



# Consumer Campaign Survey

Insights Report

September 2021

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# This presentation

- Shares results of the Consumer Campaign research
- Designed to provide Domain Name Commission (DNC) with a pre-campaign read on New Zealand consumers' attitudes and behaviours in relation to online shopping
- Insights will be used to feed into media activity when DNC's fake webshop campaign commences on the 18<sup>th</sup> of October
- Survey data collected via a 10 minute online survey
  - › Total of N=502 NZers aged 18 plus
  - › Nationally representative survey invites sent from Yabble's NZ panel
  - › To qualify must shop online at least once every six months
  - › Survey live 7<sup>th</sup> to 13<sup>th</sup> September 2021

# Presentation Outline

Online Shopping Behaviours & Attitudes

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.nz Domain Names

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Scams

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Domain Name Commission & Fake Webshops

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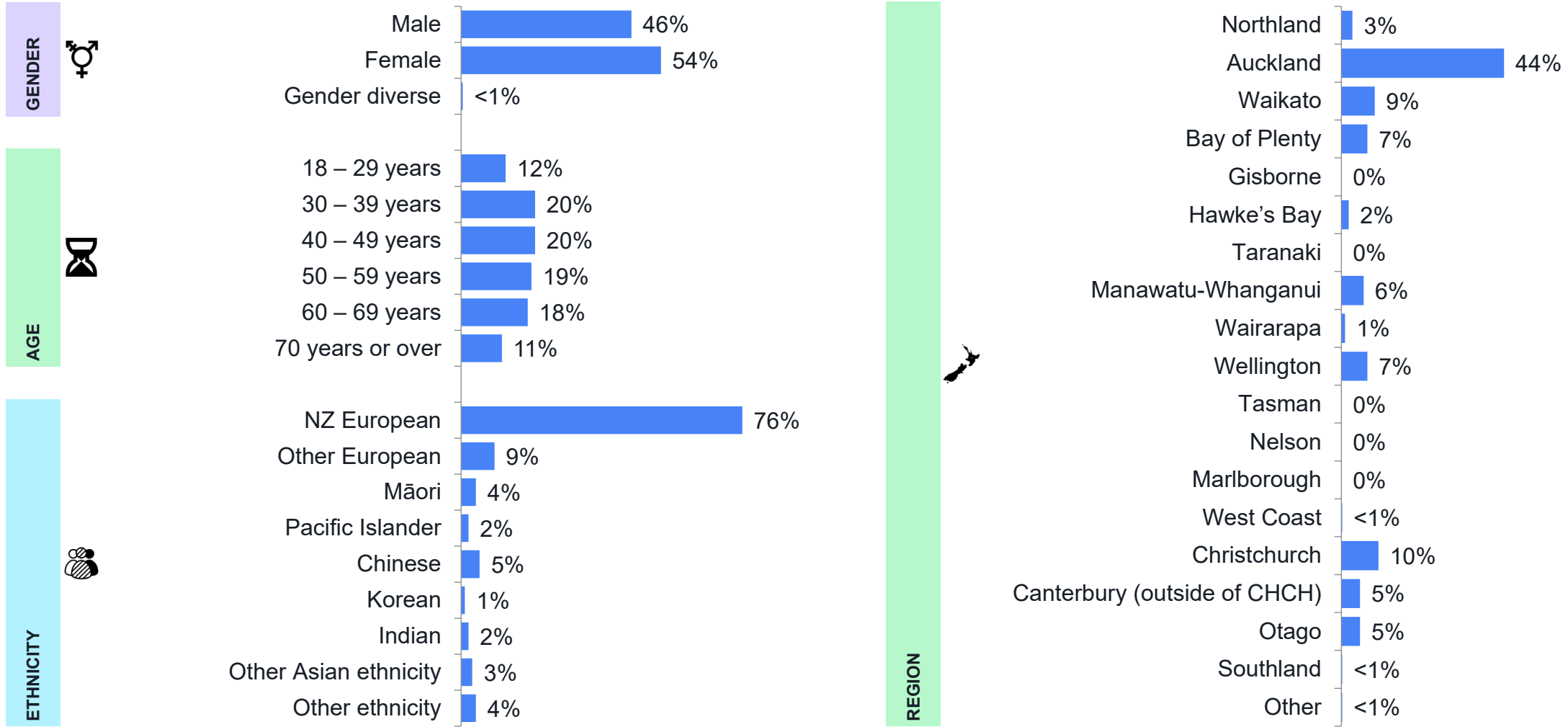
Key Summary Points

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# Sample Profile

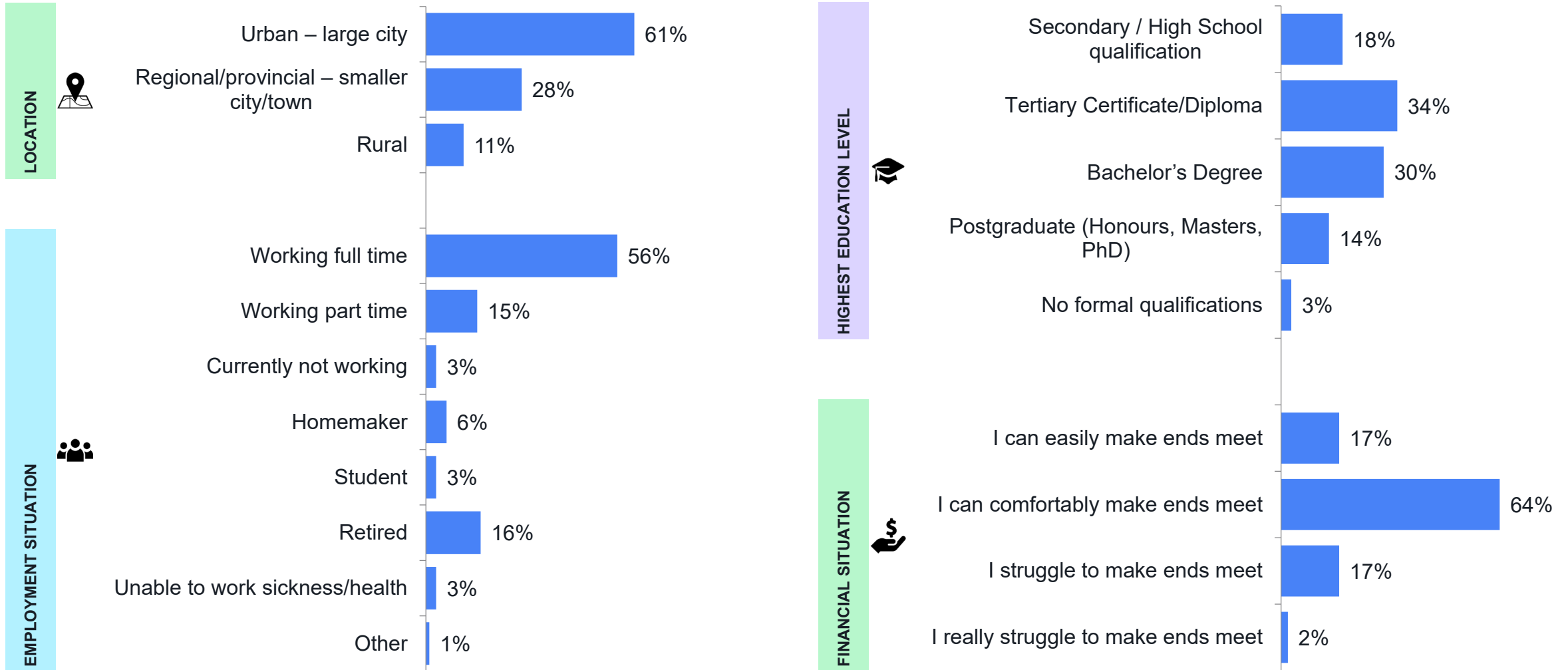
# Sample profile – Nationally representative sample of online shoppers aged 18+

All respondents screened to ensure they shop online at least once every 6 months



# Sample profile – Nationally representative sample of online shoppers aged 18+

All respondents screened to ensure they shop online at least once every 6 months



# Online Shopping Behaviours & Attitudes

# 4 in 10 of NZ online shoppers are shopping online weekly or more often and a similar proportion are shopping monthly or more often

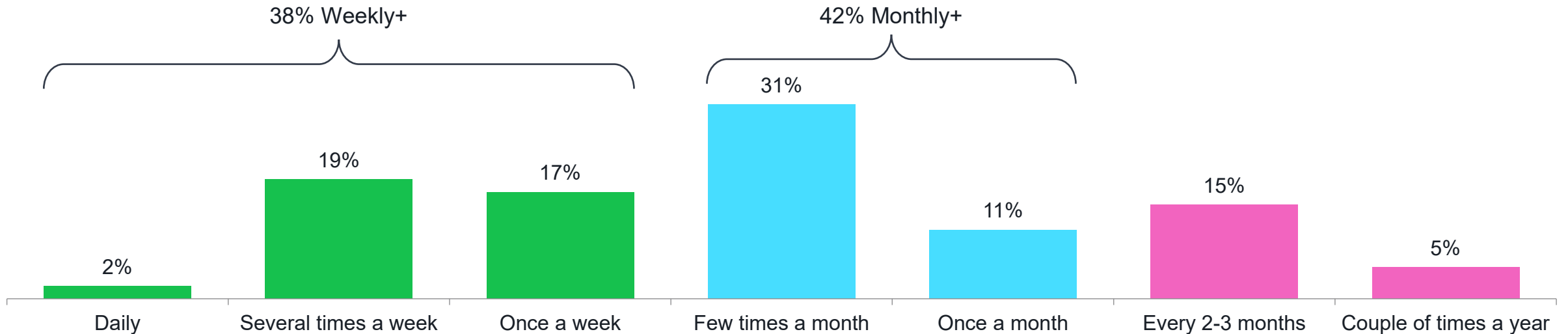
## Frequency shop online

Weekly plus shoppers more likely to be:

- 18-29 years (48%)
- 30-39 years (53%)
- 40-49 years (44%)
- Of Asian ethnicity (45%)

Monthly plus shoppers more likely to be:

