

Behavioural study on disclosure of ADR information to consumers by traders and ADR entities

Final Report



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1 Introduction

Alternative dispute resolution (ADR) mechanisms are intended to offer consumers and traders a quick and inexpensive alternative to formal court proceedings. This is important in order to provide access to redress for consumers who tend to be deterred by costly and lengthy processes.

However, although awareness of ADR has increased it is still low in some regions and sectors¹, when consumers take no action following a problem often this is because they do not know how to raise a complaint², and very few (5%) consumers who experience a problem with a trader take up the matter with an ADR entity³.

Hence, this study seeks to identify potential policy options that could improve the effectiveness and relevance of the ADR framework, with an overarching objective to assess ways of providing ADR information to consumers on the websites of traders and ADR entities in terms of how it affects awareness of and decisions to use ADR. This encompasses whether information is relevant to consumers, whether it is placed correctly and is easily accessible, whether it is written in a way that influences consumers' decisions to use ADR, and the language used on cross-border ADR. Thus, the key objectives of the study are:

- Objective 1: Identify the most effective way to provide ADR information to consumers on the websites of traders and ADR entities from the point of consumer awareness of ADR and the consumer's decision to use ADR.
- Objective 2: Identify which information obligations and the have the most and least impact on consumer awareness and use of ADR for the purpose of reducing information overload for consumers and reducing costs for small businesses.
- Objective 3: Identify how the general results under Objectives 1 and 2 differ specifically for vulnerable consumers (e.g., elderly, less educated, less digitally literate).

The study began with a preparatory phase to review existing literature in the fields of behavioural science and ADR generally, as well as relevant EU legislation. The findings of the literature review (which are reported in section 2) were used to inform policy options relating to the provision of ADR information by traders and ADR entities, to be tested via subsequent behavioural experiments.

Both online and laboratory-based behavioural experiments were then conducted in several Member States. These were conducted as a sequential study, with the experimental treatments tested in the lab being refined in collaboration with the Commission based on the online experiment results. In addition, eye tracking was conducted with a proportion of the lab experiment participants. Section 3 provides details of the experiment methodology and the results are reported in sections 4 and 5.

The third and final element of the study involved using the findings as a whole to provide analytical conclusions and policy options addressing the study research questions.

¹ European Commission report (COM(2019) 425 final) on the application of Directive 2013/11/EU on alternative dispute resolution and Regulation (EU) No 524/2013 on online dispute resolution for consumer disputes:
https://ec.europa.eu/info/sites/default/files/com_2019_425_f1_report_from_commission_en_v3_p1_1045545_0.pdf

² European Commission (2019), 'Consumer Conditions Scoreboard: Consumers at home in the single market':
https://ec.europa.eu/info/sites/default/files/consumers-conditions-scoreboard-2019_pdf_en.pdf

³ Ibid.

2 Literature review

The literature review was part of the preparatory phase of the study. Its purpose was to gain insights regarding how the issue of low consumer awareness and usage of ADR might be addressed via provision of information on trader and ADR entity websites, including regarding the manner of information provision. Moreover, the literature review was intended to inform the policy options to be tested in the experiments and explore evidence of differences vis-à-vis vulnerable consumers.

Consumers' awareness of ADR

Literature suggests several behavioural factors may contribute to the low awareness of ADR among consumers. Firstly, consumers have limited attention⁴ so processing large amounts of information may hinder their cognitive processes⁵. To comply with EU and national consumer legislation traders may be required to communicate significant quantities of information – including alongside ADR information – which may cause information overload⁶. Secondly, certain practices in terms of the way information is presented could induce primacy effects, which refers to peoples' tendency to better recall information that is presented first on a page to information that is presented in the middle of a page.⁷ For example, eye-tracking research showed that to subconsciously simplify the complex information, consumers in online environments tend to pay attention to information presented at the top and their awareness appears to drop exponentially afterwards.⁸ Other similar studies indicate that users tend to fixate on content presented in the upper left corner of websites and then proceed to review information placed elsewhere on the page.⁹ This implies that, consumers are likely to remain unaware of ADR if information about it is presented in the middle of a wider information page (e.g., terms and conditions pages, as is often the case on trader websites).

The literature points to several potential solutions, namely providing clear messages, increasing the salience of information, and improving how information is presented, which may be achieved by:

- implementing user-friendly website interface designs¹⁰ (e.g., fold and unfold buttons or by dividing information across separate tabs);
- providing information on ADR at the top of the relevant pages on traders' websites;¹¹

⁴ Chetty, R., Looney, A., & Kroft, K. (2009). Salience and taxation: Theory and evidence. *American economic review*, 99(4), 1145-77.

⁵ Eppler, M. J., & Mengis, J. (2008). The concept of information overload-a review of literature from organization science, accounting, marketing, mis, and related disciplines (2004). *Kommunikationsmanagement im Wandel*, 271-305.

⁶ Information overload refers to the cognitive challenges, such as wrongly processing or even misunderstanding information, that result from having too much information; see Roetzel, P. G. (2019). Information overload in the information age: a review of the literature from business administration, business psychology, and related disciplines with a bibliometric approach and framework development. *Business Research*, 12(2), 479-522.

⁷ Troyer, A.K. (2011). Primacy Effect. In: Kreutzer, J.S., DeLuca, J., Caplan, B. (eds) *Encyclopedia of Clinical Neuropsychology*. Springer, New York, NY.

⁸ Ahn, J. H., Bae, Y. S., Ju, J., & Oh, W. (2018). Attention adjustment, renewal, and equilibrium seeking in online search: An eye-tracking approach. *Journal of Management Information Systems*, 35(4), 1218-1250.

⁹ Wedel, M., & Pieters, R. (2017). A review of eye-tracking research in marketing. *Review of marketing research*, 123-147.

¹⁰ Li, C. Y. (2017). Why do online consumers experience information overload? An extension of communication theory. *Journal of Information Science*, 43(6), 835-851.

¹¹ Ahn, J. H., Bae, Y. S., Ju, J., & Oh, W. (2018). Attention adjustment, renewal, and equilibrium seeking in online search: An eye-tracking approach. *Journal of Management Information Systems*, 35(4), 1218-1250.

- avoiding practices that increase the likelihood that consumers overlook information (e.g., fine print, long text, complicated language, financial and legal jargon);¹²
- presenting information after the point of sale when consumers are more likely to retain information about ADR.¹³

Consumers' usage of ADR

Insights from social psychology imply that several factors may influence consumers' use of ADR. These include attitudes towards ADR, perceived ease of navigating the procedure, opinions of peers, and trust in the mediator. In addition, emotional responses and cognitive biases play a role in forming consumers' behavioural intentions. According to research, several techniques could increase uptake of ADR, namely:

- Simplifying the format in which information is presented to avoid high search costs which discourage consumers from using ADR by, for example, using jargon-free messages, by emphasising that starting an ADR procedure is free.
- Presenting the main attributes of ADR such as examples of likely outcomes¹⁴ and the costs involved¹⁵, specifically presenting this information towards the top of ADR entities' websites to highlight the advantages of ADR.¹⁶
- Making information more salient by separating ADR information on traders' websites, potentially placing it in a dedicated, easily accessible section that is separate from other information;¹⁷
- Providing simple comparisons between judicial and out-of-court procedures. This could include comparing ADR and court proceedings in terms of possible (or likely) outcomes and indicative costs, durations and success rates.^{18, 19}
- Changing the name of ADR to a phrase that avoids misconceptions and increases the propensity of consumers to use the process.²⁰ This might be achieved by using alternatives such as 'mediated', 'aided', 'assisted', 'supported' or 'out-of-court' dispute resolution.

¹² European Commission (2019). Behavioural study on the digitalisation of the marketing and distance selling of retail financial services Final Report. Available at: https://ec.europa.eu/info/sites/info/files/live_work_blue_in_the_eu_consumers/digitalisation_of_financial_services_-_main_report.pdf

¹³ Aycinena, D., Elbittar, A., Gomberg, A., & Rentschler, L. (2020). Rational inattention and timing of information provision.

¹⁴ Yap, C. Y. N. (2020). What's in a Nudge? How Choice Architecture Surrounding Dispute Resolution Options Can Increase Uptake of Mediation. In *Contemporary Issues in Mediation* (pp. 3-13).

¹⁵ Luzak, J. (2016). The ADR directive: designed to fail? A hole-ridden stairway to consumer justice. *European Review of Private Law*, 24(1).

¹⁶ Cortés, P. (2015). A new regulatory framework for extra-judicial consumer redress: where we are and how to move forward. *Legal Studies*, 35(1), 114-141.

¹⁷ Luzak, J. (2016). The ADR directive: designed to fail? A hole-ridden stairway to consumer justice. *European Review of Private Law*, 24(1).

¹⁸ Sela, A. (2019). e-Nudging justice: the role of digital choice architecture in online courts. *J. Disp. Resol.*, 127.

¹⁹ Yap, C. Y. N. (2020). What's in a Nudge? How Choice Architecture Surrounding Dispute Resolution Options Can Increase Uptake of Mediation. In *Contemporary Issues in Mediation* (pp. 3-13).

²⁰ For more details see: Ngira, D. (2018). (Re) Configuring 'Alternative Dispute Resolution' as 'Appropriate Dispute Resolution': Some Wayside Reflections. Available at SSRN 3212091. and Yap, C. Y. N. (2020). What's in a Nudge? How Choice Architecture Surrounding Dispute Resolution Options Can Increase Uptake of Mediation. In *Contemporary Issues in Mediation* (pp. 3-13).

Possible links between use of ADR and consumers' characteristics

Since an objective of the study is to identify how the general results differ specifically for vulnerable consumers, it is useful to consider what the literature says regarding whether some groups may be vulnerable in ways relevant to ADR due to being more prone to certain behavioural biases.

Older consumers appear to be more sensitive to framing²¹, meaning they may be more influenced by the way ADR information is presented. For example, providing clearer information has been found to benefit older consumers more than the middle-aged.²² Conversely, younger people seem to be less affected by information overload in online environments due to having more confidence resolving technical problems and having higher levels of digital literacy.²³ A similar result was found in a study testing user experience of the ODR platform, where younger consumers navigated the platform more easily.²⁴

Moreover, the elderly and those on low incomes are less likely to have access to online information or tools (e.g., the ODR platform), which may increase reliance on heuristics²⁵, and some research indicates that older and low-income consumers may be more sensitive to loss aversion^{26,27} (although the overall evidence is inconclusive²⁸), which could influence the decision to take up ADR or not.

Those on low incomes and with low education discount time more steeply placing greater weight on immediate benefits.²⁹ Hence these consumers may be more likely to avoid the immediate search and effort costs of ADR. Finally, ambiguity aversion (the disinclination to take unquantifiable risks) may be stronger among those on low incomes, which relates to ADR since the outcome of the process is uncertain.³⁰

Development of policy options and treatments for testing in the experiments

An objective of the literature review was to inform the policy options and treatments to be tested in the experiments. In summary, the literature suggests that policy options should seek to find an effective way to provide the information on ADR to consumers on the websites of traders and ADR

²¹ Ibid.

²² European Commission (2016), Consumer vulnerability across key markets in the European Union; available at: http://ec.europa.eu/consumers/consumer_evidence/market_studies/vulnerability/index_en.htm

²³ Li, C. Y. (2017). Why do online consumers experience information overload? An extension of communication theory. *Journal of Information Science*, 43(6), 835-851.

²⁴ Deloitte (2020), ODR Platform: Applying the design thinking and behavioural economics principles to the user interface

²⁵ Rule of thumb bias refers to the use of mental shortcuts or heuristics to make decisions when faced with complex choices. For more details, see: DellaVigna, S. (2009). Psychology and economics: Evidence from the field. *Journal of Economic literature*, 47(2), 315-72.

²⁶ Gächter, S., & Thoni, C. (2007). in *Voluntary Cooperation: Insights from Experimental Economics*. Rationality and commitment, 175.

²⁷ Bruine de Bruin, W., Parker, A. M., & Fischhoff, B. (2007). Individual differences in adult decision-making competence. *Journal of personality and social psychology*, 92(5), 938.

²⁸ Lunn, P., & Lyons, S. (2010). *Behavioural economics and "vulnerable consumers": a summary of evidence*. London: Communications Consumer Panel.

²⁹ Harrison, D. A., Price, K. H., Gavin, J. H., & Florey, A. T. (2002). Time, teams, and task performance: Changing effects of surface-and deep-level diversity on group functioning. *Academy of management journal*, 45(5), 1029-1045.

³⁰ Lunn, P., & Lyons, S. (2010). *Behavioural economics and "vulnerable consumers": a summary of evidence*. London: Communications Consumer Panel.

entities and identify which information obligations are the most and least important to influence the consumer awareness and usage of ADR.

In terms of the manner of information provision, policy options might attempt to ensure that ADR information is separated from other required information; increase the salience of ADR information (e.g., by placing it at or signposting it from the top of a page); introduce guidance on user interface design to address information overload, highlight the advantages of ADR relative to court, such as via comparisons. These insights from the literature were taken forward to the development of the experiment treatments. The tables in 3.3 describe the experiment treatments and give the rationale for each one, with reference where applicable to relevant insights from the literature.

3 Experiment methodology

The set-up of the online and laboratory experiments was the same except for the setting and the treatments. The lab experiment treatments were refined based on the online experiment results. In addition, to provide further insight a proportion of the lab experiment participants took part in eye-tracking while viewing the trader and ADR entity websites.

The experiments were conducted in six countries: four for the online experiment and two for the lab experiment. The table below shows the countries, fieldwork dates and sample sizes.

Table 1 Experiment countries, fieldwork dates and sample sizes

Country	Fieldwork dates	Sample size ^[a]
Online experiments		
Austria	13 – 20 June 2022	1,019
Italy	13 – 20 June 2022	1,004
Poland	13 – 20 June 2022	1,019
Sweden	13 – 20 June 2022	1,008
Laboratory experiments		
Germany	24 – 29 August 2022	297
Spain	2 – 19 September 2022	304

Note: [a] Unweighted

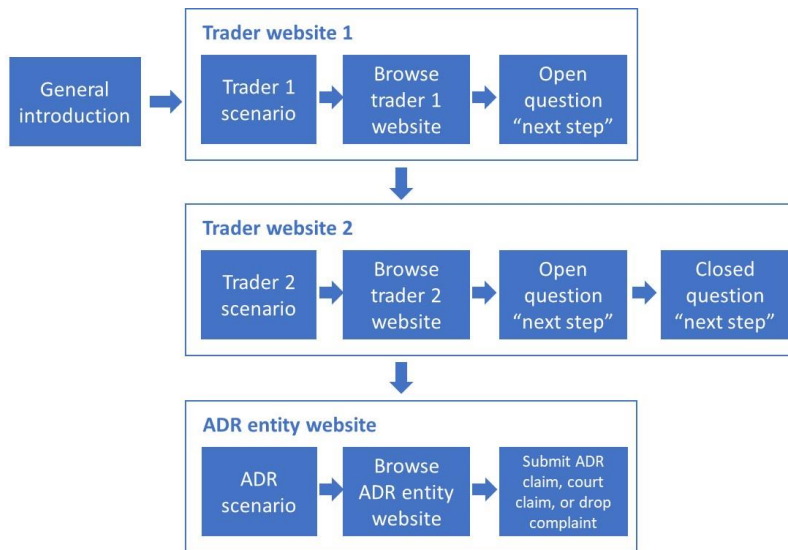
Source: *Online and laboratory experiments*

3.1 Overview of the experimental design

Figure 1 summarises the structure and flow of the experiments. In summary, following a general introduction the experiments proceeded as follows:

- Respondents were given a scenario in which they had a disagreement with a trader, which they were trying to resolve.
- They were then allowed to browse the trader’s (mock) website, before being asked an open question about what their next step would be.
- The two steps above were then repeated for a second type of trader.
- While continuing to think about the scenario given to them (for the second type of trader), respondents then saw a mock ADR entity website, at which point they had three options: use ADR, go to court, or drop their claim.
- If the respondent chose ADR or to go to court, they had to complete a ‘claim form’, which, if done correctly, resulted in a possibility of their dispute being resolved in their favour.

In addition, respondents were also asked questions to test their understanding following the trader and ADR entity websites. Section 3.2 provides further explanation of the key elements.

Figure 1 Overview of the experiment flow

3.2 Experiment environment, decisions and incentives

3.2.1 Introduction to respondents

As part of an initial introduction, respondents were told that they would be given a hypothetical scenario where they have an issue with a trader, and that they may earn extra incentives depending on whether, later in the experiment, they manage to resolve their issue with the trader.

3.2.2 Traders' websites

All respondents were given **two hypothetical scenarios**, one relating to a TV retailer and one relating to an airline (the 'traders'), with the order randomised across respondents. These scenarios told respondents they had purchased a TV or an airline ticket and subsequently **encountered a problem with the trader**³¹ for which they believe they are due a refund or compensation. The scenarios stated that they have already complained to the trader, who is not co-operating.

They were then able to **browse mock websites of the traders**. These websites were **structurally identical** but designed to reflect the relevant types of business in a realistic way. This provided an environment in which to examine the effects of experiment treatments that varied the information provided to participants, to address the objectives of the study set out in section 1.

The websites contained information on ADR ("the ADR information") that was devised to reflect reality based on a review of actual trader websites and checked against EU legal requirements. For example, in the baseline treatment of the online experiment this information was just over 100 words (when drafted in English) and located on the terms and conditions and complaints pages. It included: mention of possibility to use ADR; that the European Commission has created an online dispute resolution (ODR) platform (with a link to it) via which ADR can be started; the option to refer their complaint to a (fictitious) ADR body; and the trader's email address.

³¹ The TV quickly broke down, and their luggage/possessions were damaged during flight.

Both trader websites also included other information required by the consumer acquis (e.g., the Consumer Rights Directive) ensuring the ADR information was presented in the right context and respondents faced a realistic level of information overload.

After browsing each trader website, respondents were asked an **open question** about what their next step would be to resolve their issue. In addition, following the second scenario and second trader website, respondents were also asked (after the open question) a **closed multiple choice question** requiring them to indicate their next step (as a cross-check of the open answer responses).

Lastly in this part of the experiment, respondents answered questions to test their understanding. They could earn extra **incentives** at various points during the experiments. For the traders' websites, incentives were linked to answering the comprehension questions correctly.

3.2.3 ADR Entity website

Next respondents were directed to a mock **ADR entity website** and prompted to think about the last scenario given to them (either the TV retailer or airline scenario). An introduction given before seeing the ADR entity website explained that, from the ADR entity website, they could try to **resolve their problem with the trader** either via **ADR** or **going to court**, or they could **drop their case**.

On the website respondents were shown a homepage of an ADR entity with information on the entity and the ADR procedure. The information was varied in terms of content and format of presentation via the treatments, reflecting the policy options tested. The content was based on a review of real ADR entity websites and was checked against relevant EU legislation. For example, it included details of the (fictitious) ADR entity (e.g., the types of disputes the entity deals with), ADR rules and procedures, and time and costs involved.

If the respondent chose ADR or court, they then had to **complete and submit their claim**. This was a **real effort task** that required respondents to enter information (e.g., the trader's name) on a 'claim form'.³² This was incorporated to reflect the real time and effort needed from a consumer to either go to ADR or court, and respondents were aware of this when making their decision.

Respondents had the possibility to earn extra incentives at this stage by if they chose ADR or court *and* submitted the claim correctly (i.e., if all fields were completed correctly). If they did this, their claim resulted in the dispute being resolved in their favour *with some probability*, in which case they received an incentive payment, as if receiving compensation. These elements of the possibility of receiving compensation but with uncertainty about the outcome were incorporated to simulate the realities of going to ADR (or court).

