, if necessary, setting up a European stakeholder platform.

The policy discussion was based on a large scale inventory of trustmarks in Europe, North America and Asia, on a large survey among stakeholders and an evaluation workshop. This final report is based on two interim reports and on the outcomes of the evaluation workshop in which the policy options were assessed. The first interim report comprised the results of the first two research tasks: identification of barriers to cross-border eCommerce and identification and mapping of the main trustmarks within and outside of Europe. In the second interim report an assessment is made of trustmark schemes and policy options for the European Commission, including a stakeholder evaluation workshop.

1.1 Stimulating cross-border eCommerce

The Digital Agenda for Europe, which is part of the Europe 2020 strategy, is concerned with making more effective use of digital technologies and services, supporting the overall economic and social development of the European Union and its Single Market, and aiming at

2 EMOTA (2012).
5 European Commission (2011a)
6 European Commission (2011a)
a fully-integrated digital single market. The Commission’s target is to have 50% of consumers to buy online by 2015 and 20% of consumers to buy online across borders within the EU by 2015. While Eurostat data show that in 2011 43% of EU consumers shop online, with only 10% of EU consumers purchasing goods and services online across borders in the last 12 months. Studies suggest that one of the causes of this unfulfilled potential is that the EU eCommerce market is fragmented. On the supply side, online retailers face problems such as language and technical barriers, cross-border logistics, cross-border payments, administrative and regulatory barriers (such as fragmentation of consumer protection rules across Member States and other rules, for example on VAT) and search and advertisement barriers. These factors have a role in hampering retailers to sell in other countries. On the demand side, two main general barriers to (national and cross-border) eCommerce are the preference of consumers to shop offline and a lack of Internet access. These are directly followed by barriers that relate to trust in cross-border eCommerce, including concerns about payment, security, personal details, delivery, redress mechanisms, after-sales support and language barriers. Trust is generally considered paramount for influencing consumers’ attitudes and willingness to participate in eCommerce. Building digital confidence has been an objective of the Commission for several years. After the attempts in the beginning of the millennium to back-up self-regulatory trustmark schemes, the issue of trust for eCommerce is still on the European policy agenda. This is also caused by the difficulties in the implementation of the European Trustmark Requirements, fragmented national initiatives, and the limitations of self-regulation and European Directives. A recent study for the European Parliament echoes these issues and indicates possible solutions: "Enhancing the level of trust in online traders e.g. by establishing regulated (pan-European) trustmarks for online traders; strengthening the TrustedShops initiative; and increasing awareness of current EU level and national level initiatives".

In recent years, the Commission focused on building new consumer protection legislation and the new consumer agenda for eCommerce, thereby already addressing several of the aforementioned barriers. Examples are the Unfair Commercial Practices Directive, Distance Marketing of Financial Services Directive and the Directive on Consumer Rights. The

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13 European Commission (2009a)
14 European Commission (2009a)
15 European Commission (2009a)
Digital Agenda announces additional initiatives, such as the EU strategy to improve alternative dispute resolution and the promotion and improvement of online redress tools and cross-border price comparison tools.\(^22\) The Digital Agenda further aims to increase consumer confidence by promoting EU online trustmarks for online retailers, to be developed in consultation with all stakeholders. A first step is to create a stakeholder platform for EU online trustmarks by 2012 (DAE #17).

### 1.2 Trustmarks

Trustmarks aim to assure consumers that a particular site or online seller has been validated by a trustmark provider and is found run a safe sales process. They are designed to increase consumers’ trust in the webshop that carries the trustmark. To date, a wide variety of online trustmarks related to eCommerce exist. Most are national schemes that are relatively unknown by consumers from other EU countries, but some schemes operate across borders. They vary in scope, business model, quality and level of enforcement. Each trustmark has their own ‘trust business model’ providing a set of services aimed at promoting the trust relationship between the customer and the retailer. This trust relationship is based on a number of ‘trust services’ which are more in detail described in section 2.1 of the second interim report.\(^23\) Trustmark organisations verify a certain set of features\(^24\) and provide trust services to both parties – such as dispute resolution – and then grant the use of the trustmark to the webshop. Retailers do not own the mark, which can be withdrawn in case of non-compliance with the setup and rules.

The survey conducted in chapters 5-9 of the second interim report\(^25\) shows that stakeholders confirm the existence of cause-effect relationships between trustmark service, trust and the propensity to engage in (cross-border) eCommerce. At the same time, the precise determination of this cause-effect relationship and the impact of other factors is not clear and difficult to clarify.

The policy evaluation workshop included in chapter 10 of the second interim report\(^26\) concluded that there was a need for European action to implement cross-border trustmarks fostering cooperation between EU and trustmark stakeholders (consumers, traders and trustmarks organisations). The creation of a kind of European accreditation model was widely supported and the easiest way envisaged was to build on the existing models by defining minimum criteria for such accreditation.

### 1.3 Research objectives

The main research objective is to identify and evaluate policy options for the development of cross-border trustmarks in Europe and, possibly, for a stakeholder platform for EU online trustmarks. In order to derive these policy objectives, this report first provides an overview of the barriers to cross-border eCommerce, with a special focus on barriers to trust. Secondly, it maps and compares the existing trustmarks and their certification and accreditation policies. Furthermore, it assesses the different types of trustmarks by identifying specific clusters of trustmarks, which are subsequently analysed according to their main characteristics. Finally, the analysis of the different trustmark schemes allowed to elaborate and evaluate policy options, which were proposed to stakeholders in the evaluation workshop.

\(^22\) European Commission (2011a) op. cit.
\(^23\) TNO & Intraso International (2012b)
\(^24\) “Trust Features” are intrinsic characteristics of the online sales process. They are checked by the trustmark according to the agreed code of conduct and constitute the basis for the accreditation and audit. Trustmarks provide trust services to their stakeholders and the accreditation process of trust features is one of these services.
\(^25\) TNO & Intraso International (2012b)
\(^26\) TNO & Intraso International (2012b)
This study thus consists of three parts. The first part is related to the barriers and solutions analysis, the second part is related to the mapping and comparison of the trustmarks and their policies, and the third part concerns the formulation of policy options for the stakeholder platform and the evaluation of these policy options. Three research questions can be identified and subsequently specified:

1. What are the main barriers to trust in cross-border eCommerce and which solutions can contribute to overcoming these barriers?
   - What is the size of cross-border eCommerce in the EU?
   - What are the drivers and enablers of cross-border eCommerce?
   - Which are the barriers to (cross-border) eCommerce for consumers and retailers?
   - Which instruments exist that may help to overcome these barriers?
   - How do these solutions relate to the barriers that were identified?

2. Which trustmarks currently exist and how can they be categorized?
   - Which are the main trustmarks within the EU and outside of the EU?
   - How did the development of trustmarks in the EU take place?
   - What is the geographical scope and coverage of the trustmarks?
   - Which assurance policies do they provide?
   - Which legal issues do they cover?
   - Which certification and accreditation policies do they have?
   - How can the trustmarks be categorized into clusters and how do the different clusters – and their characteristics – relate to trust building in eCommerce?
   - What are the main characteristics of these categories?
   - What is the importance attached to the trust-building characteristics of trustmarks?
   - How do different stakeholders perceive the value of trustmarks?

3. Which policy options for EU cross-border trustmarks and for a stakeholder platform can be identified and how do stakeholders evaluate them?
   - Which are the policy-relevant facts, which emerged from the research work?
   - What are possible policy options for the European Commission?
   - Which approaches can be used to set up the trustmarks stakeholder platform?

The first research question is answered in five steps. Firstly, the size of cross-border eCommerce is briefly investigated. Secondly, the general drivers and barriers to eCommerce are introduced, followed by an identification and subsequent categorization of the barriers to cross-border eCommerce, including barriers to trust. Fourthly, instruments that may help to overcome these barriers are investigated, and finally they are compared to the barriers that were found.

The second research question is answered in ten steps. Firstly, the main trustmarks within the EU and in the rest of the world are identified. Secondly, background information is provided on the development of trustmarks in the EU. Subsequently, an overview of the different trustmarks according to their main characteristics is provided: geographical scope and coverage, their assurance policies, legal issues that they cover, and their certification and accreditation policies. And finally, the trustmarks are categorized, and the most distinctive characteristics are described and evaluated.
The third research question is answered in three steps. Firstly, the policy options are derived. Secondly, the policy options are assessed in an evaluation workshop. And thirdly, the outcomes of the workshop are aggregated into recommendations for policy actions.

1.4 Methodology
This first research question is answered using desk research. This means that relevant policy documents and related studies are reviewed to identify relevant barriers to trust in eCommerce. Based on desk research, using academic, industry associations, market studies, EC, OECD and national studies as relevant sources, barriers for cross-border eCommerce – with a specific focus on barriers related to trust – will be identified. A central document is an EC Staff working document on barriers in e-Commerce that was released in 2011. Furthermore, to provide a comprehensive overview, additional sources were used in the desk research. Subsequently, the identified barriers were validated using a target panel, consisting of fourteen organizations representing consumers, retailers and trustmark organizations.

The second part of this report concerns the mapping of existing trustmarks and their certification and accreditation policies. For this task, three different sources of information were used: desk research, survey research, and interviews. First of all, a selection was made of 75 trustmarks, of which 54 are from within the EU and 21 are outside of the EU (mainly in the US and Asia). The websites of these trustmarks and the organizations behind the trustmark schemes were studied. Secondly, a survey was sent out to of the 46 active trustmarks to validate the findings from the desk research. 30 Trustmarks participated in this survey. Thirdly, 16 of the most elaborate and mature trustmark schemes were selected and subsequently interviewed to gather qualitative information that could not be gained from the website or from the desk research. These trustmark schemes are subsequently clustered and the main characteristics of these clusters are described.

The third part of this report consists of a survey among the main stakeholders: industry associations, consumer associations, and trustmark organizations. These different stakeholders were asked to determine the importance of the different trustmark characteristics and of the different policy options for the European Commission. Subsequently, in an evaluation workshop, these policy options were assessed. Based on the survey and the outcomes of the evaluation workshop, policy options can be formulated.

1.5 Outline of the report
Chapter 2 investigates barriers to trust in cross-border eCommerce. Identifying and classifying barriers creates an overview of the relevant barriers.
Chapter 3 presents an overview of the existing trustmarks and their main characteristics, such as geographic coverage and their certification and accreditation policies. Furthermore, it proposes a categorization of trustmark schemes and subsequently it identifies the specific characteristics of every category.
Chapter 4 derives a set of policy options for EU cross-border trustmarks and for the forthcoming European stakeholder platform.

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27 European Commission (2011a)
2 Barriers to cross-border eCommerce
Cross-border eCommerce is a key element of a fully functioning digital single market, which is an objective of the Digital Agenda for Europe. The eCommerce market is by now well established in the EU. However, many barriers to cross-border eCommerce exist that inhibit cross-border online transactions. Barriers experienced by retailers often mirror barriers experienced by consumers. To investigate the potential role for trustmarks in stimulating cross-border eCommerce, this chapter first describes the eCommerce market in the EU and then identifies and categorizes barriers to (cross-border) eCommerce.

2.1 eCommerce in the EU
Business-to-consumers eCommerce has taken off within the EU, especially domestically. The European market is now the largest eCommerce market in the world. The total value of the European market was estimated at €246bn, and online retail sales account for around 5.1% of the total value of the retail market in Europe. In 2010 the online retail market represents around 3.5% (almost €91 billion) of the total retail market in the EU (€2604.5 billion), but variations between the countries can be observed. In the most mature market – the UK – it represents 7.9% of the market, followed by Denmark (5.4%), Finland and Sweden (4%) and France and Germany (3.9%). The UK also has the largest share of the total online retail EU market (34.6%), followed by Germany (19.6%) and France (19.1%). A few other countries follow these three large eCommerce markets: the Netherlands (4%), Spain (3.5%), Italy (3.3%), and Sweden (2.9%), with other countries following at some distance. The three largest eCommerce markets (the UK, Germany, and France) also attract most online shoppers from other EU countries (with Germany attracting 27%, the UK 24%, and France 14%).
Within the EU, eCommerce accounted in 2011 for around 14% of turnover for enterprises employing at least ten persons and has been relatively stable in the last three years. However, there are large sectoral differences in the use of eCommerce. Figure 2.1 shows the growth of enterprises’ turnover from eCommerce in Europe since 2007. Enterprises in the Czech Republic have the highest turnover from eCommerce. Some countries have experienced a steep decline in enterprises’ turnover from eCommerce after 2009, such as Ireland and Belgium. Over the course of 2009, around 13% of companies across Europe received online orders.

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28 European Commission (2010)
29 European Commission (2011a)
30 European Commission (2009)
31 This chapter is largely based on the Commission staff working paper ‘Bringing e-commerce benefits to consumers’ (2011, draft). If not specified otherwise, information presented in this chapter is based on this working paper.
33 EMOTA (2012)
34 Civic Consulting (2011)
Figure 2.2 provides an overview of individuals shopping online in the last years, distinguishing between buying products or goods from national sellers, from other EU-countries and from countries in the rest of the world in 2011. Overall percentages show that 43% of Europeans have made online purchases in the last year from national sellers, which has grown from 30% in 2007. Countries with a large part of the population shopping online (from national sellers) are the United Kingdom (68%), Sweden (66%), the Netherlands (64%) and Germany (62%). Countries with a relatively low percentage of the population shopping online (from national sellers) are Bulgaria (5%), Malta (5%), Romania (5%) and Cyprus (3%). In four countries domestic online shopping is growing relatively fast since 2010, which are Finland (7%), Belgium (4%) and Ireland (4%).

Regarding EU cross-border online transactions, overall percentages show that 10% of Europeans have made online purchases in the last year from retailers in other countries. Eight countries have 20% or more of their citizens purchasing online across borders in 2011 (Luxembourg, Malta, Austria, Norway, Denmark, Finland, Belgium and Ireland). Luxembourg has the highest percentage of individuals shopping online in other EU-countries (56%), followed by Malta (38%) and Austria (32%). In twelve countries 10% or less of consumers have bought something online in the last year from another EU country.

When asked whether they would purchase across borders, online shoppers from Malta (94%), Luxembourg (88%), Cyprus (83%), Austria (77%), Ireland (68%) and Belgium (54%) indicated that they are most likely to make cross-border purchases of goods in the EU. A main reason for these countries having a high percentage of people willing to shop online across borders is likely that they have a relatively small domestic market, while having a larger neighbouring country with which they share the language. Noteworthy is that in the countries in which domestic online shopping is popular, cross-border shopping (in the EU) percentages are around average, with 16% in Sweden, 14% in the Netherlands and 10% in United Kingdom. There seems to be a certain direct correlation between a mature national eCommerce market and the low propensity to cross-border online shopping. Iceland (28%), Malta (20%), Norway (18%) and Luxembourg (15%) have the highest percentages of individuals shopping online from non-EU countries. The overall percentage of individuals in the EU shopping online from non-EU countries is 5% and is relatively stable.

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38 Eurostat (2011) extracted 28.03.2012
40 Gallup Organisation (2011a)
since 2008. Fifteen countries in 2011 have 5% or less of the individuals that shop online from non-EU countries.

Figure 2.3 shows the percentage of retailers in the EU that sell online, domestically, to other EU-countries or to the rest of the world in 2011 (for at least 1% of their turnover). The overall percentage of EU retailers selling online is 13% since 2010. The overall percentage of EU retailers selling domestically is 14%, cross-border within the EU 6% and to the rest of the world 4%. In nine countries 20% or more of the retailers sell online to the domestic market: Norway (31%), Denmark (26%), Czech Republic (24%), Lithuania (24%), Sweden (24%), Belgium (23%), the Netherlands (23%), Ireland (21%) and Finland (20%). In seven countries less than 10% of retailers sell online to the domestic market: Poland (9%), Greece (8%), Latvia (8%), Cyprus (7%), Bulgaria (5%), Italy (5%) and Romania (4%).

Regarding cross-border eCommerce, in six countries 10% or more of the retailers sell online to other EU-countries: Ireland (13%), Malta (13%), Belgium (12%), Czech Republic (12%), Lithuania (12%) and Luxembourg (11%). Cross-border shopping to the rest of the world is relatively low, ranging from 9% in Ireland to 1% in Romania.

Data from Eurobarometer on cross-border eCommerce show substantial higher percentages of businesses selling online to other EU-countries. On average, in 2010, 53% of EU-27 retailers indicated that they sell via the Internet and 22% is conducting cross-border transactions (down from 29% in 2006, EU-25). Large variations between countries can be observed, ranging from 19% in Romania to 78% in the UK. However, the sample size of the Eurobarometer research is very limited.

Eurostat data show that the overall percentage of EU retailers selling online is 13% since 2011. 14% of EU retailers sell domestically, 6% sell cross-border within the EU and 4% sell to the rest of the world. In nine countries 20% or more of the retailers sell online to the domestic market: Norway, Denmark, Czech Republic, Lithuania, Sweden, Belgium, the Netherlands, Ireland and Finland. In seven countries less than 10% of retailers sell online to the domestic market: Poland, Greece, Latvia, Cyprus, Bulgaria, Italy and Romania.

Regarding cross-border eCommerce, in six countries 10% or more of the retailers sell online to other EU-countries: Ireland, Malta, Belgium, Czech Republic, Lithuania and Luxembourg.

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42 Gallup Organization (2011b) Retailers’ attitudes towards cross-border trade and consumer protection. Flash EB Series #300
43 Gallup Organization (2011b)
Cross-border shopping to the rest of the world is relatively low, ranging from 9% in Ireland to 1% in Romania. Figure 2.3 shows the percentage of retailers in the EU that sell online, domestically, to other EU-countries or to the rest of the world in 2011 (for at least 1% of their turnover).

![Figure 2-3 Enterprises selling online (at least 1% of turnover) in 2011, domestically, to other EU-countries and rest of the world, as percentage of all enterprises (10 persons employed or more).](image)

A EU study on cross-border online shopping showed that on average it was possible to place an order in a shop located in another country in 39% of cases tested. However, 61% of orders would have failed mainly because traders do not have a retail outlet to the consumer's country to serve the consumer's country. Few (4%) online cross-border retailers sell to ten or more member states, with most selling in more than four countries (62%), 29% in two or three countries, and 9% selling in one country.

The Commission’s target is to have 50% of consumers to buy online by 2015 and 20% of consumers to buy online across borders within the EU by 2015. The EU lags behind Korea, Japan, and the US in percentage of consumers shopping online. Based on Eurostat data, the Commission has achieved its target of domestic online shopping in 2009 with currently 53% of the individuals using the Internet shopping online domestically. For cross-border eCommerce it still requires a substantial increase from the current 10% of individuals to the desired 20%. Although this seems to be a large increase, there are indications that there is a potential for cross-border eCommerce growth.

To determine how trustmarks can contribute to reaching this potential, barriers to (cross-border) eCommerce are identified and subsequently compared to the role of trustmarks in stimulating (cross-border) eCommerce. No clear figures exist for the market share of trustmarks in the EU. Some of the trustmark providers have estimated their own market share, but it is not possible to calculate a precise figure for the ‘penetration’ of trustmarks in the EU eCommerce market. Since the development of trustmarks follows the development of the eCommerce market, it is also likely that the market shares and development of trustmarks vary widely across EU member states.

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44 Eurostat (2011) extracted 28.03.2012
45 YouGov Psychonomics (2009)
46 European Commission (2009)
48 Civic Consulting (2011)
Based on figures provided by the trustmark providers in Annex 4 of the first interim report,\(^{49}\) the EU-based trustmarks that were selected for this study jointly have 30,000 subscribing webshops. Almost half of this number consists of webshops that carry the TrustedShops label. However, this total number of subscribers may be inflated as webshops that operate across borders may carry multiple trustmarks. The total number of webshops (with an annual turnover of over 50,000 euros) in the EU is estimated by figures collected by TrustedShops as between 400,000 and 500,000.\(^{50}\) This would mean that between 6\% and 7.5\% of all EU-based webshops carry a trustmark.

Two examples may shed some light on the market size of trustmarks: Thuiswinkel Waarborg and TrustedShops. These two organizations monitor the share of webshops that carry their labels. Thuiswinkel Waarborg in the Netherlands, which is a relatively well-developed eCommerce market, estimates its own market share in two ways. By estimating the total number of webshops in the Netherlands at 37,000\(^{51}\) it can be concluded that their market share is around 5\%, since 1750 webshops carry the trustmark.\(^{52}\) Furthermore, the trustmark provider, the largest in the country, estimates its share in the number of online purchases at 75\%, meaning that 75\% of all online purchases are made at webshops that carry the trustmark.\(^{53}\) TrustedShops has issued 17,717 certificates to eCommerce sites.\(^{54}\) This figure represents between 4.43\% and 5.06\% of the overall number of European webshops. They estimate that Germany, as their more mature TrustedShops market, currently has between 90,000 to 100,000 eCommerce sites (with an annual turnover of over 50,000 euros). Between 13\% and 15\% of the German webshops display the TrustedShops seal of approval. TrustedShops estimates that around 20\%-30\% of all webshops will eventually carry a trustmark.

### 2.2 Barriers and potential solutions for (cross-border) eCommerce

The comparison between actual statistics on cross-border eCommerce and the indicators for the potential of cross-border eCommerce indicates that certain barriers exist that lead to the relatively low percentage of cross-border eCommerce in the EU. A distinction can be made between barriers to eCommerce in general, and to cross-border eCommerce specifically. These barriers can be identified on the demand side (consumers) as well as the supply side (retailers). Especially regarding cross-border eCommerce, a major group of barriers is related to a lack of trust. Four categories of barriers are identified: general barriers to eCommerce, operational barriers, legal and regulatory barriers, and barriers to trust. The full list of barriers is presented in section 2.5 of the first interim report.\(^{55}\) These barriers can be found on the consumers’ side and on the side of the retailers (see table 2.1). However, by looking at table 2.1, it becomes clear that trustmarks are not the only solution for stimulating (cross-border) eCommerce. Other solutions include enabling tools that are meant to stimulate cross-border eCommerce, such as price comparison tools and rating and review websites, as well as harmonization of regulation that aims to overcome the legal issues that retailers get into when they want to do cross-border transactions. The barriers to and solutions for cross-border eCommerce are summarized and categorized in table 2.1. Consumers’ barriers to cross-border eCommerce were categorized into operational barriers, legal and regulatory barriers, and barriers to trust. Retailers’ barriers can be largely overcome by investing more to overcome operational and legal and regulatory barriers and could thus

\(^{49}\) TNO & Intrasisoft International (2012a)  
\(^{50}\) Figure provided by the TrustShops trustmark. 2012  
\(^{53}\) TNO & Intrasisoft International (2012a)  
\(^{54}\) Figure as of 11.12.2012 provided by Jean-Marc Noel, Managing Director of TrustedShops.  
\(^{55}\) TNO & Intrasisoft International (2012a)
also be seen as cost-benefit decisions. Although the first category may represent cost-benefit decisions, especially the costs that need to be made to overcome the legal and regulatory differences between EU member states are perceived as barriers. The barriers were validated using a target panel consisting of consumer organizations, industry organizations, and trustmark organizations (see Annex 1 of the first interim report).

