

Unleashing the new consumer power

Philip Cullum



Fresh thinking

About Consumer Focus

Consumer Focus is the statutory consumer champion for England, Wales, Scotland and (for postal consumers) Northern Ireland.

We operate across the whole of the economy, persuading businesses, public services and policy makers to put consumers at the heart of what they do.

Consumer Focus tackles the issues that matter to consumers, and aims to give people a stronger voice.

We don't just draw attention to problems – we work with consumers and with a range of organisations to champion creative solutions that make a difference to consumers' lives.

Fresh thinking

Philip Cullum is deputy chief executive of Consumer Focus

Our Fresh Thinking series is designed to promote debate and spark ideas on policies that can benefit consumers.

The pamphlets do not necessarily represent Consumer Focus policy positions.

This pamphlet draws on a wide range of research projects undertaken by Consumer Focus, its predecessor bodies and other organisations. It also publishes new quantitative survey data commissioned from Andrew Smith Research in conjunction with Research Now. This data was gathered using an online questionnaire, completed by 1,045 adults aged 16+ who formed a representative sample of the UK population. This survey took place on 17 to 22 March 2010.



Executive summary

It used to be said that people in Britain just meekly accepted mediocre service and poor-quality products. But change is in the air.

A new breed of more active, powerful consumers is emerging, people who are willing to throw their weight around when they need to. They are happy to work with smart businesses to help them improve and innovate. They will reward the good guys (through their spending of £873 billion a year) as well as penalising the bad guys.

The growing confidence among consumers that they can take on big business and win, increasingly isn't about action by established organisations. Rather, we've seen individual action by a new breed of 'citizen enforcers', and change being driven by instinctive consumer outrage and the desire to improve things.

Half the population now think consumers have more power to influence business. Three quarters say they now make more of an effort to get the best deal. UK consumers are now leaving well over 100 million comments on-line every year.

The challenge now is to broaden and deepen this powerful shift, extending it to more markets and more people, including those who are most disadvantaged. This won't happen on its own. Consumer Focus is, with others, working to enable these conversations and open up organisations and services to greater scrutiny and innovative thinking.

This will help deliver the Government's ambition for a 'big society' of empowered consumers and communities, with people supported to help one another and make decisions for themselves.

Unleashing the new consumer power



The benefits of consumer power



Britain is stronger when the people buying and using services and products are better able to make decisions for themselves. As President John F. Kennedy¹ put it nearly fifty years ago, *'If consumers are offered inferior products, if prices are exorbitant... if the consumer is unable to choose on an informed basis, then his dollar is wasted... and the national interest suffers.'*

According to Irwin Stelzer², *'Successful economies are ones in which consumers are sovereign.'* Michael Porter³ said in his review of UK competitiveness, *'the importance of advanced and sophisticated domestic demand grows as advanced economies progress.'*

There is real strength in having an economy of active, powerful and well-informed consumers able to act on their own behalf – and support one another – in getting the best deal and highest quality. In 2009, UK consumers spent £873 billion⁴. This potentially gives them tremendous power, both individually as buyers and users of goods and services, and collectively in their wider economic impact.

The economic theory is clear. Consumer confidence, and people's decisions to spend or save, has a huge effect on the economy; consumers help to make markets work. Their sensitivity to price and quality regulates firms and promotes efficiency and improvement. Improving confidence leads, in static terms, to lower prices, but also to dynamic benefits in terms of increased innovation and economic growth.

¹ *Special Message to the Congress on Protecting the Consumer Interest*, 15 March 1962

² Irwin Stelzer, 'Why Brown is wrong for No 10', *The Times*, 29 March 2005

³ Michael E Porter and Christian H M Ketels, *UK Competitiveness: moving to the next stage*, DTI Economics Paper no 3, May 2003

⁴ Office for National Statistics, National accounts: Household final consumption expenditure at current prices, updated 12 July 2010

But where things go wrong, where there is insufficient competition, consumers – particularly those who are at a disadvantage – get a raw deal and our businesses lose the sharpness that they need to succeed in export markets. Where consumers do not have the information and skills to choose the best deal, or where irresponsible business behaviour is not challenged, the worst companies prosper at the expense of the best. Where public services are run inefficiently or designed and delivered in a way that suits providers not users, people who need those services are let down and taxpayers' hard-earned money is wasted.