Finally, following the ADR entity website task respondents were asked questions to examine their understanding. As for the comprehension questions after the trader websites, respondents received extra incentives if they answered these questions correctly.

3.3 Treatments

The tables below describe the treatments and the rationale for each one. The treatments are based on the policy options first identified in the literature, investigated in a preliminary focus group held

³² The relevant information was made available to respondents on the relevant page. In total respondents needed to enter eight pieces of information, either by typing in a field or using drop down menus.

in Germany, and then refined following the online experiment. **For clarity and ease of referencing when discussing the treatments, the following numbering conventions are used:**

- Treatments on the traders' websites are prefixed with 'T'³³, whereas treatments on the ADR entity website are prefixed with 'E'; and
- Treatments in the online experiment are prefixed with 'O', and treatments in the lab setting are prefixed with 'L'.

For example, 'TO1', 'TO2', etc. refer to the trader website treatments in the online experiment, and 'EL1', 'EL2', etc. refer to the treatments on the ADR entity website in the lab experiment.

3.3.1 Trader website treatments in the online experiment

Trader website structure treatments

In the online experiment, the treatments on the trader websites focussed mainly on the structure and presentation of information:

Table 2 Website structure treatments tested on the trader websites (online)

Treatment	Rationale and corresponding policy option
<p>TO1: Baseline</p> <p>This treatment gave ADR information on the pages where traders usually do so in reality: i.e., on the 'Refunds and Complaints' and 'Terms and Conditions' pages. (See Figure 2)</p>	<p>This treatment was included to reflect the reality of how traders typically provide ADR information at present. It establishes a baseline against which to test the other treatments below.</p>
<p>TO2: ADR information on a separate page</p> <p>This treatment involved separating ADR information from other information, by placing it on dedicated page.</p> <p>This page was linked from the header of the trader's home page, and no other (i.e. non-ADR) information was provided on the page. (See Figure 3)</p>	<p>This treatment was included to test the policy option identified based on the literature review of separating ADR information from other required information.</p> <p>Requiring traders to distinguish in information to consumers between ADR and internal complaints procedures would increase awareness.³⁴ However, traders typically place an ODR link in their terms and conditions, while very few place it on the homepage (3%) or on a dedicated ODR/ADR section (1%).³⁵</p>
<p>TO3: ADR information signposted from top of page</p> <p>This treatment 'signposted' the ADR information at the top of the relevant pages (e.g. the 'Terms and Conditions' page). It stated: <i>"If you have made a complaint with us but we were unable to resolve it for you, you may be able to use Alternative Dispute</i></p>	<p>This treatment was intended to test the policy option of raising the salience of ADR information. Salience is a widely acknowledged and explored concept in the behavioural literature. Generally, information that stands out is more likely to affect individuals' thinking and actions.³⁶ Eye-tracking has</p>

³³ The only exceptions are trader website text treatments in the online experiment, which are labelled Text 1 and Text 2 as per Table 3.

³⁴ Luzak J, The ADR Directive: Designed to Fail? A Hole-Ridden Stairway to Consumer Justice, 2016; available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2685655

³⁵ European Commission (2018), 'Online Dispute Resolution: Web-scraping of EU Traders' Websites'. Available at: https://ec.europa.eu/info/sites/default/files/odr_web scraping_final_report_08_08_18.pdf

³⁶ Dolan, P., Hallsworth, M., Halpern, D., King, D. & Vlaev, I. (2010) 'MINDSPACE: Influencing behaviour through public policy'.

Treatment	Rationale and corresponding policy option
<p><i>Resolution (ADR). For more information about ADR, please click here.</i>” This statement was saliently presented in a box at the top of the relevant pages. (See Figure 4)</p>	<p>shown that in online environments consumers pay attention to information presented at the top and their attention drops exponentially thereafter.³⁷ Moreover, our focus group participants responded positively to improved salience of ADR information, albeit on the ADR entity website.</p>
<p>TO4: Information divided across separate tabs This treatment aimed to reduce information overload by dividing the information (including ADR information) across separate tabs, with a dedicated tab for ADR information. For example, for the TV retailer the separate tabs on the ‘Returns and Complaints’ page covered (i) right to withdrawal, (ii) complaints and (iii) dispute resolution for the electronic products retailer. Information was also broken down across tabs in a similar way on the ‘Terms and Conditions’ page, and on the two corresponding pages on the airline website. (See Figure 5)</p>	<p>This treatment was included to test the policy option of introducing guidance on user interface design to address information overload. The behavioural principle of ‘chunking’ information suggests that information can be better memorised if it is split into ‘chunks’.³⁸ User interface design that divides up information in a user-friendly way (e.g., via tabs as in this treatment or other techniques) may partially alleviate Information overload.³⁹ Furthermore, our focus group participants preferred the tabs design of the terms and conditions page as it felt more accessible and looked less like “small print”.</p>

³⁷ Ahn, J. H., Bae, Y. S., Ju, J., & Oh, W. (2018), ‘Attention adjustment, renewal, and equilibrium seeking in online search: An eye-tracking approach’, *Journal of Management Information Systems*, 35(4), 1218-1250.

³⁸ Miller, G. A. (1956) ‘The magical number seven, plus or minus two: some limits on our capacity for processing information’, *Psychological Review*, 63(2), 81-97. Mathy, F. & Feldman, J. (2012) ‘What’s magic about magic numbers? Chunking and data compression in short-term memory’. *Cognition*, 122(3), 346-362.

³⁹ Li, C. Y. (2017). Why do online consumers experience information overload? An extension of communication theory. *Journal of Information Science*, 43(6), 835-851.

Figure 2 Baseline website structure treatment (TO1) tested on the trader websites

Flights.eu [Check in](#) [Flight Status](#) [Manage booking](#) [Help](#) [Sign in](#)

From: To: Depart: Return: Passengers, class:

Refunds and Complaints

If your flight was cancelled, severely delayed (over five hours) or you were unreasonably denied boarding, you are also entitled to:

- A full refund for the portion of the flight that you did not fly; or
- Reimbursement for the part or parts of your journey already made if the flight has become unsuitable for your original plans and, if applicable, a return flight to the first place of departure at the earliest opportunity; or
- Rerouting to your final destination under comparable transport conditions at the earliest opportunity or at a later time of your choice, subject to availability

3. Care services

If your flight was cancelled or delayed by at least three hours (or two in the case of flights 1500 km or less), or you were unreasonably denied boarding, you are entitled to:

- Meals and refreshments according to the waiting time;
- Hotel accommodation and transfers between the airport and the hotel if an overnight stay of one or two nights is required;
- Two telephone calls, telex or fax messages or email.

Alternative Dispute Resolution

We hope we can resolve any complaints regarding your product or service together. If that is not the case, there is a possibility to use Alternative Dispute Resolution (ADR). The European Commission has created an online dispute resolution (ODR) platform, which can be accessed at <https://ec.europa.eu/consumers/odr/>. Through the ODR platform you can start the ADR procedure with us. Please make sure to indicate contact@flights.eu as our e-mail on the ODR platform. Alternatively, you may refer your complaint directly to The Dispute Resolution Centre, which is a certified Alternative Dispute Resolution body, at <https://disputeresolutioncentre.ie/>. In this regard, our e-mail address is contact@flights.eu.

Figure 3 ADR information on a separate page (TO2) tested on the trader websites

Flights.eu [Check in](#) [Flight Status](#) [Manage booking](#) [Help](#) [Dispute Resolution](#) [Sign in](#)

From: To: Depart: Return: Passengers, class:

Dispute Resolution

Alternative Dispute Resolution

We hope we can resolve any complaints regarding your product or service together. If that is not the case, there is a possibility to use Alternative Dispute Resolution (ADR). The European Commission has created an online dispute resolution (ODR) platform, which can be accessed at <https://ec.europa.eu/consumers/odr/>. Through the ODR platform you can start the ADR procedure with us. Please make sure to indicate contact@flights.eu as our e-mail on the ODR platform. Alternatively, you may refer your complaint directly to The Dispute Resolution Centre, which is a certified Alternative Dispute Resolution body, at <https://disputeresolutioncentre.ie/>. In this regard, our e-mail address is contact@flights.eu.

Figure 4 ADR information signposted from top of page (TO3) tested on the trader websites

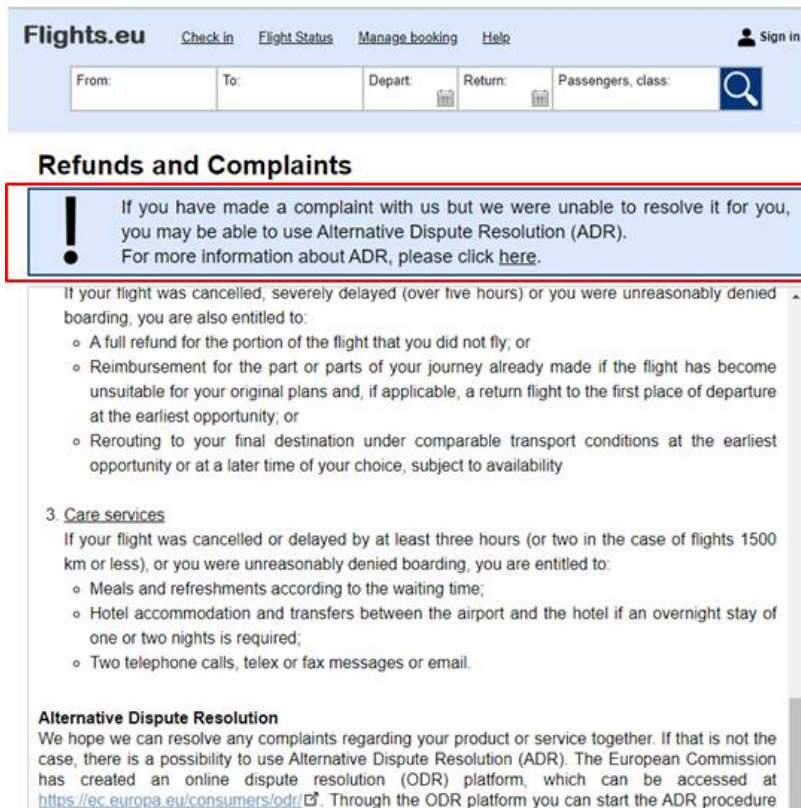
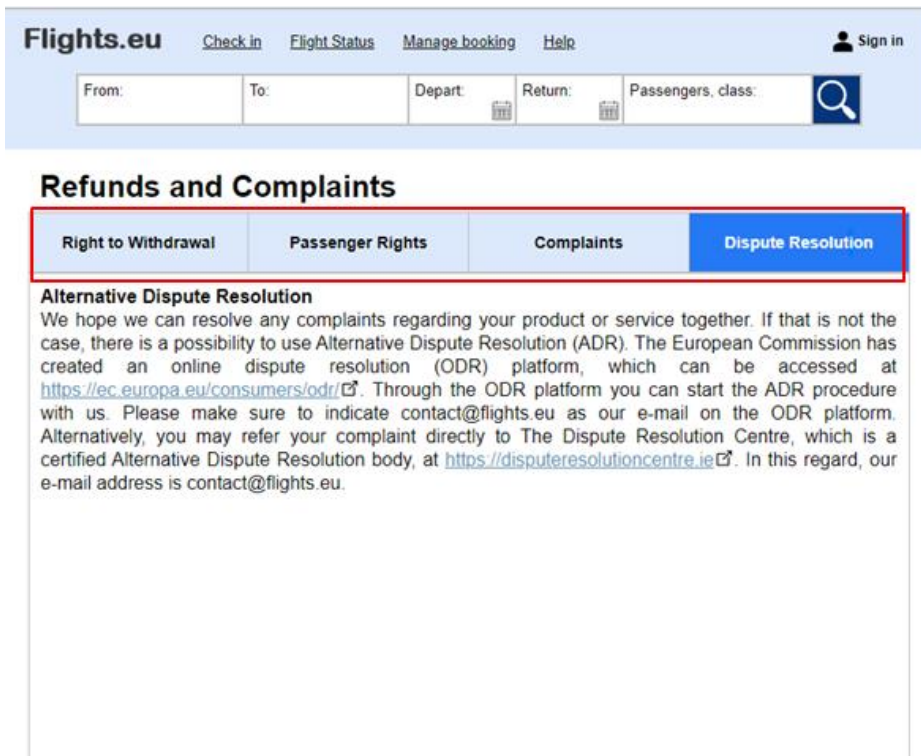


Figure 5 ADR information divided across separate tabs (TO4) tested on the trader websites



Trader website text treatments

Independently to the website structure treatments described in Table 2, the online experiment also varied the text of the ADR information on the trader websites between two versions:

Table 3 ADR information text treatments tested on the trader websites (online)

Treatment	Rationale and corresponding policy option
<p>Text 1: Baseline This treatment presented the baseline version of the ADR information, as outlined in 3.2.2.</p>	<p>This treatment was included to reflect reality and establish a baseline against which to test the alternative text (below).</p>
<p>Text 2: Highlight benefits of ADR relative to court This treatment added a statement to the ADR information highlighting the benefits of using ADR relative to going to court. The statement was added to the end of the second sentence of the ADR information and said: “[ADR] can help you to resolve your disputes out-of-court in a way that is easy, quick, and low-cost relative to going to court.”</p>	<p>This treatment was included to test the policy option to highlight the advantages of ADR relative to court by means of comparisons. Policymakers have not extensively taken account of consumers’ incentives to use ADR procedures⁴⁰ and more consumers consider court than ADR.⁴¹ Information to consumers should express that ADR is less complex, easier to navigate and less costly than court, while being able to successfully settle disputes.⁴² This could include providing practical information and overviews of possible outcomes, costs, success rates and simple comparisons.^{43,44}</p>

In our main the analysis, we examine the effects of the website structure treatments (TO1, TO2 etc.) separately and independently to the text treatments – i.e., aggregating across (pooling the data over) the text treatments. And likewise, the effects of the text treatments (Text 1 and Text 2) are analysed separately and independently to (aggregating across) the website structure treatments.

3.3.2 Trader website treatments in the laboratory experiment

The lab experiment treatments were devised in light of the online experiment results and emerging interests from a policy perspective. Since the website structure treatments tested in the online experiment provided clear, robust results regarding the manner of presentation of ADR information, the lab experiment focused on the text of the information. The lab experiment treatments can inform policy makers on the effectiveness and importance of provisions of the ODR Regulation. **The structure of the trader websites and location of the ADR information was held constant across the lab experiment treatments, in the fashion of treatment TO2 (ADR information on a separate page) of the online experiment (see Table 2).**

⁴⁰ Cortés, P. (2015). A new regulatory framework for extra-judicial consumer redress: where we are and how to move forward. *Legal Studies*, 35(1), 114-141.

⁴¹ Consumer conditions scoreboard (2019), available at: [consumers-conditions-scoreboard-2019_pdf_en.pdf \(europa.eu\)](#)

⁴² Luzak, J. (2016). The ADR directive: designed to fail? A hole-ridden stairway to consumer justice. *European Review of Private Law*, 24(1).

⁴³ Sela, A. (2019). e-Nudging justice: the role of digital choice architecture in online courts. *J. Disp. Resol.*, 127.

⁴⁴ Yap, C. Y. N. (2020). What’s in a Nudge? How Choice Architecture Surrounding Dispute Resolution Options Can Increase Uptake of Mediation. In *Contemporary Issues in Mediation* (pp. 3-13).

The treatments are described in Table 4. Note that, unlike the online experiment treatments, these treatments include no obvious baseline. Instead, the treatments build on one another (TL2 builds on TL1, TL3 and TL4 build on TL2).

Table 4 Treatments tested on the trader websites (laboratory)

Treatment	Rationale (and corresponding policy option)
<p>TL1: No ADR information</p> <p>This treatment removed any mention of Alternative Dispute Resolution or Online Dispute Resolution from (what was previously) the ADR information.</p>	<p>This treatment would reflect the (hypothetical) situation where the ODR Regulation is absent. Without this regulation, there would be no explicit mandatory requirement for all traders to provide ADR information, while there would also be reduced information overload for consumers.</p>
<p>TL2: ADR information</p> <p>This treatment was the same as TL1 except with added mention of ADR, which simply stated: <i>“If we [the trader and consumer] cannot resolve the issue together, there is a possibility to use Alternative Dispute Resolution (ADR)”</i>.</p>	<p>This treatment was included to assess whether consumers’ propensity to take up ADR would be increased by merely mentioning it. The treatment builds on TL1 and, in turn, is built on by TL3 and TL4 (see below). Like TL1, it reflects a situation where the ODR Regulation is absent (as a link to the ODR platform is no longer provided).</p>
<p>TL3: ADR information & ODR link</p> <p>This treatment was the same as TL2, except with a clickable link to a mock-up of the ODR platform added. The additional text relative to TL2 read: <i>“A list of ADR providers that meet the European quality requirements and monitored by the national authorities is available at https://ec.europa.eu/consumers/odr”</i>.</p>	<p>This treatment was included to reflect the current requirement for traders to provide ADR information in line with the ODR Regulation, including a link to the ODR platform. It can inform the study on the effect of the requirement to provide this link (and thus the importance of this requirement).</p>
<p>TL4: ADR information & ADR entity link</p> <p>This treatment was the same as TL2, except with clickable link to a mock-up of an ADR entity website added. The additional text relative to TL2 read: <i>“You may refer your complaint directly to The Dispute Resolution Centre, which is a certified Alternative Dispute Resolution body, at https://disputeresolutioncentre.ie”</i>.</p>	<p>This treatment was included to assess whether a link to an ADR entity should be required.</p>

Figure 6 Mock-up of an ODR platform (TL3)



The mock-up displays the European Commission logo on the left and navigation links 'Home' and 'Leave website' on the right. A prominent blue header contains the text 'Online Dispute Resolution'. Below this, the section 'Dispute resolution bodies' is introduced. A paragraph explains that listed bodies offer out-of-court settlement procedures, approved for quality standards. A dropdown menu is set to 'Spain'. A list of ten Spanish dispute resolution bodies follows.