Table 2-1: An overview of barriers and possible solutions.

<table>
<thead>
<tr>
<th>Barriers to cross-border eCommerce (consumers)</th>
<th>Barriers to cross-border eCommerce (retailers)</th>
<th>Instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational</td>
<td>Operational</td>
<td>Trustmark schemes (including security certificates)</td>
</tr>
<tr>
<td>- Lack of foreign language skills</td>
<td>- Language</td>
<td>- Price comparison websites</td>
</tr>
<tr>
<td>- Lack of information</td>
<td>- Search and advertisement</td>
<td>- Uniform payment schemes</td>
</tr>
<tr>
<td>- Delivery times</td>
<td>- Cross-border payments</td>
<td></td>
</tr>
<tr>
<td>- Extra charges</td>
<td>- Cross-border logistics</td>
<td></td>
</tr>
<tr>
<td>- Environmental issues</td>
<td>- Costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Lack of IT skills</td>
<td></td>
</tr>
<tr>
<td>Legal and regulatory</td>
<td>Legal and regulatory</td>
<td>Harmonization of legislation across EU member states</td>
</tr>
<tr>
<td>- Uncertainty about their rights as consumers</td>
<td>- Fragmentation of consumer protection regulations</td>
<td>- Information provisioning by European consumer organizations</td>
</tr>
<tr>
<td>Trust barriers</td>
<td>Trust barriers</td>
<td>Trustmark schemes (including security certificates)</td>
</tr>
<tr>
<td>- Fear of scams and fraud</td>
<td>- Risk of fraud and non-payment</td>
<td>- Rating websites</td>
</tr>
<tr>
<td>- Lack of confidence</td>
<td></td>
<td>- Dispute resolution</td>
</tr>
<tr>
<td>- Resolutions, complaints handling, and redress</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2.1 shows the comparison of barriers to (cross-border) eCommerce identified in section 2.5 of the first interim report to instruments for stimulating cross-border eCommerce, such as trustmarks, price comparison websites and consumer ratings. While trustmarks clearly address some of the trust barriers, this comparison also shows that the scope of trustmark schemes is also limited. For example, legal barriers related to the differences between legislation in EU member states cannot be addressed by trustmarks, nor by other instruments such as consumer ratings. Furthermore, some other barriers to eCommerce are out of the scope of any of these instruments. These general barriers comprise problems such as the lack of Internet access and a preference to shop offline.

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56 The Gallup Organisation (2011b)
57 TNO & Intrasoft International (2012a)
Still, one area that may be addressed by trustmarks is the trust in cross-border eCommerce. Considering that while the Commission’s targets for domestic eCommerce are nearly achieved, cross-border eCommerce remained largely stable over the past years – showing only a small increase. Trust barriers to eCommerce are higher for cross-border eCommerce than for domestic eCommerce. Therefore, it would be useful if trustmarks help to stimulate the cross-border dimension of eCommerce. Currently however, many trustmarks are domestically oriented. Therefore, establishing a European dimension of trust may help to diminish some of the cross-border barriers to eCommerce.
3 Trustmarks landscape
This chapter presents an overview of trustmarks and their main characteristics, especially in relation to stimulating cross-border eCommerce. From the barrier identification in the previous chapter, it became clear that trustmarks may especially target creating trust in cross-border eCommerce as the objectives set by the European Commission for domestic eCommerce are nearly met. Furthermore, the perceived barriers related to trust are higher in cross-border eCommerce than in the domestic market. This chapter describes the trustmark landscape in three steps. First, an overview of the main trustmarks within and outside of Europe is presented. Then, focusing on the European trustmarks, a clustering of trustmarks is proposed based on the main distinguishing trust services of trustmarks. And finally, the main characteristics of trustmarks are evaluated in a survey among the most important stakeholders to identify which aspect of trustmarks are considered most important.

3.1 Overview of the main trustmarks within and outside of Europe
This section presents an overview of the main trustmarks within and outside of Europe. It is not a comprehensive assessment of the different characteristics of trustmarks. Rather, it shows the outlines of the trustmarks and some of their main aspects. Based on this first investigation, several types of trustmarks can be derived and a clustering is proposed in the next section.

3.1.1 Development of trustmarks within Europe
Trustmarks aim at building consumers’ trust in a website by offering a sign of trust to an individual that the retailer will behave as expected. As such, they are a form of branding. Therefore, their use is especially important for SMEs, as these are often not a well-known brand of their own but require extra measures to attract customers. Trustmarks may cover a wide range of topics. An elaborate overview is provided in Annex 9 of the first interim report and includes compliance with (consumer) regulations, the financial situation of the webshop, privacy and security measures taken to protect transactions and personal data of consumers, clarity of information provided on the website, dispute resolution between webshops and consumers, mystery shopping and payment and delivery methods. The maturity and extent to which they cover certain aspects are found to reflect the maturity and the development of the market.

eCommerce took off together with the widespread use of the Internet in the mid-1990s. With the rise of eCommerce, trustmarks were introduced to increase trust in webshops. To stimulate eCommerce, the European Commission’s DG Enterprise launched the Webtrader scheme. In March 2001 1619 webshops in Europe were carrying the Webtrader logo. However, the scheme was closed down in 2003 because it was too costly to run. After the Internet bubble crashed, the Webtrader scheme also vanished.

As shown in section 2.1 of the first interim report, most of the trustmarks currently active in Europe were set up between 2001 and 2006. An overview of the EU-based trustmarks found

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59 TNO & Intrasoft International (2012a)


61 Nannariello, G. (2001)

62 TNO & Intrasoft International (2012a)
in 2006 and 2012 can be found in Annex 1. The list of trustmarks presented in Annex 1 table is by no means exhaustive (as it is very difficult to determine the exact amount of trustmarks in any country), but it gives an overview of the main trustmark schemes across Europe and their development between 2006 and 2012.

The Western European trustmarks (including those from Germany, Belgium, the Netherlands) consolidated their position since 2006, with the main trustmarks still in place. In the UK old trustmarks have disappeared and new ones emerged. In the Southern European countries (most notably in Italy and Greece) many trustmarks have disappeared, with almost none remaining active. In the Scandinavian countries, Denmark has consolidated its trustmark, while in the other countries several trustmarks have been set up over the past years. Finally, in many of the Eastern European countries (except for Poland and Czech Republic, which consolidated its position) many new trustmarks are being developed.

Furthermore, three collaborative networks of trustmarks exist that operate across borders. The first Euro-label, which is a collaboration between six different domestic trustmarks that also carry the Euro-label. Euro-label is active in Germany, Austria, Poland, Spain, Italy and France. The second is EMOTA, the pan-European distant selling association, and the third is Ecommerce Europe, which is a collaboration between seven domestic trustmarks: Fevad (FR), BeCommerce (BE), Thuiswinkel Waarborg (NL), FDIH (DK), Svensk Distanshandel (SE), Distansehandel Norge (NO) and Netcomm (IT) (see Annex 2).

The maturity and development of a trustmark is related to the maturity and development of the eCommerce market – as well as on the size of the market. More mature eCommerce markets usually have more mature trustmarks, while in smaller and developing eCommerce markets trustmarks are also still developing. Furthermore, the state of the economy is also seen to be a decisive factor in determining the level of maturity of a trustmark. Both the Internet bubble of 2000 and the economic crisis after 2007-2008 have had an impact not only on the eCommerce market, but also on trustmark developments. After the Internet bubble burst, many webshops went bankrupt and many trustmarks disappeared. The growth of the eCommerce market between 2001 and 2008 gave rise to the development of most trustmarks that still exist today. And as eCommerce is only recently taking off in Eastern European countries such as Lithuania, the trustmark providers in these countries indicated that they a large growth.

3.1.2 Mapping the trustmarks

The mapping exercise in this section was carried out using desk research, survey research and interviews. Firstly, using desk research, we studied 54 European trustmarks schemes (shown in Annex 1) and 21 trustmarks outside of Europe (mainly in the US and in Asia, shown in Annex 3). Of these 75 trustmarks, 46 were found to be still active. Secondly, an online survey was sent out to these trustmarks. We collected 30 responses that were subsequently analyzed. Thirdly, we made a selection of 16 well-developed trustmark schemes and we interviewed the organizations behind these schemes. The elaborate description of trustmarks and their characteristics can be found in chapter 3 of the first interim report. Here, some highlights of the inventory are presented. First, we show how many countries trustmarks cover to see how many of the trustmarks operate across borders. Then, the services trustmarks provide are discussed. Thirdly, the type of organization of the trustmark providers is discussed. Fourthly, the certification policies are presented. And finally, the issue of accreditation of trustmarks is briefly mentioned.

63 Nannariello, G. (2001)
65 TNO & Intrasoft International (2012a)
3.1.2.1 Cross-border activity of trustmarks

Some trustmarks are active in multiple countries. Table 3.1, which is based on chapter 3 of the first interim report shows which of the 46 active trustmarks operate domestically and which trustmarks operate across borders.66

Table 3-1: Number of countries covered by the trustmarks

<table>
<thead>
<tr>
<th>Activity</th>
<th>European trustmarks</th>
<th>Other trustmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>More or less active world-wide</td>
<td></td>
<td>VeriSign/Norton Secured (US) Truste (US) Trustwave SSL certificates (US) Comodo SSL certificates (US) GeoTrust (US) McAfee (US) ChamberTrust business seal (US)</td>
</tr>
<tr>
<td>Active in more than ten countries</td>
<td>TrustedShops (DE) SafeBuy (UK) EuroPrise (DE) Segala (IE)</td>
<td>CPA Webtrust (CA)</td>
</tr>
<tr>
<td>Active in two to ten (European)</td>
<td>EHI Geprüfter Online Shop (Euro-label) (DE) Güte Zeichen (Euro-label) (AU) TÜV Süd (DE) Qshops keurmerk (NL) ISIS (UK) Safe2Shop (NL)</td>
<td>BBBOnline (CA)</td>
</tr>
</tbody>
</table>

66 TNO & Intrasoft International (2012a)
Table 3.1 shows that while the majority of trustmarks operates in only one country, some operate across borders. Seven trustmarks have a more or less global coverage. These are all large North America-based commercial trustmarks concerned with specific aspects of eCommerce activities, such as VeriSign/Norton secured, which sells SSL certificates that can be checked real-time, and Truste, offering a privacy seal based on the privacy statement of organizations. These trustmarks target one specific element of web shops that does refer to a legal basis, which makes it easy for them to use the same seal across borders.

One international and four EU-based trustmarks cover more than ten countries: WebTrust (US), Segala (IE), TrustedShops (DE), SafeBuy (UK), and EuroPrise (DE). Seven trustmarks (of which six are located in Europe) were found to operate in more than one country. Except for TÜV Süd, these are all trustmarks operating within one language. It thus appears that domestic trustmarks more easily branch out to other countries with which they share the language.

Moreover, based on the interviews that we carried out, we found that many of the domestic trustmarks do not have plans to operate beyond their own borders, stating that the value of their trustmark is likely to decrease in other countries. Rather, some of the major trustmark schemes in Europe (recently) started collaborating (see Annex 2). As of yet there are no clear outcomes of this collaboration regarding trust in eCommerce. Another form of cooperation was found between Trygg eHandel Sweden and Norway. They have nearly identical websites, but they are only collaborating to learn from each other, rather than being internationally operating trustmarks. While the Western European trustmarks all seem rather stable, the Lithuanian trustmark eShops sees a role for itself in other Central or Eastern European countries and aims to expand to, for example, Latvia, Estonia, Romania, Bulgaria, Slovakia, and Croatia.

### 3.1.2.2 Services of trustmarks

This section looks at the services trustmarks provide. The services that are included in this inventory are the legal basis of the certification of trustmarks (based on national or EU regulations, or on a code of conduct), dispute resolution, consumer ratings, money back guarantee and price comparison. The results from the survey are shown in table 3.2. Trustmark organizations could indicate that they provide multiple services.

#### Table 3-2: Services provided by trustmarks

<table>
<thead>
<tr>
<th>Services of trustmark providers</th>
<th>Trustmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certification based on EU regulations</td>
<td>Gütezeichen (AU), EuroPrise (DE), Euro-label (POL), Qshops keurmerk (NL), Thuiswinkel Waarborg (NL), SafeBuy (UK), EHI Geprüfter Online Shop (Euro-label) (DE), Euro-label (AU), InfoCons (RO), ISIS (UK), Trygg E-handel (NO), Safe2Shop (NL), Confianca Online (POR), SOAP (CZ), eShop (MT), TrustedShops (DE)</td>
</tr>
<tr>
<td>Certification based on national regulations</td>
<td>Gütezeichen (AU), EuroPrise (DE), Euro-label (POL), Qshops keurmerk (NL), APEK (CZ), Thuiswinkel Waarborg (NL), SafeBuy (UK), EHI Geprüfter Online Shop (Euro-label) (DE), Euro-label (AU), InfoCons (RO), ISIS (UK), E-mark (DK), Trygg E-handel (NO), BeCommerce (BE), Safe2Shop (NL), Confianca Online (POR), SOAP (CZ), eShop (MT), TrustedShops (DE)</td>
</tr>
<tr>
<td>Certification based on a code of conduct</td>
<td>Gütezeichen (AU), Euro-label (POL), Qshops keurmerk (NL), APEK (CZ), Thuiswinkel Waarborg (NL), Trusted.ro</td>
</tr>
</tbody>
</table>
According to the survey results shown in table 3.2, the two services that are provided most are certification (based on national and/or EU regulation and/or on a code of conduct) and dispute resolution. Certification checks whether webshops are compliant with the applicable regulations, such as consumer regulations. Certification based on a code of conduct implies that the trustmarks are certified based on a number of criteria developed by the trustmark provider, including those criteria that are derived from regulations. The three types of certification are not mutually exclusive. 22 trustmarks (out of 30) have some form of certification based on a code of conduct, while 16 and 19 (out of 30) trustmarks are based on national and EU regulations respectively. Most trustmarks thus use a combination of the two. This means that their code of conduct is based on EU and/or national regulation (such as consumer law) as far as legal aspects are concerned (delivery times and cool-down periods, for example). But they also certify aspects that do not have a legal basis, such as the clarity of information provided on the website. Among the European trustmarks, the regulatory basis is often a combination of EU and national regulations regarding consumer laws. This does not mean that trustmarks providers can enforce any regulations, but rather that they check whether web shops are compliant with national and/or EU regulations and that they only receive the logo when they are compliant. Based on the interviews we found that some trustmarks have a code of conduct that is mainly based on the law, while some others have a code of conduct based on self-regulation. This distinction appears to be related to the distinction between commercially owned trustmark schemes and trustmark schemes set up by industry organizations (see next section). Commercially owned trustmarks (such as TrustedShops, DE) are businesses that aim to

<table>
<thead>
<tr>
<th>Services of trustmark providers</th>
<th>Trustmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>(RO), EHI Geprüfter Online Shop (Euro-label) (DE), Euro-label (AU), InfoCons (RO), ISIS (UK), Confianca Online (ES), E-mark (DK), Certifierad E-handel (SE), eShops (LT), Safe2Shop (NL), Confianca Online (POR), TüvSüd (DE), TrustedShops (DE), VSV-Garantie (CH)</td>
<td>WebTrust (US), Truste (US), VeriSign/Norton Secured (US),</td>
</tr>
<tr>
<td>Dispute resolution</td>
<td>Gütezeichen (AU), Euro-label (AU), EHI Geprüfter Online Shop (Euro-label) (DE), EuroPrise (DE), TüvSüd (DE), TrustedShops (DE), Euro-label (POL), Qshops keurmerk (NL), Thuiswinkel Waarborg (NL), SafeBuy (UK), ISIS (UK), Confianca Online (ES), Confianca Online (POR), E-mark (DK), Certifierad E-handel (SE), Trygg e-Handel (NO), InfoCons (RO), VSV-Garantie (CH)</td>
</tr>
<tr>
<td>Assurance policies</td>
<td>SafeBuy (UK), VeriSign (US)</td>
</tr>
<tr>
<td>Consumer ratings and reviews</td>
<td>Euro-label (AU), SafeBuy (UK), Euro-label (POL), EHI Geprüfter Online Shop (Euro-label) (DE), TrustedShops (DE), Safe2Shop (NL), InfoCons (RO), eShops (LT)</td>
</tr>
<tr>
<td>Price comparison</td>
<td>SafeBuy (UK), EHI Geprüfter Online Shop (Euro-label) (DE), TrustedShops (DE), InfoCons (RO), E-mark (DK), eShops (LT)</td>
</tr>
<tr>
<td>Money back guarantee</td>
<td>Euro-label (AU), TrustedShops (DE), SafeBuy (UK), Trygg e-Handel (NO)</td>
</tr>
</tbody>
</table>
generate profits. Trustmark schemes set up by industry organizations are usually trustmarks set up by a sectoral or a lobby organization such as the national eCommerce industry association. The trustmarks that are mainly regulatory based, i.e.: that make basically a check of the operations, indicate that they intend to install a few additional aspects in their code of conduct based on self-regulation, but their basis remains firmly in checking whether web shops comply with regulations. A typical example is Thuiswinkel Waarborg (NL).

Twenty trustmarks participating in the survey (see table 3.2) provide dispute resolution. Only two trustmarks provide an assurance policy: SafeBuy (UK) assures payment and delivery and VeriSign (US) compensates the users of its security certificates in case they lose data that is supposed to be secured. Eight trustmarks provide customer ratings and reviews, six trustmarks provide price comparison tools and four trustmarks provide money back guarantees. Only few of the trustmarks that we interviewed indicated that they aim to develop assurance policies in the future. Most indicate that they see their certification process as an assurance policy by itself and retailers should provide product assurance.

Dispute resolution is concerned with solving any issues that arise between webshops and consumers and that are not solved by the webshops themselves. For example, dispute resolution of a trustmarks undertakes action as soon as a consumer files a complaint with a trustmark about a failed sales process. Based on the interviews that we undertook, we found that many of the trustmarks that do not have a dispute resolution service yet, plan to operate some form of this in the future.

We also observed in section 3.3.2 of the first interim report that there are large differences between the dispute resolution mechanisms. They may give different guarantees to customers and their means of solving dispute may differ. Some trustmark providers, for example, have set up an online complaints form that consumers can use to complain about webshops. Others actively engage in discussion between webshops and consumers to resolve a complaint and they revoke the trustmark in case a web shop does not resolve the complaint to their satisfaction. And still others also publish those webshops of which the trustmark is revoked. The most advanced trustmarks have a form of dispute resolution that is run by a third party.

All trustmark organizations that were interviewed indicate that they aim to solve an issue before revoking the trustmark. That is why few trustmarks show on their websites which web shops have been revoked, as they still would like to give the opportunity to regain the trustmark in the future when they are compliant again. Transactions that were undertaken before a trustmark was revoked usually remain part of the dispute resolution.

In the past, an attempt was made to create a dispute resolution mechanism for cross-border eCommerce in Europe: Online Confidence. Online Confidence was a pilot project carried out in 2001-2003 aiming to set up an online dispute resolution mechanism that would serve as a platform for assisted negotiation and third party involvement (mediation/evaluation). It was intended to be linked to a (pan-European) trustmark. The platform for dispute resolution was supported by Eurochambres and by a number of Chambers of commerce across Europe. However, the platform was never developed, as the business model was not sustainable. The high administration costs of such a cross-border platform as well as the costs of the third party dispute resolution (which could be higher than the value of the dispute itself) were the main cause of its failure.

Based on the analysis of the types of services trustmarks provide, we can conclude that most trustmarks create trust in eCommerce through a combination of creating trust up-front, and facilitating the after-sales process. While the core business of trustmarks – certifying

67 TNO & Intrasoft International (2012a)
webshops and giving them a label that is recognized as trusted by consumers – may provide trust upfront, dispute resolution supports consumers in case something goes wrong with making a purchase online. Trust is only provided when both can be guaranteed by a trustmark, as it is useless to provide a logo that does not guarantee any help when things go wrong.

### 3.1.2.3 Type of trustmark providers

The different types of trustmark providers are shown in table 3.3, based on the survey results among 30 trustmarks. A distinction was made between three major categories: industry organizations (trustmarks set up by industry associations), government institutes (trustmarks set up by the government), and private firms (the commercially owned trustmarks).

**Table 3-3: Type of trustmark providers**

<table>
<thead>
<tr>
<th></th>
<th>European trustmarks</th>
<th>Other trustmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry organizations</td>
<td>ISIS (UK)</td>
<td>Online Shopping Trust (JP)</td>
</tr>
<tr>
<td></td>
<td>Trygg E-handel (NO)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EHI Geprüfter Online Shop (Euro-label) (DE)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Güte Zeichen (AU)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Euro-label (AU)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Thuiswinkel Waarborg (NL)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Eurolabel (RO)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>E-mark (DK)</td>
<td></td>
</tr>
<tr>
<td>Private organization</td>
<td>SafeBuy (UK)</td>
<td>Norton Secured (US)</td>
</tr>
<tr>
<td>(commercially owned)</td>
<td>Trusted.ro (RO)</td>
<td>Truste (US)</td>
</tr>
<tr>
<td></td>
<td>eShops (LT)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Safe2Shop (NL)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TüvSüd (DE)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TrustedShops (DE)</td>
<td></td>
</tr>
<tr>
<td>Government institutes</td>
<td>EuroPrise (DE)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>eShop (MT)</td>
<td></td>
</tr>
</tbody>
</table>

From table 3.3 it appears in this study that industry organizations or associations, thereby indirectly representing webshops, set up most trustmarks. This is thus a form of self-regulation of webshops. The second largest group of trustmark organizations are the privately owned, commercial trustmarks. Governments set up a small share of existing trustmarks: only two trustmarks are government-owned: EuroPrise (DE), which was set up by the federal state of Schleswig-Holstein and eShop (MT). In some cases ownership was seen to change over the last years. For example, e-Mark (DK) and Online Shopping Trust (JP) were set up by the Danish and Japanese government respectively, but are independent organizations today.

