

**Hungarian
Competition
Authority**

REPORT
on the results of the market analysis on the
**Effects of digital comparison tools on consumers' purchasing
decisions**



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I. Overview

1. Websites and applications that enable consumers to compare products and services are also popular in Hungary. Consequently, it is important to examine whether consumers can rely on the information provided on such websites and applications and the extent to which the provided information is objective and user-friendly.
2. An increasing number and a more diverse range of digital comparison tools are available to consumers. While these tools enhance and support competition and enable consumers to search for the best products, and therefore generally have a positive effect, they also present a number of specific risks.
3. The revenue model typically adopted by the operators of digital comparison tools can distort competition on markets, as sellers can incorporate the commissions charged for these sites into their prices, thereby resulting in a situation in which the use of digital comparison tools (hereinafter: DCTs) causes higher prices and fees. Comparability can be reduced, for example, if several products are highlighted in return for additional benefits or if the comparison of complex products is only based on one single criterion. DCTs may even present an offer differing from reality in the absence of detailed information, given the high degree of complexity of products.
4. In many instances, the way in which products are compared is not comprehensive; the differences in detail among products cannot be identified or they can only be identified with great difficulty (e.g. the differences in the definition of products), the information is not sufficiently accurate and detailed, it is not possible to properly monitor the changes made to services or to display sales/promotions, with the result that DCTs might also have strong distortive effects on markets and competition.
5. Furthermore, a number of respondents to the market analysis noted that they considered the lack of transparency particularly harmful given that some comparison tools compare services/products by highlighting only one of the possible parameters of comparison.
6. The appearance, accessibility and widespread availability of digital product comparison or sales websites and applications pose new challenges from a consumer protection perspective as they offer purchasing solutions and supply possibilities from outside of the European internal market (e.g. Far Eastern product sales websites) which may result in weaker guarantees for consumers.
7. Given the growing role played by comparison tools and the increasing number of active participants on the seller side, it is important to ensure that impartiality is maintained and that personalised offers are appropriately presented. In addition to the self-regulation practices of operators, the operation of DCTs by regulators may also provide a solution to these challenges.
8. The Hungarian Competition Authority (GVH) has taken advantage of the use of a market analysis in the field of consumer protection for the first time. In the framework of this market analysis, the GVH a) intends to draw attention to the phenomena perceived in the context of DCTs that prevent consumers from being adequately informed when using comparison tools, and b) formulates recommendations to promote the provision of transparent information to consumers, without which the use of comparison tools may also lead to distortive effects on competition.

9. In the course of the market analysis, the GVH does not cover – in addition to the information described in Chapter III. – the conducts and practices followed by DCTs in relation to their business partners.

10. The GVH points out that given the innovative nature of the tools examined and the services provided that are subject to the present analysis; the findings of the market analysis may change over time. Nevertheless, undertakings should always consider it appropriate to take into account recommendations that have been formulated in principle.

11. **The GVH would like to thank the market participants that responded to its request for information, as the answers provided contributed significantly to the preparation of this report.**

II. The initiation of the market analysis

12. On 27 March 2019, the GVH launched a market analysis to examine the impact of the use of digital comparison tools, from a consumer protection perspective, on market processes and on the consumer purchasing decision making process.

II.1. The definition of DCT

13. In accordance with the definition of the working group established by the European Commission in 2015, in the present market analysis, the term digital comparison tool “should be understood as including all digital content and applications developed to be used by consumers primarily to compare products and services online, irrespective of the device used (e.g. laptop, smartphone, tablet) or the parameter(s) on which the comparison is based (e.g. price, quality, user reviews). To the extent that operators of search engines, travel or ticket booking sites, e-commerce platforms acting as a marketplace for several traders develop functions or applications dedicated to the comparison of products and services, these functions or applications are also covered by the term ‘comparison tool’.”

14. It is possible to distinguish among the following categories:

- a) product/service comparison functions of online platforms and search engines (e.g., Expedia, Tripadvisor, Booking.com, Szállás.hu and e.g., Google, Yahoo),
- b) comparison functions of e-commerce platforms affecting a number of traders (e.g., Amazon, eBay),
- c) comparison tools and applications specialised particularly for product/service comparison (which can operate on the basis of the market or legal provisions).