As the Business Secretary Vince Cable has said, *'making this country a good place to do business'* sometimes means *'arguing for more competition... [and] better protection for consumers from shady practice.'*⁵

Our vision



Consumer Focus's vision for the UK economy is:

- Several providers competing for consumers' business (in every market where competition is possible) on price, quality and service, driving innovation and UK competitiveness
- Consumers are willing and able to assess and compare services and products easily, identify and choose the best deal for them, and switch where it is in their interests
- Consumers are increasingly able to collaborate, learning from one another, and aggregate their buying power (sometimes on a cross-sectoral basis) to obtain the best deals and reduce detriment

⁵ Speech to Cass Business School, 3 June 2010

- New businesses are able to enter markets easily and challenge incumbents, secure in the knowledge that large established businesses will not be allowed to create and exploit undue market dominance
- Consumers are aware of their rights and have proper access to redress when things go wrong
- Organisations encourage and learn from complaints
- Consumers are able to make well-informed sustainable choices
- Consumers at a disadvantage are given appropriate level of assistance and protection, have access to decent and affordable essential services and do not face the double disadvantage of being expected to pay more or accept less than other people where the costs of provision do not justify this difference
- In key sectors, the right decisions about long-term investment are taken at the right time and the costs are fairly apportioned
- Where regulation is thought to be necessary to protect consumers or make markets work, the long-term consumer interest is at the heart of decision making
- Public services are designed and run with, not just for, users, who are able to hold providers to account and contribute to taking tough decisions about priorities

In short, we want to see a vibrant, sustainable economy that works for all, marked by innovation, accountability and responsibility.

Delivering this will require creative new approaches. We are encouraged by the Government's starting-point⁶:

'Our government will be a much smarter one, shunning the bureaucratic levers of the past and finding intelligent ways to encourage, support and enable people to make better choices for themselves... The Government believes that action is needed to protect consumers, particularly the most vulnerable, and to promote greater competition across the economy. We need to promote more responsible corporate and consumer behaviour through greater transparency and by harnessing the insights from behavioural economics and social psychology.'

This pamphlet explains how this approach could build on emerging trends of consumer power.

The rise in consumer power



This is a generation of more powerful, connected, collaborative consumers. There are real signs that consumer power matters more now and is stronger than ever before.

Our survey (see page 2) found that 50 per cent of people believe consumers have more power now to influence business standards; just 17 per cent disagree.

This is reflected in welcome signs of change in the position of consumers in the economy. Policy makers and service providers now talk far more about the consumer interest, in the public services as well as the private sector.

There is greater understanding of consumer behaviour and how best to influence it using social marketing and 'nudge' techniques⁷.

⁶ *The Coalition: Our programme for government*, May 2010

⁷ Richard H Thaler and Cass R Sunstein *Nudge: Improving Decisions About Health, Wealth, and Happiness*, Yale University Press, 2008

The internet and innovations such as mobile phone commerce potentially offer consumers the benefit of reaching goods and services anywhere and at any time. Consumers are able to shop around in a way that has never previously been possible.

In our survey, 85 per cent of consumers said that the internet makes it easier than ever to get the best deal. This isn't just the view of younger people: nine out of ten people (90 per cent) aged 55 and over agreed, more than any other age group.

This is affecting people's consumer skills and appetite for engagement. Three-quarters (75 per cent) of people tell us that they now make a greater effort to get the best deal. Six in ten (63 per cent) think that price comparison sites are influential and, according to Ofcom, a similar number (61 per cent) say they are more likely to use these sites now than they were 12 months ago⁸. Some 2.7 million people contributed their views to the last Post Office closure programme⁹.