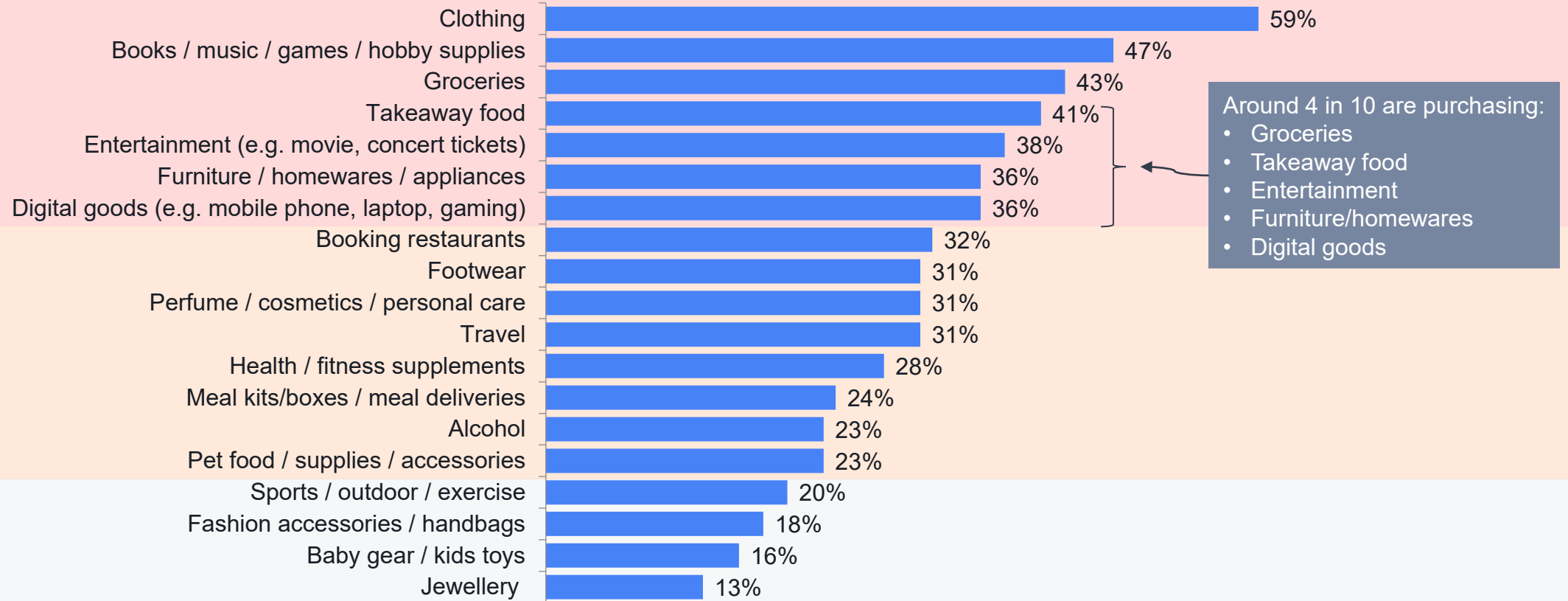
- Canterbury residents (47%)
- Rural dwellers (54%)
- Postgraduate educated (60%)





# There are high rates of online purchasing across all categories, with 6 in 10 NZers purchasing clothing and just under half books/music/games/hobby supplies

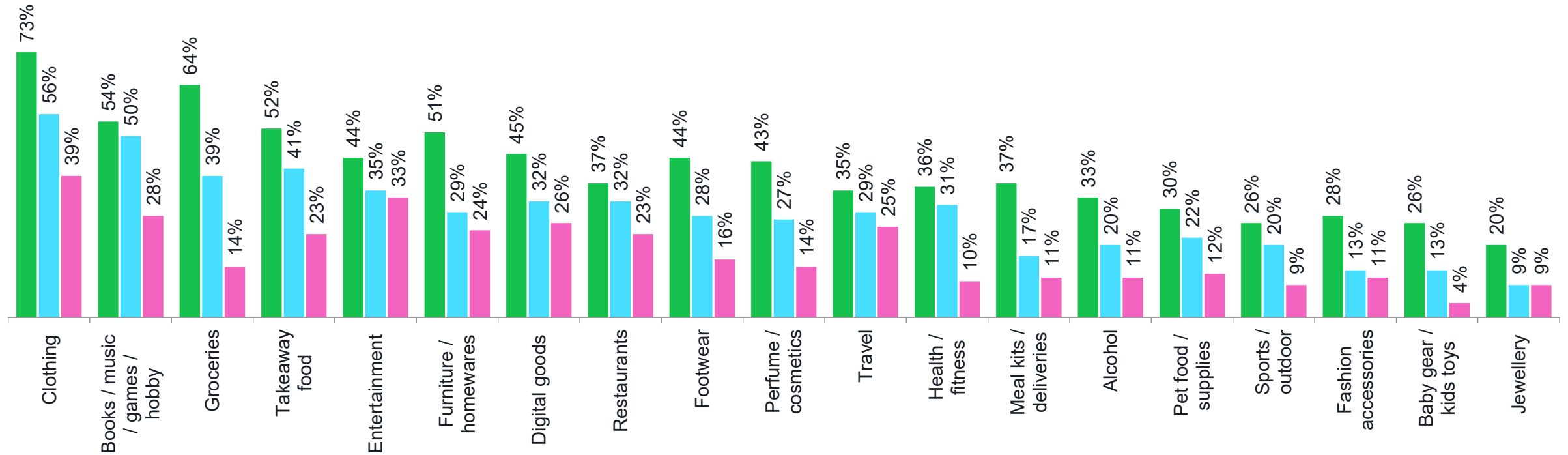
Types of goods buy online



# Purchase rates vary by shopping frequency... highest categories among weekly+ online shoppers are clothing, groceries, takeaway food and furniture/homewares

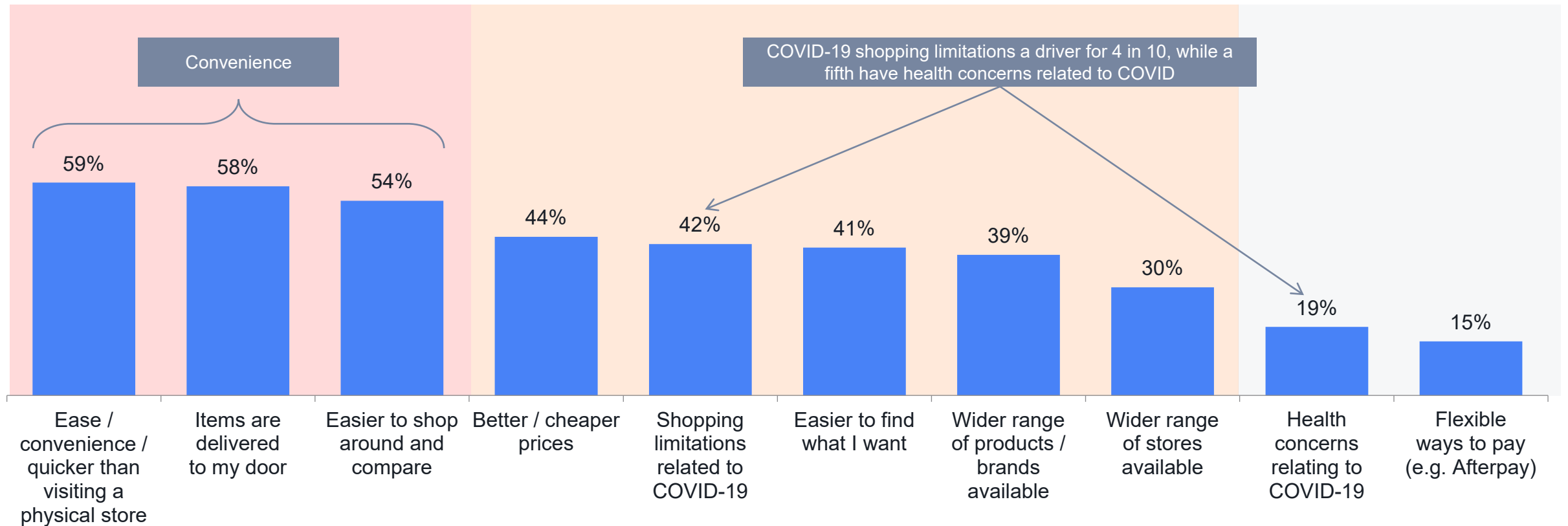
Categories Shopped by Online Shopping Frequency

■ Weekly plus   ■ Monthly plus   ■ Less than monthly



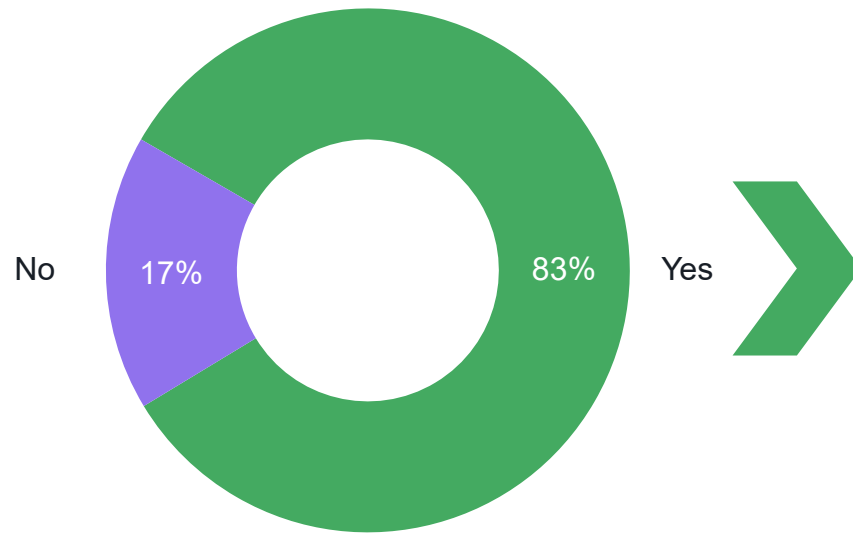
# Ease and convenience together with delivery to your door are the biggest drivers of online shopping... the ability to shop around and compare is also a strong driver