### 3.1.2.4 Certification criteria

Certification criteria are related to the process of handing out the certificates to the webshops applying for them. While in a previous section the different types of services trustmarks provide were presented, this section presents the criteria that are covered by the codes of conduct of trustmark providers.

As shown in table 3.4, most trustmark schemes cover various aspects of safety of eCommerce, such as payments, personal data, after-sales services, delivery, and redress. In general, certification criteria of the studied trustmarks are similar – often differing only in their extensiveness, only SSL trustmarks and privacy seals have different criteria.
<table>
<thead>
<tr>
<th>Certification criteria</th>
<th>Trustmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security of data exchange and payment methods (including SSL certificates)</td>
<td>Gütezeichen (AU), Euro-label (POL), SafeBuy (UK), EHI Geprüfter Online Shop (Euro-label) (DE), ISIS (UK), Euro-label (AU), Eurolabel (RO), Confianca Online (ES), Trygg E-handel (NO), Certifierad E-handel (SE), BeCommerce (BE), Confianca Online (POR), TüvSüd (DE), SOAP (CZ), TrustedShops (DE), VSV-Garantie (CH)</td>
</tr>
<tr>
<td>Privacy (security of personal data storage and transfers)</td>
<td>Gütezeichen (AU), EuroPrise (DE), APEK (CZ), Thuiswinkel Waarborg (NL), SafeBuy (UK), Trusted.ro (RO), EHI Geprüfter Online Shop (Euro-label) (DE), ISIS (UK), Euro-label (AU), Euro-label (RO), Confianca Online (ES), Trygg E-handel (NO), Certifierad E-handel (SE), BeCommerce (BE), Confianca Online (POR), TüvSüd (DE), SOAP (CZ), TrustedShops (DE), VSV-Garantie (CH)</td>
</tr>
<tr>
<td>After-sales services</td>
<td>Gütezeichen (AU), APEK (CZ), SafeBuy (UK), EHI Geprüfter Online Shop (Euro-label) (DE), ISIS (UK), Euro-label (AU), Euro-label (RO), Confianca Online (ES), E-mark (DK), Trygg E-handel (NO), Certifierad E-handel (SE), BeCommerce (BE), Safe2Shop (NL), Confianca Online (POR), SOAP (CZ), eShop (MT), TrustedShops (DE), VSV-Garantie (CH)</td>
</tr>
<tr>
<td>Delivery</td>
<td>Gütezeichen (AU), APEK (CZ), SafeBuy (UK), EHI Geprüfter Online Shop (Euro-label) (DE), ISIS (UK), Euro-label (AU), Euro-label (RO), Confianza Online (ES), E-mark (DK), Trygg E-handel (NO), Certifierad E-handel (SE), BeCommerce (BE), Safe2Shop (NL), Confianca Online (POR), TüvSüd (DE), eShop (MT), TrustedShops (DE), VSV-Garantie (CH)</td>
</tr>
<tr>
<td>Redress</td>
<td>Thuiswinkel Waarborg (NL), SafeBuy (UK), Trusted.ro (RO), EHI Geprüfter Online Shop (Euro-label) (DE), ISIS (UK), Euro-label (AU), Euro-label (RO), Confianza Online (ES), Certifierad E-handel (SE), BeCommerce (BE), Confianca Online (POR), SOAP (CZ), eShop (MT), TrustedShops (DE), VSV-Garantie (CH)</td>
</tr>
</tbody>
</table>

WebTrust (US), VeriSign/Norton Secured (US), Truste (US)
Some trustmarks sell SSL certificates and thus focus mainly on data or payments protection, such as VeriSign/Norton Secured (US). All of these SSL certifiers are based in the US. In case a trustmark is a privacy seal, it ensures the safety and privacy of data. The certification criteria specify the criteria for the data treatment on the retailers’ websites. Examples include EuroPrise and Truste. Truste, for example, certifies only privacy practices, looking at which data is collected, how data is processed and which third parties data are shared with.

Most of the trustmarks base their certification criteria on consumer protection and distance selling legislations, both from the national and EU level. For example, many of the European (domestic) trustmarks focus on the certification of after-sales services, delivery and redress mechanisms. Trustmarks that are active internationally usually adopt different certification criteria according to national legislation. The certification criteria of TrustedShops (DE), for example, differ from country to country based on the different national laws. Furthermore, many codes of conduct also encompass criteria related to the quality of information the retailer has to provide to its customers.

Asian trustmarks are similar to the European trustmarks as they certify multiple aspects of eCommerce. But there are some differences. Some of the Asian trustmarks have certification criteria regarding the advertising practices of their subscribers (e.g. Trustmark Thai, Online Shopping Trust Japan). In the 2006 research, it was also found that many of the European trustmarks certified the advertising practices of web shops, but currently we hardly observed this.

The codes of conduct are usually binding. In case a retailer violates the code of conduct, the revocation procedure starts. Few code of conducts are approved by third parties, but Confianca Online (ES) is different in this respect: its Code of Ethics has been registered in the General Register of the Spanish Data Protection Agency as a standard code regarding data protection in the field of the e-commerce. Furthermore, the code of conduct of Thuiswinkel Waarborg is developed in collaboration with the consumers’ organization Consumentenbond. Certification is normally done by means of documentation study (the code of conduct, registration of e-shop, financial reports and other relevant documents), desk research (the information available on the website: description of the goods, privacy, shopping cart, etc.), interviews and mystery shopping. Often, when a web shop requests a trustmark, it has the opportunity to change its website according to the recommendations of the trustmark provider, before the trustmark is awarded.

In most of the cases is the certifying authority (part of) the trustmark organization. Only in a few cases we found that an independent third party does the certification. This is the case with Thuiswinkel Waarborg in the Netherlands and BeCommerce in Belgium. Yet others perform real-time auditing, such as the technically oriented trustmark VeriSign (US). Furthermore, the Czech trustmark APEK uses mystery shopping for part of their certification process.

### 3.1.2.5 Accreditation of trustmarks providers/organizations

Accreditation concerns the process of verification of the trustmark organizations themselves. Only in two countries (The Netherlands and Japan) trustmarks (Thuiswinkel Waarborg and Online Shopping Trust, respectively) are found that are accredited by a third party. While accreditation can improve trustmark operations, as a minimum level of criteria for trustmarks can be established by the accrediting organization, the actual performance of accreditation is not always considered useful. For example, the interviewees from Thuiswinkel stated that they do not see this accreditation process as valuable for their business. For them it is more important that their code of conduct is written based on provisions of the Dutch consumers’ organization. Accreditation, however, is an area where many of the interviewees indicate that

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69 Trzaskowski, J. (2006)
a supernational entity could play a coordinating and harmonising role. This entity could set up procedures to perform checks on the trustmark schemes to see whether their certification process meets specific minimum standards. In this way, the accreditation could become a ‘trustmark’ for trustmarks. The trustmark of trustmarks would have a key impact on the cross-border acceptance of the brands, contributing to the assurance of the webshop. In some of the more mature eCommerce markets, a lot of trustmarks are operational, leaving consumers doubting which of these are truly trustworthy. Thus, some of the more developed trustmarks indicate that the EU could play a role in indicating which trustmark schemes are trustworthy.

3.2 Trustmark clusters
After an inventory of the main trustmarks, their characteristics and their role within cross-border eCommerce was made, we categorized trustmarks into eight ‘typical’ trustmark schemes: trustmark clusters. For this categorization we used the main characteristics of trustmarks identified in the previous section. Subsequently, we analysed these trustmark clusters by looking at two different categories of characteristics: trustmark features and certification steps. Trustmark features are those aspects that are included in the code of conduct and encompass all aspects that webshops need to have in place for them to receive a trustmark. Certification steps are those actions that trustmarks undertake to carry out the certification of webshops. For the clustering we used the costs and benefits of these clusters and their underlying features and certification steps were then assessed taking into consideration the costs per subscription fees, the number of webshops subscribed, and the trustmark features, certification steps and clusters impact on (partly) overcoming barriers to trust in eCommerce. The full analysis is presented in Annex 1 of the second interim report.70

3.2.1 Trustmark features
Trustmarks are unevenly developed. While some of the trustmarks are well-developed in terms of their number of subscribers, their years of activity, the scope of their action, their geographic reach, and the refinement of their regulatory, operational and technical setups, others are not as well-developed. However, all trustmarks have demonstrated a specific and clear ‘business model’. This business model, integrating rules, operations, procedures and technical settings determines the distinctive service proposition of a trustmark.
Trustmark features are those characteristics of the trustmark scheme, which cover the internal regulatory, service, operations and technical elements of the service delivered to both customers and stakeholders:

a) The webshops, taking advantage of trustmarks in their eCommerce business;

b) The online customers, who to a higher or lower extent base their purchasing decisions on the presence of the trustmark and the associated assurance and services.

The trustmark features are at the same time the service components, and the elements through which the trustmark providers are delivering trust to their stakeholders. Nine trustmark features have been analysed:

1. **SSL certification.** A quite common trust service, which certifies the Secure Sockets Layer (SSL). Secure Sockets Layer (SSL) is a protocol designed to enable applications to transmit information back and forth securely. Applications that use the Secure Sockets Layer protocol inherently know how to transmit and receive encryption keys with other applications, as well as how to encrypt and decrypt data sent between the two. SSL certification ensures proper implementation of the protocol on the webshop.

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70 TNO & Intrasoft International (2012b)
2. **Regulatory basis of webshop.** This feature deals with the compliance of the webshop to (EU and/or national) regulatory basis.

3. **Transparency of information.** This feature deals with the clear and understandable presentation and documentation of the products that are placed on the website; the provision of prices including specification of shipping cost or taxes; the comprehensive description of payment procedures; the comprehensive description of consumer rights; etc.

4. **Privacy protection verification.** This feature certifies that webshops adhere to standards of the trustmark policies assuring safety of personal data, privacy rules and management of personal data.

5. **Dispute resolution system (DRS).** This feature includes formal procedures to manage and solve complaints from customers to webshops. Here we consider the dispute resolution system in the web shop and not the system setup by some of the Trustmark organisations as a trust service. DRS can also be an online complaint form, where customers express dissatisfaction with products, packaging, or delivery time. The complaints are followed up by mediation. DRS can also involve a third party authority that provides legally binding dispute resolution.

6. **Money back guarantee.** This feature is an insurance-type service provided to customers. Money is refunded if after unsuccessful dispute resolution mediation a customer is still dissatisfied regardless of the underlying complaint reasons.

7. **Consumer rating.** This feature allows customers to attach a rating to their purchase experience. This helps other customers and might also provide a comprehensive rating of the webshop.

8. **Publishing revocation.** Trustmarks having this feature publish those webshops whose trustmark seals were withdrawn.

9. **Accreditation.** According to this feature, trustmark organisations (TMO) are accredited by third parties hereby ensuring that the codes of conduct of the trustmarks have a minimum level.

### 3.2.2 Trustmarks' certification model

We further examined the certification model of the trustmarks. While the trustmark features comprise the services trustmarks deliver to webshops and consumers, the certification steps are the activities that trustmarks undertake to perform the certification of webshops. The certification dimensions include checking the compliance with regulation, the performance of mystery shopping and the involvement of public authorities. The assessment of the complexity of certification is an important indicator on how the trustmark certification process is set up. The more certification assessment objects, the more complex the certification process is. Our inventory identified the following nine certification steps:

1. **Administrative validity of online webshop.** This certification step deals with both the verification of the existence and registration of merchant webshop, as well as with the verification of its physical existence. It includes both an administrative check (country of incorporation, VAT number, company register, bankruptcy register, etc.) and a physical check (address, fixed phone line, etc.).

2. **Legal check of sales regulation.** This certification step deals with the check of compliance of a webshop to (EU and/or national) regulations.

3. **Check of information transparency.** This certification step deals with the transparency on information concerning the clear and understandable presentation and documentation of the way products are placed on the website. Also it deals with clear and understandable provision of prices including specification of shipping cost or taxes; with the comprehensive description of payment procedures; with the comprehensive description of consumer rights; etc.
4. **Check of privacy rules.** This certification step deals with the webshop’s adherence to the standards of the trustmark policies with regard to assurance for safety of data, privacy rules and management of personal data.

5. **Check of redress procedures.** This certification step deals with the recovery procedure for stage after sales/delivery and prior to conflict. It comprises remedy for faulty or damaged goods free of charge for the customer. As mentioned above, it concerns the procedures embedded in the webshop’s sales procedure and not the one setup by the trustmark.

6. **Test order/Mystery shopping, simulated purchase process.**

7. **Physical company on-site visit and audit.**

8. **Auditing.** This certification step deals with doing interim (review) certification/audits according to established quality criteria that include conformity with the law, user convenience, and security of web functionalities. Usually auditing is carried out on an annual basis. Sometimes an audit may also be performed after an incident is reported by customers or in the media.

9. **Third party certification.** This certification step deals with the trustmark certification that is carried out by a third party to whom the trustmark organisation hands a set of information.

### 3.2.3 Eight trustmark clusters

The trustmarks inventory has shown a large variety of trustmarks with different characteristics. The purpose of the clustering of trustmarks is to aggregate each trustmark by means of their features and certification steps. These homogeneous features and certification steps allow a joint assessment of the trustmarks and relate them to the actual trust building effects and impacts. We have examined 46 trustmarks in Europe, North America and Asia, thus the relative share presented should be understood as the share of the specific cluster in our sample.

A clarification is necessary. The classification into clusters is necessarily a simplified synthesis of aggregated trustmark features. On the other hand the trustmarks have very differentiated features, so the classification in one or the other cluster is ambiguous in some cases. The attribution to one or the other cluster therefore merely serves the general policy design purpose and in no case intends to make definitive and final judgements. In section 2.2 of the second interim report, we identified in total eight clusters:

#### 3.2.3.1 Cluster A: Trustmarks focusing merely on privacy

Trustmarks that mainly focus on privacy belong to this cluster. 2 out of the reviewed 46 trustmarks merely focus on privacy and thus belong to Cluster A.

#### 3.2.3.2 Cluster B: Technically oriented trustmarks (SSL, W3C, hacker testing, etc.)

Trustmarks that mainly use technical systems to protect online transactions and to help increase trust in eCommerce websites belong to this cluster. One example is checking the implementation of the Secure Socket Layer (SSL). SSL certificates and certification bodies are on the one hand trustmarks themselves; on the other they are certification technology providers. SSL ensures:

- a) Encrypting sensitive information during online transactions
- b) Providing unique, authenticated information about the SSL certificate owner

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71 TNO & Intrisoft International (2012b)
c) Identification of the certificate owner by SSL Certificate Authority upon issuing. Other technical means of a trustmark include World Wide Web Consortium (W3C) standards or daily hacker testing. 7 out of the reviewed trustmarks are technically oriented and thus belong to Cluster B. These trustmarks are all based in the US.

3.2.3.3 Cluster C: Trustmark merely looking at a webshop’s ‘documents’ and at the results of registry enquiries (‘simple online business certification’)
The trustmarks in this cluster undertake a basic verification of the webshop’s processes checking registrations, the sales process, and the transparency of information towards the customer. With the service setup, the trustmarks in this cluster verify and take a certification responsibility for the sales process and its articulation, without entering into further detail of the back-office management of the sales process, without providing any dispute resolution support to the parties, without payment assurance (warrant of the funds transfer) or money back guarantee (warrant for the full satisfaction of the customer and thus the refund). 8 of the reviewed trustmarks simply verify and certify the webshop, the sales process and its setup and thus belong to Cluster C.

3.2.3.4 Cluster D: Trustmarks undertaking comprehensive business model certification, including dispute resolution
The trustmarks belonging to this cluster offer a more comprehensive service setup for the verification of the webshop’s business model. These trustmarks cover the formal, the physical and the process checks on the merchant. In addition to this comprehensive system, rules and process assessment, these trustmarks provide a dispute resolution system. These dispute resolution systems normally include a structured communication process, either web-based or through a direct contact. In most cases the trustmark provider acts as an intermediary between the complaining customer and the merchant/retailer, in an attempt to balance expectations and requests. 13 of the reviewed trustmarks undertake a comprehensive business model certification, including dispute resolution, and thus belong to Cluster D.

The following Clusters E – H offer all services of Cluster D trustmarks, adding more features and characteristics:

3.2.3.5 Cluster E: Trustmarks undertaking comprehensive business model certification and publishing revocation
The trustmarks belonging to this cluster offer all services of Cluster D type trustmarks. In addition, they publish revocation, which is the feature where the trustmark provider publishes retailer names whose trustmark seals were withdrawn or suspended. 7 of the reviewed trustmarks undertake a comprehensive business model certification, publishing revocation, and thus belong to Cluster E.

3.2.3.6 Cluster F: Trustmarks undertaking comprehensive business model certification and offering a money back guarantee”
The trustmarks belonging to this cluster offer all services of Cluster D type trustmarks. Cluster F trustmarks also offer money back guarantees. This money back guarantee can be compared to an insurance, as it is only used for rare occasions in which a conflict between a webshop and a consumer is not resolved and the consumer turns to the trustmark provider for help. Several TMO representatives that have been interviewed as part of the trustmark mapping exercise had indicated that a ‘money back guarantee’ is outside their scope of action.
4 out of the reviewed trustmarks undertake a comprehensive business model certification and offer a money back guarantee service, and thus belong to Cluster F. The money back guarantee service rarely appears without offering also some other extra services. It should be noted that two of these also belong to Cluster G, and one also belongs to Cluster H.

3.2.3.7 Cluster G: Trustmarks undertaking comprehensive business model certification and offering consumer rating

The trustmarks belonging to this cluster offer all services of Cluster D type trustmarks. Cluster G trustmarks include a consumer rating system which allows customers to provide a rating of webshops based on their purchasing experience. This trustmark feature is an officially accepted rating element for their clients, the webshops. 4 out of the reviewed trustmarks undertake a comprehensive business model certification and offer consumer rating, and thus belong to Cluster G. It may be noted that 2 of these also belong to Cluster F.

3.2.3.8 Cluster H: Trustmarks undertaking comprehensive business model certification, with third party certification

The trustmarks belonging to this cluster offer all services of Cluster D type trustmarks. In addition to this, Cluster H trustmarks officially certify webshops by a third party to whom the trustmark organisation hands a set of information. 4 out of the reviewed trustmarks undertake comprehensive business model certification with third party certification, and thus belong to Cluster H. It may be noted that one of these also belongs to Cluster F.

3.2.4 Analysis of the size, costs and coverage of trustmark clusters

This section presents the main characteristics of the eight trustmark clusters. First, the trustmarks that are included in this study are mapped according to the trustmark clusters. Then, the clusters are described according to their coverage (whether they operate domestically or cross-border), their size (the number of subscriptions: the websites that carry the trustmark) and their subscription fees. Finally, based on this analysis, this section presents three archetypical trustmark types or ‘superclusters’ and reflects on the heterogeneity of the trustmarks.

3.2.4.1 Mapping the trustmarks to the trustmarks clusters

Table 3.5 presents the eight trustmarks clusters, including all the trustmarks that were included in this study. This mapping was presented in section 2.5 of the second interim report.72

Table 3-5: Distribution of trustmark clusters

<table>
<thead>
<tr>
<th>Cluster Type</th>
<th>Trustmark Name</th>
<th>Count</th>
<th>Percentage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster A: Focusing merely on privacy</td>
<td>Europrise (DE), TrustE (US)</td>
<td>2</td>
<td>4,35%</td>
</tr>
<tr>
<td>Cluster B: technically oriented trustmarks (SSL, W3C, hacker testing, etc.)</td>
<td>TrustWave SSL certificates (US), VeriSign (being renamed into Norton Secured) (US), Comodo SSL certificates (US), CPA Webtrust (CA), GeoTrust (US), McAfee (US), Segala (IE)</td>
<td>7</td>
<td>15,22%</td>
</tr>
</tbody>
</table>

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72 TNO & Intrasoft International (2012b)
Table 3.5 shows that most European trustmarks undertake comprehensive business model certification (Clusters D – H). Around two thirds (64%) of the trustmarks included in this research undertake such certification: Cluster D is the most prevalent form of trustmarks with almost every third trustmark belonging to this cluster. Clusters E – G have all characteristics of Cluster D and offer some additional services (publishing revocation, money back guarantees, consumer ratings, and third party certification). Around one third of the trustmarks belong to Clusters E – G. Less than one fifth (17%) of the trustmarks confines themselves to simple online business certification (Cluster C). It may be noted that Cluster C trustmarks are often found outside the EU (two thirds of the Cluster C trustmarks are located outside the EU).

Another trustmark model exists, relying on technical systems to protect online transactions. This model is most often found in the US. Over 15% of the trustmarks belong to Cluster B. Of these the US trustmarks constitute the largest group (two thirds of the US trustmarks of our sample are technically oriented; and 6 out of 7 Cluster B trustmarks originate in the US). Cluster A comprises the category of trustmarks that focus merely on privacy issues and do not deal with payment or product delivery certifications. Less than 5% of trustmarks included in this study belong to this cluster.

Trustmark clusters can be distinguished by their geographical coverage: do they operate domestically or across borders? By comparing table 3.1 and 3.5, we find that single aspect trustmarks aiming at privacy protection and at the security of online transactions (Cluster A and B) all operate across borders. Since they sell a standardized online product, their business can be as global as the internet. Business model certification is more often observed to be undertaken by domestic trustmarks: 6 out of the 8 Cluster C trustmarks operate nationally, while only 2 of Cluster C trustmarks operate internationally: BuySafe (US) and Chamber
Trust (US). The same tendency is observed in Cluster D trustmarks: 11 out of the 13 trustmarks in that category operate nationally and only 2 operate across borders: TüvSüd (DE) and BBBOnline (CA). Additional trustmark features (such as publishing revocation, money back guarantees, consumer ratings and third party certification) are more often observed to operate internationally. 6 out of the 16 Cluster E – H trustmarks operate internationally: ISIS (UK), which since merged with TrustedShops (DE), Qshop keurmerk (NL), Gütezeichen (AU), EHI Geprüfter Online shopping, and SafeBuy (UK).