We are seeing increasingly complex products and services, sold in more complex ways, providing the ability for businesses and public services to meet individuals' unique needs rather than taking a 'one size fits all' approach.

⁸ The Communications Market 2010, Ofcom, 2010

⁹ Andy Burrows and Colin Griffiths, *How was it for you? Consumer Engagement in the Post Office Closure Programme*, Consumer Focus, February 2010

Problems new and old



A large minority of people are not presently able to take advantage of these trends. Ten million UK adults have never used the internet, including four million of the most excluded and disadvantaged people¹⁰. According to Ofcom, 42 per cent cite lack of interest or need as the main reason, while 30 per cent say the internet is too expensive or they lack the skills to use it¹¹. One consequence is that they end up paying a premium for their essential services – on average, £560 a year more¹².

Alongside this, people who do not have a bank account similarly face increased costs and difficulties accessing certain services and products.

But even for the majority of people who are online, greater complexity can mean consumers are put off entering the market or make bad judgments when faced with complicated decisions.

In the energy sector, for example, the regulator Ofgem found¹³ that less than one in five domestic energy consumers are 'active' and regularly seek out competing price offers and switch on the basis of a good understanding of the range of offers available. A worrying number switch in error to worse offers. Vulnerable customers in particular struggle to obtain, or even seek, the best deals.

In the current account market, just 3.3 million (7 per cent) have switched over the last two years, far behind other comparative markets.

Three quarters of consumers (75 per cent) have never even considered switching their current account provider¹⁴.

¹⁰ *Manifesto for a Networked Nation*, Race Online 2012, July 2010

¹¹ *Accessing the internet at home*, Ofcom, June 2009

¹² *Manifesto for a Networked Nation*, Race Online 2012, July 2010

¹³ Energy Supply Probe, Ofgem, 6 October 2008

¹⁴ Oliver Morgans, *Stick or twist? An analysis of consumer behaviour in the personal current account market*, Consumer Focus, forthcoming

In the mobile phone market, BillMonitor (the only Ofcom-approved mobiles comparison website) estimates there are 82,000 tariffs and more than seven million deals overall on offer.

Half of consumers do not know whether they are charged for calling an 0800 number from their mobile. When the existence of BillMonitor was highlighted by Consumer Focus in the media, it experienced a 10-fold increase in traffic – suggesting underlying demand for someone to cut through the complexity.

Alongside this, it is not hard to find significant problems in many markets, often which have existed for years or decades. The number of rogue traders, who deliberately purport to offer something that never materialises or is of poor quality, remains stubbornly high.

Unfair and hidden terms and conditions remain common; the shadowy ‘end user licence agreements’ of software companies are a modern version of this old issue.

Leading financial services companies now advertise proudly that they are not on price comparison sites, claiming they have cut out the middleman. The reality is that they do not want people to compare prices.

And the same old marketing techniques to mislead consumers remain commonplace. There are deliberate attempts to manipulate ‘best buy’ tables and mislead consumers – this would for example appear to be the reason why mortgage arrangement fees are now three times what they were in 2003¹⁵. The website FancyAMortgage comments, *‘In today’s competitive mortgage market some financial institutions are using a combination of higher arrangement fees and lower interest rates to manipulate mortgage comparison websites’ best buy tables*¹⁶.’

‘Bait pricing’ remains a common tactic of leading companies in sectors such as energy, financial services and communications, with consumers lured in with great short-term deals which soon disappear and the companies relying on consumer confusion and inertia. Consumer Focus’s super-complaint on the market for cash ISAs shone a spotlight on one example of a much wider practice¹⁷.