## Main reasons choose to shop online

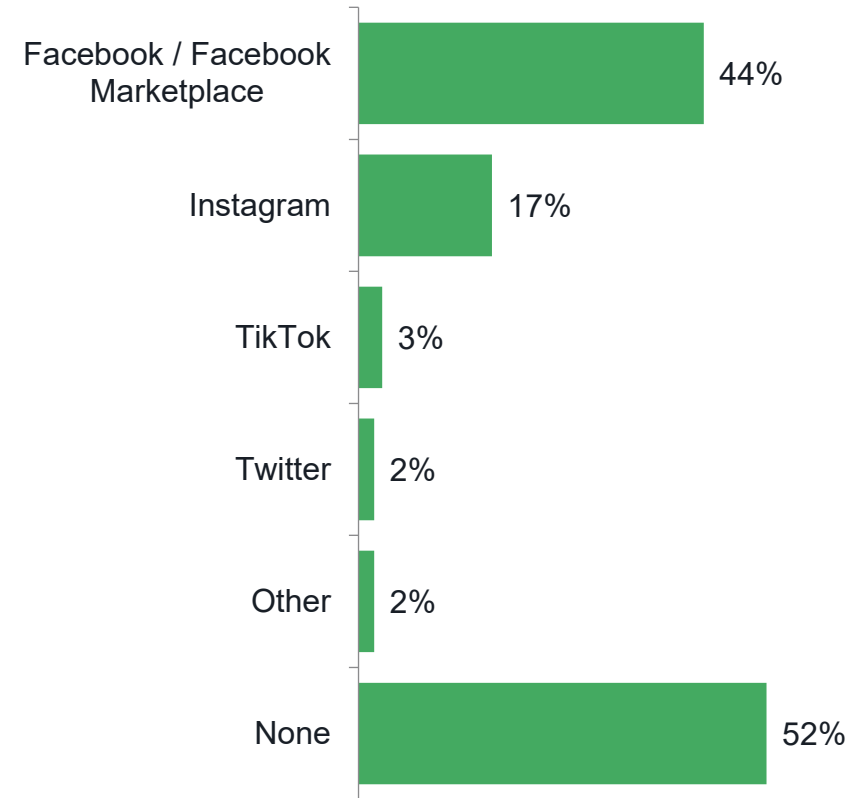


# 8 in 10 online shoppers are social media users... half of these use their social media accounts to shop online (mostly Facebook/Marketplace)

## Use social media e.g. Facebook, Instagram, Twitter etc.

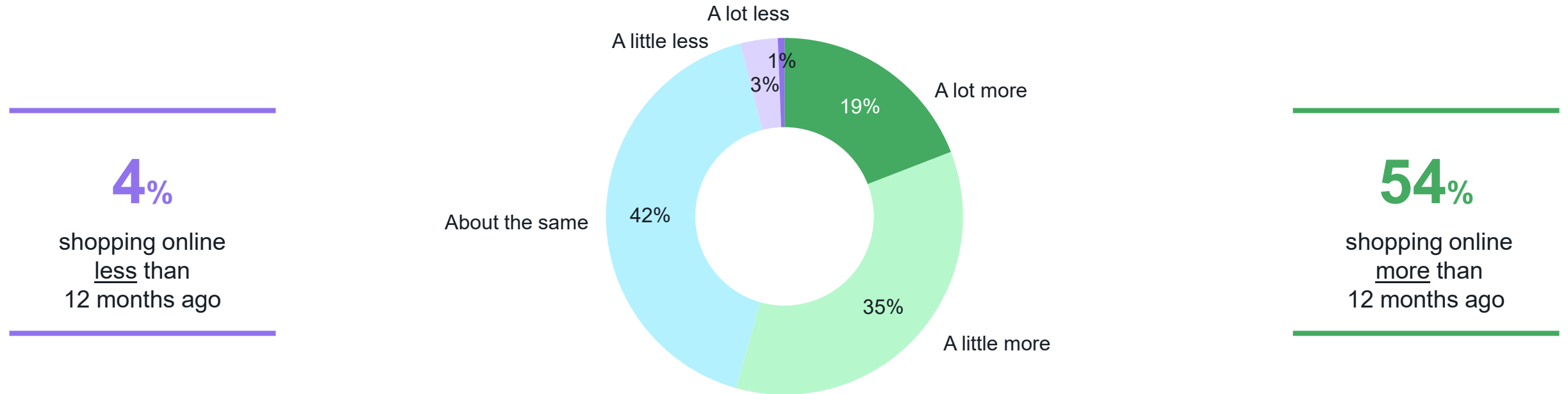


## Social media accounts use to shop online (Among social media users)



Compared to 12 months ago more than half of NZ online shoppers are shopping online more often than they were 12 months ago, just 4% have decreased how often they shop online

Compared to 12 months ago, shopping online...



# COVID-19 is the key driver of increased online shopping... during our first lockdown NZers discovered how easy and convenient online shopping is and that it gives access to a wider range of stores and products

## COVID-19 related / shift to shopping online



“12 months ago when country went into lock down had to change habits slowly to get things.”

“Lockdown taught me I don't need to go into stores to shop so now I don't bother a lot of the time if it is a repeat purchase.”

“Needed things when in lockdown - could get exactly what I wanted on line delivered directly to me.”

“During Covid last year we started shopping for groceries and even when back in level 1 we continued that.”

## More stores online now / wider range available



“Because getting things on line has become easier as most places now have on-line stores.”

“As more people are selling online. There has been a general shift.”

“More businesses are online and it is easier than going to town where there is very limited choice.”

“Covid has made it more appealing and we are also now more aware of the variety of goods you can get online.”

## Convenience



“Convenience and able to see and buy specials/sales straight away and convenience of being able to shop around.”

“Convenience, easier to shop around and see who has stock, COVID risk.”

“Online is cheaper, more convenient, and gives more room for comparison.”

“Easy, time efficient.”

“I have discovered the ease of buying online. Covid is also a factor.”

## More discretionary income



“Working now and I wasn't a year ago so can afford more things.”

“More lockdowns and got a bit more spending money.”

“More money to spend.”

“I have a little more money to spend and online is convenient especially with the Covid restrictions - it's a pain to don a mask to go to the physical store.”

# For the small proportion who are shopping less online, this is due to wanting to save money, having a bad experience, or because they don't need to buy anything

## Trying to save / no money



“Focusing more on saving than spending this time.”

“Money tighter, focusing on paying off debt quicker.”

“Less spare cash.”

“Trying to be more conscious about my consumption.”

## Bad experiences with shipping / delivery



“I do not buy from eBay as much as I used to due to useless NZ customs blocking goods or losing them. NZ customs are dormant idiots and unhelpful. Also British pound and mailing costs are very high now so its too expensive.”

“It's much harder to get items sent from overseas. The wait time pre-covid for items from a particular retailer would be approximately a fortnight. As of now, I could wait up to 3 months for certain items to be shipped.”

“I really don't trust online shopping.”

## Don't need anything



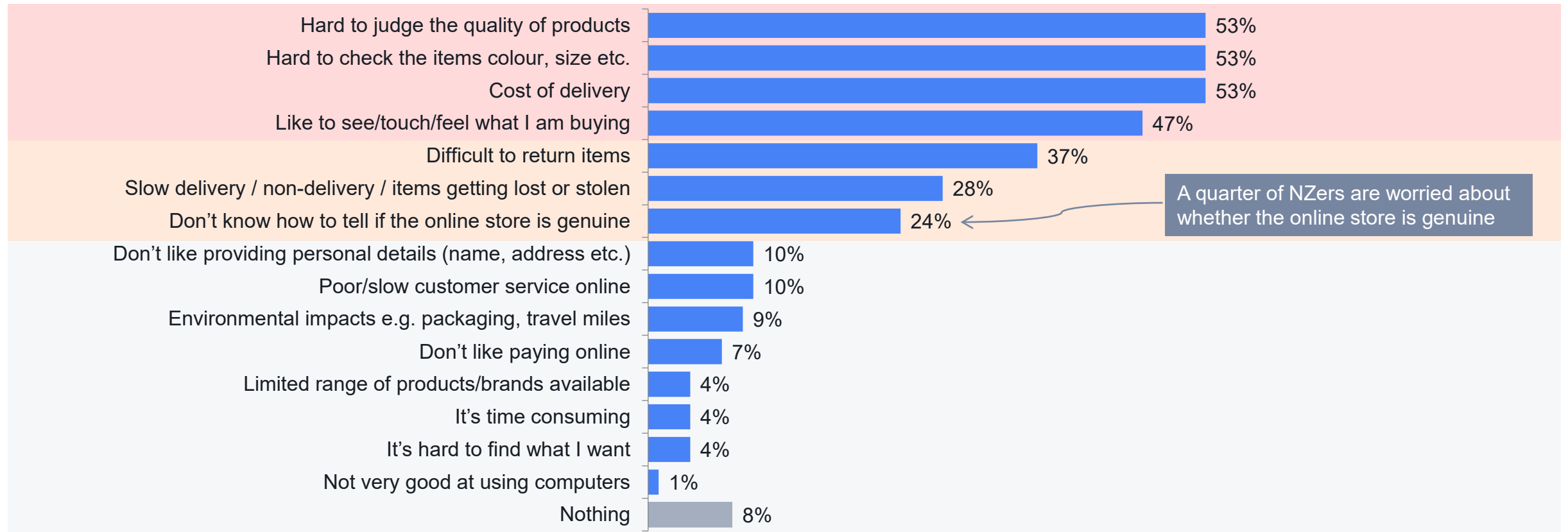
“I have most things I want or need. I buy when I need to replace.”

“Don't need as much.”

“Trying to be better with saving. I generally have what I need.”