3.2.4.2 Trustmarks’ subscription base and subscription fee
Taking a closer look at the number of subscribed webshops and the fees of carrying a trustmark, large variations appear between the different clusters. The technically oriented trustmarks (Cluster B) tend to have the largest customer base. The main reason for this is that Cluster B trustmarks certify websites rather than webshops, which leads to a much larger potential customer base. While Cluster A trustmarks also operate world-wide, their certification process concerns webshops rather than websites and therefore, their subscription base is lower than that of Cluster B trustmarks (on average, Cluster A trustmarks have a client base of over 2550 webshops world-wide against Cluster B trustmarks having an average client base of 130 million different websites world-wide). An indication of the ranges of the subscription base can be found in section 3.3.3 of the first interim report, a more extensive list can be found in Annex 1 of the second interim report. Furthermore, it appears that the fees that trustmarks charge not only differ in height, but also in the way the fee is calculated. Some trustmarks charge a flat fee, while other trustmarks differentiate their fees according to size of turnover, number of employees, or number of websites per subscribed companies. An overview of these differences is presented in Annex 1 of the second interim report.

Furthermore, the height of the subscription fees was related to the relative complexity of the certification model. The complexity of the certification model generally increases from Cluster B to Cluster H. Although it was only possible to make a rough estimation, it could be noted that on average technically-oriented Cluster B trustmarks are cheaper than those that carry out business model certification. Furthermore, we found that simple business model certification (Cluster C trustmarks) is generally cheaper than comprehensive business model certification (Cluster D – H trustmarks). Additional services to comprehensive business model certification and dispute resolution, such as offering a money back guarantee and third party certification, tend to increase the costs of carrying a trustmark. A Cluster F trustmark may cost two to three times more than a Cluster D seal, and a Cluster G trustmark costs more than a Cluster D trustmark. An increase in the fee that is charged is not observed in the case of publishing revocation or consumer rating, which were not found to be more expensive.

In figure 3.2 trustmarks are mapped according to the complexity of the business model certification (simple or comprehensive business model certification), and according to whether they operate across borders. The X-axis shows the number of subscribers to the trustmark. Negative values were used for the trustmarks operating domestically and positive values for those that operate across borders. The scale was adapted to show the differences between the number of subscribers, ranging from 3 to 10,000 (representing the number of subscribers of the trustmarks). Although the trustmark with the most subscribers has more than 10,000 subscribers, this would mean that many dots would be outliers because of this large difference in scale. Therefore, 10,000 was used as a maximum. The dots depicted as half dots show those trustmarks that have a much larger number of subscribers. On the Y axis the

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73 TNO & Intrasoft International (2012a)
74 TNO & Intrasoft International (2012b)
75 TNO & Intrasoft International (2012b)
76 TNO & Intrasoft International (2012b)
complexity of the certification process is shown. Trustmarks using simple business model certification (trustmark clusters A, B and C) are placed at the bottom of the graph, while those using comprehensive business model certification (trustmark clusters D, E, F, G and H) are placed at the top. The relative position of a trustmark among its own cluster is coincidental – the placement of a red dot underneath another does not mean that it is more advanced.

Figure 3.3 elaborates figure 3.2, as in this figure the size of the dots represents the height of the fees of the trustmarks. This figure also shows that trustmarks using relatively simple business model certification are less expensive than those using comprehensive business model certification, and includes the country of origin of a trustmark.

<table>
<thead>
<tr>
<th></th>
<th>Single Aspect Trustmark</th>
<th>From 0 to 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Simple Business certification</td>
<td>From 5 to 10</td>
</tr>
<tr>
<td>2</td>
<td>Extensive business model certification</td>
<td>From 10 to 15</td>
</tr>
<tr>
<td>3</td>
<td>Extensive business model certification and other features</td>
<td>From 15 to 20</td>
</tr>
</tbody>
</table>

Figure 3-1: Mapping of trustmarks according to their level of business model certification and their coverage
3.2.4.3 Heterogeneity of the trustmark landscape

The graphs in figure 3.2 and 3.3 show that more comprehensive certification processes are generally more expensive than those that use simple business model certification, such as technically oriented trustmarks. However, it is hard to draw more refined conclusions than this. The reason for this is that trustmarks encompass a wide variety of seals for webshops: from those that merely check the security of the data connection to those that perform a comprehensive check of a webshop, perhaps including a visit to the physical location of the webshops. Thus, based on this analysis it becomes clear that the heterogeneity of the trustmark landscape is very large.

Furthermore, the trustmark clusters are mapped to the barriers to eCommerce to find which individual characteristics of trustmarks may contribute most to increasing (cross-border) eCommerce. This mapping exercise is described in section 2.4 of the second interim report.77 This comparison shows that a number of barriers on the consumer side can be addressed by trustmarks, including uncertainty regarding consumer rights, a lack of information on products, delivery, payment, redress etc., a lack of confidence in eCommerce, lack of branding of webshops, and fear of fraud. Three barriers on the consumer side were found that trustmarks cannot address: delivery times, language barriers, and barriers as a result of differences in legislation across member states. On the side of the retailers, the barriers that can be overcome by trustmarks include the lack of branding, the lack of fraud by consumers and search and advertisement. Prominent issues for retailers that cannot be overcome are fragmentation of regulations across member states, and problems regarding delivery.

This variety of trustmark characteristics that may help to increase (cross-border) eCommerce by overcoming barriers on the side of consumers and webshops also indicates why the variety

77 TNO & Intrasoft International (2012b)
of trustmarks is large. As heterogeneous barriers need to be overcome, trustmarks may be complementary and address different obstacles. For example, the technically oriented trustmarks and the privacy-oriented trustmarks merely focus on one single aspect of the lack of confidence in webshops: security and protection of personal data. But those trustmarks that perform (comprehensive) business model certification aim to generally boost the confidence of a single webshop by addressing multiple trust-building characteristics. Therefore, based on the analysis of the trustmark clusters, we can observe that rather than distinguishing eight clusters it may be more relevant to distinguish three ‘superclusters’, each of which comprises at least two of the eight clusters. These superclusters are (1) commercially owned cross-border trustmarks (usually belonging to Cluster E – H), (2) domestic trustmarks (Cluster C, D, and some belonging to Cluster E – H), and (3) single aspect trustmarks (Cluster A and B). The first set includes trustmarks, which are commercially owned, allowing them to easily operate across borders and offer extensive services to webshops and consumers. The second set of trustmarks includes usually trustmarks set up by industry organizations based in one country, offering comprehensive business model certification. The third supercluster is formed by the single aspect trustmarks, comprising the trustmarks focusing on privacy and the technically oriented trustmarks. In the next section, these three types of trustmarks will be evaluated in a survey among these features and characteristics are evaluated in-depth using a survey.

The results of the trustmark inventory show that, despite the clustering of trustmarks and the subsequent construction of the superclusters, the core characteristics and features of trustmark services are extremely differentiated. It appears that trustmark providers set up their business according to specific and individual market perceptions and vision of how eCommerce can be secured and how trust between customer and merchant can be built. This leads to a completely fragmented supply scenario, where there is no sign of a homogenous structuring of trustmark services. Consumers and retailers therefore need to make a significant effort to gain a proper understanding of the trustmark services supplied and of their effectiveness and benefits.

3.3 Securing trustmarks: the issue of fake trustmarks

Trustmarks aim to assure consumers that a trustmark provider has validated a particular site or online seller and that the trust process is safe according to the criteria defined by the trustmark provider itself. They are designed to increase consumers’ trust in the webshop that carries the trustmark. To date, a wide variety of online trustmarks related to eCommerce exist. In this section of the report we test the different trustmarks and examine the information a user can access when he visits a website that markets itself as being trustworthy through the use of trustmarks. The approach followed was to look for webshops and sites that illustrate that they use a trustmark and check if the logo/ certificate is visible on the trustmarks website. If there is a link from the logo to the certificate and if this link is secured (https://) so that to have a feeling if the information provided “looks” trustworthy.

Based on the information available the 46 trustmarks were grouped in 3 major categories (see table 3.6). The green category where the sites examined display both the trustmark logo and the logo links to a secure page (https://) where the certificate is displayed. This category includes 15 trustmarks.

A second category is the yellow category. This category includes the trustmarks whose logos are displayed in the page and they link to a certification page, yet this page is not secure (normal http:// page). The yellow category includes 18 trustmarks.

The third category is the orange category. This category includes the trustmarks that appear only as logos in the website examined and without a link to a certificate. This category is
illustrated as orange since the absence of a link to a certification page could be either a neglect from the webshop to link to the certification page or could indicate a possible risk as either i) the trustmark does not provide such a certificate or ii) the webshop does not enable users to have access to this information or iii) the webshop tries to fake the verification. This category includes 7 trustmarks.

Two further trustmarks could not be grouped in the above categories. The first is ISIS that has recently merged with TrustedShops. In the example we checked although the ISIS logo appears in the website there is no link, yet this might be also due to the merge. The second case includes the SureSeal trustmark from the Philippines. In this case there is both a logo and a secure link however for the site checked the seal has expired since 2010. Yet the trustmark provider clearly shows that the trustmark status verification has expired. Finally there were four trustmarks were we could not find websites that were using them.

Table 3-6: Testing the trustworthiness of the displayed trustmarks

<table>
<thead>
<tr>
<th>NAME of Trustmark</th>
<th>Is certificate visible on the trustmarks website?</th>
<th>Is link secured?</th>
<th>Does the certificate “look” trustworthy? Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segala (IE)</td>
<td>Not possible/No info found</td>
<td></td>
<td></td>
</tr>
<tr>
<td>InfoCons (RO)</td>
<td>Not possible/No info found</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TrustVn (Vietnam)</td>
<td>Not possible website does not seem to exist</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confianca Online (PT)</td>
<td>Not possible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VSV (CH)</td>
<td>YES but only logo</td>
<td></td>
<td>Since only logo could be also fraudulent/fake</td>
</tr>
<tr>
<td>TrustSg (Singapore)</td>
<td>YES but only logo</td>
<td></td>
<td>Since only logo could be also fraudulent/fake</td>
</tr>
<tr>
<td>APEK (CZ)</td>
<td>YES but only logo</td>
<td></td>
<td>Since only logo could be also fraudulent/fake</td>
</tr>
<tr>
<td>ISIS (UK)</td>
<td>YES but only logo</td>
<td></td>
<td>Now merged to Trusted Shops</td>
</tr>
<tr>
<td>JDMA (Japan direct marketing association) - Online Shopping Trust (JP)</td>
<td>YES but only logo</td>
<td></td>
<td>Since only logo could be also fraudulent/fake</td>
</tr>
<tr>
<td>CaseTrust for Webfront (Singapore)</td>
<td>YES but only logo</td>
<td></td>
<td>Since only logo could be also fraudulent/fake</td>
</tr>
<tr>
<td>eShops (LT)</td>
<td>YES but only logo</td>
<td></td>
<td>Since only logo could be also fraudulent/fake</td>
</tr>
<tr>
<td>BeCommerce (BE)</td>
<td>YES but only logo</td>
<td></td>
<td>Since only logo could be also fraudulent/fake</td>
</tr>
<tr>
<td>TrustE (US)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Comodo SSL certificates (US)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Trygg eHandel (SE)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>SOAP (CZ)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>ChamberTrust business seal (Worldwide)</td>
<td>YES</td>
<td>NO</td>
<td>YES. Provides info for the merchant but no secure link</td>
</tr>
<tr>
<td>Eurolabel Poland (PO)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>e-Mark (DK)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Fia-net (FR)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Tüv Süd (DE)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>eShop (MT)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Webshop Keurmerk (NL)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Trustmark Thai (Thailand)</td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
</tr>
</tbody>
</table>
Table 3.6 shows that

1) In five cases it was not possible to find a the logo on the website
2) In eight cases there was the trustmark logo but no embedded link leading to the trustmarks website
3) In 33 cases there was the logo and the embedded link
4) In twelve cases the link was not verifiable
5) In eighteen cases the link was secured
6) In sixteen cases the link was secured through an SSL certification.

3.3.1 General reflections on the fake trustmark issue
All in all it seems that the issue of securing the authenticity of the trustmark displayed on the website is addressed only by a relatively small share of the examined trustmark providers. This is surprising, because securing the authenticity of the trustmark itself is a relatively simple task, operationally and technically.
It must be emphasised that fraud and fake marks, seals, credit cards, ID documents are always possible. Hackers and fraudsters also develop fake websites to capture credit card and other personal data.
It is always possible and relatively easy to construct a fake trustmark for different purposes.
a) To fraudulently collect subscriptions to the trustmark. The subscribers are basically buying a mark without any "background". Here the potential damage concerns the payment of a trustmark fee without a service;

b) A more sophisticated fraud, where the fake trustmark is used to endorse a fake website with a fraudulent intent. Here the potential damage is related to the fraud perpetrated through the website. The damage is dependent on several different elements (the behaviour of the purchaser, the level of the web-site fraud, etc.). It also seems that the direct connection of the fake trustmark with the damage of the fraud produced by the fake website is weak;

c) A fake trustmark will probably not have the ‘market circulation’ of a real one, it will not be part of any ‘circuit’ and will definitely not be able to build a ‘brand name’: these internet fraud cases do not work on a large scale brand name but usually build on the naivety of customers and their short-term circulation.

On the other hand it will be quite easy to put in place verification mechanisms of the trustmark: Google already has this, and several ‘serious’ trustmarks already use a verification certificate, exactly like the SSL certificates. So it will be easy for the customer to click on the seal and to be led to the trustmark’s website where he can securely check the certificate of authenticity of the seal. Just as any other website.

3.4 Characteristics of trustmarks in relation to cross-border eCommerce

In the previous section we distinguished different trustmark clusters that were categorised according to their main characteristics. We have investigated the importance attached to the characteristics of trustmarks by different stakeholders, to find which of these characteristics may increase trust in cross-border eCommerce and should thus be supported by a pan-European stakeholder platform, the next step is to investigate the importance. A survey was sent to three different stakeholder groups: consumer associations, trader associations, and trustmark providers. The aim of this survey was to distinguish the importance of the different characteristics of trustmarks in relation to policies stimulating cross-border eCommerce domain. This section describes the main findings from this survey. These findings are described more in detail in chapters 5-9 of the second interim report on the survey results.  

This chapter describes the aggregated findings (aggregating the responses from the three stakeholder groups) and the findings from individual stakeholder groups depending on which is most relevant to the purpose of this study.

3.4.1 Value of a trustmark for consumers

The different stakeholders were asked to indicate the value of a trustmark for consumers. It showed that the stakeholders consider the verification of the webshop reputation and the verification of the quality of the sales process to be the most important characteristics of trustmarks (see figure 3.4).

78 With “market circulation” we indicate the size of the trustmark in terms of subscription and geographical coverage.

79 TNO & Intrasoft International (2012b)
While figure 3.3 shows the aggregate answer by all stakeholders, the different stakeholder groups give different answers. While the results from the consumer associations are similar to the aggregate results, industry associations (see figure 3.5) and trustmark providers (see figure 3.6) give a slightly different answer. While they also believe that the trust value provided by a trustmark lies in the verification of the webshop reputation and in the verification of the quality of the sales process, they attach less importance than the consumer organizations to the verification and quality of the dispute resolution process, the verification and assurance of the technical security of the connection, and the verification of the quality of the sales process.

Figure 3-4: Value of a trustmark for consumers according to trade associations
Trustmark providers indicate – similar to the other stakeholders – that the key trust-building features of a trustmark are the verification of the quality of the sales process, the verification of the web-shop reputation, the verification and quality of the dispute resolution and the verification and assurance of the technical security of the connection. However, they attach far more importance to these attributes than the other stakeholder groups (see figure 3.5).

Figure 3-5: Value of a trustmark for consumers according to trustmark providers

![Bar chart showing the value of a trustmark for consumers](chart.png)

3.4.2 Value of a trustmark for webshops

Trade associations and trustmark providers were asked to assess the value of a trustmark for webshops (see figure 3.6). The general agreement among the different stakeholders is that the reputation of a trustmark is the most important marketing factor for online traders. The cost of the certification procedure or the subscription fee and the easiness of the certification procedure are considered somewhat less, but still important. There is a significant share of trustmarks stakeholders who consider the trustmark procedure itself and the support to the improvement of the online sales process neutral in respect to the value of trustmark for a webshop.
Figure 3.6: The value of a trustmark for webshops according to trade associations and trustmark providers

Figure 3.7 shows the aggregated responses to the question to trade associations and trustmark providers about the value of a trustmark for webshops. The prominence of the trustmark reputation in this graph can be attributed to the responses from the trustmark providers rather than that of the trade associations, which is main difference between the two sets of answers. Furthermore, as may be expected, trustmark providers value the trustmark attributes higher than the trade associations.

3.4.3 The relative importance of trustmark characteristics

In section 3.2 we concluded that the heterogeneity of the trustmark landscape makes it difficult to determine the importance of the characteristics of trustmarks for establishing trust. Therefore, the different stakeholder groups were asked to indicate the importance of the different trustmark features and characteristics (see figure 3.7). The survey confirms the findings from the inventory of the trustmark landscape that trustmarks both have a role in creating trust upfront (at face value) and by ensuring that the after-sales process can be trusted. Creating trust upfront should, according to the answers to the survey, take place by checking whether the regulatory basis for a webshop is valid and whether the webshop is transparent in displaying the correct information. At the same time, it becomes clear that elements that ensure trust in the after-sales process are important, such as providing money back guarantee and ensuring dispute resolution.

Although the different characteristics of trustmarks were investigated in a survey held among different stakeholders, it was found that many different factors determine the impact of trustmarks on cross-border eCommerce. Still, the survey results show that verification of the regulatory basis of the webshop and checking the transparency of information provided by the webshop are considered important characteristics of trustmarks. Furthermore, also the technically oriented aspects of single aspect trustmarks, providing a money back guarantee, and ensuring dispute resolution in case something goes wrong in the after-sales process, were found important aspects of trustmarks in relation to (cross-border) eCommerce. Aspects of trustmarks that were hardly considered to contribute to (cross-border) eCommerce are consumer ratings and publishing revocation of webshops that are no longer allowed to carry a trustmark. The answers among the different stakeholder groups do not differ significantly.
3.4.4 Policies stimulating cross-border eCommerce via trustmarks

All trustmark stakeholders were asked which actions could be undertaken by the European Commission to support trustmarks developments that stimulate cross-border eCommerce (see figure 3.8). The figure shows that the different stakeholders see a basis for policy action via trustmarks by the European Commission in order to stimulate cross-border eCommerce. The policy actions that are most often mentioned are to define a minimum set of trustmark’ features, to undertake awareness-raising actions and to identify the general, operational, legal, and trust barriers which are within the scope of trustmarks. Policy actions about which stakeholders have not expressed clear preference include to set up a cross-border (EU-level) certification and supervisory body who will certify cross-border trustmarks, to continue harmonisation of eCommerce regulation across the member states, and to set up a cross-border accreditation scheme which trustmarks can use. Policy actions by the European Commission, which are considered not so important for trustmarks, are to promote a network of trustmarks to create cross-border dispute resolution within member states, to integrate online dispute resolution and alternative dispute resolution and trustmarks and to identify and disseminate best practices for the set-up and operation of trustmarks.
Section 3.4 has shown that there is a clear mandate for the European Commission to undertake action with the stimulation of cross-border eCommerce via trustmarks. Therefore, the next question is to ask the stakeholders to indicate their preference regarding the regulatory actions by the European Commission (see figure 3.9). The Commission’s policy actions proposed by the trustmark stakeholders are: the harmonisation of consumer law and the harmonisation of online sales regulations across member states. Actions that are attached less importance include online dispute resolution, cross-border warranties, and regulation of cross-border goods delivery. Actions that are attached least importance are alternate dispute resolution, and cross-border after sales.
3.4.6 Minimum set of requirements for trustmarks

A policy action that was regarded relevant by the different stakeholder groups was the set-up of minimum requirements for trustmarks. Therefore, a question in the survey investigated which features should be included in such an approach (see figure 3.10). The primary trust-building features concern the legal check of sales regulation, transparency of the sales process and of the price, administrative validity of a webshop, verification of the redress procedures, check of sales procedures, and privacy. Less high important features indicated are SSL certification, and administrative check, auditing, and doing a test order/mystery shopping/simulated purchase. Least priority features include third party certification (the certification of the certification provided by the trustmark by a third party), a physical on-site visit, and periodical review of characteristics.

Figure 3-10: Minimum trust-building features for trustmarks

![Minimum trust-building features for trustmarks](image)

3.4.7 Policy options for a EU stakeholder platform

The stakeholders participating in the survey have expressed their opinion on the policy options for a EU stakeholder platform, considering their effectiveness for the governance of the schemes (see figure 3.11). The important options are to develop minimum criteria and trust-building features for trustmarks, promote the interaction between the stakeholders of trustmarks for eCommerce, develop a methodology to identify trustmarks best practices in operational, technical, procedural and regulatory terms, promote awareness on the possibilities of the trust-building effects of trustmarks among consumers, and to define the minimum criteria for “mature” trustmarks.

Medium priority options are to promote awareness on the potentialities of the trust-building effects of trustmarks among online merchants, identify the needs for regulatory harmonisation, promote the harmonisation of quality and certification procedures among member states and trustmark providers, promote the integration of alternative dispute resolution and online dispute resolution, and to assess the effectiveness of dispute resolution systems and elaborate plans for improvement and best practices.

Relatively low-level options are to promote a cooperative network of trustmarks to solve, inter alia, the issue of cross-border dispute resolution, to promote supportive measures: inclusion of standardisation/certification mechanisms (CEN/ETSI), to address the general
language issues of dispute resolution, and to promote innovative approaches to the diffusion of knowledge on trustmarks. Based on these findings, the next chapter will elaborate and evaluate the policy options for the European Commission and the stakeholder platform.