Many consumers remain infuriated by low standards of service provided by big companies, who claim to offer personal service but struggle to deliver this through mass market systems and cultures which have tended to prioritise economy and volume of custom over service. Companies’ practice of seeking to attract new customers with special offers that are not available to existing consumers, even those who have loyally stayed with a business for many years, is a particular bugbear for many.

¹⁵ Financial inclusion Centre and Consumer Focus, *From Feast to Famine*, April 2009

¹⁶ www.fancyamortgage.co.uk/mortgagefees/arrangement.asp

¹⁷ Consumer Focus super-complaint on the market for cash ISAs, March 2010



New forms of action

It is perhaps unsurprising that consumers have begun to fight back. In the next two sections, we identify two powerful phenomena: the rise of ‘citizen enforcers’ taking on individual businesses; and the emergence of a new collaborative form of consumerism, in which people look out for one another.

Citizen enforcers



There is a growing confidence among consumers that they can take on big business and win. Increasingly this isn't about action by established organisations; effective though initiatives like the National Union of Students' Facebook campaign which persuaded HSBC to drop overdraft charges for students¹⁸ have been. Rather, we've seen individual action by a new breed of 'citizen enforcers', and change being driven by instinctive consumer outrage.

In Spain, dissatisfied football supporters call for the manager to be sacked by waving white hankies – this is called the *pañolada*. Here in the UK, the consumer equivalent has included:

- Pressure from thousands of angry motorists in south east England who suffered damage to their cars as a result of contaminated petrol – a claim initially dismissed by the industry¹⁹. One of the affected businesses, Tesco, subsequently ran an advertising campaign with the message, *'Tesco Petrol. It's back to normal and we're sorry'*²⁰
- The Unfairpak²¹ initiative, which quickly brought together victims of the Farepak Hampers scandal to provide mutual support and advice and campaign for a fair outcome

¹⁸ <http://bbc.in/cFaj2d>

¹⁹ See for example <http://bit.ly/bd7Ofe>

²⁰ <http://news.bbc.co.uk/1/hi/uk/6421783.stm>

²¹ <http://bit.ly/aKyZsr>

- The backlash from angry vegetarians, on learning that the recipe for Mars Bars was to be changed to include rennet. After receiving 6,000 complaints in under a week, a Mars spokesperson said that, *'It became very clear, very quickly that we had made a mistake, for which I am sorry'*²²

One lesson learned by citizen enforcers is that the most effective way of challenging companies can be to use humour, which is uncomfortable territory for most corporate PR departments.

Famously, the American musician Dave Carroll recorded a YouTube video in which he sings about how United Airlines broke his guitar. This has now been watched over nine million times²³.

The Busts4Justice campaign persuaded Marks & Spencer to end its policy of charging more for the larger bra sizes. Having defended the policy in 2008, the store said in May 2009 that, *'We've heard what our customers are telling us that they are unhappy with the pricing on our DD-plus bras and that basically we've boobed'*²⁴.

Comedian Tom Wigglesworth was nominated for a comedy award at the 2009 Edinburgh Festival for a routine centred on an experience on Virgin Trains, *Open Return Letter to Richard Branson*²⁵.

In January 2010, more than four hundred homeopathy sceptics took part in a mass homeopathic 'overdose' outside Boots stores, in protest at Boots' sale of such products²⁶.

Mass complaints have even been set to music, with the Complaints Choir of Birmingham setting in motion what is now a global phenomenon²⁷.

²² <http://bbc.in/a1Bzbn>

²³ <http://bit.ly/c0Y4PG>

²⁴ <http://bbc.in/9044Fg> and <http://bbc.in/aosQLC>

²⁵ <http://bit.ly/96rCqf>

²⁶ <http://bit.ly/cKF456>

²⁷ <http://bit.ly/aTvMrw>

Collaborative consumerism



Yet the ability of consumers to make a positive impact in the economy has been limited because they have been isolated. Every consumer was an island, each enjoying some sunny days but all too often being battered by the storms of business rip-offs.