15. Further important criteria in relation to DCTs are that

- they offer their services free of charge to consumers;
 - they have incomes typically from companies whose products and services they present to consumers and from advertisement revenues;
 - they are present in various forms ranging from applications to websites.

II.2 Legal background of the market analysis process

16. Pursuant to Article 43/C of the Competition Act¹, with a view to discharging its statutory responsibilities more effectively and efficiently, the GVH may conduct market analyses, in the framework of which it surveys and analyses the operation of particular markets, the market processes and the

¹ Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices (‘Competition Act’)

development of market trends as well as particular market practices, as well as the effects thereof on competition and trading parties, in particular ultimate trading parties, relying on information in the public domain and data collected on a voluntary response basis.

17. The GVH shall announce on its website the initiation of a market analysis, the specific markets, market practices and issues covered, as well as the proposed timeframe.

18. On the conclusion of a market analysis, the GVH shall prepare a report presenting the issues investigated, the facts discovered and the findings, any further measure that needs to be taken and the methodology employed, and it shall publish this report on its website.

19. Pursuant to Article 43/F of the Competition Act, if a market analysis detects a market failure which cannot be remedied in full or in part by competition supervision proceedings, the GVH (a) shall inform the competent committee of the Parliament, or the competent minister or authority; (b) may publish non-binding public recommendations; or (c) may initiate, if deemed necessary, the enactment or amendment of legislation.

II.3 Mid-term digital consumer protection strategy (Strategy)²

20. As the GVH also points out in its Strategy, market analysis may constitute an appropriate instrument for assessing the impact of digital comparison tools on current market processes and on the behaviour of consumers, given their increasing number and diversity.

21. As set out in the Strategy, the use of digital comparison tools can in general support the informed choices of consumers, transparency and, consequently, competition on the market as well. In view of the foregoing, it is also important that consumers are appropriately informed during the use of DCTs, for example the product features should be accurate, and consumers should know how the presented results are ranked.

II.4. The UCPD³ and the principles published by the European Commission

22. In 2015, the European Commission established a working group⁴ that brought together various stakeholders (industrial representatives, operators of comparison tools, non-governmental organisations and national authorities) with the aim of developing a set of principles that would specifically assist the operators of comparison tools to comply with the Directive on Unfair Commercial Practices⁵ (hereinafter: UCPD). This working group adopted the 'Key principles of comparison tools',⁶ which are legally non-binding instruments.

23. Chapter 5.2.7. of the Commission Staff Working Document on the implementation/application of Directive 2005/29/EC on unfair business-to-consumer commercial practices (hereinafter: UCP Guidance⁷) sets out in detail its findings on comparison tools, which are also based on law enforcement practices.

² https://www.gvh.hu/pfile/file?path=/en/gvh/strategy/GVH_Strategia_Digitalis_fogyved_startegia_2018_09_27_a&inline=true

³ Unfair Commercial Practices Directive

⁴ <http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=3325&news=1>

⁵ Directive 2005/29/EC on unfair business-to-consumer commercial practices

⁶ http://ec.europa.eu/consumers/consumer_rights/unfair-trade/comparison-tools

⁷ <https://eur-lex.europa.eu/legal-content/EN/TEXT/HTML/?uri=CELEX:52016SC0163&from=HU>

II.5. The so-called ‘New Deal for Consumers’⁸

24. In 2018, the European Commission presented a set of measures called the ‘New Deal for Consumers’. The European Commission intends to take actions to strengthen consumer law and its enforcement. According to the evidence collected by the Commission, there are a number of consumer rules that need to be modernised to respond to new challenges in this area. With this in mind, the Commission proposes a number of measures aimed at increasing transparency for consumers in online marketplaces, ensuring a more effective system of sanctions and clearer rules for tackling the issues of dual quality products across Europe. These measures shall also include changes to the UCPD⁹, the relevant provisions of which shall be applicable from 28 May 2022¹⁰.

II.6. The issues investigated

25. In its market analysis the GVH sought to understand the drivers on both the demand and the supply side in order to examine, in particular, compliance with the provisions of the UCPA¹¹, which also ensures compliance with the UCPD.

26. It attempted to evaluate consumer perceptions, expectations, and habits in relation to DCTs and, furthermore, to explore the practices of undertakings that operate DCTs and the practices of their partners that appear on DCTs with their products and services.