Figure 3-11: Policy options for EU-wide trustmark schemes and the EU stakeholder platform
4 The Policy Options

The trustmarks landscape is heterogeneous and diversified. The developments of trustmark and eCommerce are dominated by the speed and diversity of driving forces affecting eCommerce and the trust-building processes. The trustmarks study aims to analyse the trustmark landscape to develop policy options to increase the level of cross-border eCommerce. The combined review and analysis of the results of the different research activities undertaken by the trustmarks study leads to a set of proposals for policy options for the development and harmonisation of cross-border trustmark services and, in parallel, for the establishment and operation of the EU trustmarks platform envisaged by the Digital Agenda for Europe.

The present trustmark study, which is based on a wide set of research activities – an inventory, a clustering and classification, a survey aimed at consumer associations, trader associations and trustmarks providers, and a focus group of stakeholders – presents a preliminary outline of the characteristics of the trustmarks domain to create a conceptual basis. The proposed policy measures and options for the stakeholder platform build on this conceptual basis to define a development path towards an effective support of cross-border eCommerce.

The policy section was structured under the assumption – also backed up by the experts in the focus group – that there is scope for action on the part of the EC. It is divided into two parts. The first part indicates those facts and results which have emerged from the study’s research on trustmarks which are relevant for the policy making process, but which are not policy measures in themselves, even though they could lead to specific policy measures. The second part addresses the actual possible policy options. These policy options encompass a set of specific actions, also stemming from the policy relevant facts, which need to be assessed, probably by the EU trustmarks platform.

4.1 A synthesis of the highlights emerging from the questionnaires

The results presented in the previous paragraphs show a number of policy relevant facts from the different points of view of stakeholders. They are synthesised below.

4.1.1 The point of view of consumer associations

The most important highlights presented by the consumer associations in their responses to the survey are:

- A majority believes that customers look for a trustmark on a webshop and that this is an important step of their purchase process. (Q1)
- Shop reputation and brand reputation are a very important factor for the online purchasing decision and the majority of consumer associations affirms it. There is obviously a scope for trustmark services to promote eCommerce. (Q2)
- Consumer associations indicate that the value of trustmarks is very much related to the verification of the webshop reputation and the quality of the sales process. (Q3)
- The respondents indicate that the verification of the quality of the dispute resolution system and the technical assurance of the connection is less important for the construction of a trust relationship. The former may be the result of the current uncertain scenario in dispute resolution at the national level, and more important, at the EU level. (Q3)
- The majority of consumer associations do not seem to believe that trustmarks are the principal factor to induce a consumer to make an online purchase. (Q4)
Nevertheless, the majority of consumer associations confirm that a trustmark on a website is of high importance to establish a trust relationship between purchaser and trader. (Q5)

The majority of consumer associations indicate that a competitive product price, payment security and competitive product availability and choice are the key trust-building factors in an online purchase decision. It needs to be noted that the payment security is referred to the process of payment itself, the care in securing the specific financial transaction, and not the assurance of the link through a certified SSL connection. (Q6)

From the consumer association perspective it is absolutely important that trustmarks verify the compliance with consumer or e-commerce regulations at EU or member state level, the complaints resolution and redress process, and the legal protection of consumers. Trustmarks should not verify the webshop reputation, since this would be very difficult and, more important; it is the task of the trustmark to act as a warrantor of the webshop reputation. (Q7)

The opinions of the relative importance of the trust-building features trustmarks should provide are scattered. The explanation for this result might be that the whole domain is still so uncertain, at national and, more important, at cross-border level, that the preferences are differentiated. Consumer associations indicate that the trust features (requirements) the trustmarks should provide should include the regulatory basis for the webshop, checking the transparency of information, and a dispute resolution system. Less important features include third party certification, SSL certification, consumer rating, and publishing revocation. Clearly there is an emphasis on the features, which more directly impact on the trust between trader and purchaser. (Q8)

Consumer associations state clearly that the institutional setup of the trustmark is important for trust building (Q9) and that trustmarks provided by governments and by foundations and non-profit organisations are considered the more trustworthy.

There is a clear preference for compliance with national regulations and with EU regulations, while the certification according to a code of conduct formulated by the trustmark organisation is not a clear preference for all consumer associations. (Q10)

Consumer associations indicate clearly that the number of subscribers is a positive trust-building factor for trustmarks, much less the size in terms of covered countries. (Q11)

In respect to trust features of trustmarks, the responses are again extremely scattered, but there is clear preference for a money back guarantee, the design of the dispute resolution system, the regulatory basis of the trustmark and the transparency of the sales process and of the price. (Q12)

The consumer associations indicate that the trust features having the highest impact on the cross-border trade transactions are money back guarantee, dispute resolution system, third party certification by an EU institutional body, the regulatory basis of a trustmark, and the transparency of the sales process and of the price. Low preferences are indicated for consumer ratings, revocation publishing, third party certification, privacy assurance and SSL certification. (Q13)

According to consumer associations the European Commission should (Q14):

- Define a minimum set of harmonised trustmarks trust-building features to be guaranteed by trustmark certification
- Promote awareness-raising actions of stakeholders
Setting up a cross-border (EU-level) certification and supervisory body who will certify cross-border trustmarks

Promote the networking of cross-border trustmarks for the dispute resolution between different member states

Identify and disseminate best practices for the set-up and operation of trustmarks

Integrate online dispute resolution and alternative dispute resolution and trustmarks schemes

- The European Commission should take regulatory measures towards (Q15):
  - Harmonisation of online sales regulation
  - Harmonisation of consumer law
  - Online dispute resolution
  - Cross-border warranties

- Any trustmark should have the following minimum trust-building features (Q16)
  - Legal check of sales regulation
  - Transparency of the sales process and of the price
  - Verification of the redress procedures
  - Check of sales procedures
  - Administrative validity of the webshop

- The EU trustmark policy platform should deal with actions aimed at (Q17)
  - Developing minimum criteria and trust-building features for trustmarks
  - Developing a methodology to identify trustmarks best practices in operational, technical, procedural and regulatory terms
  - Promoting awareness on the potentialities of the trust-building effects of trustmarks among consumers
  - Promoting the interaction between the stakeholders of trustmarks for eCommerce
  - Defining the minimum criteria for “mature” trustmarks.

4.1.2 The opinion of trader associations

Through the responses to the online questionnaire the trader associations have provided a number of policy relevant key indications:

- The majority of trade associations indicate that consumers consider the certification of a webshop by a trustmarks before engaging in an online purchase. (Q1)

- Shop reputation and brand reputation are the most important factors when consumers make their online purchase decision (Q2)

- For the majority the online trust value of trustmarks resides in the verification of the web-shop reputation. All other features (quality of DRS, technical assurance of the connection, verification of the sales process) are much less important. It still notable that in fact the verification of the webshop reputation is also somehow overarching the other three checks. (Q3)

- When traders choose a trustmark they consider the trustmark reputation, the cost of the certification procedure or subscription fee, and the ease of the certification procedure. They care much less for the trustmark procedure and the services provided by the trustmark. (Q4)
- The majority of trader associations indicate that trustmarks can play a high role in inducing consumers to make an online purchase. There are two important results from this question: that a small, but significant amount of respondents indicate that the importance is not very high and almost 30% indicate that the role of a trustmark is neutral. (Q5)

- A trustmark on a website is of high importance to establish a trust relationship between purchaser and trader (Q6).

- The most important trust-building features in the trader-customer relationship are competitive product availability and choice, competitive product price, webshop reputation, payment security. There are different perceptions between traders and consumers, where the latter prefer general shop and brand reliability and the formers more concrete sales factors. (Q7)

- Traders expect that trustmarks are able to tackle member state level eCommerce dispute resolution, risk of fraud and non-payment, payment security, support cross-border eCommerce dispute resolution, trust in the webshop. (Q8)

- According to traders, trustmarks should base their certification on the administrative check of a shop, on the webshop reputation, compliance with consumer or eCommerce regulations at the EU or member state level, on the sales process fairness and transparency, prices and extra charges, and on the legal protection of consumers. (Q9)

- Trade associations have indicated that trustmarks should require a verification of the transparency of information provided by the webshop (checking the transparency of information), a verification of the regulatory basis for the online shop, providing SSL certification, and set up dispute resolution. (Q10)

- A significant majority indicates that that the institutional set-up of a trustmark is important in respect to its trust-building capability. (Q11)

- The trade associations indicate that the highest level of trust would be provided by trustmarks provided by government bodies. Trustmarks provided by industry organisations or trade associations and trustmarks provided by foundations or non-profit organisations would provide significant levels of trust. (Q12)

- The majority of trader associations affirm that there is a direct correlation between the number of subscribers and the level of trust potentially perceived by traders. When the size of the covered geographical scope by the trustmark is considered, the correlation is much weaker and a significant – even if minority – share of consumer associations believes that this dimension is either neutral or of low importance. (Q13)

- Considering the influence of trustmark features on current and future cross-border eCommerce, trader associations indicate that the ones with the highest impact are money back guarantee, transparency of the sales process and of the price, dispute resolution, third party certification by an EU institutional body”, regulatory basis of the trustmark, and third party certification. (Q14)

- The majority of trader associations indicate that they would prefer a flat fee higher than 120€ per annum and lower than 200€ per annum, followed by a turnover-related fee less than 150€ per annum. (Q15)

- According to trade associations, the European Commission should proceed towards (Q16):
  o Setting up a cross-border (EU-level) certification and supervisory body who will certify cross-border trustmarks
  o Setting up a practical cross-border certification scheme which trustmarks can use to set-up their trust service
- Define a minimum set of harmonised trustmarks features to be guaranteed by the trustmark certification
- Identify the general, operational, legal, and trust barriers which are within the scope of trustmarks
- Promote awareness-raising actions of stakeholders

- The European Commission should take regulatory measures towards (Q17):
  - Harmonisation of consumer law
  - Harmonisation of online sales regulation

- Any trustmark should have the following minimum trust-building features (Q18)
  - Legal check of sales regulation
  - Transparency of the sales process and of the price
  - Administrative validity of the webshop
  - SSL certification
  - Auditing

- The EU trustmark policy platform should deal with actions aimed at (Q19)
  - Promoting the interaction between the stakeholders of trustmarks for eCommerce
  - Developing minimum criteria and trust-building features for Trustmarks
  - Developing a methodology to identify trustmarks best practices in operational, technical, procedural and regulatory terms
  - Promoting awareness on the possibilities of the trust-building effects of Trustmarks among consumers
  - Identifying the needs for regulatory harmonisation

4.1.3 The position of trustmark providers

The trustmarks organisations – TMOs – provide a comprehensive set of responses to the online survey with policy relevance:

- Over two-thirds of the trustmarks providers state that customers consider a trustmark before they decide to purchase from a particular webshop and only a minority believes that the trustmark is considered only when something went wrong with the transaction. Of course this figures reflect the ‘original bias’ of respondents, i.e.: the trustmarks providers in respect to consumers and traders. (Q1)

- Trustmark providers confirm that the most important aspects for consumers in their online purchase decision are the webshop reputation and the brand reputation. There is also quite a preference for SSL certification, probably due to quite a number of trustmark providers who choose this as their core business (Q2)

- The verification of the quality of the sales process and the verification of the webshop reputation are the most important trust value provided to traders by trustmarks. It should be noted that a significant number of trustmarks believe that the verification and quality of the dispute resolution process and the verification and assurance of the technical security of the connection are neutral in respect to trust building. (Q3)

- According to trustmark providers the most important factor according to which traders choose to subscribe is the trustmarks reputation. (Q4)

- The most important customer decision-making factors are webshop reputation, the sales conditions transparency, price and extra charges; external sales process certification (by a trustmark), and transparent sales and payment conditions. (Q5)
The most important factors to establish a trust relationship are webshop reputation, competitive product availability and choice, and payment security. (Q6)

According to trustmark providers, trustmarks can effectively overcome the trust barriers related to trust in the webshop, payment security, support cross-border eCommerce dispute resolution, support the member state level eCommerce dispute resolution, and enable the webshop to increase the market presence and scope. (Q7)

The most important trust factors trustmark providers should verify include administrative check of a webshop, payment security, legal protection of consumers, sales process fairness and transparency, prices and extra charges, as well as complaints resolution and redress. (Q8)

Trustmark providers should include the following requirements in their certification: the regulatory basis for the online shop, checking the transparency of information, dispute resolution, privacy assurance, and money back guarantee. (Q9)

According to trustmark organisations, the key regulatory verification should refer to the certification of compliance with national regulations. Certification according to a code of conduct formulated by the Trustmark organization is most important to a significant share of trustmark organisations and of relatively low importance to an equivalent number of trustmark organisations. The reason for this might be the different business model adopted by the different trustmarks as well as the specific technical orientation of some of the trustmark service providers. The certification of compliance with EU regulations is important to several trustmarks and at the same time of low importance to another significant amount. The background thinking might be related to the difficulty and the length of enforcement in this field and also the difficulty of enforcing the code of conduct. (Q10)

The European Commission should proceed towards (Q11):
  - Promote awareness-raising actions of stakeholders
  - Define a minimum set of harmonised trustmarks features to be guaranteed by the trustmark certification.
  - Setting up a practical cross-border certification scheme which trustmarks can use to set-up their trust service
  - Setting up a cross-border (EU-level) certification and supervisory body who will certify cross-border trustmarks
  - Continue regulatory harmonisation of eCommerce regulation across the EU

The European Commission should take regulatory measures towards (Q12):
  - Harmonisation of consumer law
  - Harmonisation of online sales regulation
  - Online dispute resolution
  - Cross-border warranties

Any trustmark should have the following minimum trust-building features (Q13)
  - Legal check of shop’s sales regulation
  - Transparency of the sales process and of the price
  - Privacy
  - Check of sales procedures
  - Periodical review of characteristics
  - Administrative check

The EU trustmark policy platform should deal with actions aimed at (Q14)
  - Develop minimum criteria and trust-building features for trustmarks
Promote the interaction between the stakeholders of trustmarks for eCommerce
Define the minimum criteria for “mature” trustmarks
Develop a methodology to identify trustmarks best practices in operational, technical, procedural and regulatory terms.

4.1.4 The common questions
The three online questionnaires were customised for the different target groups of stakeholders. Each group has a different role in the trustmark landscape, different perspectives, opinions and points of view. However some of the questions are common: to all three groups of stakeholders or to pairs of stakeholders. The present paragraph shows the policy relevant outcomes of the common questions.

4.1.4.1 The common opinions of consumer and trader associations and trustmark providers
Several questions are in common for consumer and trade associations and trustmark providers. The resulting highlights are that:

- The survey results show that, unlike the opinion expressed by some of the trustmarks organisations, consumers are aware of the benefits of trustmarks and consider them as a key trust building factor within online transactions. The vast majority of customers are directly drawn to a webshop when they see a trustmark. Only a minority of the customers (about 20%) does not consider the trustmark unless something went wrong with the transaction.

- For the majority of the respondents to the trustmarks survey, the relatively most important factors considered by consumers when they make their online purchase decision are the shop reputation and the brand reputation.

- The online trust value of a trustmark on a web site is the verification of the reputation of the webshop and the verification of the quality of the sales process.

- The most important trust-building features to all stakeholders responding to the survey are competitive product price, payment security, and webshop reputation.

- According to all stakeholders the most important features, which should be provided, are the regulatory basis for the online shop, checking the transparency of information. Dispute resolution, privacy assurance and money back guarantee are also considered important.

- All trustmarks stakeholders give priority to compliance with EU regulations and with national regulations in respect to the regulatory basis of trustmarks. Surprisingly the certification according to a code of conduct formulated by the trustmark provider is less important, indicating still a strong orientation towards ‘traditional’ regulations and enforcement.

- It is advisable that the European Commission puts in place some kind of coordination support to
  - define a minimum set of harmonised trustmarks features to be guaranteed by the trustmark certification
  - promote awareness-raising actions of stakeholders
  - Clearly identify those trust barriers which actually can be dealt with by trustmarks. On the other hand the European Commission should promote
awareness of those barriers which are outside the scope of trustmarks and require different policy measures.

- The European Commission should take regulatory measures for the
  o Harmonisation of consumer law
  o Harmonisation of online sales regulation
  o Online dispute resolution
  o Cross-border warranties
  o Regulation of cross-border goods delivery

- Any trustmark should have the following minimum trust-building features
  o Legal check of sales regulation
  o Transparency of the sales process and of the price
  o Administrative validity of the webshop
  o Verification of the redress procedures
  o Check of sales procedures
  o Privacy

- The EU trustmark policy platform should deal with actions aimed at
  o Developing minimum criteria and trust-building features for trustmarks
  o Promoting the interaction between the stakeholders of trustmarks for eCommerce
  o Developing a methodology to identify trustmarks best practices in operational, technical, procedural and regulatory terms
  o Promoting awareness on the possibilities of the trust-building effects of trustmarks among consumers
  o Define the minimum criteria for “mature” trustmarks

4.1.4.2 Trader associations and trustmark providers
The questions in common between trade associations and trustmark providers indicate that:

- The most important factor traders consider when deciding to subscribe to a trustmarks is its reputation.

- Considering the trust barriers which can be tackled by trustmarks services, the traders and trustmarks organisations indicate that trustmarks are most important in respect to trust in the webshop, support of the member state level eCommerce dispute resolution, payment security, supporting cross-border eCommerce dispute resolution, and risk of fraud and non-payment.

4.1.4.3 Trader and consumer associations
The joint assessment of trade and consumer association leads to a set of policy relevant highlights:

- When they assess the role of a trustmark on a website to induce a consumer to make an online purchase, about half indicate that trustmarks are neutral or have a low importance in respect to the consumer decision to make an online purchase and about 50% indicate that the importance is high or very high.

- Considering the importance to establish a trust relationship between customer and trader, the majority of respondents indicate that a trustmark is of high importance or of very high importance.
- Trade associations and consumer associations indicate that trustmarks run by
government bodies and by foundations or non-profit organisations are the trust
worthiest ones.
- To both trade and consumer associations the size of a trustmark in terms of subscribers
is an important trust-building factor.

4.2 Policy-relevant findings
The different analytical activities of the trustmark study have produced a number of policy-
relevant results, in other terms, facts, which need to be taken into account when the overall
trustmarks policies are set up. These results need to be considered for the design of the
coming policy measures concerning trustmarks directly and the promotion of cross-border
eCommerce at large. The present chapter highlights these policy-relevant facts, relates them
to the evidence emerging from the research activities and suggests consequential policy
options.

4.2.1 Policy-relevant fact nr. 1.: The heterogeneity of the eCommerce Landscape
and of the trust factors which are related to it
From the inventory of the trustmark landscape and the trustmark clustering it becomes
apparent that the trustmark landscape is very diversified: trustmarks may have millions or just
three subscribers, the fees may vary widely from thousands of euros yearly membership costs
for large companies, to a few hundred euros certification costs for a single website or
webshop, and the characteristics that they address range from addressing a single aspect such
a SSL certification to comprehensive business model certification including mystery shopping
or an physical visit to the webshop. We have built three “superclusters” using the eight
original ones.: (1) single-aspect trustmarks which address the security and privacy of websites,
(2) commercially owned cross-border trustmarks which often have features such as money
back guarantee and customer ratings, and (3) domestically active trustmarks often set up by
(trade) associations with business model certification. Therefore, it is difficult for the
European Commission to come up with a general approach that addresses all these different
types of trustmarks at once.

Factual evidence from the focus group:
The participants agree on the heterogeneity of the trustmark landscape.
“… the heterogeneity of the trustmarks and the variety of their trust building features is the
result of the fast-changing eCommerce market in which many different aspects can be
covered by trustmarks. It is also a result of the heterogeneity of the webshops, which range
from large and internationally oriented webshops to very small (often owned by one person)
webshops. This heterogeneity also calls for an approach that fosters it rather than confines it
with a ’one size fits all’-approach. Stakeholders express the usefulness of (European)
standards for trustmarks. According to some stakeholders, consumers are especially
interested in trustmarks covering the after-sales process in case something goes wrong.”

4.2.2 Policy-relevant fact nr. 2.: Size and trends in cross-border eCommerce
The percentage of citizens of the EU purchasing online domestically and cross-border
purchases are increasing⁸⁰. Although there are certain shares of the population which have a

⁸⁰ Paragraph 2.1 of the final report
low or nil propensity to purchase online, as they do not have internet access at all or because they prefer to shop offline, but overall there is an increasing trend of online purchases in the EU. This trend is not homogenous across the entire Union, as large differences exist between different countries.

4.2.2.1 The relevance of trustmark features for making a purchase decision

The survey findings show that the reputation of a webshop is a central element for establishing the reputation of a webshop. The focus group participants have emphasised that this does not mean that trustmarks do not have an effect. Both branding of a webshop and a trustmark may influence the reputation of a webshop. One issue is that the existence of too many trustmarks may have a negative effect on the reputation of every webshop, also the serious trustmarks. In that case, consumers may no longer understand which trustmark is reliable. Especially the after-sales process is important, since this is what consumers need to be able to rely on when something goes wrong in the sales process. The participants in the focus group confirm that consumers simply want trustmarks to guarantee what is stated in their code of conduct. Consumers need to be able to rely on trustmarks to ensure that webshops comply with the code of conduct of a trustmark. Even the large webshops see the need for a trustmark, although they may not need one, as they are well known by themselves.

Factual evidence:

In the Digital Agenda the European Commission has outlined its objective to establish a fully functioning digital single market. As part of this resolution, it has adopted objectives for percentages of Europeans shopping online: 40% of Europeans will shop online domestically and 20% of European will shop online across borders by 2020. While the percentage of Europeans shopping online domestically is nearly at the target that is set, but the percentage of European shopping online cross-border is falling behind target at it remained around 8-9% over the past years. Consumers, however, can obtain large gains in terms of price, choice and quality. Since price is a large incentive for consumers to buy online rather than in a physical store, there is a large potential for cross-border eCommerce.

Considerations on policy making:

This emerging fact has an important consequence on EU policy making: the size and the growth, as well as the growth opportunities of the European internal market should be exploited. The EU-wide exploitation of eCommerce for wealth, growth and jobs would significantly benefit from a cross-border coordination fostered by the European Commission. The study shows strong growth dynamics and it is within the mandate of the EC to take action to promote the smooth development of trustmarks as one of the many promoting factors of cross-border eCommerce. In particular the EC needs to take care of those areas, which lag behind for different reasons, and put in place measures which counter the discrimination of citizens and businesses.