Businesses which were inefficient, run for the staff or owners rather than customers, or downright dishonest should in theory lose to the good guys, who innovate, invest in the future and focus on customers.

But this isn't always what happened in practice, other than perhaps within small communities. Rather, the poor performers often had just as much of a chance of succeeding, because they benefit from consumer isolation. If one consumer felt let down, it was no great loss, because another would be along shortly, oblivious to what had happened previously. Holiday brochures could tell misleading tales of luxurious hotels, because even when one group of consumers discovered the truth, the next lot remained unaware until they too experienced disappointment.

The only available collective outlet was the press or TV shows such as 'Watchdog' – but this was inevitably limited and the pressure on a business was rarely sustained.

This was all underpinned by a sense that consumers weren't really interested in one another. If your holiday was a disaster, of course you wanted compensation – but this was a desire for personal redress, not some wider community spirit.

Alongside this sits a narrative about the supposed self-centredness of consumers.

The academic Stephen Thake says that *'Selfishness is a consequence of greater individualism and greed is a driver of consumerism²⁸'*. Zygmunt Bauman argues that the *'consumer market is the principal training ground for "savage individualism²⁹".'*

Neal Lawson says that, *'Consumerism, the mindset of normality in the twenty first century, corrodes our social fabric. As consumers we see ourselves essentially as individuals³⁰'*.

This reflects the tendency of many commentators to portray consumers as some kind of malign force, interested only in the cheapest price and in putting their personal interests ahead of everyone else.

Recent work by the RSA on public services³¹ says that *'The view of people as essentially self-interested consumers is counterbalanced by a view of society that draws attention to people's interdependence and our dependence on social relations.'*

But, if these characterisations of consumers were ever true, surely they are descriptions of the past?

People are increasingly aware of their own responsibilities as consumers. They have a much more rounded, sophisticated view of their impact. Much remains to be achieved, but we've seen a massive increase in sales of green and ethical products, as more people demand more sustainable consumption.

²⁸ <http://bit.ly/cXP2Jn>

²⁹ <http://bit.ly/d0uMmU>

³⁰ <http://bit.ly/c0BFQI>

³¹ Sam McLean, *Citizen Power in Peterborough: A Scoping Study*, RSA, 2010

Our research³² repeatedly shows that consumers tend not to think of themselves in a narrow, self-serving, individualistic way. They are – quite rightly – assertive about how they are treated by businesses and public service providers. But the vast majority are also concerned about the way other people are treated, for example demanding that public services are prioritised for those with most pressing needs.

The biggest shift in consumer behaviour has been in the way many people now use the internet to tell others – well beyond their circle of friends, family and colleagues – about their experiences. Just as Richard Titmuss³³ termed the act of giving blood ‘the gift relationship’ because donors gained no immediate personal benefit, so too do we now see a new spirit of altruism and mutual support from consumers.

This is not about people getting horror stories off their chest – according to our survey, and contrary to popular perception, more people leave positive than negative feedback on the internet.

Half of our respondents (50 per cent) said they had left positive feedback on a dedicated website or blog as a result of a good experience in the last year. One-third (35 per cent) told us they had left negative feedback. Most, especially those leaving positive feedback, had done so more than one. Our findings suggest that UK consumers are leaving well over 100 million comments a year on the realities of service performance.

³² For example Policy Commission on Public Services, NCC, 2004

³³ Richard Titmuss, *The Gift Relationship: From Human Blood to Social Policy*, 1970

More than half of consumers (55 per cent) told us that sites where consumers can share experiences, such as TripAdvisor, Review Centre and MoneySavingExpert, are influential.

This has an increasingly international dimension: someone in Manchester can decide where to stay in Miami on the basis of a recommendation from a consumer in Munich.

People want companies to get things right when they themselves go shopping; but when things go wrong they want to know that others won't suffer in the same way. And with a remarkable spirit of altruism, they are increasingly willing to put the hours in to make sure others benefit from their experience.