Home Leave website

Online Dispute Resolution

Dispute resolution bodies

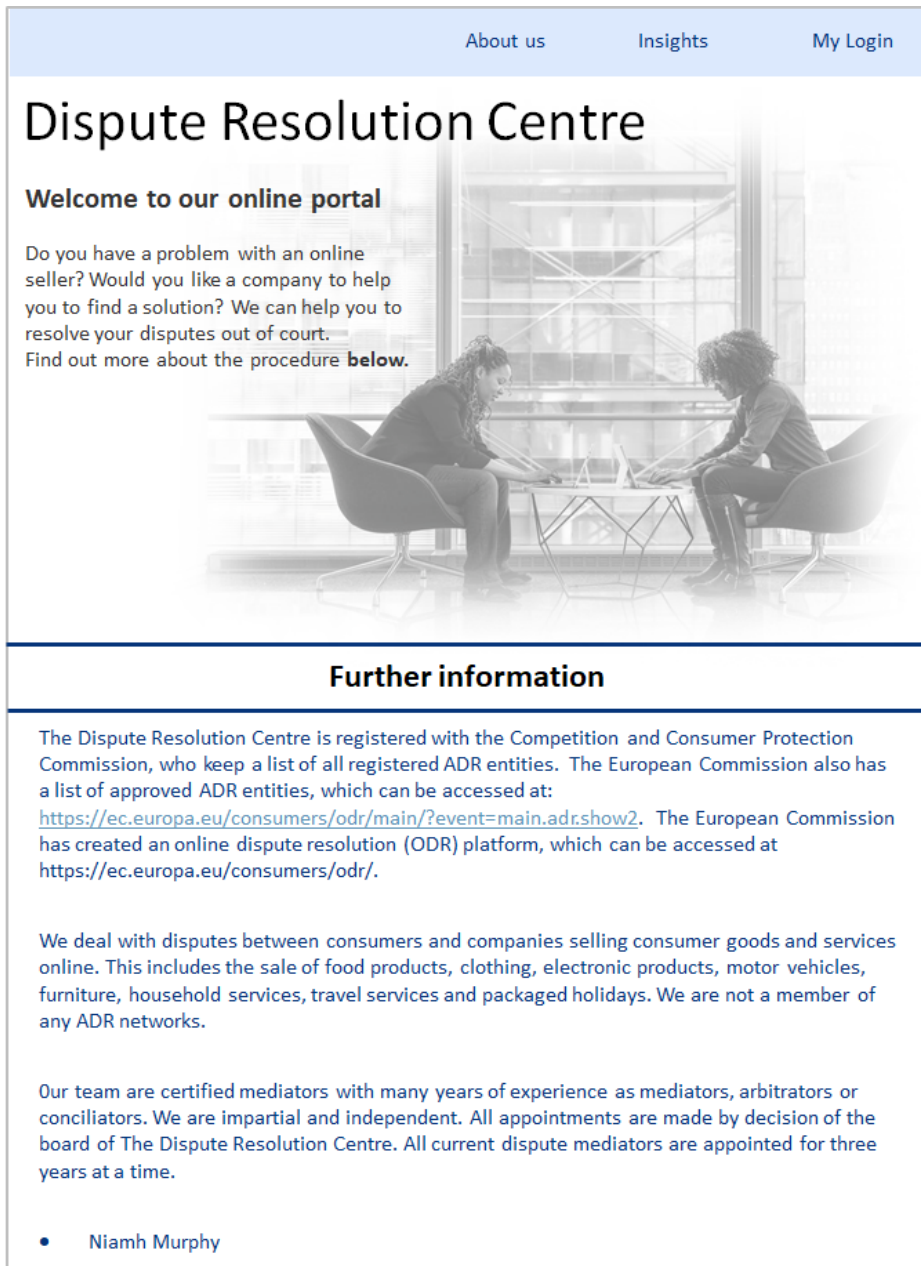
The dispute resolution bodies listed on this site all offer out-of-court settlement procedures.

They have all been approved for quality standards relating to fairness, efficiency and accessibility. Each dispute resolution body has its own rules and procedures. They're usually quicker and cheaper than going to court.

Which country is the trader based in?

- ASOCIACIÓN DE MEDIACIÓN "MEDIATION QUALITY"
- ASOCIACIÓN PARA EL AUTOCUIDADO DE LA SALUD (ANEFP)
- ASOCIACIÓN PARA LA AUTORREGULACIÓN DE LA COMUNICACIÓN COMERCIAL (AUTOCONTROL)
- CENTRO DE RESOLUCIÓN DE DISPUTAS
- COMITÉ DE MEDIACIÓN DE LA ASOCIACIÓN CONFIANZA ONLINE
- JUNTA ARBITRAL DE CONSUMO DE CANTABRIA
- JUNTA ARBITRAL DE CONSUMO DE CASTILLA LA MANCHA
- JUNTA ARBITRAL DE CONSUMO DE CASTILLA Y LEÓN
- JUNTA ARBITRAL DE CONSUMO DE EUSKADI

Figure 7 Mock-up of an ADR entity website (TL4)



3.3.3 ADR entity website treatments in the online experiment

The ADR entity website treatments examined both the structure and the content of information:

Table 5 Treatments tested on the ADR entity website (online)

Treatment	Rationale and corresponding policy option
<p>EO1: Baseline</p> <p>This treatment resembled existing ADR websites as they currently are.</p>	<p>This treatment was included to reflect typical existing ADR entity websites, to establish a baseline against which to test the treatments below.</p>

Treatment	Rationale and corresponding policy option
<p>EO2: Information divided across separate tabs</p> <p>Like TO4 for the trader websites, this treatment aimed to reduce information overload by dividing information across separate tabs. Separate tabs provided information on (i) the ADR entity's details (ii) rules and procedures and (iii) the cost, speed and effectiveness of the ADR process.</p>	<p>This treatment was included to test the policy option of addressing information overload through user interface design.</p> <p>As noted above in Table 2, 'chunking' of information can aid recollection, interface design that separates information in a user-friendly way may partially alleviate information overload, and focus group participant preferred the tabs design of the terms and conditions page.</p>
<p>EO3: Highlight benefits of ADR using statistics</p> <p>This treatment presented the benefits of using ADR in a salient way towards the top of the ADR entity's home page. Specifically, the average time to resolve disputes and share of cases resulting in agreements were present in boxes with icons. In addition, the number of people using ADR was also displayed. This was shown to be increasing over time via a chart.</p>	<p>This treatment was included to test the policy option of highlighting the advantages of ADR.</p> <p>As noted above, policymakers have not extensively taken account of consumers' incentives to take up ADR.⁴⁵ This could include providing practical information and overviews of possible outcomes, costs, success rates and simple comparisons.^{46,47}</p> <p>Including information on the number of other people using ADR may be expected to increase use of it due to social proof (aka social pressure).⁴⁸</p>
<p>EO4: Highlight benefits of ADR relative to court</p> <p>This treatment emphasised the benefits of ADR relative to court, namely that ADR is easy, quick, fair and low cost. These were presented saliently, in box towards the top of the ADR entity's home page, with the ADR benefits presented as one-word bullet points ("easy", "quick", etc.) in bold.</p>	<p>This treatment tested the policy option to highlight the benefits of ADR in comparison to court.</p> <p>More consumers consider court than ADR.⁴⁹ Information to consumers should express that ADR is less complex, easier to navigate and less costly than court, while being able to successfully settle disputes.⁵⁰</p>

⁴⁵ Cortés, P. (2015). A new regulatory framework for extra-judicial consumer redress: where we are and how to move forward. *Legal Studies*, 35(1), 114-141.

⁴⁶ Sela, A. (2019). e-Nudging justice: the role of digital choice architecture in online courts. *J. Disp. Resol.*, 127.

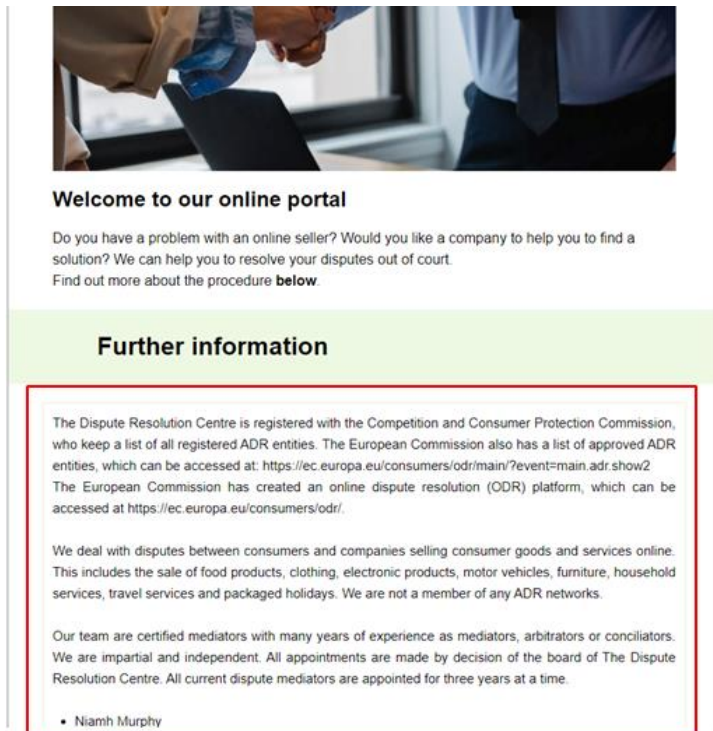
⁴⁷ Yap, C. Y. N. (2020). What's in a Nudge? How Choice Architecture Surrounding Dispute Resolution Options Can Increase Uptake of Mediation. In *Contemporary Issues in Mediation* (pp. 3-13).

⁴⁸ See, for example, DellaVigna, S. (2009) 'Psychology and Economics: Evidence from the Field', *Journal of Economic Literature*, 47(2), pp. 315-372.

⁴⁹ Consumer conditions scoreboard (2019), available at: [consumers-conditions-scoreboard-2019_pdf_en.pdf \(europa.eu\)](https://ec.europa.eu/consumers-conditions-scoreboard-2019-pdf_en.pdf)

⁵⁰ Luzak, J. (2016). The ADR directive: designed to fail? A hole-ridden stairway to consumer justice. *European Review of Private Law*, 24(1).

Figure 8 Baseline (EO1) tested on the ADR entity website



Welcome to our online portal

Do you have a problem with an online seller? Would you like a company to help you to find a solution? We can help you to resolve your disputes out of court.
Find out more about the procedure **below**.

Further information

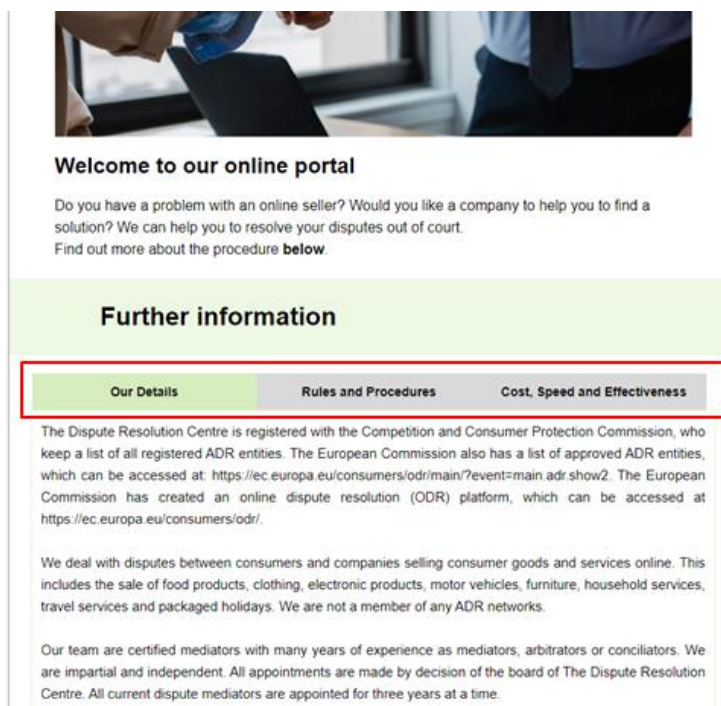
The Dispute Resolution Centre is registered with the Competition and Consumer Protection Commission, who keep a list of all registered ADR entities. The European Commission also has a list of approved ADR entities, which can be accessed at: <https://ec.europa.eu/consumers/odr/main/?event=main.adr.show2>
The European Commission has created an online dispute resolution (ODR) platform, which can be accessed at <https://ec.europa.eu/consumers/odr/>.

We deal with disputes between consumers and companies selling consumer goods and services online. This includes the sale of food products, clothing, electronic products, motor vehicles, furniture, household services, travel services and packaged holidays. We are not a member of any ADR networks.

Our team are certified mediators with many years of experience as mediators, arbitrators or conciliators. We are impartial and independent. All appointments are made by decision of the board of The Dispute Resolution Centre. All current dispute mediators are appointed for three years at a time.

- Niamh Murphy

Figure 9 Information divided across tabs (EO2) tested on the ADR entity website



Welcome to our online portal

Do you have a problem with an online seller? Would you like a company to help you to find a solution? We can help you to resolve your disputes out of court.
Find out more about the procedure **below**.

Further information

Our Details **Rules and Procedures** **Cost, Speed and Effectiveness**

The Dispute Resolution Centre is registered with the Competition and Consumer Protection Commission, who keep a list of all registered ADR entities. The European Commission also has a list of approved ADR entities, which can be accessed at: <https://ec.europa.eu/consumers/odr/main/?event=main.adr.show2>. The European Commission has created an online dispute resolution (ODR) platform, which can be accessed at <https://ec.europa.eu/consumers/odr/>.

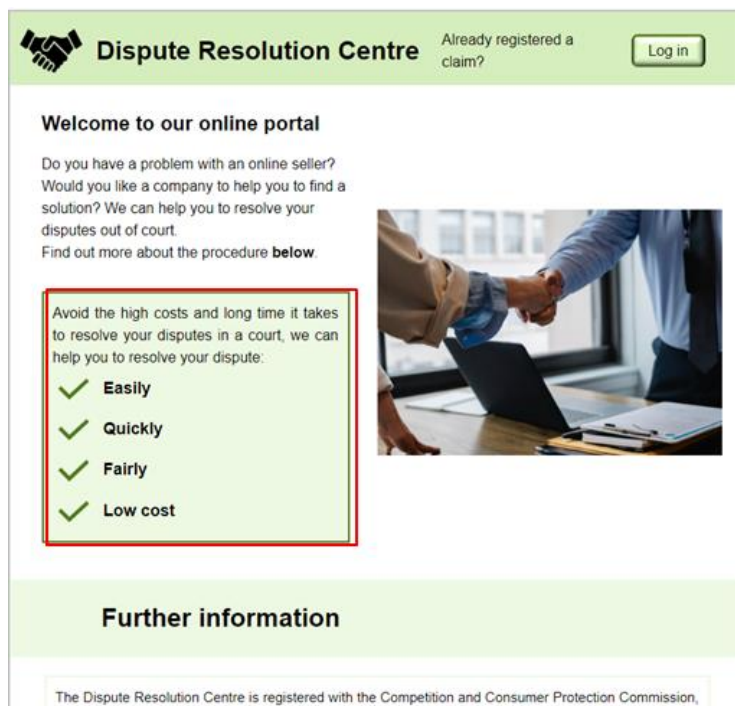
We deal with disputes between consumers and companies selling consumer goods and services online. This includes the sale of food products, clothing, electronic products, motor vehicles, furniture, household services, travel services and packaged holidays. We are not a member of any ADR networks.

Our team are certified mediators with many years of experience as mediators, arbitrators or conciliators. We are impartial and independent. All appointments are made by decision of the board of The Dispute Resolution Centre. All current dispute mediators are appointed for three years at a time.

Figure 10 Highlighting benefits of ADR using statistics (EO3) tested on the ADR entity website



Figure 11 Highlighting benefits of ADR relative to court (EO4) tested on the ADR entity website



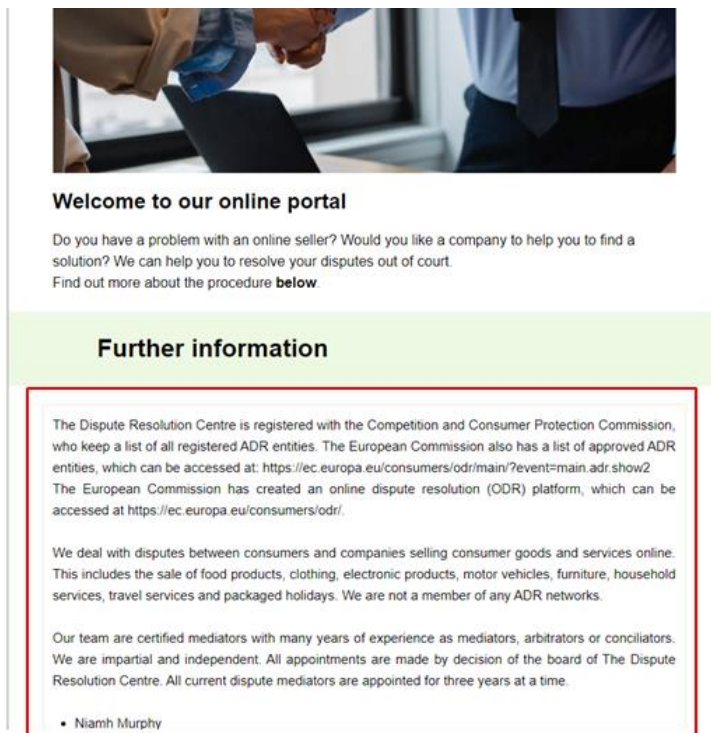
3.3.4 ADR entity website treatments in the laboratory experiment

The ADR entity website treatments tested in the lab experiment retained many features of those tested in the online experiment, with some refinements:

Table 6 Treatments tested on the ADR entity website (laboratory)

Treatment	Rationale and corresponding policy option
<p>EL1: Baseline This treatment was unchanged relative to the baseline used in the online experiment (EO1).</p>	<p>This treatment was included to reflect typical existing ADR entity websites, to establish a baseline against which to test the treatments below.</p>
<p>EL2: Information divided across separate tabs This treatment was the same as EO2 in the online experiment except that, rather than landing (in the first instance) on the tab with the ADR entity’s details, the respondent landed on the tab giving information on the cost, speed and effectiveness of the ADR process.</p>	<p>The rationale for including this treatment and the corresponding policy option are the same as for EO2. The treatment was designed to test whether information overload could be reduced via user interface design. The landing tab was changed to maximise the likelihood that respondents saw the information that was expected to be the most important information for the decision to use ADR.</p>
<p>EL3: Highlight benefits of ADR relative to court – Table of statistics This treatment added a simple, salient table of attributes highlighting the differences between ADR and going to court. Specifically, the table compared the average speeds to resolve disputes (40 days for ADR, 100-700 days for court), typical costs (free for the ADR entity shown, “Court costs + lawyer’s fees” for court) and agreement rates (65% for both ADR and court). The attributes thus highlighted the benefits of ADR.</p>	<p>This treatment combined EO3 (highlight benefits of ADR using statistics) and EO4 (highlight benefits of ADR relative to court). As such, the rationale for including it, and the corresponding policy option, also followed from EO3 and EO4. These treatments were combined for the lab experiment since they were deemed to be relatively similar, and it was hypothesised that combining them might maximise their potential.</p>

Figure 12 Baseline (EL1) tested on the ADR entity website



Welcome to our online portal

Do you have a problem with an online seller? Would you like a company to help you to find a solution? We can help you to resolve your disputes out of court.
Find out more about the procedure **below**.

Further information

The Dispute Resolution Centre is registered with the Competition and Consumer Protection Commission, who keep a list of all registered ADR entities. The European Commission also has a list of approved ADR entities, which can be accessed at: <https://ec.europa.eu/consumers/odr/main/?event=main.adr.show2>
The European Commission has created an online dispute resolution (ODR) platform, which can be accessed at <https://ec.europa.eu/consumers/odr/>.

We deal with disputes between consumers and companies selling consumer goods and services online. This includes the sale of food products, clothing, electronic products, motor vehicles, furniture, household services, travel services and packaged holidays. We are not a member of any ADR networks.

Our team are certified mediators with many years of experience as mediators, arbitrators or conciliators. We are impartial and independent. All appointments are made by decision of the board of The Dispute Resolution Centre. All current dispute mediators are appointed for three years at a time.

- Niamh Murphy

Figure 13 Information divided across tabs (EL2) tested on the ADR entity website



Welcome to our online portal




Do you have a problem with an online seller? Would you like a company to help you to find a solution? We can help you to resolve your disputes out of court.
Find out more about the procedure **below**.

Further information

Cost, Speed & Effectiveness	Our Details	Rules & Procedures
<p>There is no charge for the consumer or the trader to participate in the procedure.</p> <p>We have received over 8,000 applications to use ADR in total. An agreement is reached between the consumer and trader 65% of the time. The average duration of proceedings is 40 days.</p> <p>If the parties agree on the proposed solution, it has a binding effect on the parties. Any non-compliance to this decision will result in financial penalties.</p> <p>All procedures will be carried out in English.</p>		

Figure 14 Highlight the benefits of ADR relative to court- table of attributes (EL3) tested on the ADR entity website



How ADR compares to going to court....			
	ADR	Court	
Speed Typical time to resolve a dispute	40 days	100-700 days	
Cost Typical cost	Free*	Court fees + lawyers fees	
Agreement Share of cases reaching agreement	65%	65%	

*ADR is usually low-cost. With us is it free.