27. The market analysis aimed, on the one hand, to assess what factors influence the decisions of consumers and of undertakings that make use of DCTs and their experiences related to such use. On the other hand, the investigation sought to evaluate the awareness of market participants operating DCTs of the consumer protection requirements¹² applicable to such platforms and whether their operation is shaped by these requirements.

28. The market analysis focused on the product and service sectors which

- may involve high search costs for consumers,
- have a high number of consumers using DCTs,
- have less DCTs competing with each other on the given market,
- are characterised by an intense communication activity of DCTs.

29. On the basis of the aforesaid criteria, the analysis primarily concerned the operation of platforms comparing products and services in the retail, accommodation and travel, financial, infocommunication sectors.

30. The GVH’s investigation also covered the question whether there was a significant difference in terms of consumer behaviour and decision making among DCTs operating on different markets. Furthermore, it also intended to examine consumers’ awareness of the existence of DCTs on different markets, the sources and ways in which information relating to them may be obtained, and the reasons why particular DCTs are selected.

⁸ https://ec.europa.eu/info/law/law-topic/consumers/review-eu-consumer-law-new-deal-consumers_hu

⁹ Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council as regards the better enforcement and modernisation of Union consumer protection rules

¹⁰ Until 28 November 2021, the Member States shall adopt and publish the laws, regulations and administrative provisions that are necessary to comply with the Directive.

¹¹ Act XLVII of 2008 on the Prohibition of Unfair Business-to-Consumer Commercial Practices (UCPA)

¹² The analysis defines its focus essentially in light of the UCPA and the relating European regulation and jurisprudence.

II.7. The methodology of the market analysis

31. The GVH would like to note that the market analysis was primarily based on publicly available information and on data provided on a voluntary basis. Consequently, it must be borne in mind that the voluntary nature of the provided information had a significant effect on both the depth and quantity of the replies, and thus on the ultimate findings of the analysis.

32. In view of the foregoing and with the aim of obtaining a comprehensive understanding of market processes, the GVH, in addition to its well-established means of obtaining information, such as

- publicly available consumer researches,
- requests for information from operators of DCTs,
- requests for information from undertakings offering products and services ranked on DCTs,
- requests for information from consumer organisations,
- requests for information from other authorities,
- using the so called 'sweep',

also made use of the market research services of AC Nielsen Piackutató Kft. (Nielsen).

33. In this framework, the GVH sought to explore the impact of DCTs on consumer decisions and consumer trust and, inter alia,

- how decisive DCTs are during the consumer decision making process,
- why, how and for what purpose consumers use them,
- the expectations that consumers have in relation to DCTs, if they rely on them, if they consider the information provided by them to be accurate and reliable,
- the degree of consumer satisfaction with DCTs,
- how the ranking on DCTs have an impact on further consumer actions,
- the extent to which consumers take into account the ratings allocated to the contents presented on DCTs,
- if consumers are aware of the business model that is generally adopted by DCTs,
- which devices are used by consumers to access DCTs, the extent to which they are aware, and use, DCT websites/apps,
- if consumers are aware that the data provided during the use of DCTs are used and for what purposes.

34. The table below shows the number of requests for information sent to the market participants and the responses received, as well as the response rate:

Recipient of request	Number of requests sent	Number of responses received	Response rate
DCT operators	18	11	61.11%
Contracted partners	20	10	50.00%
Industrial representative associations	2	0	0.00%
Consumer protection NGOs	5	2	40.00%
Authorities	3	2	66.67%
Total number of requests	48	25	52.08%

III. The use of DCTs in general

35. On the DCT market, there are DCTs operating on both a commercial and regulated – i.e., as required by statutory obligations – basis.

36. The intensity of competition on the market is determined by the number of providers present and the emergence of new ones. Furthermore, a particular characteristic of this market is that market presence is based on unique visitor numbers (UV-number).