Prompted, the main barriers are not being able to physically see/touch items, judge quality and the cost of delivery... a quarter are worried about whether the online store is a 'fake webshop'

### Things that stop them shopping more often or that they worry about

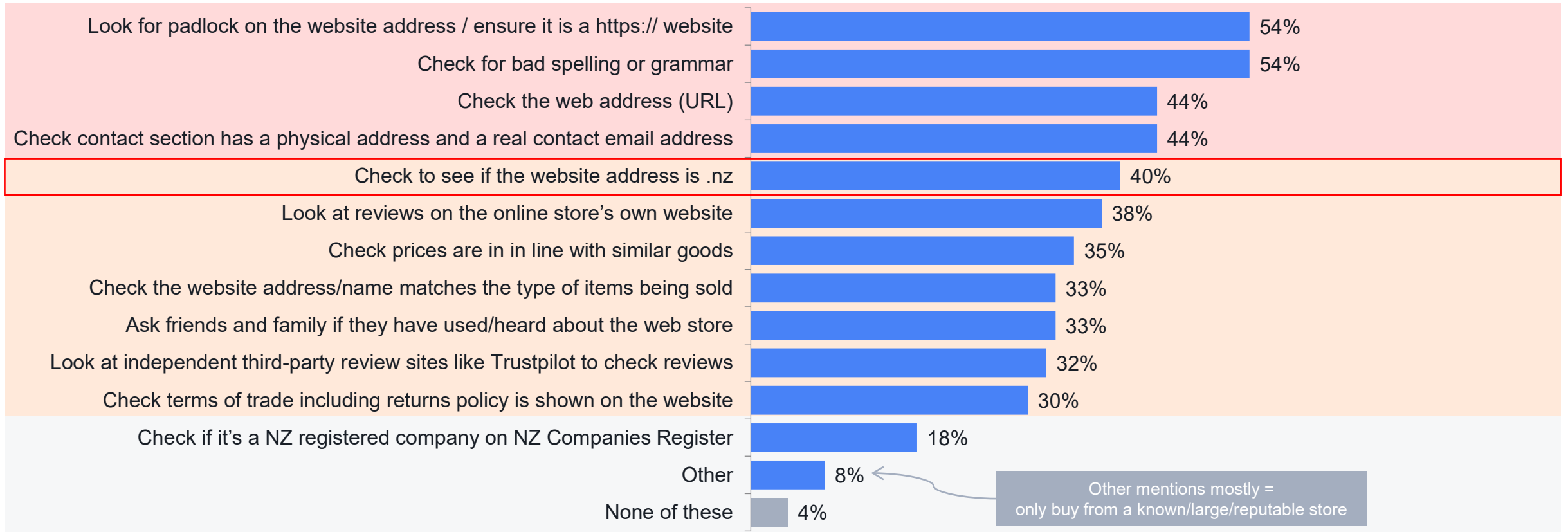




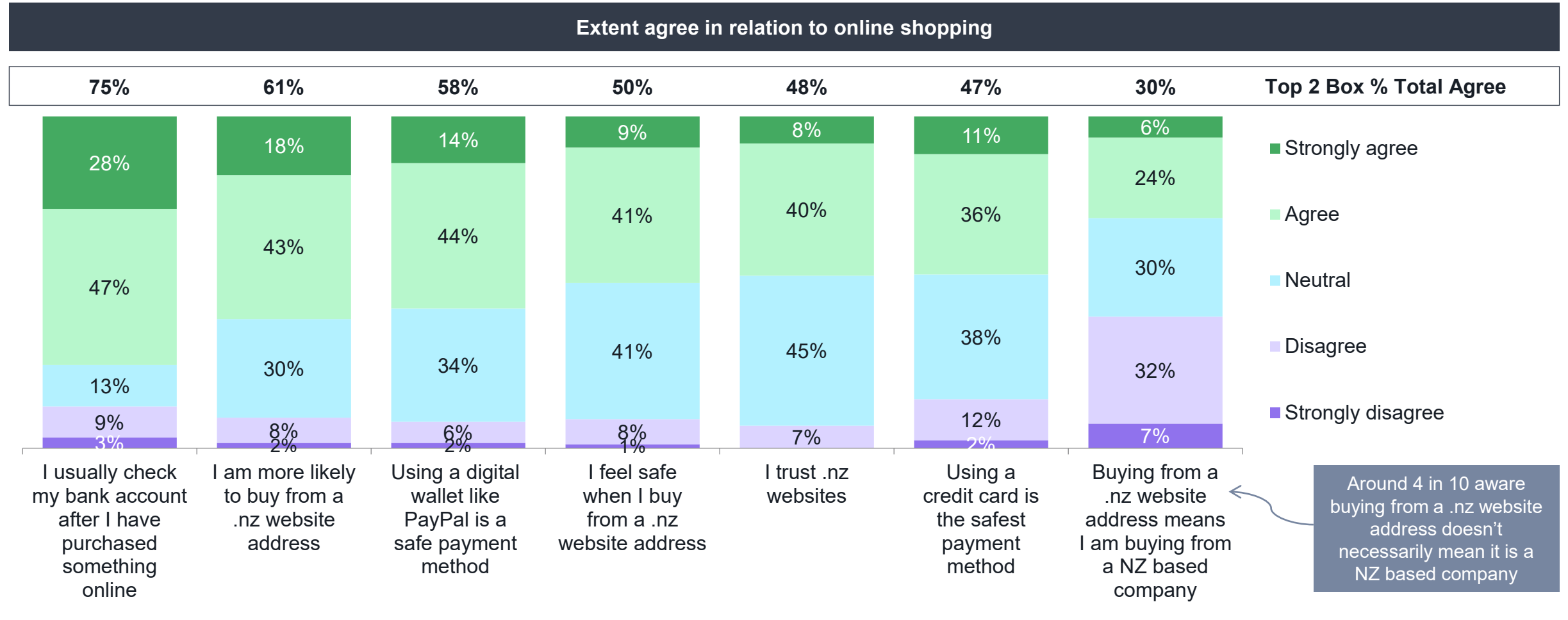
# .nz Domain Names

# When trying to avoid being scammed, 4 in 10 NZers look to see if the website is .nz... half of NZers look for the https padlock and check for bad spelling or grammar

## Things do to try and ensure online store buying from is genuine and isn't going to try to scam them



# 6 in 10 NZers agree they are more likely to buy from a .nz website address, but only half agree they feel safer and that they trust .nz websites more



# Unprompted, the greatest advantages of buying from a .nz website are that you are supporting local businesses and delivery will be cheaper and faster

24%

Supporting local /  
\$ stay in NZ



“As long as it is definitely an NZ company, you are helping NZ economy and having a smaller carbon footprint.”

“Being loyal to my country’s businesses and small business owners. Better carbon footprint. Likely to be good quality.”

“I feel like I’m supporting local kiwi business and it feels a bit more genuine and reliable.”

“More likely to be an NZ brand that delivers some if not all profit back into the NZ economy.”

24%

Delivery – cheaper, faster,  
more reliable



“Delivery costs are lower.”

“Delivery may come faster than an overseas company.”

“Faster delivery time since the product is usually already in New Zealand.”

“Goods are being sold by a New Zealand company and delivery should not take a long time.”

“Hopefully a NZ based store, so quick delivery.”

19%

Indicates is likely to be a  
NZ based business



“Hopefully it’s a NZ website.”

“Likely to be at least partially physically located in NZ.”

“On balance they are usually NZ based or registered companies.”

“Usually NZ based company / distribution so faster and/or cheaper delivery...”

“It is either a NZ website or an organisation that focuses some of its selling in NZ.”

16%

Easier to contact / get  
support / sort any issues



“Ability to communicate if there’s a problem.”

“Better chance to solve issues with a NZ based company.”

“It seems more likely that I’ll be able to sort out any difficulties.”

“That they will have a physical address in NZ and someone there to call.”

“Can get customer service quickly as based in NZ.”

15% feel there are no advantages as anyone can register a .nz website, but around 10% believe they will be protected by NZ laws and have more trust

15%

None / no advantage



“None. There is no guarantee the product is NZ made or the site is NZ based.”

“Don't see any to be honest - it could be based anywhere!”

“I don't think there are any as anyone can set up a domain name and use it.”

“I'm not sure there are any advantages.”

“It suggests local, but other than that I just see it as a domain name, and domains can be worldwide.”

9%

Subject to NZ laws / protection



“Usually you can contact them if you need to. NZ laws will protect your consumer rights.”

“More likely to adhere to NZ consumer standards.”

“Easier to track, have consumer rights.”

“Consumer guarantees act applies.”

“You hope it's an NZ company but have to check other details to be sure. If it is then it's good to support local business and you have more legal protection.”

8%

More likely can trust, is reliable, genuine



“Some reliance that it's genuine.”

“Peace of mind - safer website to buy from.”

“Safer, faster delivery, trustworthy.”

“Safety, honesty, goods in country already.”

“Someone has bothered to register a NZ site so more likely reliable.”

“Slightly less risk of a scam.”

4%

Easier returns



“Being able to return products if I am unhappy with them, checking where the company is located using google maps.”

“Perhaps to have a better chance of refunding if you have to?”

“Being able to return products if I am unhappy with them...”

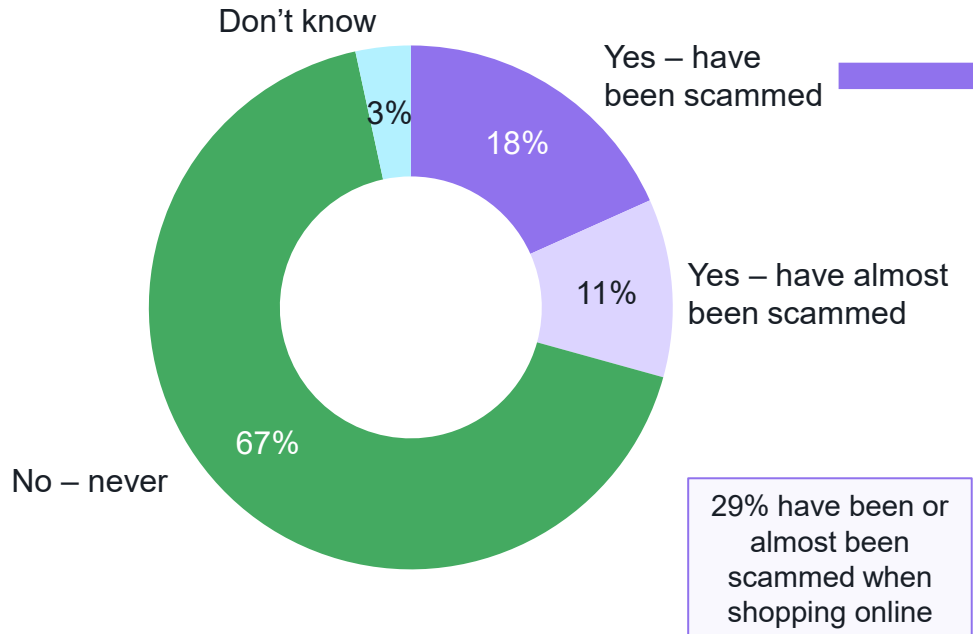
“Easier to get a refund and cheaper return.”