Further information

3.4 Supporting survey questions

The experiments were accompanied by supporting survey questions covering socio-demographics, respondents' experience with and awareness of ADR, indicators of potential vulnerability, and behavioural traits (e.g., risk aversion). The experiment was placed directly after questions required to sample respondents (e.g., age and gender) but before all other questions ensuring that the supporting survey had minimal impact on the experiment data.

4 Experiment results

4.1 Impacts of the trader website treatments

This section presents the impact of the experimental treatments tested on the trader websites. For the trader websites the main outcome measures are (i) the proportion of respondents indicating their next step would be ADR (measured through open answer and closed questions asked after respondents viewed the trader websites) and (ii) the average score for the understanding questions after the trader websites.

4.1.1 Consumers' intention to use ADR following the trader websites

Intention to use ADR was captured first via an open answer question (to avoid priming) followed by a closed (multiple choice) question (used to validate the open answer responses). For the open question, responses were analysed using a string-matching tool⁵¹ which outputs a match ratio. The match ratio signifies how close each response was to its closest search term, among a pre-specified list of terms. The list of search terms included various words and expressions that each indicated use of ADR (e.g., “alternative dispute resolution”, “ADR” and name of the ADR entity given on the trader website).

To determine whether each respondent indicated they would use ADR, a ‘success threshold’ for the match ratio was set such that answers where the respondent attempted to write that they would use ADR but, for example, may have misspelt one of the words, were classed as a ‘success’, whereas responses that do not correspond to ADR (e.g. contact the retailer) were classed as a ‘failure’. The threshold was calibrated such that raising it would result in ‘losing’ (i.e., classing as ‘failure’) many responses that clearly intended to indicate ADR, while lowering it would result in classifying as ‘successes’ responses that clearly did not indicate ADR.

Given the identical underlying structure and treatments of the airline and TV trader websites, the data is pooled across the websites. In addition, as noted in 3.3.1, we examine the effects of the website structure treatments (TO1, etc.) separately and independently to the text treatments (i.e. aggregating across Text 1 and Text 2), and (similarly) the effects of the text treatments separately and independently to the website structure treatments (i.e. aggregating across TO1, TO2, etc.).⁵²

A two-step approach was used to test whether differences in proportions exist across treatments. First, a chi-square test of homogeneity was used to test for the existence of *any* differences across *all* treatments, without determining specifically which treatments these differences pertain to. Second, if the chi-square test found statistical significance, z-tests were used to determine which differences between specific pairs of treatments are statistically significant.

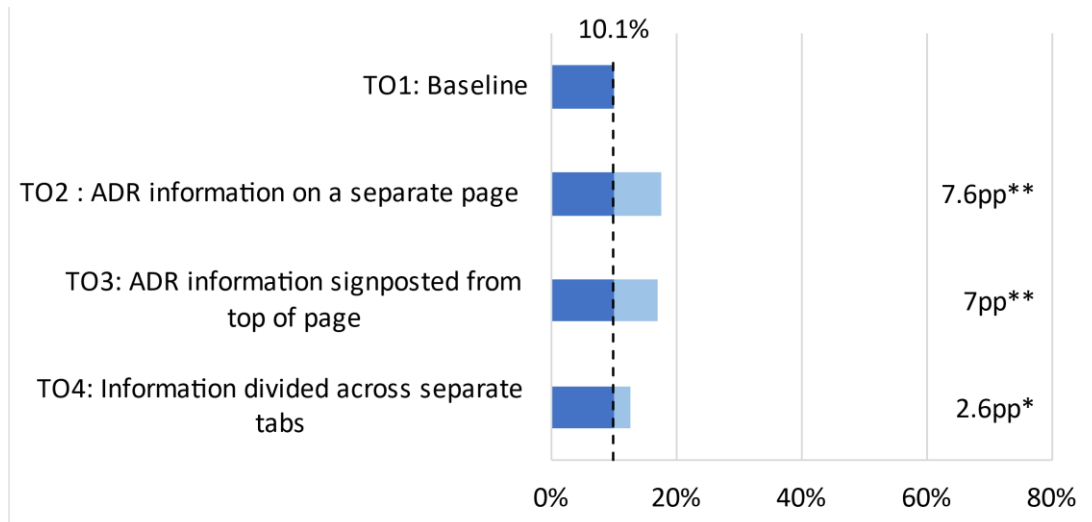
⁵¹ The tool uses ‘The Fuzz’ package in Python 3.9, which uses Levenshtein distance (a commonly used metric in linguistics and computer science) to calculate the similarity between the search terms and the answers in the open-answer survey questions. Informally, the Levenshtein distance between two words is the minimum number of single-character edits (i.e., insertions, deletions or substitutions) required to change one word into the other.

⁵² That said, to examine potential interactions between the website structure and text treatments we regressed (via logit) the binary indicators from the open answer and closed questions on treatment dummies and treatment interaction dummies. The F-statistics of the interaction dummies testing for joint significance were not statistically significant, indicating there is no joint effect of the text and website structure.

Results for the online experiment treatments⁵³

Figure 15 shows the treatment effects of the **online experiment treatments** based on responses to the open answer question. Under TO1, the baseline, 10.1% of respondents indicated an intention to use ADR. Under the other **website structure treatments** (TO2, TO3 and TO4), higher proportions indicated they would use ADR relative to the baseline. Separating ADR information on a dedicated page (TO2) led to the largest uplift (7.6pp relative to the baseline), closely followed by the salient signposting (TO3, 7.0pp). As hypothesised, distinguishing ADR information from internal complaints procedures and placing it on a dedicated, easily accessible page (TO2), or (alternatively) raising the salience of ADR information by signposting it from the top of the page (TO3) increased consumers' propensity to take ADR as a next step. Both these treatment effects are statistically significant at the 1% level. Under TO2 and TO3 respondent's understanding of the ADR information provided on the website was higher on average than under the other treatments (see 4.1.2), which may explain why they indicated ADR as their next step. While separating information across tabs (TO4) also resulted in a significant increase in the proportion of consumers indicating they would use ADR, the treatment effect is smaller (2.63pp) and only at the 5% level.

Figure 15 Effects of TO2, TO3 & TO4 vs. TO1 on intention to use ADR (open responses)



Note: N= 8,100. The χ^2 statistic was highly significant, so z-tests were carried out to identify the p-values for the individual treatments tested against TO1 (the baseline). Treatment effects are presented in percentage points (pp) relative to the baseline. † = statistically significant at the 10% level, * = significant at the 5% level, ** = significant at the 1% level.

Source: LE Europe calculations using online experiment data

Similar results are seen for the closed question (Figure 16). As expected, under the baseline (TO1) the share indicating ADR (31.2%) is higher than for the open answer question (it is likely that the presence of ADR among the response options promoted respondents to select it, after seeing information about ADR on the websites). Nevertheless, as it did for the open answer question TO2

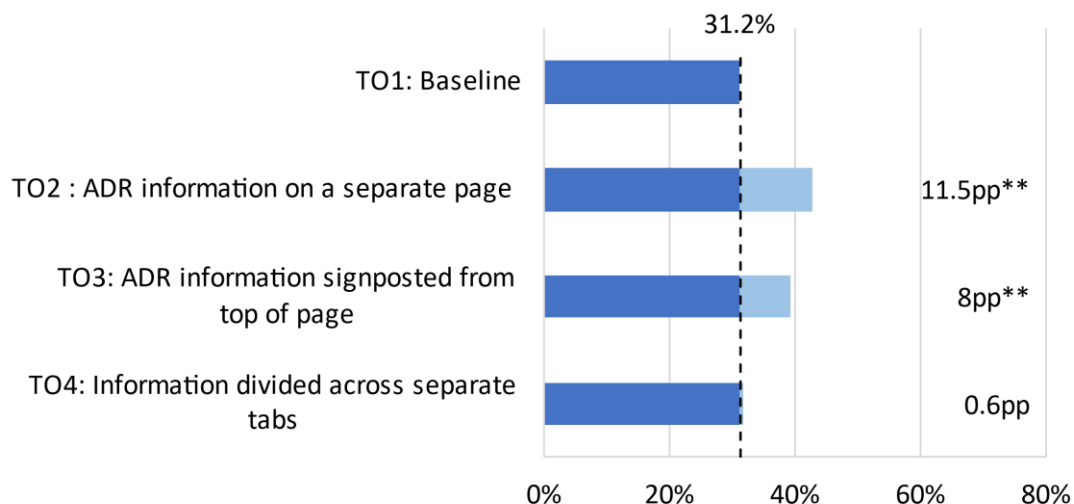
⁵³ In the baseline (TO1), respondents could freely navigate between a home page, a help page, a page with non-ADR-related information, a "Returns & Complaints" page and a "Terms & Conditions" page. Information relevant to ADR was provided on the "Returns & Complaints" and the "Terms & Conditions" page. The treatments changed this set-up as follows:

- TO2 provided, compared to the baseline, an additional page containing only information relevant for the ADR process;
- TO3 signposted the ADR information on top of both the "Returns & Complaints" and the "Terms & Conditions" page; and,
- TO4 split up the "Returns & Complaints" page and the "Terms & Conditions" page into tabs, with one tab explicitly labelled as relevant for ADR.

See section 3 for a detailed description of the methodology.

had the largest treatment effect (11.5pp), which is significant at the 1% level. TO3 had a similar treatment effect (8.0pp) as it did for the open answer question and was also significant at the 1% level. The effect TO4 was small (0.6pp) and not statistically different from the baseline. The difference in statistical significance between the open and closed responses for TO4 may be because respondents realised ADR was the 'right' answer when they saw it among the options for the closed question, raising the share who gave this answer and diminishing the effects of the treatments.

Figure 16 Effects of TO2, TO3 & TO4 vs. TO1 on intention to use ADR (closed responses)



Note: N=8,100. The χ^2 statistic was highly significant, so z-tests were carried out to identify the p-values for the individual treatments tested against TO1 (the baseline). Treatment effects are presented in percentage points (pp) relative to the baseline. † = statistically significant at the 10% level, * = significant at the 5% level, ** = significant at the 1% level.

Source: LE Europe calculations using online experiment data

Table 7 shows the results for the two text treatments on the trader websites. The right-hand column indicates there were no statistically significant effects across any of the outcome measures. This may have been due to the fact that the text changes were too subtle to have an impact on the decision to use ADR. In addition, there were no interaction effects identified between the website structure and text treatments.

Table 7 Effects of the text treatments on the trader websites on intention to use ADR

Outcome measure	Text 1: Baseline	Text 2: Highlight benefits of ADR relative to court	Chi-squared test p-value
Indicated next step was ADR (open question)	14.43%	14.37%	0.947
Indicated next step was ADR (closed question)	36.94%	35.48%	0.931

Note: N = 8,100

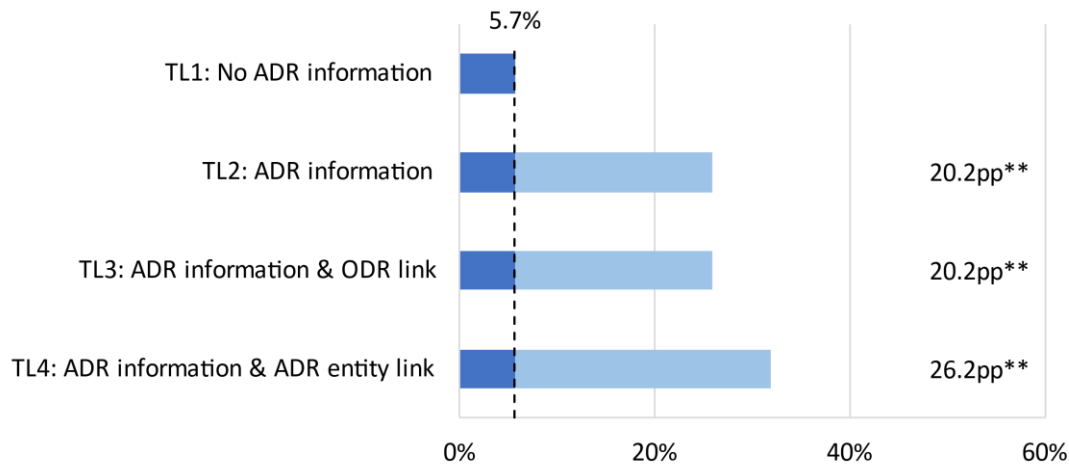
Source: LE Europe calculations using online experiment data

Results for the lab experiment treatments⁵⁴

As explained in 3.3.2, in the **lab experiment** the trader website treatments built on one another and hence **include no specific baseline**. Hence, we first examine the effects of the treatments that mentioned ADR (TL2, TL3 and TL4) relative to the treatment where ADR was not mentioned at all (TL1), followed by the effects of the treatments that added a (mock) link to the ODR platform (TL3) or ADR entity (TL4) versus the treatment where ADR was mentioned but such links were not included (TL2).

Figure 17 shows that substantially more respondents indicated an intention to use ADR when ADR was mentioned on the traders’ websites. In fact, under treatments TL2, TL3 and TL4 the share of respondents who indicated, in reply to the open answer question, that ADR would be their next step roughly tripled (by c. 20-26pp, to around 25-31%) compared to TL1. These results conclusively show that ADR should be mentioned on a traders’ website.

Figure 17 Effects of TL2, TL3 & TL4 vs. TL1 on intention to use ADR (open answer responses)



Note: N=1,198. The χ^2 statistic was highly significant, so z-tests were carried out to identify the p-values for the individual treatments tested against TL1. Treatment effects are presented in percentage points (pp) relative to the baseline. * = statistically significant at the 10% level, * = significant at the 5% level, ** = significant at the 1% level.

Source: LE Europe calculations using laboratory experiment data

Regarding the treatments that did mention ADR, the treatment that included a link to a (mock) ADR entity website (TL4) led to the largest share of respondents indicating they would take up ADR, by circa 3 percentage points. However, as shown in Figure 18 (which shows tests of TL3 and TL4 against TL2), this was not statistically significant relative to the treatment that did not provide this link (the 2.8pp treatment effect is insignificant) and adding the (mock) ODR platform link had no effect (the treatment effect for TL3 vs. TL2 was -0.03pp). Note that the contents of the ADR entity and ODR platform websites can be seen in section 3.3.2.

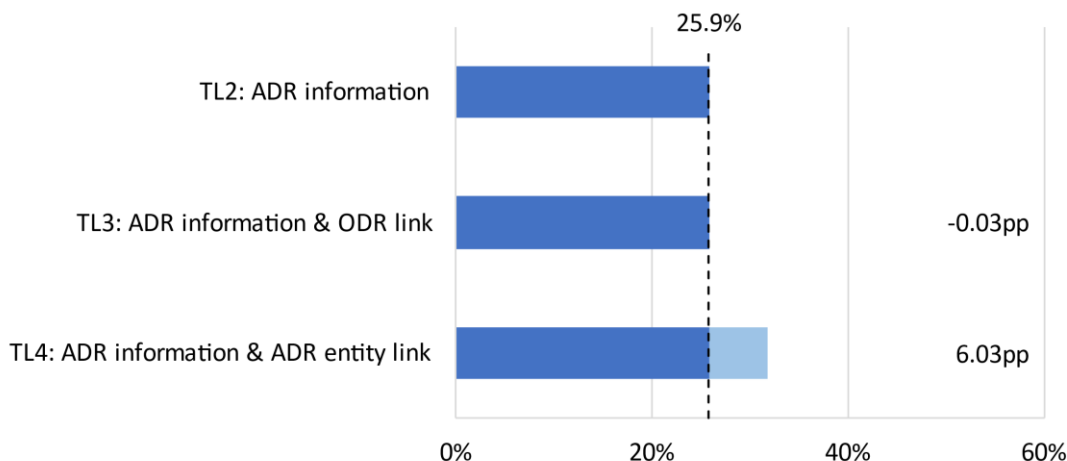
⁵⁴ In the experiment, respondents could freely navigate between a home page, a help page, a page with non-ADR-related information, a "Returns & Complaints" page and a "Terms & Conditions" page. Information on the "Returns & Complaints" and the "Terms & Conditions" pages were changed as follows depending on treatments:

- In TL1, no information on ADR was given;
- In TL2, a simple statement mentioning the possibility of ADR was included on the two pages;
- In TL3, the statement in TL2 was accompanied with a link to the EU ODR platform; and,
- In TL4, the statement in TL2 was accompanied with a link to the relevant ADR entity’s website.

See section 3 for a detailed description of the methodology.

Qualitatively, there is some indication that providing a link to an ADR entity rather than the ODR platform may be slightly more effective in terms of encouraging take up of ADR. Although not statistically significant, the share indicating ADR as their next step was 6.1pp higher when the ADR entity link was included as opposed to the ODR platform link. Moreover, there is also evidence that providing the ADR entity link improves consumers' understanding (see 4.1.2).

Figure 18 Effects of TL3 & TL4 vs. TL2 on intention to use ADR (open answer responses)



Note: N=898. z-tests were carried out to identify the p-values for TL3 and TL4 tested against TL2. Treatment effects are presented in percentage points (pp) relative to the baseline. † = statistically significant at the 10% level, * = significant at the 5% level, ** = significant at the 1% level.

Source: LE Europe calculations using laboratory experiment data

The results are very similar, directionally and in terms of statistical significance, when the closed response question is analysed: substantially more respondents said they would use ADR when it was mentioned on the traders' websites, the treatment that included the ADR entity link resulted in highest share of consumers indicating they would take up ADR (see the Technical Annex).

4.1.2 Understanding of ADR

The understanding question following the trader websites asked whether four statements were true or false, with objectively correct and incorrect answers. It tested respondents' awareness that ADR is a way of resolving complaints, of the name of the (fictitious) ADR entity, that the trader said their complaint can be referred to the "ministry for consumer protection" (false), and that the European Commission offers dispute resolution services (false). Each respondent was scored based on the number of questions they answered correctly (0 to 4) and the impact of the treatments was assessed by comparing the average scores. As for the other outcome measures, a two-step approach was followed, first testing for any differences across all treatments (via an ANOVA test), followed by t-tests to test for statistically significant differences between specific pairs of treatments.