37. On the basis of the responses received by the GVH, the drivers of competition are complex, characterised by the fact that the business models are also competing with each other (e.g., a substitute product of price comparison services can be the so-called online marketplace model which can also be the own marketplace solution of a major web-shop (e.g., Amazon) and the emerging Facebook marketplace). The models and services with similar profiles but comparing prices of services, such as marketing tools designed for a particular customer to increase website visitor traffic (e.g., Google search engine) and other online advertising channels (e.g., Google, Facebook) have an inductive effect on the price comparison services. The entry of international, global online advertising and commercial platforms (e.g., Aliexpressz, Amazon, Google Shopping - listing ads) into the domestic market or an increase in their existing market presence also represents a continuous challenge for Hungarian market participants.

38. As regards to the comparison of goods supplied to Hungary, the difference between the indirect tax rates (VAT) applicable in various Member States has a notable effect on competition as far as cross-border trade is concerned.

39. Given that DCTs are digital services, they can be characterised also by the specificities of digital markets. Digital markets are two- or multi-sided markets with special characteristics:

- significant network effects,
- high economies of scale and scope,
- increasing yields.

40. Taking all these factors together, the barriers to market entry may be high even without other conditions or specificities. Consequently, monopolistic, or oligopolistic market structures may easily arise. Where unilateral consumer preference exists (tipping effect), competition may be substantially distorted or reduced. Under such circumstances, competition authorities have limited instruments to overcome these adverse effects on the market structure. However, the extent to which these adverse effects are experienced by the various types of DCTs operating in different sectors (retail, accommodation reservation etc.) is likely to vary.

III.1 The business models of DCTs

41. The operators of DCTs can be divided into two groups, depending on their business models and pursued objectives.

- On the one hand, for-profit undertakings operate DCTs. These comparison tools operate on a commercial basis and rely on commissions earned through customer acquisition and/or – intermediation and – retention.
- On the other hand, supervisory bodies also operate comparison sites, the scope, and objectives of which are defined by statutory obligations.

Regulatory DCTs resulting from statutory obligations

42. As regards to the markets covered by the market analysis, DCTs are operated on a statutory basis in the financial and credit market and also in relation to telecommunication services.

43. In the framework of its activities related to financial consumer protection, the Hungarian Central Bank ('MNB') has created and operates various financial product search and comparison programmes, as well as calculators. Based on the statements of MNB, they can be used free of charge.

44. The comparison sites are based on the information that is provided by the financial service providers and credit institutions that are under the supervision of the MNB and which are subject to a reporting obligation¹³; as far as credit institutions are concerned, they are required to submit certain information if their applications to tender invitations are successful. According to the statements of the MNB, the majority of applications are up-to-date and therefore the database contains all the products and services for each category. This allows users to search and compare all of the products available on the market for each type of product.

45. In the case of telecommunication services, the operation of a comparison portal is a statutory obligation¹⁴, which is provided directly by the Member States' authorities or indirectly through an intermediary, through its designation or accreditation of the portal (unless such a tool is available on the market free of charge or at a reasonable price).

46. According to the information provided by the National Media and Infocommunications Authority ('NMHH'), the data of 677 providers are available on the common information page of the Commissioner for Media and Communications and the NMHH. The page aims to offer guidance on fixed and mobile network tariffs and to provide an overview of the roaming fees applicable to phone calls made abroad, as well as in relation to bundle offers (or package deals) (e.g., fixed line phone, internet, television).

47. Its database is currently not credible and up-to-date, and the geographic data provided are sometimes inaccurate, which according to the NMHH may be due to the fact that the data are obtained from the static data of service providers' general terms and conditions of business. The database of the system is uploaded and updated by a subcontractor on the basis of the general terms and conditions (GTC) available on the websites of the service providers.

48. Pursuant to the Directive establishing the European Electronic Communications Code¹⁵, which must be transposed by December 2020, Member States shall ensure that end-users have access to at least one comparison tool, free of charge, at national level. If there is only one comparison tool available in a Member State and it ceases to operate or it no longer meets the specified quality requirements, the Member State in question shall ensure that end-users are able to gain access to another comparison tool in a reasonable period of time at national level.

49. Pursuant to Article 103 paragraph (2) of the EU Code, the competent authorities shall, in coordination, where relevant, with national regulatory authorities, ensure that end-users have access free of charge to at least one independent comparison tool which enables them to compare and evaluate different internet access services and publicly available number-based interpersonal telecommunications

¹³ Pursuant to MNB regulation 36/2018. on the reporting obligation of financial and credit organisations to the central bank information system, in particular in the scope of the supervision activities of the Hungarian Central Bank

¹⁴ Article 144(10) - (11) of Act C of 2003 on Electronic Communications

¹⁵ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code

services, and, where applicable, publicly available number-independent interpersonal telecommunications services.