“Easier to return items if it's a NZ company.”

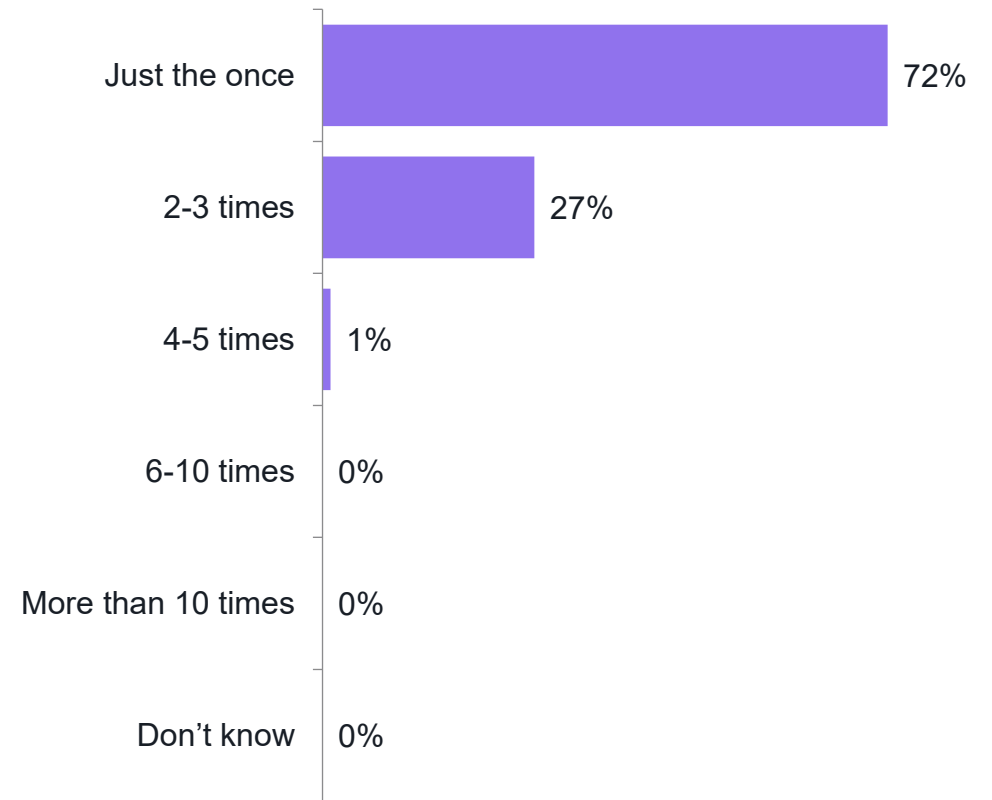
# Scams

# Just under a fifth of NZers report they *have* been scammed shopping online and a further 11% have *almost* been scammed

Ever been scammed, or almost scammed, when shopping online

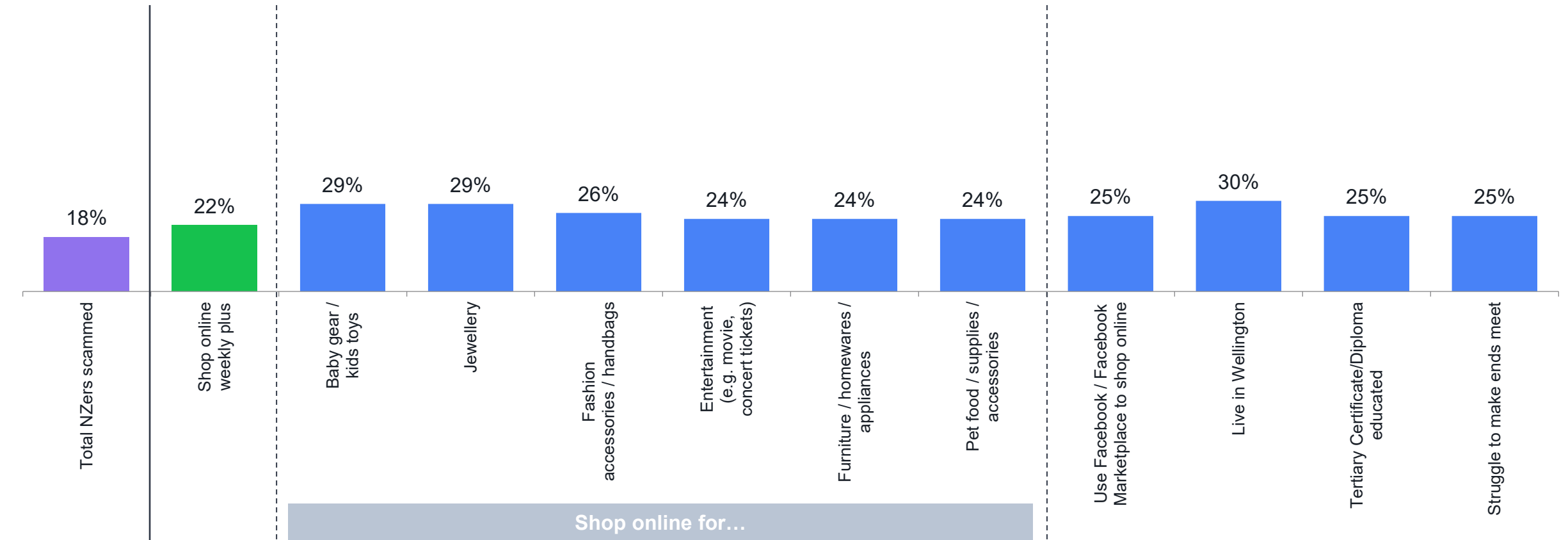


Number of times been scammed  
(Among those who have been scammed)



Those being scammed / almost scammed are more likely to be more frequent online shoppers and those purchasing items like baby gear/toys and jewellery... higher incidence among Wellingtonians also

Highest sub-groups experiencing scams when shopping online





# Most common themes in NZers scam stories are related to unauthorised credit card transactions and receiving poor quality or fake items

## Unauthorised credit card transactions



“A few years ago I bought a "sample" of face-cream on line. They kept sending me more and taking payment from my credit card even after I advised them I'd cancelled. I cancelled my credit card.”

“Someone got my credit card details and used it to make purchases in France. Westpac flagged the transactions and we cancelled them and the card.”

“Random card charge, reversed by bank, all good.”

“Just last week my debit card details were stolen and used to purchase \$120 worth of goods. The fraudulent transactions were all NZ based as well (Spark, Grabone, Foodbox)...”

## Poor quality / fake products



“Too good to be true deal for a shoe turned out to be for counterfeit item.”

“The goods (clothing) didn't match what was advertised. Cost approx \$20. Didn't pursue it as too much of a hassle sending it back and cost made it not worthwhile. Made a review on their website.”

“Small amount of money spent on 2nd hand clothing. It was absolute rubbish and stank pretty bad. Only good for the bin. I complained and got verbally attacked.”

“Ordered genuine product and was supplied a counterfeit item, \$190, suffered loss.”

## Items never received



“Second hand website purchased a phone and shipping the item never came.”

“Ripped off on Trademe. paid for a phone and got nothing and Trademe are useless and do nothing.”

“Purchased overseas item which did not arrive and website made excuses - paid through Paypal and was reimbursed after following their guidelines.”

“Purchased an electronic drum kit for my son in a hurry for Christmas through a Facebook ad. The price looked great and it was a known brand. Didn't do due diligence on store... waited for delivery which gave them time to disappear online.”

## Scam texts / emails / social media ads



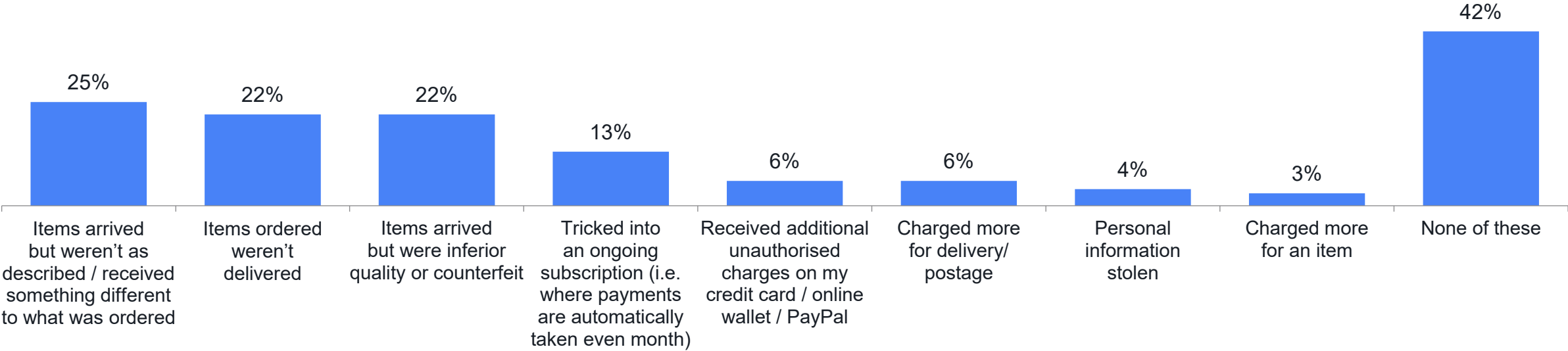
“Dodgy Instagram account, pretending to be another Instagram user to which I responded to a competition post. Sent me a message to say I had won then follow a link which asked for credit card details to verify my identity and prove address to send winning.”

“Bought an item from a site after seeing ads for it on Instagram. Item never arrived, there was no tracking, customer service never responded.”

“Got sucked in my a supposed Google Ad that was offering an iPhone for \$3. Thought I could afford that to give it a shot. Next minute my bank account got zapped with over \$100 including a few foreign exchange transaction charges!”