Results for the online experiment treatments⁵⁵

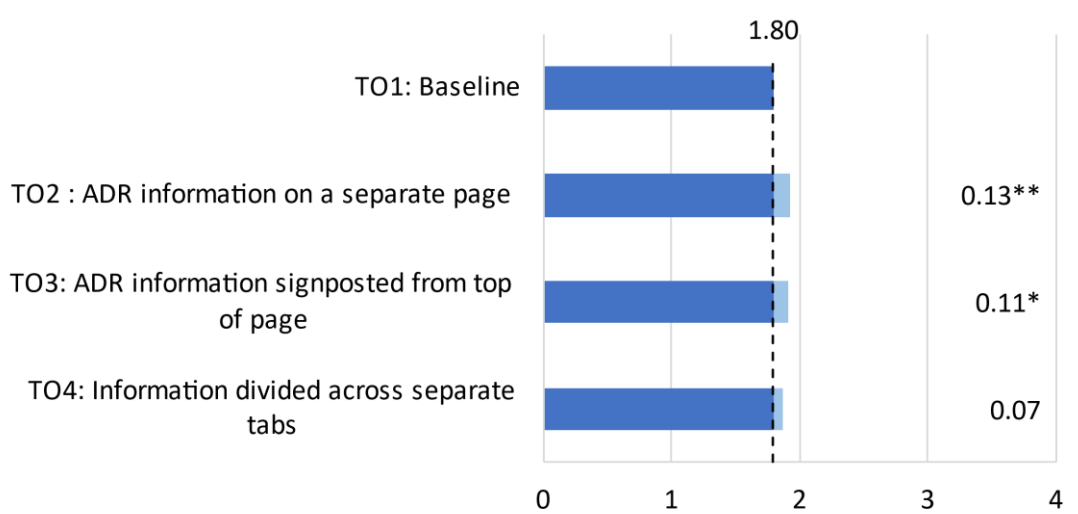
The results in Figure 19 show that, as well as having the greatest impact on intention to use ADR, TO2 and TO3 also had the largest effect on understanding of ADR. Respondents on average scored

⁵⁵ In the baseline (TO1), respondents could freely navigate between a home page, a help page, a page with non-ADR-related information, a "Returns & Complaints" page and a "Terms & Conditions" page. Information relevant to ADR was provided on the "Returns & Complaints" and the "Terms & Conditions" page. The treatments changed this set-up as follows:

1.8 (out of 4) under the baseline, which increased to 1.93 for TO2 (+0.13), 1.91 for TO3 (+0.11) and 1.87 for TO4 (+0.07). The treatment effects for TO2 and TO3 are statistically significant at the 1% and 5% levels respectively.

Under TO2 ADR information was provided separately from the non-ADR information making it easier to process and understand, and under TO3 ADR information was signposted making it distinct to other information and so harder to miss. Conversely, in TO1 ADR information was provided alongside the other (non-ADR) information. Under TO4, information was divided across tabs on the terms and conditions and returns and complaints pages meaning that, in both cases, respondents had to actively click on the relevant tab to read the ADR information.

Figure 19 Effects of TO2, TO3 & TO4 vs. TO1 on understanding following the trader website



Note: N= 4,050. T-tests were carried out to identify the p-values for the individual treatments tested against TO1. Treatment effects are presented in percentage points (pp) relative to the baseline. * = statistically significant at the 10% level, * = significant at the 5% level, **= significant at the 1% level.

Source: LE Europe calculations using online experiment data

As for the previous outcome measure (consumers’ intention to use ADR), no statistically significant effect on understanding was found for the text treatments (Text 1 and Text 2), possibly because the text changes were too subtle to have an impact. The average understanding score of respondents exposed to Text 1 was 1.86, whereas the average score of those exposed to Text 2 was 1.89).

Results for the lab experiment treatments⁵⁶

The two figures below show that the lab experiment treatments which provided respondents with a link to the ODR platform (TL3) or the ADR entity (TL4) increased their overall understanding. Figure

- TO2 provided, compared to the baseline, an additional page containing only information relevant for the ADR process;
- TO3 signposted the ADR information on top of both the “Returns & Complaints” and the “Terms & Conditions” page; and,
- TO4 split up the “Returns & Complaints” page and the “Terms & Conditions” page into tabs, with one tab explicitly labelled as relevant for ADR.

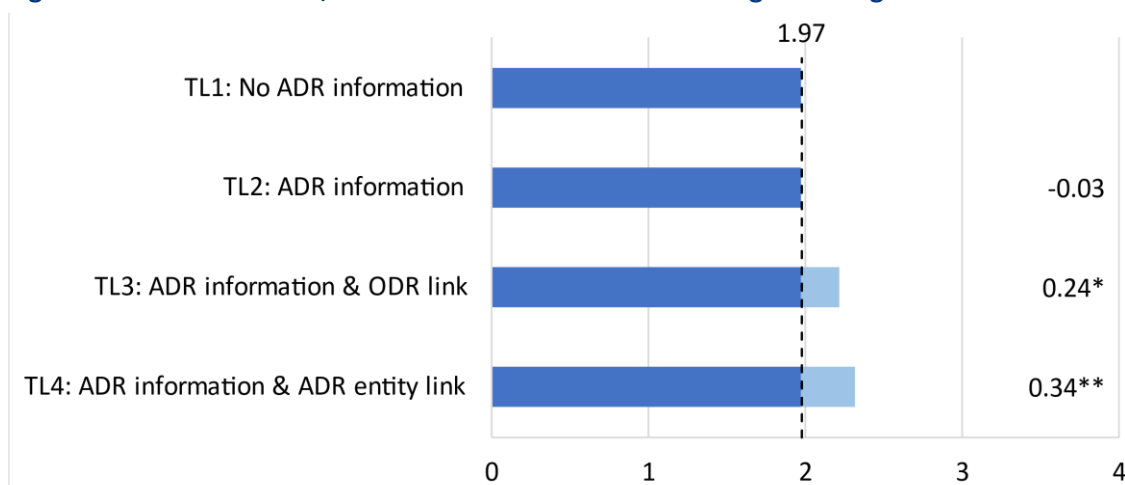
See section 3 for a detailed description of the methodology.

⁵⁶ In the experiment, respondents could freely navigate between a home page, a help page, a page with non-ADR-related information, a “Returns & Complaints” page and a “Terms & Conditions” page. Information on the “Returns & Complaints” and the “Terms & Conditions” pages were changed as follows depending on treatments:

20 shows that TL4 resulted in the highest average understanding score among respondents and this treatment was strongly statistically significant relative to TL1 (where no ADR information was given). The ineffectiveness of TL2 relative to the baseline is unsurprising since one would not expect merely mentioning ADR (TL2) to improve understanding, hence the insignificant effect on this measure.

Figure 21 shows that adding the ODR platform link (TL3) or ADR entity link (TL4) both resulted in statistically significant increases in understanding relative to TL2 (where ADR was mentioned but without any further detail). This is to be expected, as both links provided additional information that would enhance respondents' understanding and awareness, such as that our fictitious ADR entity (the Dispute Resolution Centre) is an approved ADR body (the contents of these links can be seen in the figures in section 3.3.2). Overall, these results indicate that providing a link to a website that gives further information may be useful for consumers in terms of improving their understanding and awareness.

Figure 20 Effects of TL2, TL3 & TL4 vs. TL1 on understanding following the trader website

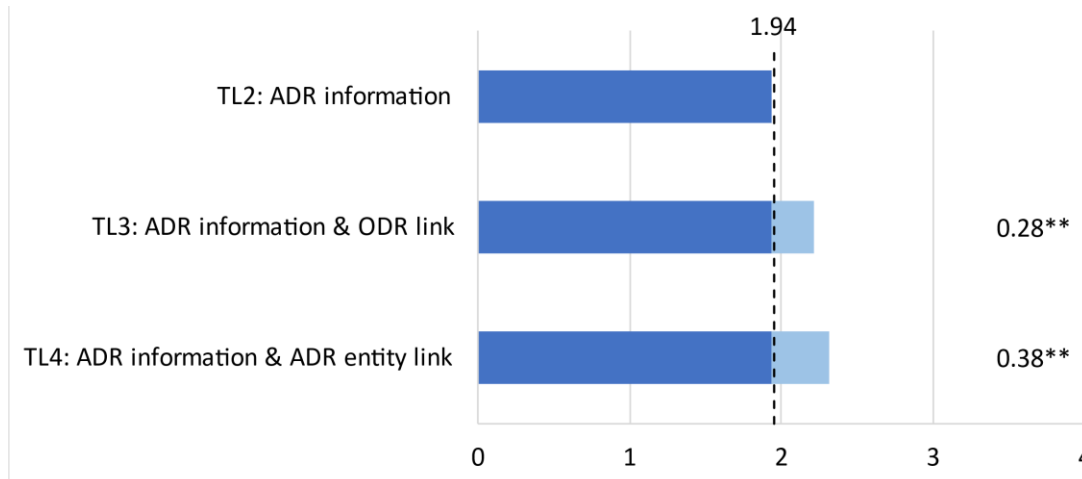


Note: N=598. T-tests were carried out to identify the p-values for the individual treatments tested against TL1. Treatment effects are presented in percentage points (pp) relative to the baseline. * = statistically significant at the 10% level, * = significant at the 5% level, ** = significant at the 1% level.

Source: LE Europe calculations using laboratory experiment data

- In TL1, no information on ADR was given;
- In TL2, a simple statement mentioning the possibility of ADR was included on the two pages;
- In TL3, the statement in TL2 was accompanied with a link to the EU ODR platform; and,
- In TL4, the statement in TL2 was accompanied with a link to the relevant ADR entity's website.

See section 3 for a detailed description of the methodology.

Figure 21 Effects of TL3 & TL4 vs. TL2 on understanding following the trader website

Note: N=448. T-tests were carried out to identify the p-values for TL3 and TL4 tested against TL2. Treatment effects are presented in percentage points (pp) relative to the baseline. † = statistically significant at the 10% level, * = significant at the 5% level, ** = significant at the 1% level.

Source: LE Europe calculations using laboratory experiment data

4.2 Impacts of the ADR entity website treatments

This section presents the impact of the experiment treatments applied on the ADR entity website. The outcome measures on the ADR entity website are as follows: (i) the share of respondents choosing to go to ADR, (ii) among those who chose ADR, the share who submitted a claim, (iii) among those who submitted a claim, the share who submitted it correctly, and (iv) the average score for the understanding question after the ADR entity website.

4.2.1 Decision to go to ADR and submit a claim

As explained in 3.2.3, at the ADR entity website respondents had the choice to try to resolve their problem with the trader either via ADR or going to court, or they could drop their case. If they chose ADR or court, respondents had to complete and submit a 'claim form', which was a real effort task. The impacts of the treatments on the decision to take up ADR and submit a claim (correctly) was assessed by comparing the relevant proportions across treatments. The same two-step process as used to analyse the trader website treatments (i.e., a chi-square test followed by z-tests, as set out in 4.1.1) was also followed for the analysis of the ADR entity website treatments.

Results for the online experiment treatments⁵⁷

Table 8 shows the treatment effects of the treatments applied in the online experiment for three outcome measures: (i) the decision to go to ADR, (ii) submitting a claim (if they chose ADR), and (iii) submitting the claim correctly (if they submitted it at all).

⁵⁷ In the baseline (EO1), respondents landed on the home page of an ADR entity. They were then asked to either: 1) Go to ADR, 2) Go to Court, or 3) Drop their complaint. If a respondents choose either "Go to ADR" or "Go to Court", they subsequently were asked to fill in a complaint form or court application notice. These forms were identical. The treatments changed the home page as follows:

- EO2 split up the page into tabs, with one tab containing all information relevant for ADR;
- EO3 added information on the page highlighting the benefits of ADR; and,

The treatments focussed on changing the structure and content of information provided on the ADR entity website to try to influence the respondent's decision to go to ADR. Based on the literature, it was hypothesised that dividing information across separate tabs would reduce information overload and thus increase awareness of and propensity to use ADR. Moreover, it was hypothesised that presenting ADR's key benefits, including information on cost-effectiveness and length of the process, would increase use of ADR. Likewise, highlighting the benefits compared to court was expected to increase use of ADR when it was presented as being less complex, easier to navigate and less costly than court.

The experiment collected data on respondents' decisions to use ADR (or not), whether they went on to submit their claim, and whether they did so correctly, which required effort. The treatments were primarily aimed at improving information provision to encourage consumers to take up ADR. As such, if the treatments had their anticipated effects, we would expect to see an increase of ADR take-up. Secondly, better information promoting ADR as a good option to resolve disputes may increase consumers' motivation to complete the process correctly. If this is the case, we would expect to observe an improvement on respondents 1) filling in the form in the first place, and 2) filling in the form correctly. Both of these elements are required to complete the process correctly.

Under the baseline (EO1) just over 70% of respondents chose ADR. While this figure is considerably higher than the share of consumers who use ADR in reality, this is likely to be because respondents were placed on an ADR entity website (bypassing the steps to get to that point). Furthermore, the so-called Hawthorne effect may also have been a driver.⁵⁸ At this stage of the experiment many respondents are likely to have realised that it is 'about' ADR and may have thought that choosing ADR was what they were 'expected' to do, in which case the Hawthorne effect may be expected to increase their tendency to choose ADR. However, since this effect would have affected respondents in all treatment groups equally, comparisons can still be made between treatments.

Highlighting the benefits of ADR using statistics (EO3) led to the largest increase in those choosing to go to ADR (1.6pp relative to the baseline). However, none of the treatment effects are statistically significant and, likewise, there are no statistically significant differences in terms of submitting an ADR claim or submitting it correctly. Possible explanations for this are that the treatments were too subtle, or once consumers have reached an ADR entity (or been placed there, as in the experiment) this is relatively far along the decision-making journey so changes to information and its presentation may not be a major driver of the decision to start the ADR process.

Table 8 Effects of EO2, EO3 & EO4 vs. EO1 on the decision to go to ADR and submit a claim

	EO1: Baseline	EO2: Information divided across separate tabs	EO3: Highlight benefits of ADR using statistics	EO4: Highlight benefits of ADR relative to court
Go to ADR	70.6%	69.3%	72.2%	70.8%
Treatment effect		-1.3pp	1.6pp	0.2pp
Submitting a claim	83.2%	83.9%	80.9%	84.1%
Treatment effect		0.7pp	-2.3pp	0.9pp
Submitting claim correctly	36.3%	38.7%	33.4%	35.6%

- EO4 added information on the page favourably comparing ADR to court proceedings.

See section 3 for a detailed description of the methodology.

⁵⁸ The Hawthorne effect refers to the finding that when individuals are aware they are being observed, they may change some aspect of their behaviour. Although the Hawthorne effect may also have affected the online experiment respondents, one would expect it to have been weaker.

	EO1: Baseline	EO2: Information divided across separate tabs	EO3: Highlight benefits of ADR using statistics	EO4: Highlight benefits of ADR relative to court
Treatment effect		2.4pp	-2.9pp	-0.8pp

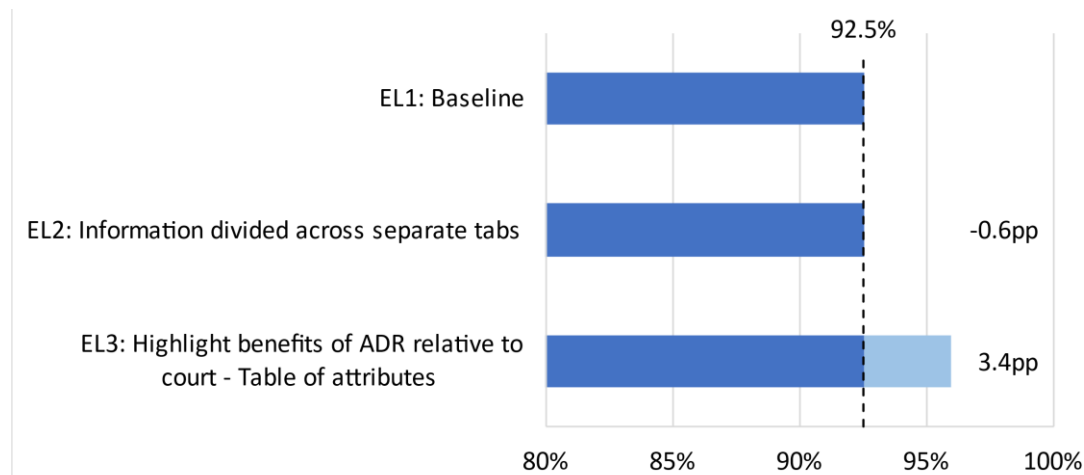
Note: N=4,050 (Go to ADR); 2,891 (submitting a claim); 2,401 (submitting claim correctly). The χ^2 statistic was not significant, so z-tests were not carried out to identify the p-values for the individual treatments tested against EO1 (the baseline). Treatment effects are presented in percentage points (pp) relative to the baseline. * = statistically significant at the 10% level, * = significant at the 5% level, ** = significant at the 1% level.

Source: LE Europe calculations using online experiment data

Results for the lab experiment treatments⁵⁹

Figure 13 shows the treatment effects of the treatments applied on the ADR entity website in the lab experiment. A very high proportion of respondents (>90%) chose ADR under the baseline (EL1). The share of respondents who chose ADR was highest for the treatment with the table of attributes highlighting the benefits of ADR relative to court (EL3). The difference between this treatment and the baseline (EL1) was just over 3pp, however this is not statistically significant.

Figure 22 Effects of EL2 & EL3 vs. EL1 on the decision to go to ADR



Note: N= 598. Treatment effects are presented in percentage points (pp) relative to the baseline. * = statistically significant at the 10% level, ** = significant at the 5% level, *** = significant at the 1% level.

Source: LE Europe calculations using lab experiment data

While this suggests that the table may encourage take up of ADR, the result is not particularly strong (p-value = 0.13), so some further exploratory analysis was undertaken. Specifically, the absence of a statistically significant result may be due to the relatively small sample in the lab experiment (around 200 per treatment), so we pooled the data from EL1 and EL2 and compared this combined group to the EL3 treatment group. The rationale for combining EL1 and EL2 is that these treatments gave respondents identical information (only presented differently), whereas EL3 added the table

⁵⁹ In the baseline (EL1), respondents landed on the home page of an ADR entity. They were then asked to either: 1) Go to ADR, 2) Go to Court, or 3) Drop their complaint. If a respondents choose either “Go to ADR” or “Go to Court”, they subsequently were asked to fill in a complaint form or court application notice. These forms were identical. The treatments changed the home page as follows:

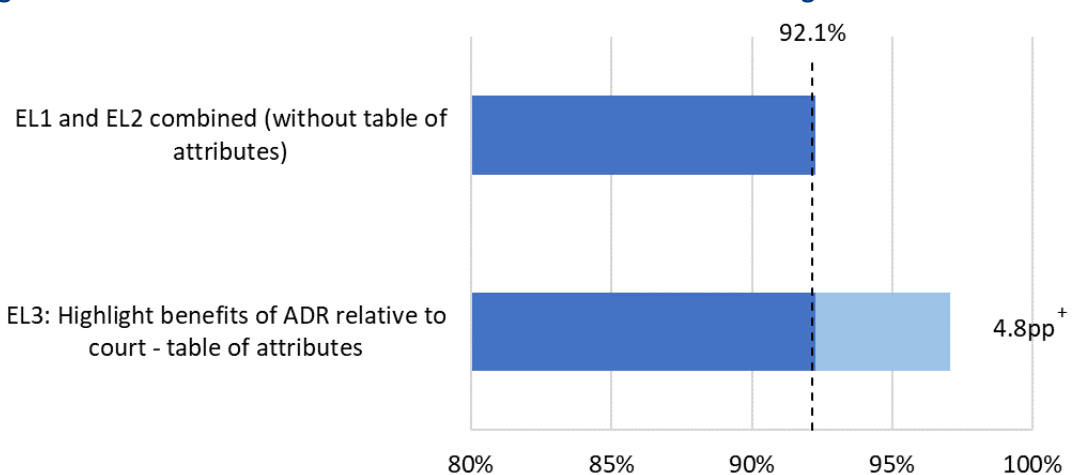
- EL2 split up the page into tabs, with one tab containing all information relevant for ADR; and,
 - in contrast with EO2 in the online experiment, respondents landed on the tab with the ADR information in EL2 whereas they did not in EO2;
- EL3 added information on the page highlighting the benefits of ADR directly comparing it to court, combining the information provided under EO3 and EO4 in the online experiment.

See section 3 for a detailed description of the methodology.

of attributes highlighting ADR's benefits (i.e., EL3 vs. EL1+EL2 can be seen as 'with table' vs. 'without table').

The result of this comparison strengthens the finding that the table increases consumers' propensity to choose ADR since the 4.8pp treatment effect (see Figure 23) has stronger statistical significance, being nearly significant at the 5% level (p -value = 0.059). However, this is still not fully conclusive since the result (even pooling EL1 and EL2) is not highly statistically significant.