The smartest businesses have sought to become part of this new consumer conversation. Leading companies from internet-only retailers like Amazon to High Street stalwarts like Argos have consumer reviews and ratings as a key part of their online presence. This is in turn changing company behaviour and consumer perceptions – it takes a confident business to publish highly critical assessments of the products it is selling.



Greater communication

Consumers have always complained ‘over the garden fence’ about an underperforming company or recommended a business to friends over a pint. But our evidence suggests that people are becoming more ready to tell friends, family and colleagues about their good and bad experiences.

In 2006, we found that 73 per cent told others about a business they trust; while 68 per cent had punished a distrusted company by speaking critically to people they know³⁴. By 2009, 86 per cent said that when they have a particularly good experience with a company, they normally tell other people, while only one in twenty (6 per cent) usually keep it to themselves³⁵.

In 2010, when they have a particularly bad experience with a company, 96 per cent of consumers tell other people; and when they have a particularly good experience, 94 per cent let others know.



Trust in consumers not businesses

According to our survey, more than two-thirds of people (68 per cent) say that they trust what other consumers tell them more than what companies say; just five per cent disagree.

US research³⁶ suggests that if 100 people have a bad experience, a retailer stands to lose up to 36 current or potential customers. This work found that consumer conversations can have a magnifying force. People may be even less likely to shop where a friend has had a bad experience than if it had happened directly to them – because bad stories often get exaggerated in the re-telling. One in three US shoppers spread negative word of mouth about their problems; each will tell an average of four other people.

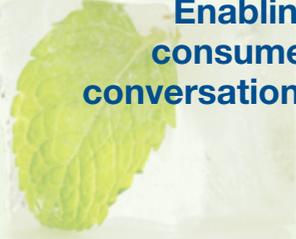
³⁴ NCC/AccountAbility, *What assures consumers?*, July 2006

³⁵ Streetwise, *Consumer Focus*, January 2009

³⁶ *Shoppers at Risk: Retail Dissatisfaction survey 2007*, Verde/Wharton Business School

One in two US shoppers has chosen not to visit a particular store because they have heard about someone else's bad experience. UK consumers seem to be picking up habits from their counterparts across the Atlantic. Our survey found that 48 per cent of British consumers have decided in the last 12 months not to buy a product or service from a specific company because of someone else's bad experience.

As the Office of Fair Trading puts it, '*Consumers can punish a seller's poor service or failure to fulfil a promise by voting with their feet – and their wallets. This punishment is usually swift*³⁷.'



Enabling consumer conversations

More than two years ago, McKinsey listed co-creation and using customers as innovators as two of the top trends for businesses to watch³⁸. The authors commented, '*Companies that involve customers in design, testing, marketing (such as viral marketing) and the after-sales process get better insights into customer needs and behavior and may be able to cut the cost of acquiring customers, engender greater loyalty, and speed up development cycles.*'

It has long been understood by leading businesses that consumers who make a complaint and think it is dealt with well can be more loyal than those who have not had cause to complain.

But worryingly, our survey found that just 23 per cent of people think businesses are listening to consumers more since the start of the recession.

³⁷ OFT Annual Plan 2008-09

³⁸ <http://bit.ly/bscVDs>

Consumers tell us that they want to help good companies succeed. But they can't be bothered to waste their time on the businesses that don't want to listen. Our past research has found that most people would be happy to help companies improve if they thought anyone was paying attention, but most of the time they find it's easier simply to walk away³⁹.

But this doesn't mean consumers are taking a vow of silence. As noted above, ever more people are telling not only friends, family and colleagues about their experiences but also complete strangers via the internet. According to McKinsey, 68 million bloggers worldwide now post reviews and recommendations about products and services⁴⁰.

This is gradually reaching new areas. However such developments appear to have faced hostility from public service providers and some professions.