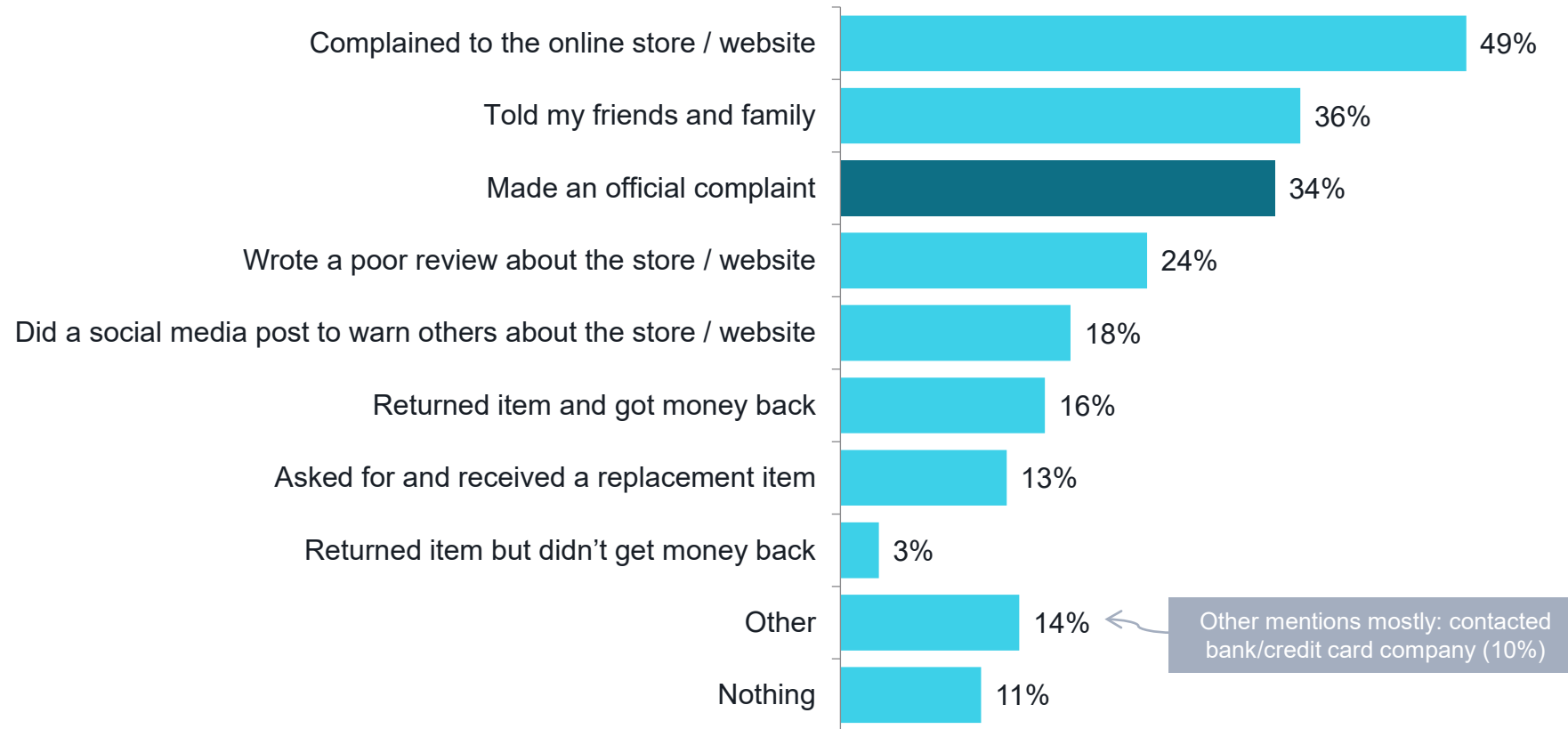
# Prompted, items not being as described and items not being delivered are the most commonly occurring negative online experiences

## Experienced when shopping online



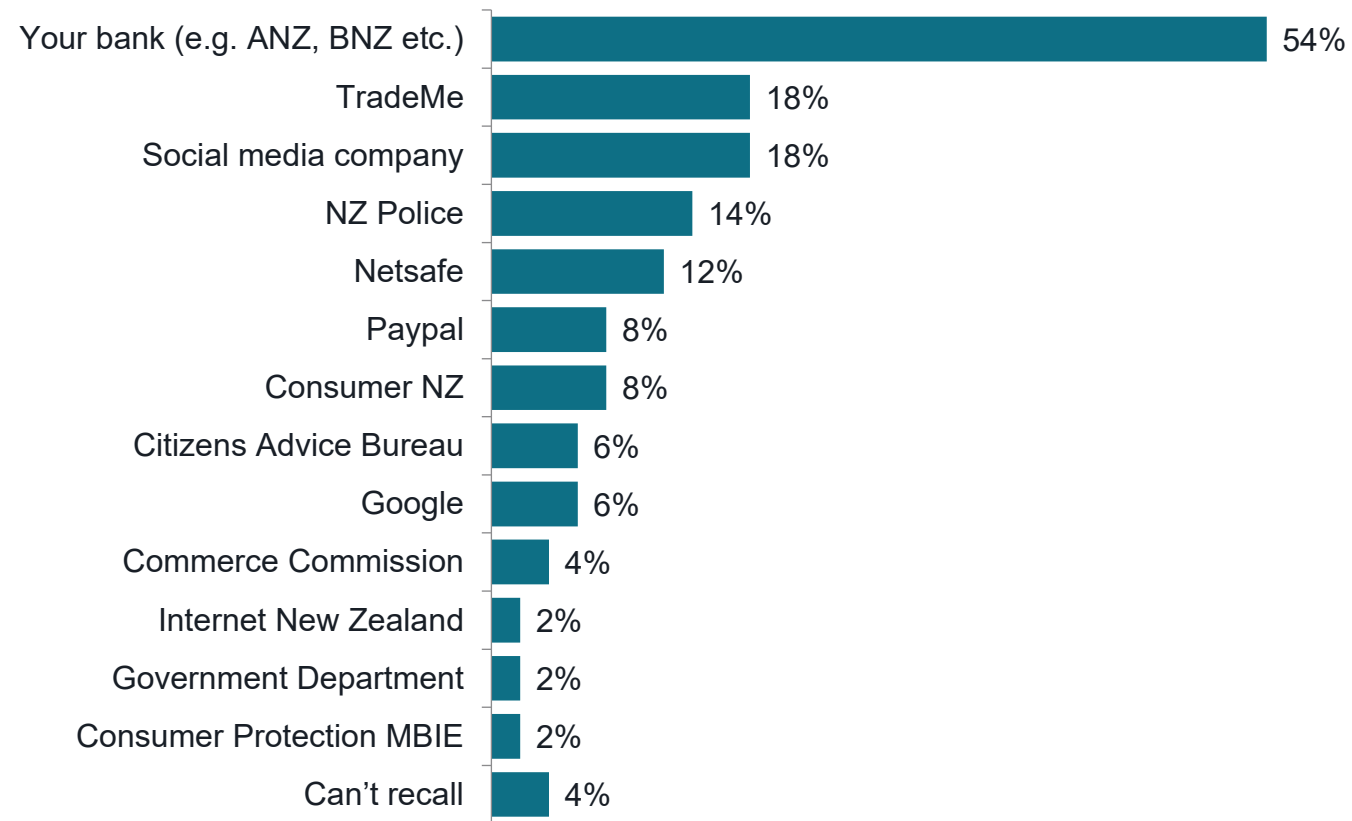
# If scammed, it is most common to make a complaint to the online store... with a third telling their friends/family and a similar proportion making an 'official complaint'

**Action taken when realised had been scammed or almost scammed**  
(Have been scammed or almost scammed when shopping online)



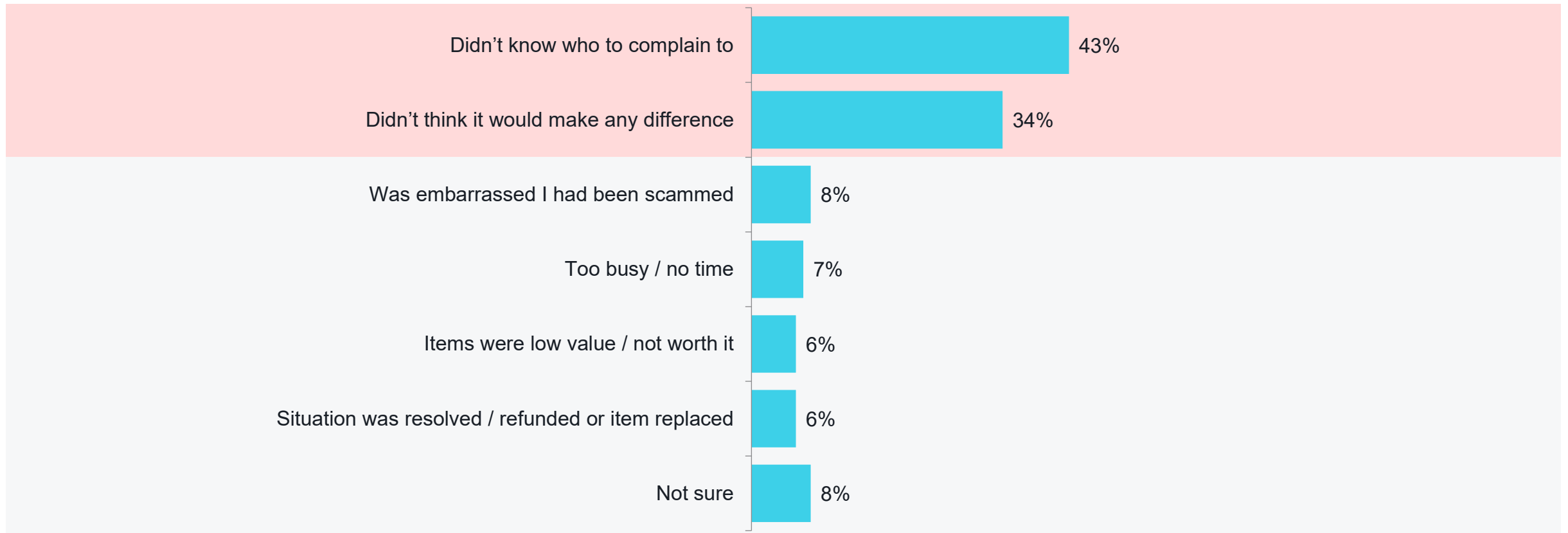
# The highest proportion of 'official' complaints are made to banks... next most common is to complain to TradeMe or social media companies

**Who complained to realised had been scammed or almost scammed**  
*(Have been scammed or almost scammed when shopping online and made an official complaint)*