Figure 23 Effect of EL3 vs. EL1 & EL2 combined on the decision to go to ADR



Note: N=598. Treatment effects are presented in percentage points (pp) relative to the baseline. * = statistically significant at the 10% level, * = significant at the 5% level, ** = significant at the 1% level.

Source: LE Europe calculations using lab experiment data

4.2.2 Understanding of ADR

The understanding question following the ADR entity website had objectively correct and incorrect answers and each respondent was scored based on the number of correct answers they gave. The question tested respondents' awareness of the types of disputes the ADR entity deals with, that consumers must first try to resolve their issue with the trader, that the EC provides a list of approved ADR bodies, and whether traders must participate in the process. All information needed to answer correctly was provided on the ADR entity website. Average scores were compared to assess the impacts of the treatments, using the same tests as for the understanding question following the trader websites (see 4.1.2).

Results for the online experiment treatments⁶⁰

Table 9 shows the impacts of the treatments on respondents' understanding following the ADR entity website in the online experiment. It was hypothesised that the treatments would increase respondents' understanding of the ADR information, either by reducing information overload (EO2)

⁶⁰ In the baseline (EO1), respondents landed on the home page of an ADR entity. They were then asked to either: 1) Go to ADR, 2) Go to Court, or 3) Drop their complaint. If a respondents choose either "Go to ADR" or "Go to Court", they subsequently were asked to fill in a complaint form or court application notice. These forms were identical. The treatments changed the home page as follows:

- EO2 split up the page into tabs, with one tab containing all information relevant for ADR;
- EO3 added information on the page highlighting the benefits of ADR; and,
- EO4 added information on the page favourably comparing ADR to court proceedings.

See section 3 for a detailed description of the methodology.

or generally encouraging respondents to engage more with the information on the homepage. For instance, it was anticipated that the addition of salient, visual elements in EO3 and EO4 may have increased engagement with the information thus leading to higher understanding. However, there are only very small differences between the baseline treatment (EO1) and the other treatments (EO2, EO3 and EO4), and none are statistically significant.

Table 9 Effects of EO2, EO3 & EO4 vs. EO1 on understanding after the ADR entity website

	EO1: Baseline	EO2: Reduce information overload	EO3: Highlighting the benefits of ADR (using statistics)	EO4: Comparison to court
Average score	2.34	2.25	2.28	2.33
Treatment effect		-0.09	-0.06	-0.01

Note: N= 4,050. Treatment effects are presented in percentage points (pp) relative to the baseline. + = statistically significant at the 10% level, * = significant at the 5% level, **= significant at the 1% level.

Source: LE Europe calculations using lab experiment data

Results for the lab experiment treatments⁶¹

Table 10 presents the impacts of the treatments on respondents’ understanding of ADR in the lab experiment. Understanding was lower for both alternative treatments (EL2 and EL3) compared to the baseline (EL1), although the differences are not statistically significant.

Understanding was lowest for the treatment where information was divided across tabs (EL2), which may be because not all respondents in EL2 clicked on the tabs containing information relevant to the understanding question (i.e., not all respondents saw this information).⁶² In fact, just over half of respondents in EL2 clicked on these tabs and those that did spent around half the amount of time on these tabs as the ‘landing tab’ (which suggests that choosing the correct landing tab is important).

Table 10 Effects of EL2 & EL3 vs. EL1 on understanding after the ADR entity website

	EL1: Baseline	EL2: Information divided across separate tabs	EL3: Highlight benefits of ADR relative to court – Table of attributes
Average score	2.92	2.78	2.81
Treatment effect		-0.14	-0.12

Note: N=598. Treatment effects are presented in percentage points (pp) relative to the baseline. + = statistically significant at the 10% level, * = significant at the 5% level, **= significant at the 1% level.

Source: LE Europe calculations using lab experiment data

⁶¹ In the baseline (EL1), respondents landed on the home page of an ADR entity. They were then asked to either: 1) Go to ADR, 2) Go to Court, or 3) Drop their complaint. If a respondents choose either “Go to ADR” or “Go to Court”, they subsequently were asked to fill in a complaint form or court application notice. These forms were identical. The treatments changed the home page as follows:

- EL2 split up the page into tabs, with one tab containing all information relevant for ADR; and,
 - in contrast with EO2 in the online experiment, respondents landed on the tab with the ADR information in EL2 whereas they did not in EO2;
- EL3 added information on the page highlighting the benefits of ADR directly comparing it to court, combining the information provided under EO3 and EO4 in the online experiment.

See section 3 for a detailed description of the methodology.

⁶² Respondents in EL2 landed on the tab providing information on the cost, speed and effectiveness or ADR, whereas the relevant information was on the other two tabs (on the ADR entity’s details and the rules and procedures of ADR).

4.3 Treatment effects for vulnerable groups

An objective of the study is to test whether the treatment effects observed for consumers in general hold for vulnerable consumers, or whether some treatments had different effects for certain groups. Hence, this section presents an analysis of the treatment effects in the online experiment by group.

4.3.1 Definition of vulnerable groups

The survey collected data on respondent characteristics allowing identification and categorisation of five vulnerable groups. These characteristics are age, digital literacy, educational attainment, consumers' self-assessment of their vulnerability, and risk aversion. The reasoning for examining these characteristics is discussed below:

Age, digital literacy and education are explicitly mentioned in the study objectives. Age is often considered to be an indicator of vulnerability (e.g., in the Unfair Commercial Practices Directive), and evidence suggests the elderly may be vulnerable in ways relevant to ADR. For example, older consumers seem more sensitive to framing⁶³ (meaning the way ADR information is presented may have more impact) and have less digital literacy and confidence resolving technical problems⁶⁴ (which may affect their ability to access Online Dispute Resolution or complete online ADR forms).

Low education is also commonly cited as an indicator of vulnerability and evidence suggests that consumers with lower education tend to discount time more steeply.⁶⁵ In the context of ADR, this may mean they are less willing to go through a long (potentially costly) process (whether ADR or court) for a potential future gain.

Consumers' self-assessment of vulnerability provides a general indicator of vulnerability, including aspects such as health, employment and difficulty understanding complex terms and conditions. Moreover, there is evidence that consumers who perceive themselves as vulnerable are less likely to complain, more likely to face problems, and less satisfied with complaint handling.⁶⁶

The behavioural traits of risk aversion and credulity were considered. While credulity is mentioned as an indicator of vulnerability in the UCPD, too few respondents (284) could be classified as credulous to undertake a sensible analysis of the treatment effects for this group. The reasoning to include risk aversion relates to consumers with low risk aversion who may be more likely to accept risky offers (and so require redress mechanisms) and may be less diligent in reading information such as terms and conditions that contain details of redress mechanisms.

⁶³ Harrison, D. A., Price, K. H., Gavin, J. H., & Florey, A. T. (2002). Time, teams, and task performance: Changing effects of surface-and deep-level diversity on group functioning. *Academy of management journal*, 45(5), 1029-1045.

European Commission (2016), Consumer vulnerability across key markets in the European Union; available at: https://ec.europa.eu/info/sites/default/files/consumers-approved-report_en.pdf

⁶⁴ Li, C. Y. (2017). Why do online consumers experience information overload? An extension of communication theory. *Journal of Information Science*, 43(6), 835-851.

⁶⁵ Harrison, D. A., Price, K. H., Gavin, J. H., & Florey, A. T. (2002). Time, teams, and task performance: Changing effects of surface-and deep-level diversity on group functioning. *Academy of management journal*, 45(5), 1029-1045.

⁶⁶ European Commission, Consumer Conditions Scoreboard : Consumers at home in the single market, 2017; available at: https://ec.europa.eu/info/sites/default/files/consumer-conditions-scoreboard-2017-edition_en.pdf

In the data each vulnerable group was defined by dividing the full online sample into two (vulnerable and non-vulnerable) based on the relevant variable (age, digital literacy, etc.), taking care to ensure sufficiently large group sizes to obtain reliable results, as follows:

- Those aged over 55 were classified as ‘vulnerable’, whereas those aged 55 or under were classified as not vulnerable (the threshold was set at 55 rather than 65 since the sample for the over 65 group (N = 285) was deemed too small to provide robust results).
- Digital literacy was assessed based on the frequency that respondents undertake nine digital activities (e.g., searching for information, online banking, e-mail). For each activity, responses were scored from 1 (never) to 8 (several times a day). The third of respondents with the lowest total scores were classified as vulnerable.
- Educational attainment was standardised across countries, with those in the corresponding ‘low education’ level for each Member State categorised as vulnerable.
- Self-assessment (as vulnerable) was determined via responses to a question that asked to what extent respondents “feel vulnerable”⁶⁷ due to various factors, including: age; health problems; financial or employment circumstances; offers, terms or conditions being too complex; or “other reasons”. Anyone who replied “to a great extent” for any factor was categorised as ‘self-assessed as vulnerable’.
- Risk aversion was assessed via a question that asked about willingness to take risks. Those stating they are more likely to take risks were considered vulnerable.

Table 11 Sample sizes of vulnerable and non-vulnerable groups per characteristic

Characteristic	Group	Sample Size
Age	55+*	769
	Under 55	3,281
Digital Literacy	Less Digitally Literate*	1,384
	Digitally Literate	2,666
Education	Less Educated*	978
	Educated	3,072
Self-Assessment	Self-Assessed Vulnerable*	871
	Self-Assessed Less Vulnerable	3,179
Risk Aversion	Less Risk Averse*	2,672
	More Risk Averse	1,378

Note: N = 4,050. * signifies classified vulnerable groups.

Source: LE Europe analysis of experimental data

The analysis did not consider multiple indicators of vulnerability simultaneously. There are many possible combinations of the five indicators above,⁶⁸ meaning that analysing combinations of these would substantially increase the likelihood of finding erroneous results.

⁶⁷ The text of the survey question was: “To what extent do the following apply to you personally? You feel vulnerable or disadvantaged when choosing and buying goods or services because of [...]”. No further explanation or definition of vulnerability was provided.

⁶⁸ To be precise there are 120 combinations.

4.3.2 Impacts of the trader website treatments by vulnerable group⁶⁹

Consumers' intention to use ADR following the trader websites

Figure 24 shows the treatment effects of the website structure treatments per group, alongside the treatment effects for the full sample (for comparison). In this figure (and Figure 25), dark(er) blue bars are treatment effects that are statistically significant at the 5% level (conversely light blue bars are effects that are not significant) compared to the baseline. For example, Figure 24a) shows that the intention to use ADR was significantly higher under TO2 compared to the baseline for all groups, except those who assessed themselves as vulnerable.

Treatments effects that differ (to a statistically significant extent at the 5% level) between the vulnerable and non-vulnerable groups for a given characteristic are identified with an orange outline.⁷⁰ For example, Figure 24a) shows that the treatment effect of TO2 only differs between the two risk aversion groups (more and less risk averse), as the bars for these two groups have an orange outline (unlike any of the other bars).

The effects of treatments TO2 and TO3 were significantly larger for those who are less risk averse (i.e., more willing to take risks). This might be explained by the hypothesis that these consumers are less diligent in searching for information⁷¹, meaning that the (improved) method of delivery of ADR information in these treatments assisted them (to a great extent than risk averse consumers) to find this information.

Furthermore, the effect of TO3 was significantly smaller for less educated respondents; in fact, for the less educated this treatment did not have a statistically significant effect. While this is hard to explain, it may be because the less educated respondents were less likely to notice the link provided in this treatment that directed them to the ADR information. Indeed, the less educated were slightly less likely to click on this link (by around 3.3pp) than their more educated peers, although this difference was not statistically significant in itself.

⁶⁹ In the baseline (TO1), respondents could freely navigate between a home page, a help page, a page with non-ADR-related information, a "Returns & Complaints" page and a "Terms & Conditions" page. Information relevant to ADR was provided on the "Returns & Complaints" and the "Terms & Conditions" page. The treatments changed this set-up as follows:

- TO2 provided, compared to the baseline, an additional page containing only information relevant for the ADR process;
- TO3 signposted the ADR information on top of both the "Returns & Complaints" and the "Terms & Conditions" page; and,
- TO4 split up the "Returns & Complaints" page and the "Terms & Conditions" page into tabs, with one tab explicitly labelled as relevant for ADR.

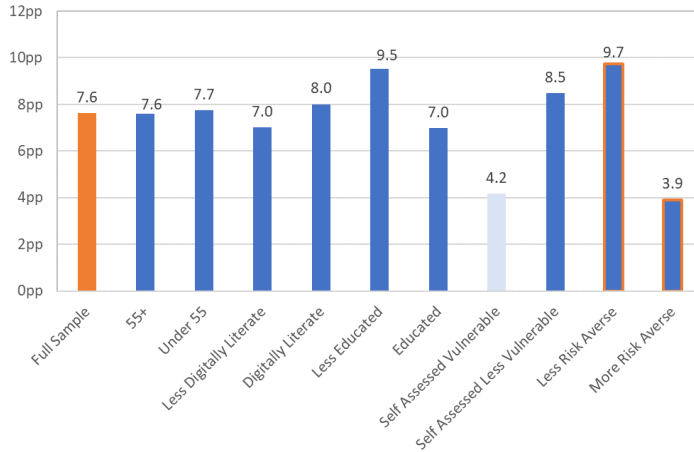
See section 3 for a detailed description of the methodology.

⁷⁰ Here we focus on the outcome measure indicating whether respondents would use ADR based on the open question (the results are qualitatively similar if instead one examines the corresponding close question).

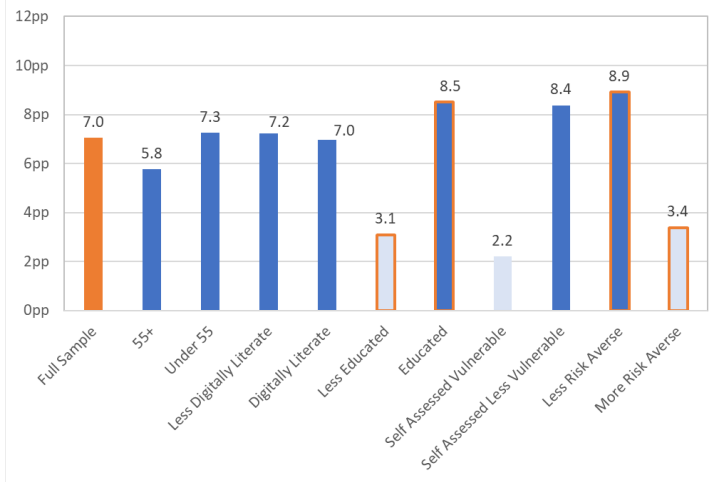
⁷¹ Indeed, in the experiment less risk averse respondents generally spent less time on the trader websites than more risk averse respondents.

Figure 24 Effects of TO2, TO3 & TO4 vs. TO1 on intention to use ADR, by group

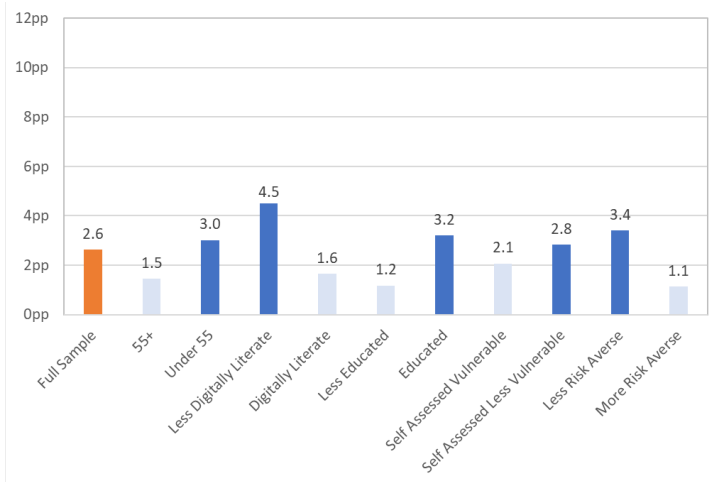
a) TO2: ADR information on a separate page



b) TO3: ADR information signposted from top of page



c) TO4: Information divided across separate tabs



Notes: Treatments effects shown are percentage point difference versus the baseline. Sample sizes vary across groups (see Table 11). A dark blue/orange bar indicates that the treatment effect is significant at the 5% level. Light blue/orange indicates that the treatment effect is not significant. The orange border indicates that the treatment effect differs between the vulnerable and non-vulnerable group for the relevant attribute at the 5% level. This was assessed via regression analyses looking at variables that combine the effect of treatment and vulnerability. The technical annex provides more information.

Source: LE Europe analysis of online experiment data

Understanding of ADR

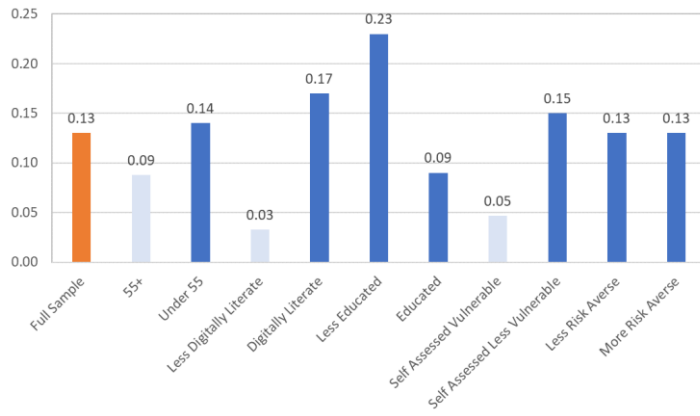
Figure 25 shows the impact of the treatments on respondents' understanding of ADR following the trader websites for the various vulnerable and non-vulnerable groups.

The effect of TO2 was statistically significant for seven out of ten groups. The groups for which this treatment was not statistically significant were all vulnerable groups, namely the over 55s, less digitally literate and self-assessed as vulnerable. The effect of TO3 was not statistically significant for any of the vulnerable groups, whereas it was significant for four out of five non-vulnerable groups. TO4 was not statistically significant for any groups (vulnerable or otherwise).

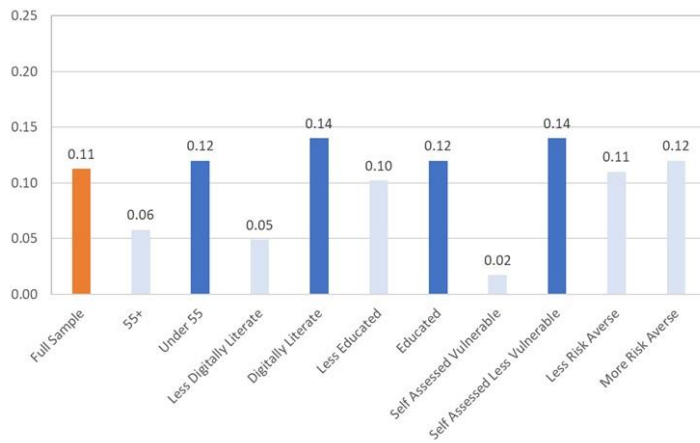
However, none of the differences in the treatment effects, between any vulnerable group and the corresponding non-vulnerable group, were statistically significant. Hence, for this outcome measure (understanding of ADR) we cannot conclude that the impacts of the treatments are different for vulnerable groups relative to the general consumer population.