50. Taking into account their non-commercial nature, DCTs operated by or on behalf of the MNB or the NMHH do not have revenues and they do not process personal data.

DCTs operating on a commercial basis

51. Sectoral differences exist among the DCTs operating on a commercial basis (e.g., retail and accommodation reservation). On the basis of the undertakings' responses, this chapter will focus on the essential similarities and describe the typical business model without addressing the sector specific features.

52. In order for a specific undertaking (e.g., online shop or hotel) to appear on a DCT it must first register and accept the GTC of the given DCT. The basic technical condition is to provide a data connection in a format specified by the DCT and to create the algorithms based on the documentation provided by the DCT in order to generate a database file. This includes the details of product offerings that are periodically updated, such as (but not limited to) the name of a product or a service, photo of the product, current retail price, delivery time, delivery fee and, in certain cases, the necessary stock and reference details which are to be provided in order to

- direct the user to the partner's webpage where he/she can purchase the product/service there;
or
- ensure that the selected provider directly contacts the customer with regard to the conclusion of the contract.

53. In order to appear on a DCT, undertakings do not, in principle, have to meet special requirements in addition to the foregoing and the so-called automated feeds ensured by the undertaking (data transmission). Cooperation with certain price comparison service providers takes place within individual contractual framework. The content of these contracts, which may also include additional conditions to those contained in the GTC, are considered as business secrets.

54. According to some of the respondents' statements, in addition to the aforesaid there are further requirements, such as to ensure an adequate customer complaint handling process, to carry out trial orders and to certify the Hungarian company registration.

55. DCT operators typically derive their income from two sources:

- commissions received for the use of the digital comparison tools,
- advertising revenues.

56. DCTs derive most of their revenue from advertising revenue paid by partners, which is substantially calculated based on the number of times the compared offers are clicked on. Other sources of revenue include the advertising fees received from the advertisements displayed on the comparison sites and the Google AdSense advertising commissions, as well as the service of highlights on category pages (ProductAds) implemented for partners. However, there are markets (e.g., accommodation reservation, insurance) where DCT operators can benefit from commission for intermediation and sales commissions for the services concluded online. This is relevant on comparison pages where it is also possible to purchase a product or service (to conclude a contract).

57. Partners can occasionally also purchase premium service packages including additional services from certain providers (e.g., multiple updates, more detailed statistics). This is a monthly-fee-based source of income for the platform.

III.2 The perception of DCTs from the consumer welfare perspective

58. Before making purchasing decisions, consumers often undertake a certain amount of research and collect information about the available different products and purchasing possibilities (shops). The greater the importance that a consumer attaches to a particular product, the more comprehensive the research and information gathering process tends to be.

59. In case of homogenous products, the purpose of collecting information covers essentially the availability of the product, its price and where it can be purchased by the consumer for the cheapest price. At the same time, most of the available products (or services) on a market can be differentiated in some way. In such cases, in addition to price, the specific characteristics of the products in question play a role in the consumer decision making process. If a consumer is unaware of these characteristics, it is possible that he/she will not select the most suitable product.

60. However, collecting information is a time-consuming process and can involve travel costs (or 'search costs').¹⁶ In fact, a consumer may be willing to purchase a product at a price that is slightly higher than the cheapest price available for the product in question; if this means that he/she can save on search costs. In other words, as the consumer is not aware of the exact prices available for the product in question from all sellers/locations, he/she would need to spend time and energy searching for the best possible deal. DCTs, on the other hand, provide consumers with easily accessible information and therefore, ideally, they considerably reduce search costs and help consumers to choose the product and seller they consider to be the best.

61. On a homogenous product market, DCTs allow consumers to become familiar with the prices quickly and to find the cheapest offer. On a differentiated product market, the consumer can, on the one hand, pre-filter on the basis of price, define the product range affordable to him/her, and then only search for more information about the offers that fall within these parameters. Furthermore, DCTs also support the collection of additional information when directly presenting the product features, by offering the possibility to filter, or – indirectly – by redirecting the consumers to the sellers' pages.