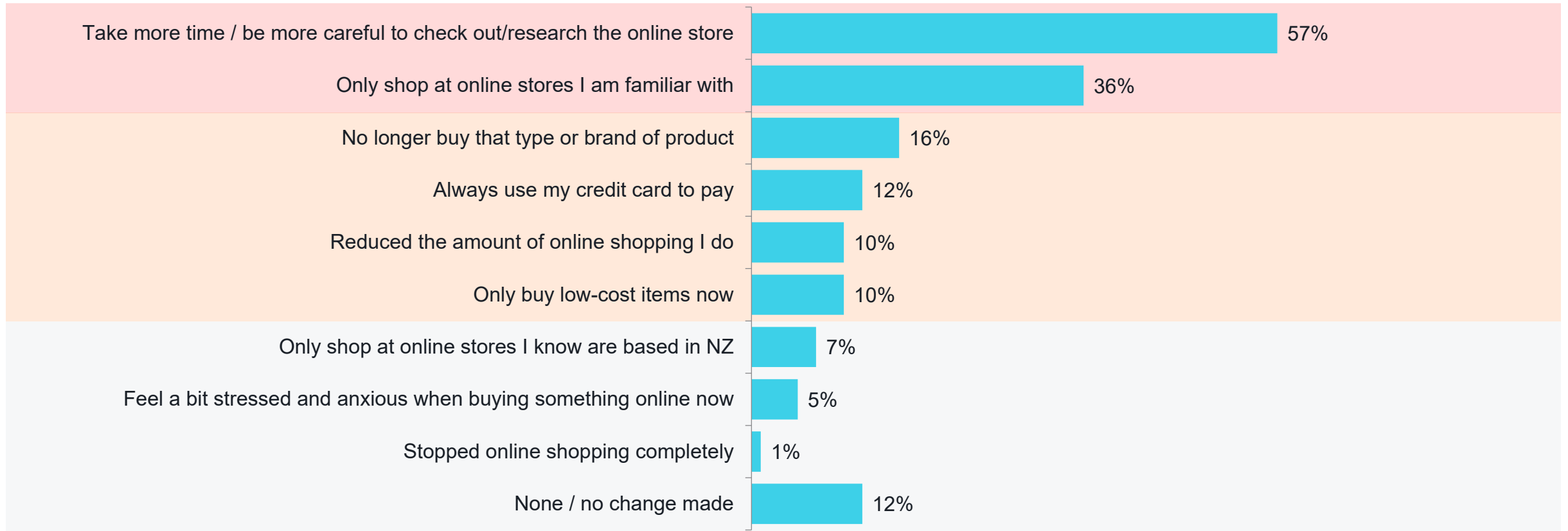
# The reasons NZers don't make a complaint is mostly due to either not knowing who to complain to or the belief it won't make a difference

**Reasons didn't make an official complaint when realised had been scammed or almost scammed**  
*(Have been scammed or almost scammed when shopping online and didn't make an official complaint)*



# The most common impact of being scammed is taking more time to research future purchases and sticking to shopping at familiar/well-known stores... only 1% have been completely put off online shopping

**Impact being scammed (or almost scammed) has had on online shopping behaviour**  
*(Have been scammed or almost scammed when shopping online)*

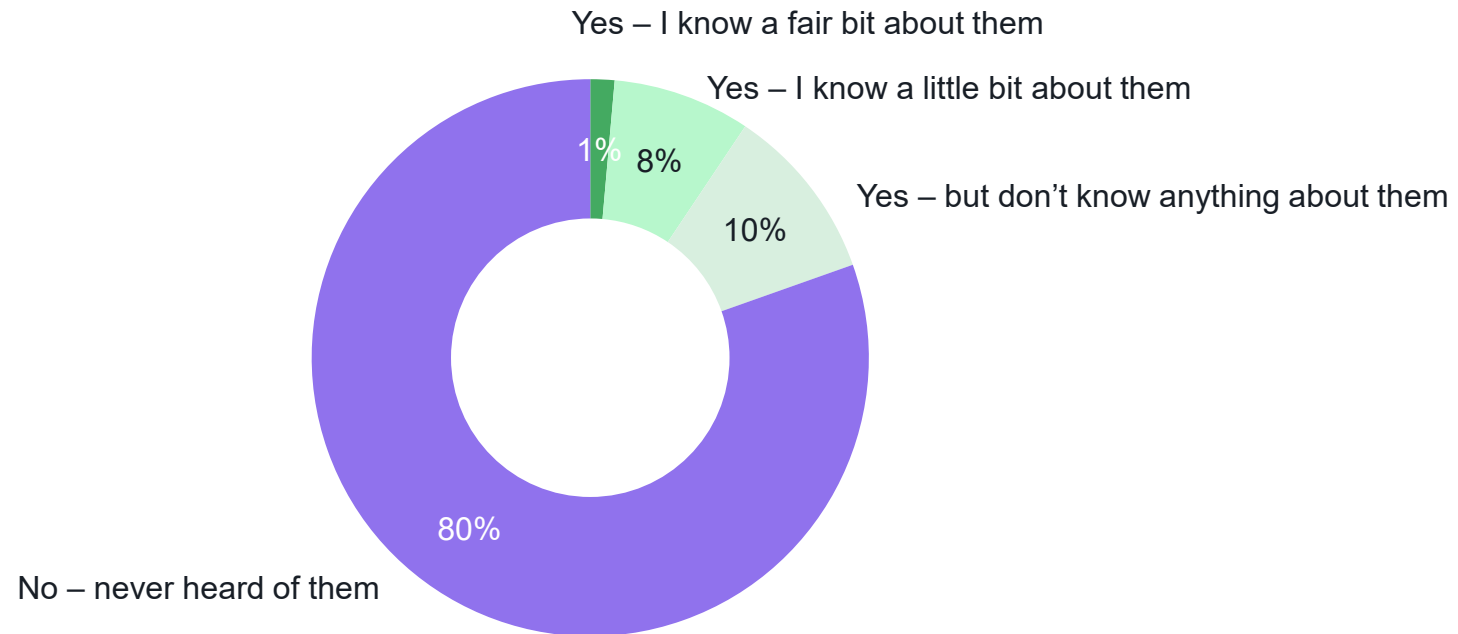


# Domain Name Commission & Fake Webshops

# 8 in 10 NZers have never heard of us, and only 9% of those who have heard of us know anything about us



## Heard of the Domain Name Commission before today





# Unprompted, the most common understanding of what we do (among those aware) is the administration and management of domain names

## Administers / allocates domain names



“Allocation of New Zealand domain names.”

“They are the ones where people register their new Zealand domain names.”

“Registering and managing domain names.”

“Organise the domain names.”

“No idea. It might be the organisation who keeps the domain records.”

## Monitors / verifies domain names



“Administers domain names to ensure they are being used for legit purposes, and within our borders in a co.nz.”

“Verifies sites to companies.”

“Certify domain names to counter fraud and scams.”

“Makes sure NZ websites aren't fake.”

“It monitors/ensures a domain name is registered and is genuine. Also that an unscrupulous person/organisation is not creating a domain name that is so similar to a genuine, existing one that unsuspecting members of the public are tricked by the bait, into purchasing and giving away personal sensitive data.”

## Where you can look up domain names



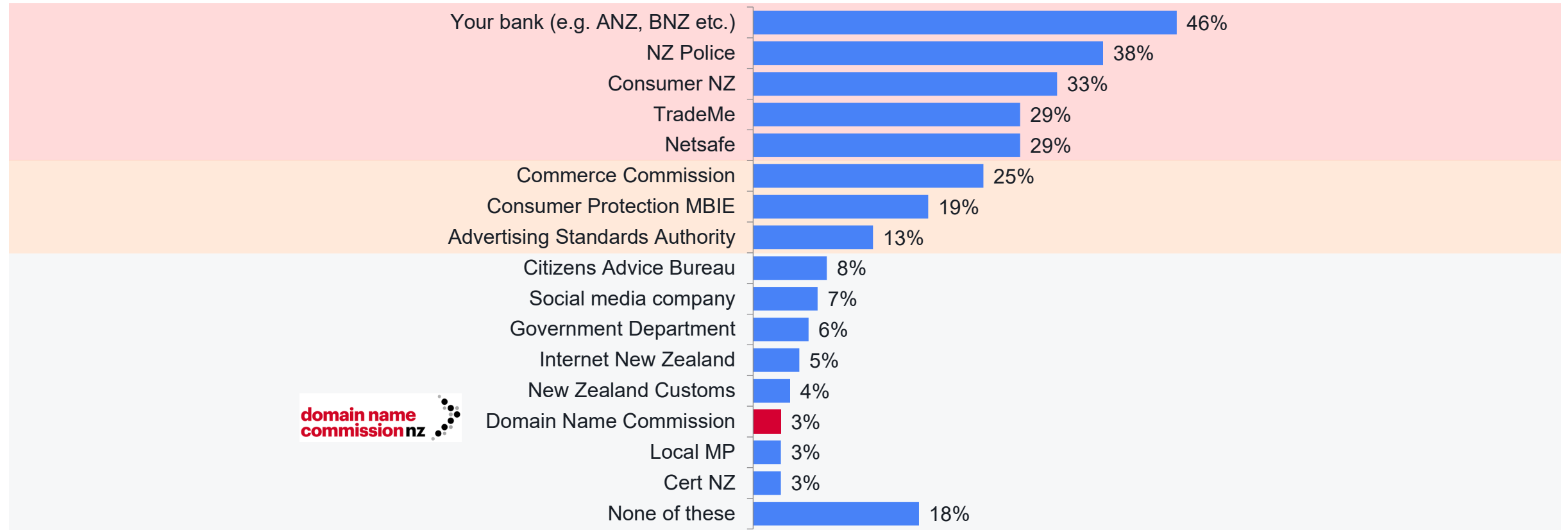
“A place to look up domain name owners possibly, and considering the topic of this research, it may be a policing body where complaints can be lodged.”

“Authorise and provide website domain names, allow for searching availability of domain names.”

Only one mention of us (unprompted) being a place you can report scams to.