Figure 25 Effects of TO2, TO3 & TO4 vs. TO1 on understanding, by group

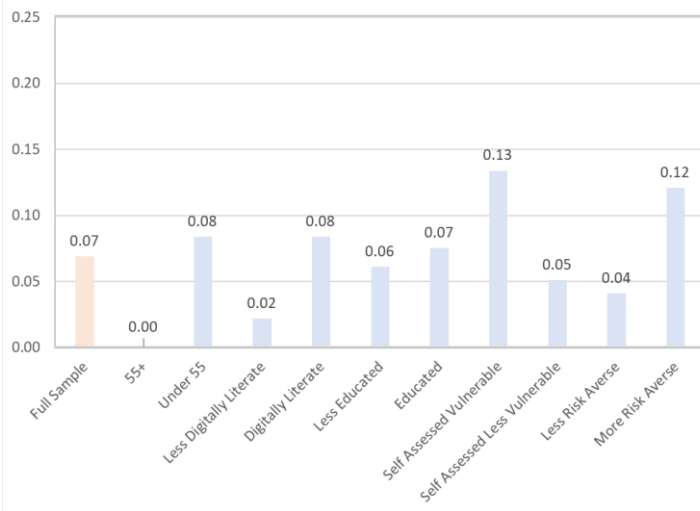
a) TO2: ADR information on a separate page



b) TO3: ADR information signposted from top of page



c) TO4: Information divided across separate tabs



Notes: Treatments effects shown are percentage point difference versus the baseline. Sample sizes vary across groups (see Table 11). A dark blue/orange bar indicates that the treatment effect is significant at the 5% level. Light blue/orange indicates that the treatment effect is not significant. The orange border indicates that the treatment effect differs between the vulnerable and non-vulnerable group for the relevant attribute at the 5% level. This was assessed via regression analyses looking at variables that combine the effect of treatment and vulnerability. The technical annex provides more information.

Source: LE Europe analysis of online experiment data

4.3.3 Results for ADR entity website treatments⁷²

As reported in 4.2, no statistically significant results were found in the full sample for the treatments applied to the ADR entity website in the online experiment. The analysis of the vulnerable groups similarly did not yield any statistically significant results.

⁷² In the experiment, respondents could freely navigate between a home page, a help page, a page with non-ADR-related information, a "Returns & Complaints" page and a "Terms & Conditions" page. Information on the "Returns & Complaints" and the "Terms & Conditions" pages were changed as follows depending on treatments:

- In TL1, no information on ADR was given;
- In TL2, a simple statement mentioning the possibility of ADR was included on the two pages;
- In TL3, the statement in TL2 was accompanied with a link to the EU ODR platform; and,
- In TL4, the statement in TL2 was accompanied with a link to the relevant ADR entity's website.

See section 3 for a detailed description of the methodology.

5 Further insights from the experiment and survey

5.1 Visiting the terms and conditions and complaints pages

The experiment captured data on the pages viewed by respondents. Table 12 shows the proportion of respondents that visited the terms and conditions (T&Cs) and returns and complaints pages, and for how long they remained on these pages on average. Both these pages were available under all treatment conditions.

Table 12 Pages visited by respondents on traders' websites

	TV retailer	Airline
Terms and conditions page:		
Proportion of respondents visited ^[a]	6.4%	6.3%
Time spent on page ^[b]	29.7 seconds (N = 262)	31.7 seconds (N = 249)
Returns and complaints page		
Proportion of respondents visited ^[a]	43.3%	43.2%
Time spent on page ^[b]	45.3 seconds (N = 1,749)	50.5 seconds (N = 1,755)

[a] N = 4,050. [b] Median time; of those respondents visiting the page (number of observations in parentheses).

Source: LE Europe analysis of online experiment data

What is interesting to note from Table 12 is that far fewer respondents visited the T&Cs page than the returns and complaints page. Moreover, respondents spent less time⁷³ on the T&Cs page, even though it provided more information, suggesting that respondents engaged less with the T&Cs page. This is noteworthy since the experiment took place in a simulated environment where respondents were incentivised to look for information on ADR. Even in this best-case scenario respondents did not engage as much with the T&Cs page.

This implies that consumers are less likely to find information on ADR if it is placed in the T&Cs. This is important since a previous study found that the T&Cs page is, in fact, where such information is most often placed by traders. A web-scraping exercise of 1,005 EU traders' websites found that 58% placed the ODR link in the T&Cs page.⁷⁴

5.2 Where consumers looked on the trader and ADR entity websites

Eye-tracking data was collected for 100 of the 300 lab experiment respondents in Spain. These individuals experienced precisely the same experiment (including the same treatments) as all other lab experiment participants, the only difference being that their eye movements were recorded while they viewed the mock trader and ADR entity websites.⁷⁵ 'Areas of interest' on each page can be defined by the researcher for analysis purposes so that, for these areas, statistics can be generated on average time until first view, average time viewed, and average number of views. Note that since there were only 25 respondents per treatment for each trader website and 33 respondents per treatment for the ADR entity website, comparing eye-tracking statistics across

⁷³ Time spent on any page is defined as the number of seconds that it was shown on the respondents' screen.

⁷⁴ European Commission (2018), 'Online Dispute Resolution: Web-scraping of EU Traders' Websites'. Available at: https://ec.europa.eu/info/sites/default/files/odr_web scraping_final_report_08_08_18.pdf; tables 17-19.

⁷⁵ A Gazepoint GP3 HD eye-tracker (150Hz system) was used to record the position and movements of the participants' eyes.

treatments is not very statistically robust. Nevertheless, the data provides useful complementary insights.

5.2.1 Respondents' focus on the trade website homepages

Table 13 shows that on both the airline and TV retailer website homepages the 'Dispute resolution' and 'Refunds' links were viewed the most times and for longest. On the other hand, the 'Terms and conditions' link was viewed few times and for only half a second on average, in line with the findings set out in section 5.1. The difference between the two trader websites is that viewing frequencies and durations were generally lower on the TV retailer website than the airline website, except for the 'Help' link.

Table 13 Eye-tracking statistics for specific links on the airline and TV retailer homepages

Link	Location on page	Share who viewed link	Average time until 1st view	Average time viewed	Average number of times viewed
Airline homepage:					
Dispute resolution	Header	95%	5.1	2.2	8.0
Help	Header	95%	6.9	0.8	4.2
Refunds	Footer	50%	10.4	2.5	5.4
Claims	Footer	42%	11.9	0.8	3.9
Terms & conditions	Footer	22%	12.4	0.5	1.8
TV retailer homepage:					
Dispute resolution	Header	91%	4.8	1.5	5.9
Help	Header	93%	4.9	1.2	5.4
Refunds	Footer	43%	7.4	1.4	3.7
Claims	Footer	27%	8.1	0.9	2.6
Terms & conditions	Footer	19%	11.1	0.5	1.7

Source: LinQ Spain analysis of lab experiment eye-tracking data

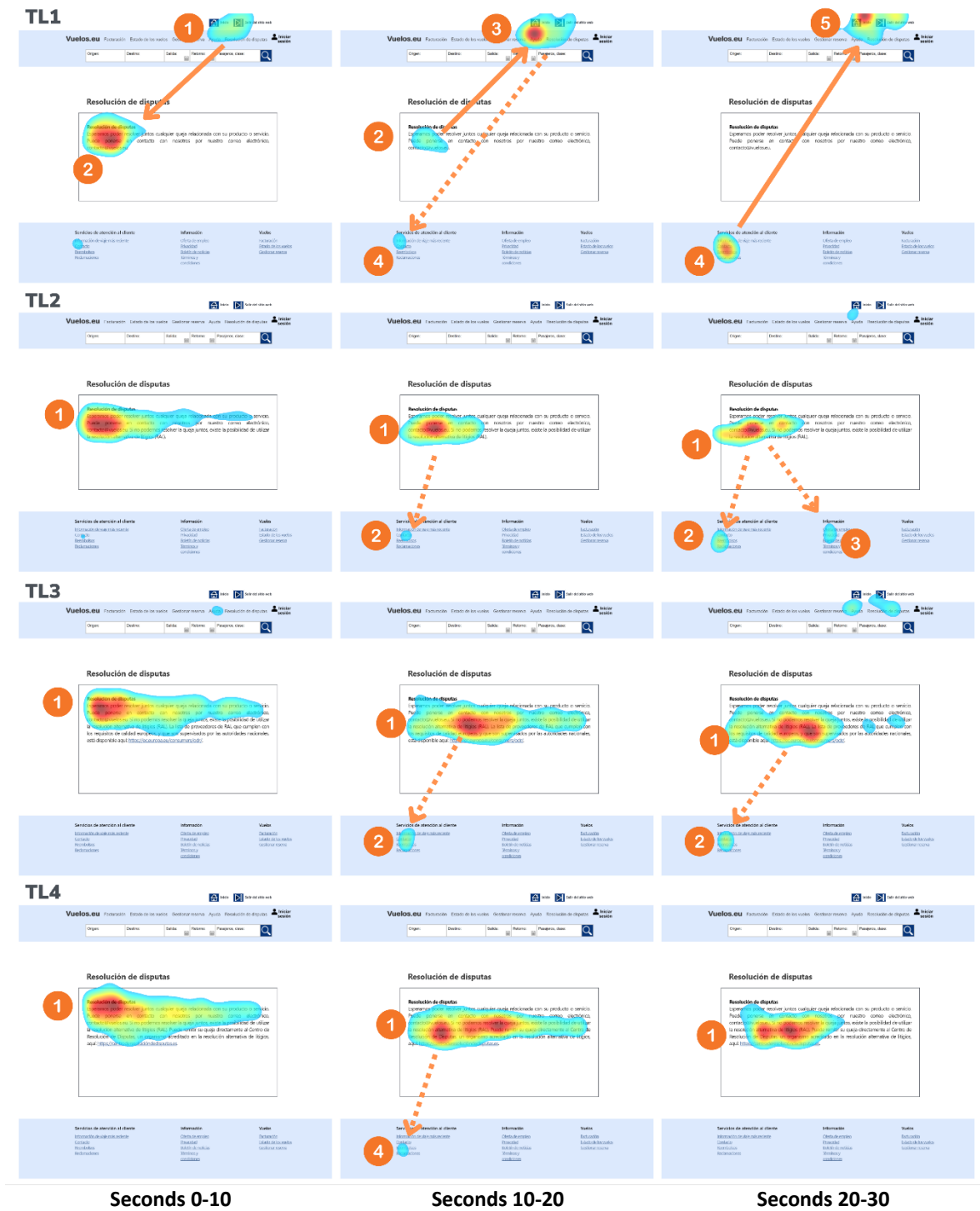
5.2.2 Focus on the dispute resolution page on the trader websites under the four treatments

Figure 26 and Figure 27 below show the attention paid by respondents to the information shown on the 'Dispute resolution' page under the four treatments (TL1, TL2, TL3 and TL4). Each treatment is represented in a separate row in each figure and the heatmaps show attention over time (first 0-10 seconds, seconds 10-20, and seconds 20-30) from left to right.

These heatmaps show that respondents paid more attention to the information, for longer, under treatments TL2, TL3 and TL4. Under TL1 respondents' gaze focussed only on the text at the lefthand side of the box and their gaze quickly moved on (mostly within the first 10 seconds). Conversely, under TL3 and TL4 respondents' attention was more prolonged and traversed the box containing dispute resolution information. The patterns are generally similar for both the airline and TV retailer websites. There was of course more information to read in TL3 and TL4 (around 2.5 times as many words as TL1; see Table 4 in section 3.3.2 for the additional text given in each treatment). What the eye-tracking shows is that respondents did indeed look at this (extra) information.

The heatmaps also show that respondents generally looked at the links in both TL3 and TL4, but not specifically at the letters "odr" in TL4. This seems to be because they generally viewed the beginning and middle of the links (for both treatments and types of trader), whereas the letters "odr" were at the end of the link in TL4.

Figure 26 Heatmaps of respondents' attention on the dispute resolution page – Airline



Source: LinQ Spain analysis of lab experiment eye-tracking data

Figure 27 Heatmaps of respondents' attention on the dispute resolution page – TV retailer



Source: LinQ Spain analysis of lab experiment eye-tracking data

These insights are confirmed by the eye-tracking statistics presented in Table 14 below. This table shows that indeed respondents did view the information on the dispute resolution page for longer (and more times) under TL2, TL3 and TL4. As noted above, there was more to read under these treatments (e.g., around 2.5 times as many words for TL3 and TL4 compared to TL1; to see the additional text given in each treatment refer to Table 4 in section 3.3.2), so what they eye-tracking reveals is that respondents did indeed view this additional information.

The average time spent looking at this information was highest under TL3 and TL4, where the ODR platform and ADR entity links were displayed. However, the differences (in terms of time spent

viewing the information) between these two treatments and TL2, where neither link was not displayed, are not statistically significant.

Table 14 Eye-tracking statistics for the information box on the dispute resolution page

	Average time until 1st view	Average time viewed	Average number of times viewed
Airline website:			
TL1: No ADR information	0.98	5.9	19.3
TL2: ADR information	0.78	14.2	46.4
TL3: ADR information & ODR link	0.78	16.2	49.2
TL4: ADR information & ADR link	0.82	16.6	47.4
TV retailer website:			
TL1: No ADR information	0.65	6.5	19.9
TL2: ADR information	0.72	10.2	30.1
TL3: ADR information & ODR link	0.65	11.1	34.8
TL4: ADR information & ADR link	0.50	15.1	45.4

Source: LinQ Spain analysis of lab experiment eye-tracking data

For TL3 and TL4, we can examine the attention paid to the links added on the traders' websites in these treatments (the ODR platform link and ADR entity link). These links were defined as 'areas of interest' (meaning the whole area of each link), so we have eye-tracking statistics for these areas.

The vast majority of respondents (80% for the ODR link, 93% for the ADR entity link) who visited the relevant page on the traders' websites looked specifically at these links in the text.⁷⁶ As Table 15 shows, on average it took respondents around 8 seconds to look at these links and they looked at the links for around 1.6 seconds, on average.⁷⁷ There are no statistically significant differences in respondents' viewing behaviour between the ODR platform link (TL3) and ADR entity link (TL4) in terms of any of the statistics presented in Table 15.

These results suggest that the absence of an effect of TL3 and/or TL4 relative to TL2 on respondents' intention to use ADR following the traders' websites (see 4.1.1) does not seem to be due to them not seeing the links added on traders' websites in TL3 and TL4.

Table 15 Eye-tracking statistics for specific links on the dispute resolution page

	Average time until 1st view	Average time viewed	Average number of times viewed
Airline website:			
ODR platform link (TL3)	8.77	1.76	7.89
ADR entity link (TL4)	8.41	2.08	8.14
TV retailer website:			
ODR platform link (TL3)	6.29	1.41	5.71
ADR entity link (TL4)	8.08	1.28	5.00

Source: LinQ Spain analysis of lab experiment eye-tracking data

⁷⁶ Moreover, since most eye-tracking participants reached the relevant page, most respondents (>70%) among all those in each treatment group saw the link.

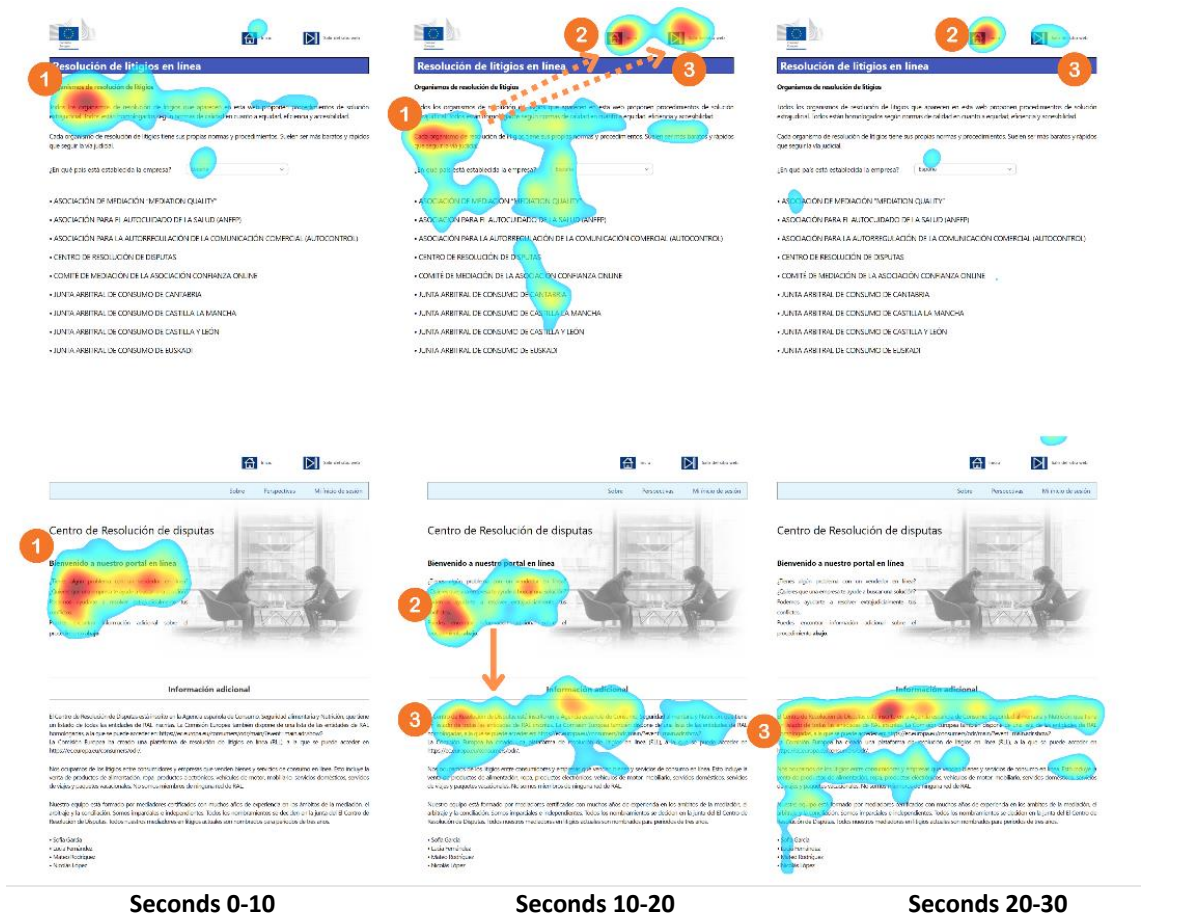
⁷⁷ Since the whole areas of the links were defined as areas of interest, these statistics relate to the links as a whole, not specific elements within them (such as the letters "odr" in TL4).

5.2.3 Focus on the ODR platform and ADR entity pages linked from the trader websites

The heatmap of the ODR platform page in the top half of Figure 28 shows that when the participants reached this page, they began by reading the text from left to right and from top to bottom (#1). However, they do not seem to have been interested in the content, since during the next 10 seconds the heatmap shows a random reading pattern and attention starts to focus on the ‘Home’ (#2) and ‘Exit website’ (#3) buttons. The content comprised of a list of ADR entities as well as a heading, the Commission logo, and text saying that the bodies listed offer out-of-court settlement, are approved, and each have their own procedures that are usually quicker and cheaper than going to court. The specific choice of landing page (comprising mainly of the list of entities) is likely to be a factor in the lack of interest shown.

Participants showed a different pattern of behaviour on the ADR entity website, as can be seen in the bottom half of Figure 28. First, they read the information under ‘Welcome to our online portal’ (#1 and #2) then began steadily reading the ‘Additional information’ (#3), indicating that this page created more interest than the ODR platform page. This sustained reading lasted up to 40 seconds.

Figure 28 Heatmap of the ODR platform and ADR entity pages linked from the trader websites



Source: LinQ Spain analysis of lab experiment eye-tracking data

5.2.4 Focus on the ADR entity website

Figure 29 shows respondents' attention to the ADR entity website for different time intervals (0 to 10 seconds, 10 to 20 seconds etc.) under the three treatments. Each treatment is represented by a separate column in the figure (from left to right: EL1, EL2, EL3), with earlier time intervals presented at the top and later ones presented at the bottom.