Possible related policy action:

The growing size and critical mass of cross-border eCommerce and the disparity of developments across the EU justify a policy intervention by the EC.

81 European Commission (2011a)
82 TNO & Intrasoft International (2012a)
### 4.2.3 Policy-relevant fact nr. 3.: The centrality of the shop reputation and the role of trustmarks

The relatively most important factor considered by consumers when they make an online purchase decision is the shop reputation. At the same time the majority of respondents to the survey indicate that the online trust value of a trustmark is precisely in the verification of the webshop reputation. Similarly, a large number of stakeholders confirm that trustmarks are either of high or very high importance to establish a trust relationship between purchaser and trader.

#### 4.2.3.1 Role of the reputation of a trustmark

The survey findings show that the reputation of a trustmark is central to its effectiveness. How can trustmarks improve their reputation? According to the focus group participants, the answer to this question may lie in a standard to which all trustmarks adhere in order to make eCommerce a trusted platform. A problem is however, according to them, that it is not the companies that are not trusted by consumers, but the Internet itself. The standards or minimum requirements for trustmarks can be defined at the European level to ensure trust in cross-border eCommerce. Trustmarks may be used as pre-contractual harmonization of the sale process.

The trustmark reputation, and therefore its pattern of operation is very important to traders.

**Factual evidence:**

- Consumer Questionnaire, Q2: 84% of the respondents indicate that reputation has high or very high importance.
- Consumer Questionnaire, Q3: 77% of consumers indicate that the online trust value of a trustmark is the verification of the webshop reputation, and 74% indicates that the Verification of the quality of the sales process is a strong trust enabler. Trustmarks are therefore considered a key factor for shop reputation.
- Consumer Questionnaire, Q5: 58% of consumers indicate that trustmarks are of high or very high importance in the relationship between purchaser and trader
- Consumer Questionnaire, Q6: 22% of the respondents indicate that the shop reputation is one of the key trust-building features in the purchase decision.
- Traders Questionnaire, Q2: 95% indicate that the verification of the shop reputation is important or very important, 55% of the respondents indicate that a trustmark is important for the consumer purchase decision.
- Traders Questionnaire, Q3: 70% indicate that the verification of the webshop reputation is important or very important. 52% indicate that trustmarks are very important to increase the consumer’s trust value in a webshop.
- Trader’s Questionnaire, Q4: 70% indicate that the trustmark reputation is of high or very high importance for the trust relationship, therefore a ‘trusted trustmark’ is perceived as very important to support cross-border eCommerce.

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The above instances are referenced as follows:

83 Survey, common question Q2
84 Survey, common question Q3
85 Survey, common question Q6 (Q5-Consumers, and Q6-Traders)
- Trader’s Questionnaire, Q5: 57% of respondents indicate that trustmarks are important or very important to induce a customer to make a purchase.
- Trader’s Questionnaire, Q6: 68% indicate that a trustmark on a website is of high or very high importance for the trust relationship between purchaser and trader.
- Trader’s Questionnaire Q7: 29% of the respondents indicate that the webshop reputation is very important for the customer-trader trust relationship.
- Trader’s Questionnaire Q9: webshop reputation is the most important trust feature for traders and 24% of the respondents indicate that trustmarks should verify it.
- Trustmarks Organisations Q2: webshop reputation and brand reputation are the most important factors for consumers’ purchase decisions (95% and 72% respectively)

Considerations on policy making:

This fact emerging from the research activities has no direct specific policy making consequence, but provides an important basis for action: it confirms that trustmarks are an important factor for the promotion of cross-border eCommerce and that the way they operate is very relevant for their trust-building capability. Trustmarks are a key factor to promote trust in trade in the cyberspace, and all stakeholders confirm this. Trustmarks therefore have a role in promoting cross-border eCommerce and it is important that their trust features and their operations are reputable. The reputation aspect and the related trust aspect need to be secured and guaranteed across the entire Union. The coordination by the European Commission would ensure an even diffusion of trusted cross-border eCommerce.

Possible related policy action:

Stakeholders have concretely recognised the role of reputation in eCommerce and in cross-border eCommerce and within this context the potentialities of the effects of trustmarks. There are two key dimensions which require attention by the policy maker: the even diffusion of trust services across the entire European Union and the cross-border level of trust services. This means that, since the development of trustmarks appears to be related to the level of development of eCommerce, some EU member states may lag behind and their citizens may be offered less security and less opportunities. The fact that the European Commission has an almost unique role of EU-level coordination and policy making provides for a concrete scope for action.

4.2.4 Policy-relevant fact nr. 4.: The drivers of trust in eCommerce and the barriers to cross-border eCommerce

Stakeholders are aware of the importance of the trust relationship in cross-border eCommerce, but still the most important driver of trust is the competitive product price. Of course stakeholders confirm that trustmark-related features are important in the consumer-trader relationship, thus confirming a role of trustmarks in the field, but still the policy maker needs to be aware that not all the barriers to cross-border eCommerce can be dealt with by trustmarks. The survey confirms that the stakeholder believe that trustmarks have a limited scope of action when dealing with cross-border delivery and logistics and with language barriers.

86 Survey, common question Q7 (Q6 Consumers/Q5 TMOs)
87 Survey, common question Q8 (Q8 Traders/Q7 TMOs)
**Factual evidence:**

- Consumer Questionnaire, Q6: 44% of the respondents indicate that transparent sales and payment conditions are a key trust factor, and 27% indicate payment security. Trustmarks have a scope here, since they can certify both. The same question also indicates that main drivers of eCommerce are also the competitive product price and competitive product availability and choice. These are key elements for the promotion of cross-border eCommerce which are not directly within the scope of trustmarks, but which indicate that the national and global eCommerce takes place in a very competitive and open market, where not only the sales process counts, but evidently the supply counts even more. Policy making needs to be aware of the weight of supply in respect to the process itself and not overestimate the trustmarks’ capability to be an universal driver for all factors determining eCommerce.

- Consumer Questionnaire, Q9: the majority of respondents indicates that the institutional setup of the trustmark is important for trust (94%) and that they would associate the highest level of trust with governmental bodies or with non-profit organisations (81% and 84% respectively).

- Trader Questionnaire, Q8: respondents indicate clearly that while there are a number of trust barriers which can be effectively overcome by trustmarks, such as Dispute Resolution at national level, Risk of fraud and non-payment, payment security, cross-border dispute resolution (55%, 68%, 69%, 70% and 70% respectively), they have a limited scope in assuring cross-border delivery and logistics, overcoming language barriers and assuring cross-border payments (58%, 69%, and 48% respectively).

- Trader Questionnaire, Q7: respondents confirm that Transparent sales and payment conditions, Competitive product availability and choice, and Competitive product price, respectively, 43%, 22% and 21%. Again, the webshop reputation is important or very important for 29% of the respondents. It is therefore considered an important factor – even if not necessarily the most important one – and again there is scope for the action of trustmarks to act as a facilitating element for cross-border eCommerce. But there are also factors, which are related to the supply and not to the sales process, which are outside the scope of action of trustmarks.

- Trustmarks organisations’ questionnaire Q5: as expected, respondents place webshop reputation on the first rank (26%), and they confirm the importance of a competitive product price (20%), and of transparent sales and payment conditions (43%). These responses seem to reflect the point of view of trustmark providers and need to be balanced with the opinions of online consumers and online traders.

**Considerations on policy making:**

The study confirms a general opinion on the capabilities of trustmarks to foster cross-border eCommerce. However the policy maker needs to be aware that not all barriers to eCommerce can be overcome by trustmarks services. The promotion of cross-border eCommerce requires a comprehensive consideration of fostering and hampering factors and the identification of the most appropriate solutions.

The promotion of cross-border trustmarks will address the trust-specific barriers. The means to overcome trust-unrelated barriers need to be identified and implemented in the more general eCommerce related policy framework.
Possible related policy action:
The position of the majority of stakeholders confirms that in this area the cross-border dimension is very important. There are on-going cross-border activities driven by industry and the private sector, but stakeholders indicate that a balanced cross-border coordination would generate very positive effects. Trustmark unrelated policy measures shall be identified and developed. Particular attention should be placed on cross border delivery and logistics and on language barriers.

4.2.4.1 The barriers to eCommerce and the opinion of the stakeholders participating in the focus group
The present trustmarks study has examined the issue of the barriers to eCommerce in great depth. There are many different barriers linked to various aspects of the setup and the operation of the online trade. In the survey we have asked the participants belonging to the three stakeholder groups to assess the role of the different barriers and to give us their opinions on the weight and impact on eCommerce. The following tables summarises the results of the assessment and the opinions of the different stakeholder groups on each barrier and on the possibility to leverage trustmark services to overcome them.

Table 4-1: Barriers to eCommerce from the consumer perspective: the opinion of the stakeholders

<table>
<thead>
<tr>
<th>Barrier to eCommerce from the consumer perspective</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Language barrier</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>2. Delivery times</td>
<td>Opinions are polarized, no position</td>
</tr>
<tr>
<td>3. Environmental regulation issues</td>
<td>Some believe they can be addressed, but there is a certain doubt of need</td>
</tr>
<tr>
<td>4. Overall lack in confidence</td>
<td>One of the key functions of trustmarks, confirmed unanimously</td>
</tr>
<tr>
<td>5. Fear of fraud: misuse of personal data</td>
<td>The majority confirms that it is an issue for trustmarks</td>
</tr>
<tr>
<td>6. Uncertainty of webshop location</td>
<td>The majority confirms that it is an issue for trustmarks</td>
</tr>
<tr>
<td>7. Lack of information on the cross-border process</td>
<td>The majority confirms that it is an issue for trustmarks</td>
</tr>
<tr>
<td>8. Extra charges</td>
<td>Opinions are polarized, no position</td>
</tr>
<tr>
<td>9. Uncertainty on consumer rights</td>
<td>The majority confirms that it is an issue for trustmarks</td>
</tr>
<tr>
<td>10. Fear of fraud: payment security threats</td>
<td>One of the key functions of trustmarks, confirmed unanimously</td>
</tr>
<tr>
<td>11. Resolution, complaints, after sales handling and redress</td>
<td>The majority confirms that it is an issue for trustmarks</td>
</tr>
</tbody>
</table>

88 Survey, same common question Q8
<table>
<thead>
<tr>
<th>Barrier to eCommerce from the consumer perspective</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Performance of webshops (new barrier identified by participant)</td>
<td>No endorsement (yet)</td>
</tr>
<tr>
<td>13. Optimized likelihood of success of customer (new barrier identified by participant)</td>
<td>No endorsement (yet)</td>
</tr>
<tr>
<td>14. Eventual global preference for local shopping (new barrier identified by participant)</td>
<td>No endorsement (yet)</td>
</tr>
</tbody>
</table>

### Table 4-2: Barriers to eCommerce from the webshop perspective

<table>
<thead>
<tr>
<th>Barrier to eCommerce from the perspective of the webshop</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Language barrier</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>2. Hampered cross-border logistics</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>3. Technical costs for the webshops</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>4. Higher administrative burden</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>5. Tax regulation fragmentation</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>6. Fragmentation of environmental regulations</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>7. Risky cross-border payments</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>8. Hampered search and advertisements</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>9. Lack of IT skills</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>10. Consumer protection regulatory fragmentation</td>
<td>The majority confirms that it is an issue for trustmarks</td>
</tr>
<tr>
<td>11. Fragmentation of copyright regulation</td>
<td>The majority confirms it is no issue for trustmarks</td>
</tr>
<tr>
<td>12. Lack of branding</td>
<td>The majority confirms that it is an issue for trustmarks</td>
</tr>
<tr>
<td>13. Performance of webshop (new barrier identified by participant)</td>
<td>Opinions are polarized, no position</td>
</tr>
</tbody>
</table>
4.2.4.2 Conclusion on the barriers that trustmarks address
The participants are clearly divided between those that believe that (nearly) all barriers to cross-border eCommerce can be solved and those that believe that almost nothing can be solved by trustmarks. A third group of participants find themselves ‘in the middle’, by mentioning a few barriers that may be addressed by trustmarks, and some others that are probably not be addressed. The positions in this field once again are very differentiated. A concerted action at EU level to identify barriers to eCommerce would on the one hand enhance the specific policy action and coordination, on the other highlight barriers which need to be tackled through other policy measures.

4.2.5 Policy-relevant fact nr. 5.: the institutional set up of trustmarks
Trustmarks stakeholders indicate that government bodies are the most trustworthy warrantors in the field, followed by foundations or non-profit organizations. Surprisingly, opinions on trustmarks provided by industry organisations or trade organisations are almost evenly spread when it comes to assessing level of trust and trustmarks provided by private companies are either neutral or provide a low level of trust. This is surprising, because many of the SSL certificates and of the privacy certifications are provided by private companies and objectively seem to work very well in respect to the business model they have chosen.

**Factual evidence:**
- Consumer Questionnaire Q9: 94% of the respondents indicate that the institutional setup of the trustmark is important for its capability to build trust. The respondents also indicate that they would trust the government bodies (81%) and foundations or not-for profit organisations (84%).
- Trader Questionnaire Q11: 88% of the respondents confirms that the institutional setup has an important impact on trust. 86% of the respondents would trust governmental bodies and 69% would trust foundations and not for profit organisations.

**Considerations on policy making:**
The statement of stakeholders is peculiar, since it attributes a particular trust building role to government bodies and in general to not for profit organisations. The European Commission might want to take account of this general opinion, probably not so much to engage directly in the provision of trustmark services, but more to leverage the trust-building role of neutral (public) bodies. The forthcoming discussion on the setup of trustmarks should probably take into account that consumers and traders have a preference for a trustmark provider who is neutral in respect to the partied in the eCommerce relationship. In other terms, stakeholder would trust a TM more if provided by an independent body. It is worthwhile noting that there are several important trustmarks which are promoted or owned by the private sector and by enterprises, in particular the single-aspect trustmarks focusing on SSL certification or on privacy.

**Possible related policy action:**
Bring the institutional issue into the discussion in the stakeholder platform and agree on a shared solution among stakeholders. In other terms it will be useful to share and agree with

89 Survey, common question Q11 (Q11 Traders/Q9 Consumers)
the stakeholders of trusted services whether and how the institutional setup is influential to the trust-building between customers and merchants.

4.2.6 Policy-relevant fact nr. 6.: the trustmarks trust features
Stakeholders indicate that the minimum trustmark features, which should be provided, are:
- The verification of the regulatory basis for the online shop
- Checking the transparency of information
- Dispute resolution system
- Privacy assurance
- Money back guarantee

There is no clear indication on whether trustmarks should provide SSL certification; probably this is very much related to the business model adopted by each trustmark.

Factual evidence:
- Consumer Questionnaire Q8: the priority trustmark features include necessarily the verification of the regulatory basis for the online shop (27% of the relative priority), checking the transparency of information (29%), dispute resolution (28%). There is no clear preference on money back guarantee and privacy assurance, where the results are scattered over the ranks. Consumers do not express a particular preference for third party certification (ranked low by 13% of the respondents), SSL certification (16%), consumer rating (20%) or publishing revocation (15%).
- Trader Questionnaire Q10: A verification of the transparency of information provided by the web-shop (checking the transparency of information) judged important by 29% of the respondents, the verification of the regulatory basis for the online shop (30%), providing SSL certification (24%), dispute resolution system (29%). Money back guarantee and third party certification are judged less important (18% and 16% respectively). Consumer ratings, publishing revocation and privacy assurance is rated low importance (respectively 18%, 23% and 16%).
- The trustmarks providers (Q9) on the other hand, rate the regulatory basis for the online shop (32%), the information transparency check (32%), dispute resolution (27%), privacy assurance (32%), and money back guarantee (20%) very high. The lowest preferences have been expressed for publishing revocation and consumer rating (of low importance for 24% and 25% of the respondents respectively).

Considerations on policy making:
Here we have an important step forward in reducing the heterogeneity of the perceptions and ideas on the trustmark field and on how trustmarks should look like. The conclusion is well rooted in evidence, since the comprehensive inventory of trustmarks features described in interim report 1 and in the clustering report is presented for assessment to stakeholders, who have selected those which appear most vital for trust-building.
From the consumer perspective a quite pragmatic approach emerges: trustmarks need to check the regulatory basis, check transparency and ensure dispute resolution. Other features seem to be perceived as too complex or unnecessarily sophisticated, such as third party certification or revocation.

90 Survey, common question Q10 (Q10 Traders/Q9 TMOs/Q8 Consumers)
Traders have other priorities, they prefer ‘core verifications’ on transparency, on the regulatory basis, SSL – every trader is aware of the need of a secure link and might want to purchase the service with the whole package – and the dispute resolution system, which pragmatically helps running the business smoothly. Pragmatically, traders express a low preference for consumer ratings and for third party certification, which might be perceived as too complicated for the associated commercial benefits.

Trustmarks organisations express their specific points of view on the preferred business model, which aims at a typical eCommerce model certification, giving a lower priority to speciality features such as SSL certification and third party certification and basically disregarding features such as revocation and consumer rating, which are marginal in respect to the typical features and introduce complexities with a lower cost/effectiveness ratio. These considerations confirm two key elements: (a) the heterogeneity of conceptions and approaches in the domain of trustmarks and the significant differences in perceptions and ideas of stakeholders; (b) the strong role of the market in driving the trustmarks business and in determining the service models.

**Suggested Policy Action:**

Take the preferences on the trustmark trust features as a basis for their discussion in the stakeholder platform and then develop them further to determine which features EU cross-border trustmarks should necessarily provide. The preferences of the three stakeholder groups involved in the survey are quite homogenous. The cooperation of stakeholders through the platform will allow defining a common set of features, resolving the residual differences in priorities. The same platform will also be able to define the approach to TM organisational design and operation of these trust building features.

**4.2.7 Policy-relevant fact nr. 7.: the regulatory framework**

There is quite a huge uncertainty among stakeholders on the regulatory basis for a trustmark. There is no clear preference for EU regulations, trustmarks codes of conduct, or rather national regulations.

One clear statement is that self-certification of the merchant is placed on a very low rank by nearly 100% of the responding stakeholders.

It is remarkable that the trustmark’s code of conduct is not rated very high.

**Factual evidence:**

- Consumer questionnaire Q10: the priority regulation of reference is the compliance with EU regulations, with an overall positive judgement by 84% of the respondents. The compliance with national regulations is judged important or very important by 91% of the respondents. It needs to be specified that in the relative ranking the EU regulation is judged more relevant and important than the national regulations, which is most likely due to the cross-border focus of the analysis and of the survey. Consumers judge that the certification of an internal code of conduct formulated by the trustmark is less important. Actually 76% of the respondents place it on rank 3 out of 4, assigning it a relatively low importance. Consumers basically have a low consideration for a self-certification of the merchants (judgement by 97% of the respondents).

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91 Survey, common question Q12 (Q12 Traders/Q10 Consumers/Q10 TMOs)
- **Trade associations questionnaire Q12:** the majority of respondents emphasises the role of EU regulations (69% of the positive judgements) and of the National Regulations (66%). It is interesting to note that the opinions on the code of conduct are polarised: 33% of the trader organisations consider it very important and 50% of low importance, basically reflecting the same trend as the consumer associations. Also the trader associations have a very low preference for merchant self-certification (88%).

- **Trustmarks providers’ questionnaire Q10:** as expected, the TMOs show a slight preference for the internal code of conduct (42% highest ranking) but the opinions here are polarised, with another 42% placing the code of conduct on the second-lowest rank. The charts show a preference for national regulations and a fuzzy distribution of opinions on the certification according to the EU regulations. 100% of the trustmarks organisations indicate that self-certification would be the least important regulatory instrument.

**Considerations on policy making:**

The position on the regulatory framework of trustmarks operations is most likely related to the very different attitudes, opinions and different levels of information on trustmarks, their operation and their rules.

There are very mixed opinions on the regulatory setting, with contradictory positions also within the same respondent group. There is an important scope for action on the part of the European Commission to clarify the situation and create a harmonised view on this important reference framework.

An information action on the operation of trustmarks, on the role and value of the internal code of conduct is probably necessary to raise awareness on the value of the code of conduct as a lean instrument to regulate trader behaviours and their attitude towards customer relationships and issue solution. In other terms, trustmark services should be the facilitators of a “lean” system to foster trust and to solve any disputes, which is the key approach to trust building. The reference to “hard” regulations necessarily will introduce complications and complexities to sort out disputes between the trader and the consumer. The code of conduct is necessarily the way to go, so an awareness action needs to accompany the harmonisation and policy action to ensure the success of trustmarks development.

The stakeholders answering the survey confirm that there should be a direct reference both to the national and the EU regulatory frameworks, and that the trustmarks schemes should refer to both levels of legislation. The parallel policy action, beyond the focus of the trustmarks policies, should focus on the completion of the whole regulatory framework affecting cross-border eCommerce.

**Suggested Policy Action:**

The matter of trustmarks regulation should be brought in front of the trustmarks stakeholder platform to constitute a key policy focus point for the cross-border operation of trustmarks in Europe. The discussion should elaborate the most appropriate trustmark scheme for merchant certification.

**4.2.8 Policy-relevant fact nr. 8.: Expectations on the European Commission**

The trustmark stakeholders provide a precise indication on which policies the EC should put in place to support the development of cross-border trustmarks.

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92 Survey, common question Q16 (Q16 Traders/Q14 Consumers/Q11 TMOs)
- Define a minimum set of harmonised Trustmarks trust-building features to be guaranteed by the Trustmark certification
- Promote awareness-raising actions of stakeholders
- Identify the general, operational, legal, and trust barriers which are within the scope of Trustmarks

**Factual evidence:**

- Consumers Questionnaire Q14:
  - Respondents indicate that the EC should engage in a set of actions: define a minimum set of harmonised trustmarks trust-building features to be guaranteed by the Trustmark certification (27%), promote awareness-raising actions of stakeholders (23%), setting up a cross-border (EU-level) certification and supervisory body who will certify cross-border trustmarks (23%), promote the networking of cross-border trustmarks for dispute resolution between different member states (23%), identify and disseminate best practices for the set-up and operation of trustmarks (22%), integrate online dispute resolution and alternative dispute resolution and trustmarks (23%). The relative preferences are pretty homogenous, even if there are some slight variations in the ranking level.
  - The Consumers are less interested in the setup of a practical cross-border certification scheme, which trustmarks can use to set up their trust service, and in the continuation of the harmonisation of eCommerce regulation across the EU.