# Prompted, just 3% of NZers are aware they can complain to us, and 5% Internet NZ... highest awareness again for banks, followed by Police and Consumer NZ

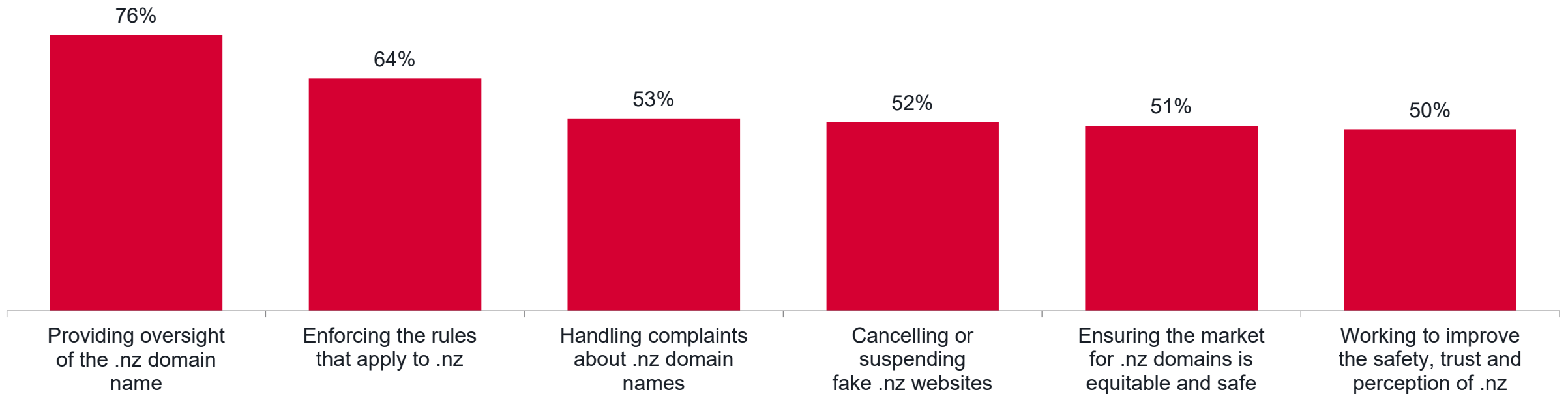
## Organisations know they can make an official complaint about fake online webshops to



# Prompted, NZers who have heard of us are most aware that our role includes providing oversight of the .nz domain name and enforcing the rules that apply to .nz

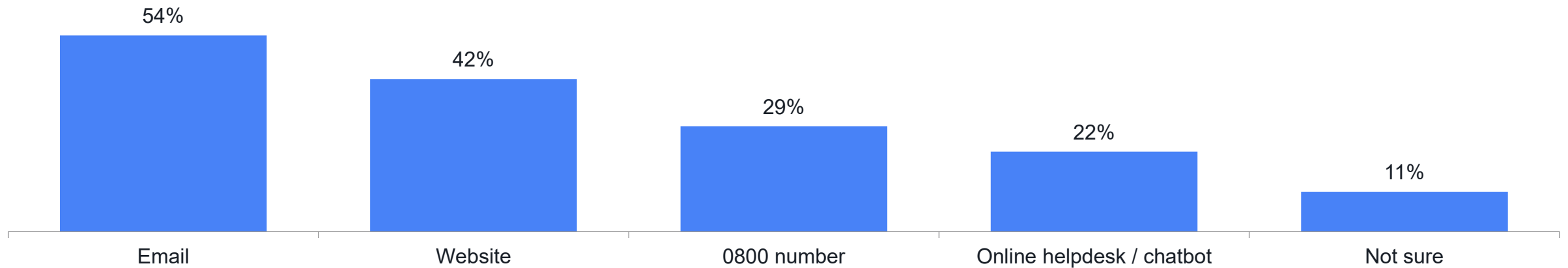


Aware that the Domain Name Commission's roles include...  
(Aware of Domain Name Commission)



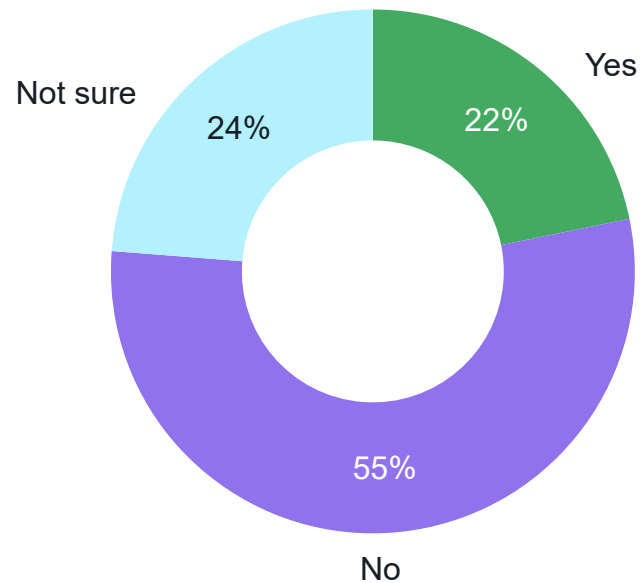
If NZers were to make a complaint about a fake webshop they would most prefer to do this via email or via a website... there is also reasonable demand for an 0800 number and an online helpdesk/chatbot

Methods prefer to use to make a complaint about a fake .nz webshop

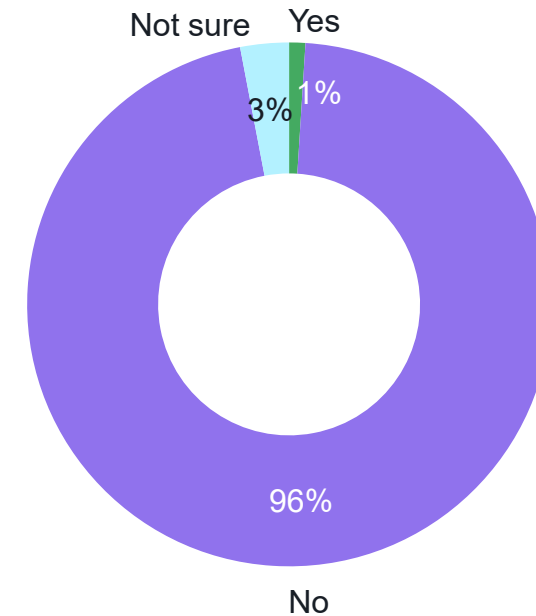


# A fifth of NZers say they have seen alerts or notices providing warnings about fake webshops... just 1% have heard of our fakewebshop.nz website

Ever seen any alert notices or advertising providing information or warnings about fake webshops



Every heard of, or seen, the website called [fakewebshop.nz](http://fakewebshop.nz) or any advertising for this website



# Banks are the most active in the space of alerting NZers to scams – the next most common place to hear about scams is via social media

Alert notices or advertising seen about fake webshops

## Notifications from banks – emails and on websites



“Advertisement and emails from my bank notifying me of different ways scams take place. ANZ and Westpac.”

“Bank emails about being careful about passwords and scam websites, also phishing emails.”

“Bank scam information through online banking.”

“Banks advertising on Instagram.”

“Westpac, Sent an email about scammers activities targeting customers etc. Same with ASB.”

“Warning this is a possible scam. email. from ANZ.”

## Social media – esp. Facebook



“Seen some on social media.”

“Post on Facebook, or email saying something was a scam.”

“On social media sites by the business themselves using their verified account.”

“On Instagram and Facebook.”

“Just people on social media saying they had been scammed.”

“Individuals making statements on Facebook stating sites were fake and scams.”

## TV / TV news – and other general media



“An ad on TV, Netsafe I think.”

“An article on the TV news.”

“TV ads about dangers of internet.”

“Think there has been a TV ad recently with someone like Stacey Morrison, warning people how to spot fake website.”

“See Netsafe every now and again on television.”

“Articles in Stuff and NZ Herald.”

“Think I heard some on the radio recently.”

# Key Summary Points

# Key Summary Points

## Online Shopping in NZ

- 4 in 10 NZers shop online weekly or more often – a similar proportion (42%) shop monthly or a few times a month
- Items with highest levels of purchase are clothing (59% of NZers), books/music/games/hobby supplies (47%), and groceries (43%)
- The main drivers of online shopping are the ease/convenience, delivery to your door and ease of shopping around and comparing items
- Half of NZers are shopping online more often than they were 12 months ago and just 4% less often
- COVID-19 has been the biggest driver of increased online shopping frequency, with many NZers realising during NZ's first lockdown how easy and convenient online shopping is
- The main barriers to shopping online are not being able to see/touch and judge the quality of items and the cost of delivery
- Secondary barriers are difficulties returning items, slow or non-delivery of items
- Ranked 7th of the barriers measured - a quarter of NZers are worried about how to tell if an online store is genuine



# Key Summary Points

## **.nz Domain Names**

- The most common things NZers do to try and keep themselves safe when shopping online is to look for the padlock/https and checking the website for bad spelling/grammar
- The fifth most taken action is looking to see if the website is .nz (4 in 10 NZers)
- 6 in 10 NZers agree they are more likely to buy from a .nz website, but only half agree they feel safe buying from a .nz site and that they trust .nz websites more
- 4 in 10 agree .nz doesn't necessarily mean they are buying from a NZ company
- The biggest advantages NZers see in buying from a .nz website is that they feel they are supporting local businesses and that delivery will be cheaper/faster and more reliable

# Key Summary Points

## Scams

- 18% of NZers have been scammed when shopping online and a further 11% have almost been scammed
- Most common scam stories relate to unauthorised credit card transactions, receiving poor quality or fake products and items not being delivered at all
- The most common action taken after being scammed is to complain to the online store, followed by telling friends and family
- A third of NZers who had been scammed made an official complaint – with these most commonly made to their bank
- The reasons for not making an official complaint are mostly due to not knowing who to complain to and thinking it won't make a difference
- After being scammed, NZers report the most common impact is that they take more time to research future purchases and tend to stick to shopping only at familiar websites

# Key Summary Points

## Domain Name Commission & Fake Webshops

- A fifth of NZers have heard of the Domain Name Commission, but of these 10% have only heard the name and have no idea who we are or what we do
- Among those who have heard of us, the most common understanding is that we administer and monitor/verify domain names
- Just 3% are aware you can make an official complaint to us about fake online webshops
- If NZers were to make a complaint about a fake webshop they would most prefer to do this via email
- A fifth of NZers said they have seen or heard alert notices or advertising warning about fake webshops
- Just 1% have heard of our fakewebsite.nz website
- Banks are currently the most recalled source of alerts and advertising about fake webshops, followed by social media



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