62. As can be seen in the market participants' responses, they have a similar view of the advantages that DCTs provide for consumers. In their submission of data, they point out the following:

- the search costs and time are considerably reduced, especially in case of products with complex characteristics - depending on the number of products and complexity;
- consumers can collect information easily and conveniently at any time of the day;
- the comparison of offers provided by different web-shops on one-page results in increased transparency (both in price and offer);
- most comparison tools enable consumers to follow any changes to the price of a particular product on a time chart, which can help consumers to ascertain how competitive the promotions of web-shops are on the market in question when they are making purchasing decisions;
- consumers can increase their level of awareness (because they can compare the information of several and independent sources (e.g., also consumer reports) in one place);
- they evaluate partners and products/services;
- they encourage greater competition among manufacturers and service providers in order to offer their products/services at lower prices and better quality;
- they can also help consumers by acting on their behalf to manage their related administrative cases through these means, acting independently regardless of the service providers;

¹⁶ Varian, Hal R. (1980), "A model of sales", *American Economic Review*, 70, 651–659.

consequently, they can represent consumers' interests without contacting the service provider directly.

63. However, the aforesaid statements describe an ideal case. The imperfect functioning of DCTs can mislead and misinform consumers. The most common cases are the following:

- DCTs do not show the actual prices (e.g., the delivery and handling fees are not included in the price);
- they do not properly inform consumers about which offers are sponsored;
- they manipulate the ranking order of the displayed products, i.e., a consumer that is not sufficiently prudent may believe that the order of displayed products has been created on the basis of his/her search and setting (e.g., in ascending order of offered prices), and that the products appearing on the top of the order are more suitable for him/her when in fact this is not true;
- they can withhold or falsely display some details, for example they display a given technical detail for some products and withhold them for others;
- only a narrow list of possible products (shops) is displayed on the DCT page;
- DCTs display products which are not available.

64. In 2013, a study of the European Commission revealed that 20-30% of consumers have already experienced one of the aforesaid issues.¹⁷ At the same time it is presumed that a number of consumers do not even recognise these problems and are therefore likely to make sub-optimal purchasing decisions.

65. There are several factors and motivations behind these elements. The DCTs operating on a commercial basis may be interested in manipulating the ranking order of the products in exchange for possible financial rewards from the sellers of goods. At the same time, the sellers themselves can also react to the emergence of digital comparison tools by deliberately “clouding” the circumstances in order to make the comparison of their offers on the basis of the price and other criteria more difficult.¹⁸ By doing so, they can increase search costs, weaken price competition and price transparency, and thereby counteract the theoretically favourable purposes of digital comparison tools.

66. Nevertheless, the advantages of DCTs are not free of charge. The platform has to be created and operated, which is costly. The operation of DCTs on a commercial basis is maintained by the commissions and advertisements paid by online web-shops and sellers. As the sellers have to raise money to pay for these expenses, these will then be incorporated into the sold goods' prices (as the costs incurred in case of other sales channels). This is particularly important from the perspective of consumers, as if DCTs are unable to function in a manner that results in an increase in consumer welfare, their costs will still be incorporated into the prices of goods/services, to the detriment of consumers.

67. Finally, it is important to stress that if a specific DCT obtains a certain degree of market power (e.g., because of the tipping of the market), then it can use its market power to ask for high commissions from sellers and retailers. This in turn will lead to further price increases for consumers in the long term.

¹⁷ European Commission (2013), “Study on the coverage, functioning and consumer use of comparison tools and third-party verification schemes for such tools: Final report prepared by ECME Consortium”, EAH/FCW/2013 85 07, European Commission, Brussels.

¹⁸ Ellison, Glenn and Ellison, Sarah Fisher (2009), “Search, Obfuscation, and Price Elasticities On The Internet”, *Econometrica*, 77(2), 427–452.

III.3 The perception of DCTs from the business (partners) perspective

68. In addition to assessing the advantages and disadvantages of DCTs from the perspective of consumers, it is also important to undertake the same assessment from the perspective of businesses, and to thereby identify the factors that influence businesses to appear on such websites.