- Trader Questionnaire Q16:
  - Respondents indicate that they would like the EC to set up a cross-border (EU-level) certification and supervisory body who will certify cross-border trustmarks (22% of the relative positive preferences); practical cross-border certification scheme which trustmarks can use to set-up their trust service (22%); to define a minimum set of harmonised trustmarks trust-building features to be guaranteed by the trustmark certification (23%); to identify the general, operational, legal, and trust barriers which are within the scope of trustmarks (33%); to promote awareness-raising actions of stakeholders (25%).
  - Lower priorities are assigned to continuation of the regulatory harmonisation of eCommerce regulation across the EU; the promotion of the networking of cross-border trustmarks for dispute resolution between different member states; to the identification and dissemination of best practices for the set-up and operation of trustmarks and to the integration of online dispute resolution and alternative dispute resolution and trustmarks.

- Trustmarks Organisations Questionnaire Q11:
  - Respondents indicate that the priority EC actions should be: promote awareness-raising actions of stakeholders (31% of the preferences); define a minimum set of harmonised trustmarks trust-building features to be guaranteed by the trustmark certification (23%); setting up a practical cross-border certification scheme which trustmarks can use to set up their trust service (28%); setting up a cross-border (EU-level) certification and supervisory body who will certify cross-border trustmarks (21%); continue harmonisation of eCommerce regulation across the EU (23%).
Lower priorities are assigned to identify the general, operational, legal, and trust barriers which are within the scope of trustmarks; identify and disseminate best practices for the set-up and operation of trustmarks; integrate online dispute resolution and alternative dispute resolution and trustmarks; and promote the networking of cross-border trustmarks for dispute resolution between different member states”

**Considerations on policy making:**

The majority of stakeholders indicate three priorities for action by the EC, which are in general oriented towards the definition of an overall coordination of the trustmark features at cross-border level. There are no clear indications at all on more specific and “operational” interventions such as cross-border certification and a supervisory body, or a cross-border trustmarks certification scheme. They are all dependent on the clarity of vision on the setting of the coming trustmarks landscape. And the preferences clearly reflect the knowledge and awareness and point of view of the different stakeholders and can be clearly explained by their background focus.

There are two important points emerging
a) There is a call for action on the EC
b) There are preferences, which need to be harmonised, probably through a harmonised consensus building process.

**Suggested Policy Action:**

There are clear expectations on a support and coordination action on the part of the European Commission of the cross-border element of trust in eCommerce. On the one hand the Commission is the body in Europe, which can act to coordinate cross-border actions according to the subsidiarity principle, supporting and integrating the activities of national Governments and national bodies. On the other hand stakeholders wish a ‘light’ coordinating role of the EU to keep the specific market drive for trust services.

**4.2.9 Policy-relevant fact nr. 9.: The minimum set of trust-building features**

Trustmark stakeholders have expressed their preference on the minimum set of trust-building features a trustmark should have. The preliminary list, which has been discussed with the experts in the focus group, includes:
- Legal check of sales regulation
- Transparency of the sales process and of the price
- Administrative validity of eShop
- Verification of the Redress procedures
- Check of sales procedures
- Privacy

**Factual evidence:**

- Consumers Questionnaire Q16:

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93 Survey, common question Q18 (Q18 Traders/Q16 Consumers/Q13 TMOs)
Respondents have indicated which priority trust-building features shall be included in the trustmark service: legal check of sales regulation (21%); transparency of the sales process and of the price (22%); verification of the redress procedures (20%); check of sales procedures (19%); administrative validity of the webshop (18%).

Lower priority has been assigned to SSL certification; auditing; third-party certification; administrative check; test order/mystery shopping/simulated purchase; physical on-site visit; periodical review of characteristics.

- Trader Questionnaire Q18:
  - High priority features are legal check of sales regulation (24%); transparency of the sales process and of the price (21%); administrative validity of the webshop (22%); SSL certification (19%); auditing (22%).
  - Mid-priority features include: administrative check of webshop (22%); check of sales procedures (19%); privacy (16%).
  - The low priority features are physical on-site visits; periodical review of characteristics; third-party certification

- Trustmarks Organisations Questionnaire Q13:
  - The respondents opt for the priority features: legal check of sales regulation (19%); transparency of the sales process and of the price (21%); privacy (19%); check of sales procedures (20%); periodical review of characteristics (16%); administrative check (14%).
  - Mid-priority features include: administrative validity of the webshop (18%); redress procedures (16%).
  - The low priority features are SSL certification; third-party certification; test order/mystery shopping/simulated purchase; auditing; physical on-site visit.

**Considerations on policy making:**
In case policy making should focus on the establishment of a minimum set of trust building features trustmarks should provide, these six features constitute the starting point.
The stakeholder platform should discuss these basic features and then decide about including an additional set.
The top-level preferences are the same for the three stakeholder groups. Then the preferences are differentiated according to the different perspective of the respondents group, as there is a clear hint at features related to the different “roles” in the eCommerce process and of its assurance.
There are some differences between the three stakeholder groups: the consumer’s responses could clearly be classified into two main categories of features. In the case of traders, the chart clearly shows three main groups: in the first group the ranks are mainly in the two higher classes; in the second group there is a prevalence of the middle class, with some significant concentrations around the higher classes; in the third group there is a clear prevalence of the lowest ranking class, with some significant values in the second (middle) class.

**Suggested Policy Action:**
Decide about the establishment of a minimum set of criteria for trustmarks, bring the criteria in front of the EU trustmarks stakeholder platform and discuss their implementation and eventually their integration into a scheme. The cooperative work of stakeholders and of the
European Commission should lead to a minimum set of criteria of trust to be embedded in trustmarks operations. This set will be the basis of a future Europe-level trustmarks scheme.

4.2.10 Policy-relevant fact nr. 10: The trustmark EU stakeholder policy platform

Stakeholder confirm\(^4\) that they would advise the stakeholder platform to work to

- Develop minimum criteria and trust-building features for trustmarks
- Promote the interaction between the stakeholders of trustmarks for eCommerce
- Develop a methodology to identify trustmarks best practices in operational, technical, procedural and regulatory terms
- Promote awareness on the potentialities of the trust-building effects of trustmarks among consumers
- Define the minimum criteria for “mature” trustmarks.

**Factual evidence:**

- Consumers Questionnaire Q17:
  - The respondents have indicated a number of options for EU-wide trustmark schemes and for the EU trustmark stakeholder platform: develop minimum criteria and trust-building features for trustmarks (21%); develop a methodology to identify trustmarks best practices in operational, technical, procedural and regulatory terms (17%); promote awareness on the possibilities of the trust-building effects of trustmarks among consumers (19%); promote the interaction between the stakeholders of trustmarks for eCommerce (19%); define the minimum criteria for “mature” trustmarks (16%)
  - Other options include: assess the effectiveness of dispute resolution and elaborate plans for improvement and best practices (15%); promote the harmonisation of quality and certification procedures among member states and trustmark providers (14%); promote the integration of alternate dispute resolution and online dispute resolution (15%); promote awareness on the possibilities of the trust-building effects of trustmarks among webshops (13%).
  - Optional actions for EU-wide trustmark schemes and for the EU trustmark stakeholder platform: address the general language issues of dispute resolution; promote innovative approaches to the diffusion of knowledge on trustmarks; assess the effectiveness of dispute resolution and elaborate plans for improvement and best practices; identify the needs for regulatory harmonisation; promote supportive measures: inclusion of standardisation/certification mechanisms (CEN/ETSI); promote innovative approaches to the diffusion of knowledge on trustmarks.

- Trader Questionnaire Q19:
  - The priorities of the trader associations are promote the interaction between the stakeholders of trustmarks for eCommerce (23%); develop minimum criteria and trust-building features for trustmarks (18%); develop a methodology to identify trustmarks best practices in operational, technical, procedural and regulatory terms (18%); promote awareness on the potentialities of the trust-building effects of trustmarks among consumers (17%); identify the needs for regulatory harmonisation (17%).

\(^4\) Survey common question Q19 (Q19 Traders/Q17 Consumers/Q14 TMOs)
Second-level priorities for the trustmarks stakeholder platform are to define the minimum criteria for “mature” trustmarks (19%); promote the harmonisation of quality and certification procedures among member states and trustmark providers (14%); promote the integration of alternative dispute resolution and online dispute resolution (13%); promote a cooperative network of Trustmarks to solve, inter alia, the issue of cross-border dispute resolution (13%)

Optional actions include: promote supportive measures: inclusion of standardisation/certification mechanisms (CEN/ETSI); address the general language issues of dispute resolution; promote innovative approaches to the diffusion of knowledge on trustmarks; assess the effectiveness of dispute resolution systems and elaborate plans for improvement and best practices.

Trustmarks Organisations Questionnaire Q14:

The high priority options are: develop minimum criteria and trust-building features for trustmarks (21%); promote the interaction between the stakeholders of trustmarks for eCommerce (18%); define the minimum criteria for “mature” trustmarks (18%); develop a methodology to identify trustmarks best practices in operational, technical, procedural and regulatory terms (18%).

Second-level priorities are: promote the harmonisation of quality and certification procedures among member states and trustmark providers (14%); promote a cooperative network of trustmarks to solve, inter alia, the issue of cross-border dispute resolution in different member states (14%); promote innovative approaches to the diffusion of knowledge on trustmarks (13%); promote awareness on the potentialities of the trust-building effects of trustmarks among consumers (16%); promote Supportive measures: inclusion of standardisation/certification mechanisms (CEN/ETSI) (12%).

Optional actions include: identify the needs for regulatory harmonisation; promote awareness on the potentialities of the trust-building effects of Trustmarks among online merchants; address the general language issues of dispute resolution; assess the effectiveness of dispute resolution systems and elaborate plans for improvement and best practices; promote the integration of alternate dispute resolution and online dispute resolution.

4.2.10.1 The functions of the EU trustmarks stakeholder platform according to the participants in the focus group

The focus gave the possibility to share and agree the points of view of stakeholders on which should be discussed and developed by the platform where the Commission and the stakeholders will cooperate.

It is significant, as shown by table 4.3 that the trustmarks stakeholder platform shall discuss and agree on the following aspects:

- Develop minimum criteria for trustmark features
- Identify the trustmarks that do not work well
- Promote the interaction between stakeholders
- Develop a methodology to identify best practices (operational, technical, procedural and regulatory)
- Promote awareness among consumers on the possible effect of trustmarks on trust
- Promote a cooperative network of trustmarks to solve, inter alia, the issue of cross-border dispute resolution
- Promote awareness among webshops on the possible effect of trustmarks on trust
- Define minimum criteria for ‘mature’ trustmarks
- Promote the integration of alternate dispute resolution and online dispute resolution (ADR/ODR)

“Nice to have” decisions would concern

- Promote innovative approaches to the diffusion of knowledge on trustmarks
- Promote the harmonization of quality and certification procedures among member states and trustmark providers
- Assess the effectiveness of dispute resolution systems and elaborate plans for improvement and best practices
- Address the language issues of dispute resolution

There are quite contrasted opinions on whether the platform should

- Identify the needs for harmonization of regulations

Definitely the platform should not discuss or define:

- Promote supportive measures: inclusion of standardization or certification mechanisms such as CEN/ETSI
Table 4-3: evaluation of actions performed by the stakeholder platform

<table>
<thead>
<tr>
<th>Stakeholder platform action</th>
<th>Must-have</th>
<th>Nice-to-have</th>
<th>No!</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Develop minimum criteria for trustmark features</td>
<td>5</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Identify the trustmarks that do not work well</td>
<td>5</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Promote the interaction between stakeholders</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Develop a methodology to identify best practices (operational, technical, procedural and regulatory)</td>
<td>3</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Promote awareness among consumers on the possible effect of trustmarks on trust</td>
<td>3</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Promote a cooperative network of trustmarks to solve, inter alia, the issue of cross-border dispute resolution</td>
<td>3</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Promote awareness among webshops on the possible effect of trustmarks on trust</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Define minimum criteria for ‘mature’ trustmarks</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>9. Promote the integration of alternate dispute resolution and online dispute resolution (ADR/ODR)</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>10. Promote innovative approaches to the diffusion of knowledge on trustmarks</td>
<td></td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Promote the harmonization of quality and certification procedures among member states and trustmark providers</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Assess the effectiveness of dispute resolution systems and elaborate plans for improvement and best practices</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Address the language issues of dispute resolution</td>
<td>2</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Identify the needs for harmonization of regulations</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>15. Promote supportive measures: inclusion of standardization or certification mechanisms such as CEN/ETSI</td>
<td></td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

Considerations on policy making:
The results of the study produce a preliminary mandate to the EC and the forthcoming stakeholder platform to work towards a common understanding of certain policy basic elements. These are related to the overall integration, coordination and information level of actions for trustmarks, but in general do not concern the operational level of cross border trustmarks or their certification.

As yet there are some differences in the expectations of the three stakeholder groups: it is remarkable that there is some overlap, but in principle the approaches to the work of the EU stakeholder platform are very differentiated. Under the coordination of the European Commission the stakeholders could set up a work plan with a number of priority actions and develop a common vision on trustmarks development.

**Suggested Policy Action:**

Decide about the establishment of the trustmarks platform and its mandate and to Involve the European trustmarks stakeholders in the discussion of the set up and implementation.

### 4.3 Policy Scenarios

The extensive research work allows to propose four possible policy options, which are discussed below. The following presentation of policy relevant facts, of factual evidence and their discussion allows to identify the most appropriate one.

#### 4.3.1 No action/doing nothing: ‘business as usual’

The participants in the focus group agreed that the eCommerce market will anyhow continue grow in the years to come. German and UK trustmarks organisations call for governmental support in order not to miss out on opportunities for European SMEs. There was also a more liberal approach by some participants who demanded less government intervention or at least no binding actions. However it was overall acknowledged that doing nothing would not help European webshops that are not yet best practices, while it could lead to a greater influx of American players.

The focus group produced positions, which are based on the assessment of the results of the inventory of the trustmarks sector and the assessment survey and therefore on concrete evidence on the situation, on the evolution and the points of view of the different stakeholder groups in eCommerce. There is a clear evidence of a growth path in cross-border eCommerce and the stakeholder expect a virtuous transnational cooperation with the Commission to reap the benefits of this growth path. No coordination and support action might not help reducing the current fragmentation. At the same time the outcome of the focus group calls for a participated policy making and a balanced share of responsibilities between the current players and the European Commission.

#### 4.3.1.1 The policy-relevant facts in respect to this option

- a) Size and trends in cross-border eCommerce confirm that no-action would increase fragmentation, it would determine an uneven development of eCommerce across the EU and lead to a discrimination among citizens of different EU Member States;
- b) A mere market driven cross-border trustmarks sector could suffer from market failure and directly hamper the EU-level eCommerce, with relevant effects on the related socioeconomic dimensions;
- c) Most of the trust-related barriers would remain such and be tackled only upon market initiative, potentially leaving out certain geographical areas and segments of citizens;
d) The EC would not respond to citizens’ expectations and possibly not satisfy its institutional mandate, disregarding the indication of the Digital Agenda for Europe to take action and setup a stakeholder platform for trustmarks.

4.3.2 Self-regulation/ self-organisation with some non-binding instruments like standards

The preferred solution which has been coming out of the workshop should take the form of a ‘self-constructed federation’ of trustmarks as the most feasible and useful option. A federation of trustmarks would gather the representative stakeholders on a voluntary basis to set up the common principles and rules of a cross-border trustmark scheme. The participation in the federation would remain open to avoid market distortion. On the other hand stakeholders believe that the participation or adherence to the scheme should remain voluntary, to avoid the creation of any “closed club” of trusted services and trustmarks providers. In other terms the setup of the federation should remain a free choice for the trustmarks, maintaining a free market. Trustmarks should be able to do business outside the scheme. The approach could follow the principle of bilateral agreements (as implemented by Trusted Shops, which has established a set of bilateral and multilateral agreements in many EU member states.), extended to the whole European Union. The stakeholders advise to establish a soft performance and trustworthiness measurement framework upfront, in other terms develop and agreed trustmarks structure and scheme but refraining from any rigid definition of boundaries in the sector. The targeted self-regulatory approach, based on an agreed accreditation scheme, could operate as an industry standard with an agreed form of official certification at the cross-border level.

4.3.2.1 The policy-relevant facts in respect to this option

The field research and in particular the survey provide a set of key facts which, in a positive or negative way need to be considered in the policy making process.

a) A self-established industry standard with an ad hoc measurement framework would have a significant impact on the shop reputation and on the general recognition and acceptance of the trustmarks role;

b) There would be an autonomous agreement on trustmarks with a really efficient set of trust features;

c) The self-regulatory approach might be a flexible way to coordinate action in response to the wide development of cross-border eCommerce in Europe an globally;

d) It would embed a higher flexibility in an ever-changing cyberspace;

e) The mandate would well fit into the general management of the trustmarks stakeholders.

f) There would be the lack of a general institutional endorsement in the trustmarks sector;

g) The self-regulatory approach might prove patchy and uneven, since it would be developed on a voluntary basis with a limited funding by the EC. Market forces in the end would be the main responsible for the EU wide cross-border implementation. It could be developed but remain unapplied or unimplemented in more or less EU member states;

h) It would be more difficult to integrate the self-regulation into the more general eCommerce framework and to fully address all cross-border eCommerce barriers;

i) A completely autonomous approach could lead to a limited promotion and awareness activities, since it would be linked to the trustmarks’ publicity budget;

j) The EC would give a limited response to stakeholder expectations
k) The minimum set of features could be influenced by the more powerful stakeholders at the cost of the smaller ones.

4.3.3 An EU trustmarks accreditation scheme

The accreditation scheme would be used to provide single applying trustmarks with an autonomous “trust brand”. This accreditation would be based on a hierarchical ISO approach, and a Europe-level institution/agency would be in charge of the challenge of accreditation. Commission would endorse it and provide support for the scheme. The institutional ownership would be of the Commission or of another European level regulatory or standardisation body, or of an industry forum.

The stakeholders call for a more participatory approach should be followed here, involving stakeholders in setting up the minimal criteria is demanded. The stakeholders discussed the opportunity to identify an entity entrusted with the creation, the monitoring and the auditing of the trustmark standards: An EU institution was welcomed by some as judged as particularly trust-building institution.

The development of an EU trustmark accreditation scheme should follow a gradual growth path which could start with the self-regulatory approach (Policy option 2) and then further investigate whether the elaborated standard could be part of an EU accreditation scheme.

4.3.3.1 The policy-relevant facts in respect to this option

a) A shared, centrally managed open trustmark scheme could be the actual response to the building up critical mass in cross-border eCommerce. Awareness raising actions and publicity might draw shares of the population toward cross-border eCommerce, who wouldn’t have thought about it.

b) This option would create a very strong case for guaranteed certified trustmarks which would be considered more trustworthy;

c) This option would provide a strong institutional backing, since the EC would directly or indirectly manage the scheme;

d) It would meet a number of expectations on the EC

e) The scheme would guarantee a shared and refined set of trust features for trustmarks, to which any trustmark provider could adhere;

f) Developing the scheme through the stakeholder platform would ensure a fully participatory approach and shared results.

g) The option would require significant administrative and operational costs;

h) The scheme could prove too rigid in respect to the requirements of a fast developing eCommerce scene

4.3.4 An EU-level trustmark

A European trustmark as a full-fledged EU trustmark might be one of the theoretical options. European policy makers would set up an EU trustmark, comparable to the EU Ecolabel scheme or the webtrader scheme\(^95\), to be granted to traders. Such a trustmark would compete with

\(^95\) Almost 2,000 webtraders in 7 EU Member States were awarded trustmarks in the pilot phase of the "Webtrader" trustmark scheme to promote fair business-to-consumer trade on the internet. The scheme aimed to build consumer confidence in e-commerce and help enterprises to make the most of e-commerce tools. It offers online certification of business and the grant of a "Webtrader" label, upon compliance with a code of conduct that aims to guarantee the fairness of the transaction process and efficient dispute resolution. Co-funded by the Enterprise DG, the Webtrader trust scheme was launched at the start of 2000, by consumer associations in 7 Member States (Belgium, France, Italy, Netherlands, United Kingdom, Spain and Portugal).
existing trustmarks. The award would be following an audit based on a set of requirements and a code of conduct.

Stakeholders would participate in setting up the trustmark.

The establishment of a EU level trustmark would certainly require an appropriate organisational setup. Given that a EU trustmark would be the initiative of a EU-level coordinating body, it seems reasonable to assume that the competent body/bodies would have to be independent of vested interests as likely will be defined by the agreed trustmarks requirements. The EU trustmark could be managed by an appropriately set-up EU agency or by a body such as the ECC network.

There is also the possibility of a “lighter” setup, nominating a management board supervising decentralised to competent bodies at national level.

The launch of a EU-wide trustmark would require a considerable financial investment and require a serious reasoning on a sustainable business model that is economically viable beyond seed money from public sources.

4.3.4.1 The policy-relevant facts in respect to this option

a) The central management of the trustmark might prove more effective in facing the challenges of the development of trustmarks, even if it could prove a bit rigid;
b) It could become an effective way to drive the trust in eCommerce and to overcome trust related barriers
c) It could effectively deal with the issue of shop reputation and trustmark reputation
d) A EU trustmark would well fit the stakeholder preference for a formal “government endorsed” trustmark

e) It would partly satisfy the requirements of stakeholders for EC intervention, but would by far exceed them, going much beyond a supervision role;
f) The operation of an instructionally run European trustmark would be quite complex to operate, since it would need to cover the cross-border level but also the national level to avoid any discriminatory practice. A multiple geographical management need would be costly and complex and imply a significant operational risk;
g) It would enter into (unfair) competition with existing trustmarks on the market

The participants to the assessment focus group agreed that this policy option would be going too far and would seriously influence the market and possibly distort it.