Moves to enable patients to comment on their experience at GP surgeries⁴¹ were not exactly given a warm welcome by the medical profession⁴². It remains to be seen whether a new service allowing the public to exchange feedback on dealing with the police is any more successful⁴³.

Local authorities are similarly being challenged by the rise of 'hyperlocal' websites such as Kingscrossenvironment.com⁴⁴.

The Consumer Focus report on the UK's digital public services⁴⁵ concluded, '*People are now much more likely to interact with website editors and contributors and generate their own content to share with contacts in a series of conversations.*

³⁹ National Consumer Council/ Service in Britain survey 2007. 82 per cent agreed that 'I'm happy to give companies feedback if I know they'll act on it'. 52 per cent agreed that 'When a company lets me down or annoys me, I don't usually tell them – I just take my business elsewhere'; and 44 per cent said that 'I've wanted to complain about a company over the last year but it was such an effort that I didn't bother'.

⁴⁰ Jacques Bughin, Michael Chui and James Manyika, 'Clouds, big data, and smart assets: 10 tech-enabled businesses trends to watch', *McKinsey Quarterly*, August 2010

⁴¹ www.iwantgreatcare.org and www.patientopinion.org.uk

⁴² <http://bit.ly/cWXJuE>

⁴³ www.mypolice.org

⁴⁴ 'Residents are increasingly setting up their own 'hyperlocal' websites - should councils be worried?' *Guardian*, 16 June 2010

⁴⁵ Consumer Focus, *Does Directgov deliver? Join the debate on the UK's digital public services*, December 2009

'Against this backdrop, Directgov steadfastly remains a one-way broadcaster, with a distinct lack of response mechanisms and opportunities for interacting with other users. Consequently, it is out of touch with its users... Directgov must understand the new relationships people forge with services via the web, and work out how to respond to these expectations. If Government wants to engage with citizens and create better services and relationships, we suggest opening up communication to show there is a genuine readiness to listen.'

The Cabinet Office minister Francis Maude has emphasised the need for a new approach from Government, which has a different kind of interventionist element to support and stimulate consumer and community power⁴⁶:

'You cannot simply allow the State to retrench and just assume that spontaneously and organically the social capital, the myriad organisations on which a successful, strong, cohesive society depends, will automatically spring into effect, so the State has to play a proactive, interventionist role in stimulating the creation of that social capital. This is not by having a grand, national plan, but this is by a whole lot of different approaches... it should be about communities, families, neighbourhoods, people taking power, not being graciously given it by the centre.'

⁴⁶ Evidence to Public Administration Select Committee, 27 July 2010



Putting power in consumers' hands

Delivering an empowerment agenda could involve a whole range of changes, such as:

- Simplification of consumer law so that it is better understood and more easily applied by consumers and businesses alike
- Improved and more joined-up consumer education
- Easier access to information about consumer rights
- Assurance mechanisms such as confidence codes to build consumer trust in problem markets
- More effective 'trusted trader' schemes
- Co-ordination of collective purchases
- Enabling consumers to support one another by exchanging advice and experiences in particular markets
- Greater use of 'nudge' techniques to influence consumer behaviour
- Development of new business models for essential community services

To show the potential to transform markets by enabling consumers to help one another, Consumer Focus has developed proposals for a website on which tenants in the private rented sector in England could share their experiences with individual landlords. This would put power in the hands of consumers and help this problematic market work better.

We are currently creating a mobile phone based tool, which would allow consumers to check their rights when they're in a shop.

We will shortly launch a 'people power' toolkit, helping consumers and communities use the powers which exist to influence local services.

And we are also working on a new approach, with Passenger Focus, which would allow train passengers to see how their service is performing and to compare this with other services. At present the rail industry holds a huge amount of performance data, but very little is made public. Our plan would open up this data and allow passengers to hold train operators directly accountable for their performance, so transforming the nature of regulation in this sector.

Such initiatives exemplify the next leap forward in the development of consumer power – giving people greater responsibility and opening up organisations to scrutiny.

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