For all three treatments respondents initially focussed on five points at the top of the page: the ADR option (which always received the strongest initial attention), the go to court option, the text 'Have you already submitted a claim?', the option to drop their complaint, and the name of the ADR entity ('Dispute Resolution Centre'). Subsequently:

- In EL1, respondents' focus then tended to move to the 'Welcome to our online portal' heading and the text immediately below this (#2 in the lefthand column of Figure 29), then they began reading the information from left to right and top to bottom (#3 and #4), ending by focussing on the contact details and the ADR option in the footer.
- In EL2, respondents switched their attention to the login button (#2 in the middle column of Figure 29) before engaging with the information in the tabs (#3 and #4) then finally focussing on the ADR option in the footer (#5) (like respondents in EL1).
- In EL3, respondents shifted their attention to the content under 'Welcome to our online portal' (#2 in the righthand column of Figure 29), like those in EL1. Then respondents in EL3 typically began looking at the table comparing the attributes of ADR and court (#3) before reading other information on the page (#4), and lastly focussing on the options in the footer (most intensely the ADR and court options) (#5).

It is noticeable that under EL1 and EL2 respondents remained focussed on points in the header for longer (until around the twentieth second) than under EL3. In other words, EL3 contained content that attracted interest and drew respondents' attention downwards more quickly than the other treatments. Given that the table of attributes comparing ADR and court was the main difference between EL3 and the other two treatments, it is likely that it was this table that had this effect.

Table 16 (below, following Figure 29) presents eye-tracking statistics for the elements of the table displayed in EL3. The main insight that can be drawn is that respondents paid quite significant attention to this table. At least 85% (and as many as 97%) looked at each element and they spent around 11 seconds in total looking at the various elements of the table, on average.

The elements that respondents looked at most often and for the most time were the row headings for duration/speed and settlement rate, which is unsurprising as these elements would have taken longest to read.⁷⁸ Regarding the attributes of ADR and court, on average respondents looked at the durations and costs for longer and more often than the settlement rates, which may also be seen as unsurprising since the settlement rates were two-digit figures that did not differ between ADR and court in the table and so would have been quick to absorb.

⁷⁸ These elements were written as "Rapidez: El tiempo típico que se tarda en resolver a un litigio" and "Acuerdo: La proporción de casos que llegan a un acuerdo", respectively.

Figure 29 Heatmap of the ADR entity website pages



Source: LinQ Spain analysis of lab experiment eye-tracking data

Table 16 Eye-tracking statistics for the information box on the dispute resolution page

Element of the table	Average time until 1st view	Average time viewed	Average number of times viewed
Duration/speed: Row heading	28.1	2.10	7.09
Duration/speed: ADR	33.1	0.94	5.13
Duration/speed: Court	34.9	1.10	3.84
Typical cost: Row heading	37.1	1.10	4.39
Typical cost: ADR	38.7	0.91	4.23
Typical cost: Court	40.7	1.42	4.79
Settlement rate: Row heading	39.9	2.15	6.73
Settlement rate: ADR	40.8	0.58	3.46
Settlement rate: Court	41.3	0.48	2.64

Source: *LinQ Spain analysis of lab experiment eye-tracking data*

5.3 The name ‘Alternative Dispute Resolution’

Literature suggests that consumers may be dissuaded from using ADR since the term “alternative” may give the impression that ADR is not the *conventional* way of resolving disputes.⁷⁹ Therefore, the survey explored how the name “Alternative Dispute Resolution” affects consumers’ perceptions of ADR by asking whether the name puts them off or encourages them to use ADR. As Table 17 shows, a large proportion (45.8%) said the name does not matter to them. However, around one fifth (21.4%) said the name would put them off from using ADR at least to some extent.

Table 17 Extent to which the name ADR affect behaviour

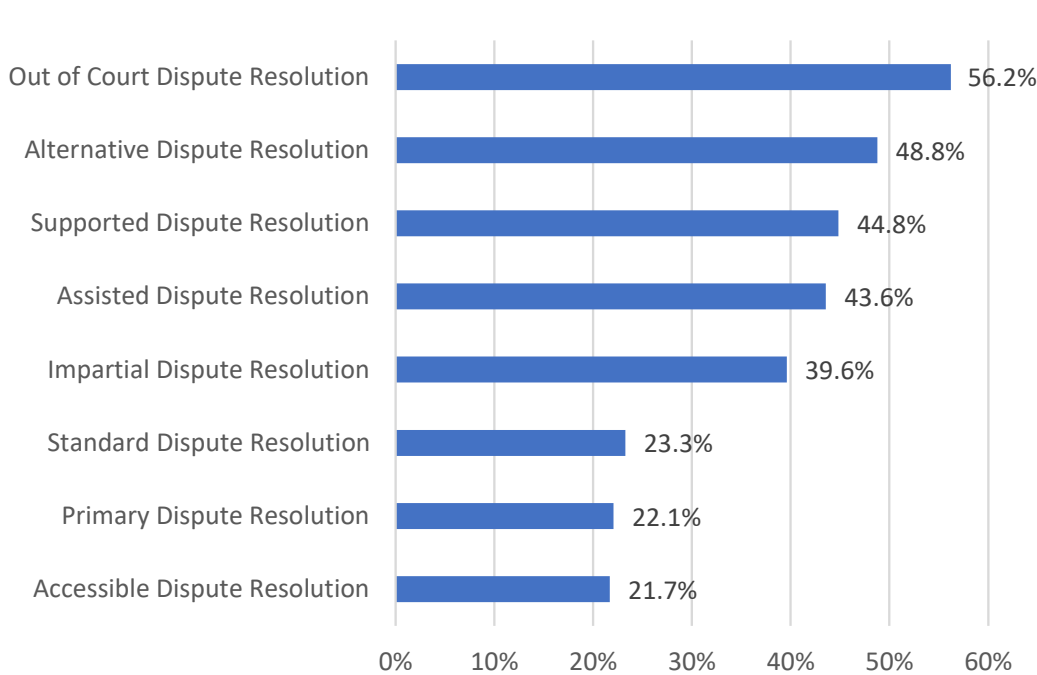
Response	Share
It completely puts me off from ADR	5.1%
It somewhat puts me off ADR	16.3%
It does not matter to me	45.8%
It somewhat encourages me to use ADR	23.9%
It completely encourages me to use ADR	9.0%

Note: N = 4,050.

Source: *LE Europe analysis of online experiment data*

To explore this further, respondents were asked to compare the name “Alternative Dispute Resolution” against several other possible names for ADR. The alternative names were selected because they describe the ADR process and what it involves, or highlight that ADR is one of the main ways to resolve disputes. Respondents were asked to select the three names in the list that would most encourage them to use ADR. Figure 30 presents the proportion of respondents that placed each name within their top three.

⁷⁹ Ngira, D. (2018). (Re) Configuring ‘Alternative Dispute Resolution’ as ‘Appropriate Dispute Resolution’: Some Wayside Reflections. Available at SSRN 3212091.

Figure 30 Preferred names for Alternative Dispute Resolution

Note: N=4,050. Names are presented in order of preference.

Source: LE Europe analysis of online experiment data

In line with the finding that most consumers are not deterred by it, the current name was the second most preferred name among respondents (48.8% placed it within their top 3). However, “Out of court dispute resolution” was the most preferred, as it was placed in the top three by 56.2% of respondents. Other names that were often favoured by respondents included “supported” (44.8%), “assisted” (43.6%) and “impartial” (39.6%) dispute resolution.

The results may be partly due to the survey question used (e.g., the results could have been different if respondents were instead asked for their single most preferred option). Furthermore, the term “Alternative Dispute Resolution” was known to respondents by the time they reached the question, which could have had an effect on answers (although this does not detract from the observation that the names describing the ADR process (e.g. “out-of-court”, “supported”, “assisted”) tended to be more preferred).

Overall, the results suggest that branding ADR as “alternative” is not a substantial problem for most consumers, although it may not necessarily be the best possible name for ADR, since “out of court dispute resolution” would be more preferred.

5.4 Funding source of ADR

The source of funding of an ADR entity may affect whether it is perceived as independent, which could in turn impact whether consumers are comfortable with using ADR. An EC study found that

consumers sometimes perceive ADR entities as biased in favour of the trader when the ADR entity is linked to the trader or the trader's business association.⁸⁰

To investigate this, the survey included a description of a fictional ADR entity and asked respondents to indicate how they felt about this entity. The ADR entity was (randomly) described as being funded by either government, the trader or a trade association. The table below shows the respondents' impressions of the ADR entity depending on the stated funding source.

Table 18 Impression of ADR entity under different funding sources

	Government	Trader	Trade association
Positive, of which:	68%	62%	63%
Very positive	22%	20%	18%
Somewhat positive	47%	42%	45%
Neither positive nor negative	28%	30%	31%
Negative, of which:	4%	8%	5%
Somewhat negative	3%	7%	4%
Very negative	1%	1%	1%
N	1,353	1,368	1,329

Note: N=4,050. Percentages may not add up to 100% or to subtotal (for the positive and negative total) due to rounding.

Source: LE Europe analysis of online survey data

Respondents predominantly felt positively about the ADR entity irrespective of the funding source. However, the responses differed depending on the stated funding source. Respondents were most positive when the ADR entity was described as government funded, and this effect is statistically significant.⁸¹ In contrast, the difference in perceptions between trader and trade association funded ADR entities is not statistically significant. These results suggest that independence of the ADR entity would be beneficial for consumers' perception of ADR and so their propensity to use ADR.

5.5 Consumers propensity to choose ADR depending on duration and value of claim

Lastly, the value of a claim and the duration of the procedure may impact consumers' propensity to use ADR. It might be expected that ADR is more likely to be used if the claim value is higher and/or the time to resolution is lower. Moreover, these two attributes may interact in terms of their effects on consumers' propensity to use ADR.

Hence, the survey asked respondents whether they would use ADR for different combinations of claim value and length of time before the claim is resolved. For each claim value respondents could, alternatively, state that they would go to court or that they "don't know". The table below shows the responses. To aid comparison across the different claim values, the results are shown as proportions calculated per claim value (i.e., the columns sum to 100%), and for each claim value the highest proportion is indicated by the coloured cell.

⁸⁰ European Commission (2019), 'Report from the Commission to the European Parliament, the Council and the European Economic And Social Committee on the application of Directive 2013/11/EU of the European Parliament and of the Council on alternative dispute resolution for consumer disputes and Regulation (EU) No 524/2013 of the European Parliament and of the Council on online dispute resolution for consumer disputes'

⁸¹ Government funded vs. trader funded is statistically significant at 1% ($p < 0.001$), government funded vs. trade association funded is statistically significant at 5% ($p = 0.026$). Since the data is weighted significance is assessed based on F-statistics

Table 19 Willingness to take up ADR by claim value and procedure length

	Value of the claim						
	Less than €50	€50 - €200	€200 - €500	€500 - €1,000	€1,000 - €5,000	€5,000 - €10,000	> €10,000
Drop the case and lose the money	58%	17%	8%	4%	3%	3%	4%
Use ADR if the issue can be resolved within 1 week	7%	34%	16%	10%	8%	8%	7%
Use ADR if the issue can be resolved within 1 month	5%	12%	32%	18%	15%	10%	7%
Use ADR if the issue can be resolved within 6 months	3%	6%	10%	29%	14%	9%	5%
Use ADR if the issue can be resolved within 1 year	3%	5%	8%	9%	24%	12%	6%
Use ADR irrespective of the time it takes	5%	9%	11%	12%	15%	31%	15%
Go to court directly	3%	4%	4%	6%	10%	17%	43%
Don't know	16%	12%	10%	11%	11%	11%	14%

Note: N = 4,050. Amounts in Euros were converted for local currencies and adjusted for cost of living where appropriate. Data are weighted. Coloured cell indicates the largest percentage in each column. Percentages may not add up to 100% due to rounding.

Source: LE Europe analysis of online survey data

The table shows that, as the value of a claim increases, the duration that consumers are willing to endure also increases. In fact, the pattern follows the top-left to bottom-right diagonal of the table (as the claim value rises to the next band, the largest proportion of respondents similarly moves to the next procedure length category).⁸² This pattern is to be expected: consumers are generally willing to devote more time and effort to a task if the potential gain is higher. The results imply that the decision to engage with ADR reacts rationally to time and value.

Another way to examine willingness to take up ADR is by considering that consumers who are willing to undertake ADR if it takes, e.g., one month, should also be willing to undertake ADR if the process takes less time. Essentially, the table above shows respondents' maximum patience. The rows in blue in Table 20 below, on the other hand, show *cumulative* percentages, where each percentage counts all respondents who said they would be willing to wait that amount of time *or more*. For example, the row "Use ADR if the issue can be resolved within 1 week" also counts the respondents who said that they would use ADR if the issue can be resolved within 1 month, 6 months or 1 year, or irrespective of the time it takes.

⁸² While this pattern might be expected to arise due to many respondents selecting precisely the answers on this diagonal, this was not the case. In fact, 10.9% of the sample selected the answers on this diagonal (i.e., 89.1% did not), and even when these respondents are removed, the overall pattern persists.

Table 20 Willingness to take up ADR by claim value and procedure length; cumulated

	Value of the claim						
	Less than €50	€50 - €200	€200 - €500	€500 - €1,000	€1,000 - €5,000	€5,000 - €10,000	> €10,000
Drop the case and lose the money	58%	17%	8%	4%	3%	3%	4%
Use ADR if the issue can be resolved within 1 week	23%	67%	77%	79%	76%	70%	39%
Use ADR if the issue can be resolved within 1 month	16%	32%	61%	68%	69%	62%	32%
Use ADR if the issue can be resolved within 6 months	11%	21%	29%	50%	53%	52%	26%
Use ADR if the issue can be resolved within 1 year	8%	14%	18%	21%	39%	43%	21%
Use ADR irrespective of the time it takes	5%	9%	11%	12%	15%	31%	15%
Go to court directly	3%	4%	4%	6%	10%	17%	43%
Don't know	16%	12%	10%	11%	11%	11%	14%

Note: N = 4,050. Amounts in Euros were converted for local currencies and adjusted for cost of living where appropriate. Data are weighted. Coloured rows indicate the rows with cumulative percentages, adding the equivalent percentage shown in Table 19 of itself and all subsequent *blue* rows. Percentages do not add to 100% since some cells are cumulated within the table. The cumulated cells are based on unrounded percentages and may differ slightly from the sum of the related percentages in Table 19.

Source: *LE Europe analysis of online survey data*

The results in the table above show that for a given length of process, willingness to take up ADR increases with the claim value, *except* for very high values. Observing each blue row from left to right, the share increases until the value of the claim becomes too high, at which point the share plateaus and falls as respondents seemingly no longer feel ADR is appropriate and would instead go directly to court (conversely the share indicating they would go directly to court rises steeply for high claim values on the righthand side).

This pattern is fully in line with the results observed in Table 19 but from a different perspective. It again shows that consumers tend to approach the decision to go to ADR rationally, but emphasises the discontinuity in the decision once the value of the claim becomes substantial, and court becomes preferred.

6 Conclusions and policy implications

This section sets out six conclusions and associated policy implications that emerge from the results of the study:

1. ADR information should be provided on traders' websites

ADR and the option to use it to resolve disputes should at least be mentioned on traders' websites. This conclusion and policy implication is clearly demonstrated by the lab experiment results, which found that substantially more consumers intended to use ADR when it was mentioned on the traders' websites (see 4.1.1).

2. ADR information on traders' websites should be salient and separated from other information

How ADR information is provided on traders' websites, including how it is accessed and how salient it is, has a significant impact on consumers' propensity to use and awareness of ADR. This is shown by the findings of the online experiment treatments, which found that providing ADR information on a separate page with a salient link from the home page, or signposting it from the top of the T&Cs and complaints pages, increased consumers' awareness of and propensity to say they would use ADR (see 4.1.1 and 4.1.2). On the other hand, dividing information across separate tabs within the terms and conditions page had much less effect on intention to use ADR and none on understanding. In terms of policy, this implies best practice guidance (or guidance on interpretation of relevant legislation) could be used to help industry provide ADR information in an effective way (i.e., a clearly noticeable link/signpost and ideally separated from general information like T&Cs).

3. ADR information should not be confined to traders' terms and conditions pages

This extension of the previous conclusion is demonstrated by both the experiment treatments and the finding that consumers typically did not visit the terms and conditions page (for any treatment), but rather visited other pages (e.g., the returns and complaints page) when faced with a scenario where they had a dispute with a trader (see 5.1). Previous research has found that the terms and conditions page is the most common location for ADR information on traders' websites; however, our experiment suggests this should not be the case. Policy-wise, the guidance mentioned above (or even recitals of legislation) could make this clear.

4. Traders should provide an ADR-related link to increase awareness and understanding

Providing a link to the ODR platform or an ADR entity on a trader's website does not appear to raise intentions to use ADR, based on the lab experiment results (see 4.1.1) (although, of the two, an ADR entity link *seems to be* more effective). For a description of the content and images of these links, see section 3.3.2. Mentioning the possibility to use ADR on traders' websites seems to be sufficient to stimulate intention to pursue it, and these links do not seem to strengthen this.⁸³

However, while they did not increase intention to use ADR, including these links, especially the link to the ADR entity, did increase consumers' awareness and understanding of ADR (see 4.1.2). The policy implication is that traders should (continue to) be required to provide such links. The results

⁸³ However, note that the experiment examined intention to use ADR after seeing traders' websites, but not subsequent actions up until reaching a specific ADR entity. Links with information, such as the ODR platform, may be useful for consumers' intervening decision-making. Hence, the results should not be interpreted as meaning that the links definitely have no effect on up-take.

suggest that an ADR entity link may be most effective, although it should be noted that the choice of landing page for the ODR platform (comprising mainly of a list of ADR entities) may have limited respondents' engagement with it and thus its effectiveness.

5. Information provided on ADR entity websites does not seem to be a major driver of usage, but nonetheless ADR entities would be prudent to be informed by the results

The results for information provision on the ADR entity website are less conclusive. While the online experiment found no statistically significant results, in the lab experiment the share of consumers who chose ADR was highest for the treatment that presented the table of attributes highlighting the benefits of ADR relative to court and this was *marginally* statistically significant (see 4.2.1).⁸⁴

Since this was (a priori) the strongest treatment the study team could devise (in light of the literature and online experiment results) and yet still did not yield a *conclusively* statistically significant result, it seems that once consumers are at an ADR entity website the information provided on it is not a major driver of the decision to start the process. As noted previously (see 4.2.1), this could be because the treatments were too subtle, or because once consumers have reached the ADR entity (or been placed there) this is relatively far along the journey towards beginning ADR, so changes to information have limited impact on the decision to choose ADR at that stage.

However, the treatment with the table highlighting ADR's benefits does *seem* to make a difference and literature suggests that the information given in this treatment would increase consumers' inclination to use ADR. Thus, it would be prudent for ADR entities to be informed by this treatment (and related insights from the literature), even if it should not be seen as a 'silver bullet'.

6. ADR should be, and be perceived to be, independent

Survey respondents were most positive about an ADR entity when it was described as government funded (see 5.4). This implies that for take-up to be maximised ADR must be seen as independent (confirming a previous Commission report). Policy-wise, this suggests that ADR information should make it clear the process is independent (when this is the case) and the availability ADR entities that are unconnected to industry should be encouraged.

⁸⁴ The result was significant the 10% level with a p-value of versus 0.059 (i.e., nearly significant at the 5% level) when compared to a group comprising of respondents in the two treatments where the table was not shown. See 4.2.1 for further details.

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