4.3.5 The preferred policy options

The participants agree on that both ‘business as usual’ and ‘setting-up a pan-European trustmark’ are too extreme. They agree that the solution is somewhere in the middle, starting with an industry forum supported by the European Union which would develop a self-regulating trustmarks scheme which would then be developed to a European trustmarks standard, equally supported by the EU. The discussion is about where to move to and on the level of involvement of the European Commission. A sequential combination is proposed: Starting with option 2 (developing first a self-regulatory scheme) moving up to option 3 (developing it into a EC-backed accreditation scheme) the very moment it is needed.

Suggested Policy Action:

- EC promotes a self-regulatory scheme in the first instance, developed in cooperation with stakeholders (the EU trustmarks stakeholder platform would be the basis for that)
- In a second stage, when a self-regulatory scheme would be operational, the stakeholder platform would further develop a EU accreditation scheme.
- Both options would be driven by the EC and largely supported by industry, guaranteeing an appropriate and balanced representation of stakeholders.

4.3.6  The way forward towards a EU trustmarks stakeholder platform

The study clearly indicates that heterogeneity of positions of stakeholders in the trustmark domain needs to be reduced. It is also evident that some of the stakeholders already have a very advanced and mature opinion on the scenario of trustmarks and how it should be further developed.\textsuperscript{96}

In general

- Trustmarks organisations and certain trader organisations have a very clear view on what should be done;
- Web traders also have very clear views on how to build and maintain trust;
- Other stakeholders, such as the consumer associations and the associations of SMEs still need to further develop their opinions and points of view on the multifaceted aspects of the trustmarks domain.

The results from the present study already provide a number of important indications on

a) The critical issues of trust in eCommerce
b) The trust barriers
c) The minimum set of trust features trustmarks should provide
d) The responsibilities the European Commission should take over in promoting cross-border trust services and cross-border eCommerce
e) The principal activities the European trustmarks stakeholder platform should concentrate on
f) The likely market failures, which the forthcoming policy process needs to focus on.

The challenges in the set up and implementation of the EU trustmarks stakeholder platform are:

1) Guaranteeing a homogeneous and representative group of stakeholders, coming from all main stakeholders groups (consumers, traders, SMEs, associations, and trustmarks providers);
2) Achieving a homogenous level of awareness, focus and understanding of the issues related to trustmarks by all stakeholders, to avoid an uneven drive;
3) Ensuring an appropriate balance between stakeholder representation and platform efficiency and effectiveness. In other terms it is necessary to guarantee the smooth operation and the outputs of the cooperative work of a significant number of stakeholders;
4) Guaranteeing an appropriate level of participation by stakeholders.

It might be efficient to take advantage of the experience of such cooperation platforms, which have been established in Europe previously, identifying best practices which, can be effectively transferred to this particular field. Such stakeholder platforms have already been

\textsuperscript{96}  Overall observation of the dynamics of the discussions in the focus group.
developed for the “Smart Cities initiative”, or the “Multi-stakeholder platform for sustainable aquaculture in Europe”, or the “Multi-stakeholder platform for digital literacy and eInclusion”.

Table 4-4: Policy recommendations table

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<thead>
<tr>
<th>Policy Action</th>
<th>Determinant</th>
<th>Driver</th>
<th>Stakeholder support</th>
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<tr>
<td>1) Define the institutional role of the EC in creating awareness and trustworthiness of trustmarks labels. In other terms, the EC shall decide what role it wants to take and the financial commitment the Commission wants to make in the field of trustmarks (the policy making mandate)</td>
<td>- EU treaty</td>
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<td>- Mandate of the EC</td>
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<tr>
<td>2) Define the operational role of the EC in creating awareness and trustworthiness of trustmarks labels. The Commission should decide whether it wants to assume an additional operational role in the field of trustmarks.</td>
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<td>- EC framework for operating agencies</td>
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<tr>
<td>3) Set up the trustmarks stakeholder platform and define its composition and mandate</td>
<td>- EU rules on participatory policy making</td>
<td>European Commission</td>
<td>Stakeholders in eCommerce</td>
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<tr>
<td>a. Define the concrete activities to be carried out by the platform</td>
<td>- EC rules on participatory policy making</td>
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<td>4) Come to an agreement on the relationship between trust, cross-border eCommerce and trustmark services</td>
<td>- Free undertaking</td>
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<td>Stakeholder (through the trustmarks stakeholder platform)</td>
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<td>- No distortion of competition</td>
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<tr>
<td>5) Assess barriers to cross-border eCommerce within and outside the scope of</td>
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</table>

97 [http://eu-smartcities.eu/](http://eu-smartcities.eu/): The Smart Cities Stakeholder Platform provides a unique opportunity for all stakeholders (companies, cities, individuals, ...) in Europe to establish Europe's Smart City Roadmap, inspire the future Calls in EU Horizon 2020 and Key Innovations that will make our cities smarter and more sustainable.


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<tr>
<th>Policy Action</th>
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<td>6) Define policy measures for eCommerce beyond the scope of trustmark-specific policies</td>
<td>- General Information Society policy framework</td>
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<td>7) Define consumer (eCommerce) awareness raising measures beyond the specific trustmarks field</td>
<td>- General eCommerce policy framework</td>
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<td>8) Define awareness raising measures on trustmarks and link them to the trustmark specific assurance work</td>
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<td>9) Define trust criteria for trustmarks, in terms of the minimum trust criteria (see specific policy measures below on trustmarks features)</td>
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<td>10) Elaborate a EU trust standard for trustmarks. This means that the EC might want to develop the minimum trust criteria to set up a proper European trustmarks standard.</td>
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<td>11) Awareness and language-related trustmarks policy measures</td>
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<td>13) Decision on priority of trust-building features: must have and nice to have</td>
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<td>14) Launch the policy process for self-regulation and further of an accreditation scheme</td>
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References

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## Annex 1: Comparison between European trustmarks in 2006 and 2012

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<td><a href="https://www.qshops.org/">https://www.qshops.org/</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MKB OK (since 2005)</td>
<td></td>
<td><a href="http://www.mkbok.org/index.htm">http://www.mkbok.org/index.htm</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Webshop Keurmerk (since 2001)</td>
<td><a href="http://www.keurmerk.info/">http://www.keurmerk.info/</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>Nsafe</td>
<td>Not active anymore</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EBtrust</td>
<td>Not active anymore</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trygg e-Handel, set up in 2011</td>
<td><a href="http://www.tryggehandel.no/">http://www.tryggehandel.no/</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trusted Store</td>
<td>Still active</td>
<td><a href="http://www.sklepy24.pl/">http://www.sklepy24.pl/</a></td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>PACE</td>
<td>Not active anymore</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>Not included in study</td>
<td>Euro-label Romania</td>
<td><a href="http://www.protectia-consumatorilor.ro/">http://www.protectia-consumatorilor.ro/</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trusted.ro</td>
<td></td>
<td><a href="http://www.trusted.ro/">http://www.trusted.ro/</a></td>
<td></td>
</tr>
<tr>
<td>Slovakia</td>
<td>--</td>
<td>--</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td>--</td>
<td>--</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Organization</td>
<td>Status</td>
<td>Website</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>--------------</td>
<td>--------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AGACE</td>
<td>Not active anymore</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IQUA</td>
<td>Not active anymore</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EWEB</td>
<td>Not active anymore</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Euro-label Spain</td>
<td>Not active anymore</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>--</td>
<td>Trygg eHandel, Set up in 2007</td>
<td><a href="http://www.tryggehandel.se/">http://www.tryggehandel.se/</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>--</td>
<td>Rådet för E-handelscertifiering, set up in 2008</td>
<td><a href="http://www.ehandelscertifiering.se/">http://www.ehandelscertifiering.se/</a></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>TrustMark</td>
<td>Still active, Not an eCommerce trustmark</td>
<td><a href="http://www.trustmark.org.uk/">http://www.trustmark.org.uk/</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>WebtraderUK</td>
<td>Not active anymore</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TrustUK</td>
<td>Not active anymore</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Is not an eCommerce trustmark, but an association of Internet retailers that has a code of conduct
Annex 2: Networks of trustmark providers

<table>
<thead>
<tr>
<th>Euro-label</th>
<th>EMOTA (the European Multi-Channel and Online Trade Association) members carrying trustmarks</th>
<th>Ecommerce Europe (collaboration of domestic consumer and trustmark organizations)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EHI Geprüfter Online-shop (Germany); main branch of Euro-label</td>
<td>Handelsverband (Austria)</td>
<td>Fevad (France)</td>
</tr>
<tr>
<td>Gütezeichen (Austria)</td>
<td>ASML (Finland); not a trustmark provider, but a direct marketing association carrying a seal</td>
<td>BeCommerce (Belgium)</td>
</tr>
<tr>
<td>ILim Certyfikat (Poland)</td>
<td>Bvh (Germany)</td>
<td>Thuiswinkel waarborg (the Netherlands)</td>
</tr>
<tr>
<td>L@belsite (France); inactive</td>
<td>EPAM (Greece); not a trustmark provider, but a distance selling association having a code of conduct for their members</td>
<td>FDIH (Denmark)</td>
</tr>
<tr>
<td>Euro-label Italy; inactive</td>
<td>ÁRUKÜLDŐK (Hungary); not a trustmark provider, but a distance selling association</td>
<td>Svensk Distanshandel (Sweden)</td>
</tr>
<tr>
<td>Euro-label Spain; inactive</td>
<td>Acepi (Portugal)</td>
<td>Distansehandel Norge (Norway)</td>
</tr>
<tr>
<td></td>
<td>Svensk Distanshandel (Sweden)</td>
<td>Netcomm (Italy)</td>
</tr>
<tr>
<td></td>
<td>VSV (Switzerland)</td>
<td></td>
</tr>
</tbody>
</table>

---

100 http://www.euro-label.com/en/
101 http://www.emota.eu/members.html
## Annex 3: International trustmarks covered by this study

<table>
<thead>
<tr>
<th>Country</th>
<th>Name</th>
<th>URL</th>
<th>Logo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Japan DMA</td>
<td><a href="http://www.jadma.org/e/about/jadma_mark.html">http://www.jadma.org/e/about/jadma_mark.html</a></td>
<td><a href="http://www.jadma.org/e/about/jadma_mark.html">Japan DMA</a></td>
</tr>
<tr>
<td></td>
<td>TrustSg</td>
<td><a href="http://www.trustsg.sg/">http://www.trustsg.sg/</a></td>
<td><a href="http://www.trustsg.sg/">TrustSg</a></td>
</tr>
<tr>
<td>Thailand</td>
<td>TrustMark Thai (DBD)</td>
<td><a href="http://www.trustmarkthai.com">http://www.trustmarkthai.com</a></td>
<td><a href="http://www.trustmarkthai.com">DBD</a></td>
</tr>
<tr>
<td>United States</td>
<td>BBBOnline</td>
<td><a href="http://www.bbb.org/online/">http://www.bbb.org/online/</a></td>
<td><a href="http://www.bbb.org/online/">BBBOnline</a></td>
</tr>
<tr>
<td>United States</td>
<td>Truste</td>
<td><a href="http://www.truste.com">http://www.truste.com</a></td>
<td><a href="http://www.truste.com">Truste</a></td>
</tr>
<tr>
<td>United States</td>
<td>VeriSign, renamed into Norton Secured, owned by Symantec</td>
<td><a href="http://www.verisign.com">http://www.verisign.com</a></td>
<td><a href="http://www.verisign.com">VeriSign</a></td>
</tr>
<tr>
<td>Location</td>
<td>Certification Authority</td>
<td>Website</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------</td>
<td>--------------------------</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>CPA Webtrust</td>
<td><a href="http://www.webtrust.org">http://www.webtrust.org</a></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>McAfee</td>
<td><a href="http://www.mcafeesecure.com/">http://www.mcafeesecure.com/</a></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>Comodo</td>
<td><a href="http://www.comodo.com/">http://www.comodo.com/</a></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>Trustwave</td>
<td><a href="https://www.trustwave.com/">https://www.trustwave.com/</a></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>GeoTrust</td>
<td><a href="http://www.geotrust.com/">http://www.geotrust.com/</a></td>
<td></td>
</tr>
<tr>
<td>Worldwide</td>
<td>Chamber Trust</td>
<td><a href="http://chambertrust.worldchambers.com/">http://chambertrust.worldchambers.com/</a></td>
<td></td>
</tr>
</tbody>
</table>
## Annex 4: The securitisation of trustmarks and their link

<table>
<thead>
<tr>
<th>NAME of Trustmark</th>
<th>Example examined</th>
<th>Certificate visible?</th>
<th>Link Secured?</th>
<th>Link address</th>
<th>Does the certificate “look” trustworthy?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comodo SSL certificates (US)</td>
<td></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://www.trustlogo.com/ttb_searcher/trustlogo?v_querytype=W&amp;v_shortname=SC2&amp;v_search=www.comodo.com&amp;x=6&amp;y=5">http://www.trustlogo.com/ttb_searcher/trustlogo?v_querytype=W&amp;v_shortname=SC2&amp;v_search=www.comodo.com&amp;x=6&amp;y=5</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Segala (IE)</td>
<td></td>
<td></td>
<td></td>
<td>Not possible/No info found</td>
<td></td>
</tr>
<tr>
<td>Trygg eHandel (SE)</td>
<td><a href="http://www.fenixbok.se/">http://www.fenixbok.se/</a></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://www.tryggehandel.se/butik/839">http://www.tryggehandel.se/butik/839</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>InfoCons (RO)</td>
<td></td>
<td></td>
<td></td>
<td>Not possible/No info found</td>
<td></td>
</tr>
<tr>
<td>Sure Seal (Philippines)</td>
<td><a href="http://www.cadwebsolutions.com/">http://www.cadwebsolutions.com/</a></td>
<td>YES</td>
<td>YES</td>
<td><a href="https://sureseal.ph/verify.asp?id=20091203001">https://sureseal.ph/verify.asp?id=20091203001</a></td>
<td>The trustmark has a logo and a secure link. However the status of the trustmark is expired.</td>
</tr>
<tr>
<td>NAME of Trustmark</td>
<td>Example examined</td>
<td>Certificate visible?</td>
<td>Link Secure?</td>
<td>Link address</td>
<td>Does the certificate “look” trustworthy?</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------</td>
<td>----------------------</td>
<td>--------------</td>
<td>--------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>TrustVn (Vietnam)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Not possible website does not seem to exist</td>
</tr>
<tr>
<td>ChamberTrust business seal (Worldwide)</td>
<td><a href="http://www.gmjphoenix.com/">http://www.gmjphoenix.com/</a></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://chambertrust.worldchambers.com/details.asp?id=11621">http://chambertrust.worldchambers.com/details.asp?id=11621</a></td>
<td>YES. Provides info for the merchant but no secure link</td>
</tr>
<tr>
<td>Eurolabel Poland (PO)</td>
<td><a href="http://www.asport.pl/">http://www.asport.pl/</a></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://www.euro-label.com/no/zertifizierte-shops/zertifikat/shop/26/">http://www.euro-label.com/no/zertifizierte-shops/zertifikat/shop/26/</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>e-Mark (DK)</td>
<td><a href="http://www.zalando.dk/">http://www.zalando.dk/</a></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://certifikat.emaerket.dk/shop/zalando.dk">http://certifikat.emaerket.dk/shop/zalando.dk</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Fia-net (FR)</td>
<td><a href="http://www.euronics.fr/">http://www.euronics.fr/</a></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://www.fia-net.com/annuaire/13521/euronics_301-1_resume.html">http://www.fia-net.com/annuaire/13521/euronics_301-1_resume.html</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Tüv Süd (DE)</td>
<td><a href="http://www.zalando.de/?wmc=AFF49_AN_DE.465805">http://www.zalando.de/?wmc=AFF49_AN_DE.465805</a> ...</td>
<td>YES</td>
<td>NO</td>
<td><a href="http://www.safer-shopping.de/zertifikat/zalando-de.html">http://www.safer-shopping.de/zertifikat/zalando-de.html</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>eShop (MT)</td>
<td><a href="http://jubileefoods.net/">http://jubileefoods.net/</a></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://eshop.mca.org.mt/verify/eshop/jubilee-retail">http://eshop.mca.org.mt/verify/eshop/jubilee-retail</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Webshop Keurmerk (NL)</td>
<td><a href="http://www.ebookshoponline.nl/">http://www.ebookshoponline.nl/</a></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://www.keurmerkadministratie.nl/Leden_Partners/LidDetails/5752">http://www.keurmerkadministratie.nl/Leden_Partners/LidDetails/5752</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Confianca Online (PT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Not possible</td>
</tr>
<tr>
<td>Trusted.ro (RO)</td>
<td><a href="http://www.papetarie.net/">http://www.papetarie.net/</a></td>
<td>YES</td>
<td>YES</td>
<td><a href="https://www.trusted.ro/assets/verify.php?id=fc221309746013ac554571fbd180e1c8">https://www.trusted.ro/assets/verify.php?id=fc221309746013ac554571fbd180e1c8</a></td>
<td>YES</td>
</tr>
<tr>
<td>Confianca Online (ES)</td>
<td><a href="http://www.zalando.es/">http://www.zalando.es/</a></td>
<td>YES</td>
<td>YES</td>
<td><a href="https://www.confianzaonline.es/empresas/zalando.htm">https://www.confianzaonline.es/empresas/zalando.htm</a></td>
<td>YES</td>
</tr>
<tr>
<td>VSV (CH)</td>
<td><a href="http://www.zalando.ch/">http://www.zalando.ch/</a></td>
<td>YES</td>
<td>NO</td>
<td>No link</td>
<td>Since only logo could be also fraudulent/fake</td>
</tr>
<tr>
<td>TrustSg (Singapore)</td>
<td><a href="http://www.zuji.com.sg/">http://www.zuji.com.sg/</a></td>
<td>YES</td>
<td>NO</td>
<td>No link</td>
<td>Since only logo could be also fraudulent/fake</td>
</tr>
<tr>
<td>Trustmark Thai (Thailand)</td>
<td><a href="http://tigatime.com/">http://tigatime.com/</a></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://www.dbd.go.th/directory/paper/?id=01083148522018&amp;st=1">http://www.dbd.go.th/directory/paper/?id=01083148522018&amp;st=1</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Gütezeichen (AT)</td>
<td><a href="http://www.quelle.ch/">http://www.quelle.ch/</a></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://www.euro-label.com/zertifizierte">http://www.euro-label.com/zertifizierte</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>NAME of Trustmark</td>
<td>Example examined</td>
<td>Certificate visible</td>
<td>Link Secured?</td>
<td>Link address</td>
<td>Does the certificate “look” trustworthy?</td>
</tr>
<tr>
<td>-------------------</td>
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<td>--------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>APEK (CZ)</td>
<td><a href="http://www.bookshop.cz/">http://www.bookshop.cz/</a></td>
<td>YES but only logo</td>
<td>No link</td>
<td>Since only logo could be also fraudulent/fake</td>
<td></td>
</tr>
<tr>
<td>Trygg eHandel (NO)</td>
<td><a href="http://www.ellos.no/">http://www.ellos.no/</a></td>
<td>YES</td>
<td>NO</td>
<td></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>Radet for Ehandelcertifiering (SE)</td>
<td><a href="http://www.fitnessbutiken.se/">http://www.fitnessbutiken.se/</a></td>
<td>YES</td>
<td></td>
<td><a href="https://www.ehandelcertifering.se/certificering/index.asp?Bedrijfid=6879e79564385ef79711b4a991736b4a">https://www.ehandelcertifering.se/certificering/index.asp?Bedrijfid=6879e79564385ef79711b4a991736b4a</a></td>
<td>YES</td>
</tr>
<tr>
<td>ISIS (UK)</td>
<td><a href="http://www.englishheritageshop.org.uk/">http://www.englishheritageshop.org.uk/</a></td>
<td>YES but only logo</td>
<td>No link</td>
<td>Now merged to Trusted Shops</td>
<td></td>
</tr>
<tr>
<td>JDMA (Japan direct marketing association) - Online Shopping Trust (JP)</td>
<td><a href="http://www.otto-online.jp/">http://www.otto-online.jp/</a></td>
<td>YES but only logo</td>
<td>No link</td>
<td>Since only logo could be also fraudulent/fake</td>
<td></td>
</tr>
<tr>
<td>CaseTrust for Webfront (Singapore)</td>
<td><a href="http://www.perfectdeco.com.sg/home.aspx">http://www.perfectdeco.com.sg/home.aspx</a></td>
<td>YES but only logo</td>
<td>No link</td>
<td>Since only logo could be also fraudulent/fake</td>
<td></td>
</tr>
<tr>
<td>Trusted Shops (DE)</td>
<td><a href="http://www.zalando.de/?wmc=AFF49_AN_DE.465805">http://www.zalando.de/?wmc=AFF49_AN_DE.465805</a>...</td>
<td>YES</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>SafeBuy (UK)</td>
<td><a href="http://www.pc-uk.net/">http://www.pc-uk.net/</a></td>
<td>YES</td>
<td>NO</td>
<td><a href="http://www.safebuy.org.uk/certificate/c7e53f78-698b-4b3e-8d41-01dc587de44e.html">http://www.safebuy.org.uk/certificate/c7e53f78-698b-4b3e-8d41-01dc587de44e.html</a></td>
<td>YES but no secure link</td>
</tr>
<tr>
<td>eShops (LT)</td>
<td><a href="http://www.otto.lt/">http://www.otto.lt/</a></td>
<td>YES but only logo</td>
<td>No link</td>
<td>Since only logo could be also fraudulent/fake</td>
<td></td>
</tr>
<tr>
<td>Sichereinkaufen (AT)</td>
<td><a href="http://www.neckermann.at/page/Startseite.html?is=index&amp;mb_f020_id=21u">http://www.neckermann.at/page/Startseite.html?is=index&amp;mb_f020_id=21u</a></td>
<td>YES</td>
<td>NO</td>
<td>YES but no secure link</td>
<td></td>
</tr>
<tr>
<td>NAME of Trustmark</td>
<td>Example examined</td>
<td>Certificate visible</td>
<td>Link Secured?</td>
<td>Link address</td>
<td>Does the certificate “look” trustworthy?</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------</td>
<td>---------------------</td>
<td>---------------</td>
<td>--------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>BeCommerce (BE)</td>
<td>uaUcdhj01MttiSGivv-JiiWJiiHWag9</td>
<td>YES but only logo</td>
<td>No link</td>
<td></td>
<td>Since only logo could be also fraudulent/fake</td>
</tr>
</tbody>
</table>