69. In the light of the respondents' statements, DCTs represent an indispensable customer acquisition channel for retailers and service providers. Moreover, they enable businesses to gain market information and to assess competitors.

70. For partners that appear on DCTs these tools constitute an increasingly important means of connecting with their potential customers. Consequently, DCTs can be considered as an increasingly serious and even strategic avenue for webpages that sell products and services.

71. These online platforms do not merely present a potential additional option for increasing sales, but also offer a number of opportunities for businesses to pursue 'digital retail' branding. Furthermore, they allow the sale conditions and related services (e.g., delivery, guarantee administration and other customer services) of the offers of numerous service and product providers to be compared and evaluated, without the need to engage in an information gathering process on the website of each individual retailer. Taking into account the fact that the costs associated with appearing on digital comparison tools are very low, the participants on the seller side are likely to make ultimate gains, despite the already significant, and ever increasing, presence on these platforms. In addition, DCTs can allow retailers to come to the attention of a circle of more conscious consumers.

72. Among a number of reasons for the appearance on DCTs, the respondents set out the following considerations:

- the popularity of price comparison services among consumers is an additional reason for retailers to appear on such sites;
- they make consumers aware of their market presence on a particular market;
- they make it possible to interact more closely with consumers;
- they make it easier to have access to the widest range of offers and ensure their appearance on other advertising spaces as well;
- the viewers intermediated by these tools are more likely to make purchases given that they are typically in an advanced phase of the decision-making process, as compared to viewers who gain information from other sources;
- price sensitivity on the Hungarian market favours independent comparison sites, which means that they can become a sales channel for providers that would not be able to achieve this on their own;
- they significantly facilitate interaction with consumers, which is extremely important in case of entry into a new market and, furthermore, they enable new web-shops to gain popularity among consumers relatively quickly;
- they represent a new alternative sales channel for achieving growth objectives;
- they offer opportunity to contact new users and customers that are not related to the given undertaking;
- the available contact details make it easier to interact with consumers and prepare personalised offers;
- an email is sent to the consumer in case of an abandoned online calculations and the analysis of the calculation also provides useful information;
- they ensure the comparability of the marketed products with the offers of other market participants;
- sellers and producers are motivated to design effective and relevant services;

- they enable ‘trend-tracking’ if the competitors’ products are already available on the platforms;
- not being present on such sites would put businesses at a competitive disadvantage.

III.4. The data handling of DCTs (confidentiality)

73. Personal data are processed exclusively by DCTs operating on a commercial basis typically for purposes of intermediation, preparation of offers and data processing. The DCTs operating on a statutory basis do not process personal data. On the basis of the statements made by DCT operators, data management is

- necessary for intermediation purposes;
- used for the preparation of offers and calculations;
- needed to keep in contact with consumers (e.g., email).

74. Consumers are able to gain access to information relating to data handling and data processing on the websites of DCTs. Consumers are normally expected to accept such information before using the services or providing their data on the websites. It is not typical for DCTs to sell their consumer data to third parties, with such data only shared with the producers or retailers of the products or services appearing on the DCTs in question.

III.5 Promotion of DCTs

75. The operators of DCTs promote the platforms through both online and offline advertising channels. They endeavour to promote themselves and their services to consumers primarily through the use of paid internet traffic diversions from other digital platforms, with text, image, video advertisements and email marketing, by using electronic newsletters and social media channels, with Google and Facebook advertisements, relevant, educational blogs and expert statements, PR articles, radio and television advertisements.

76. In addition to the above-mentioned ‘paid’ advertising methods, consumers often also promote the digital comparison tools they use with their friends and acquaintances, thereby providing the operators of such platforms with a free form of advertising.

77. According to its statements, the MNB promotes such platforms through all possible communication channels. It promotes applications and webpages via press releases, reports and also, according to the responses given by the Customer Service Unit of the MNB, in its responses to consumer questions where justified. The booklets entitled ‘Pénzügyi Navigátor’ (‘Financial Navigator’) raise awareness of the advantages of some search engines and calculators. Furthermore, during consumer protection campaigns, a programme relevant to a given topic always appears as a tool which makes possible to be well informed and to plan the purchasing processes. The webpages of credit institutions lead to the ‘Pénzügyi Navigátor’ webpage of the MNB, which includes, among other things, the promotion of comparison applications.

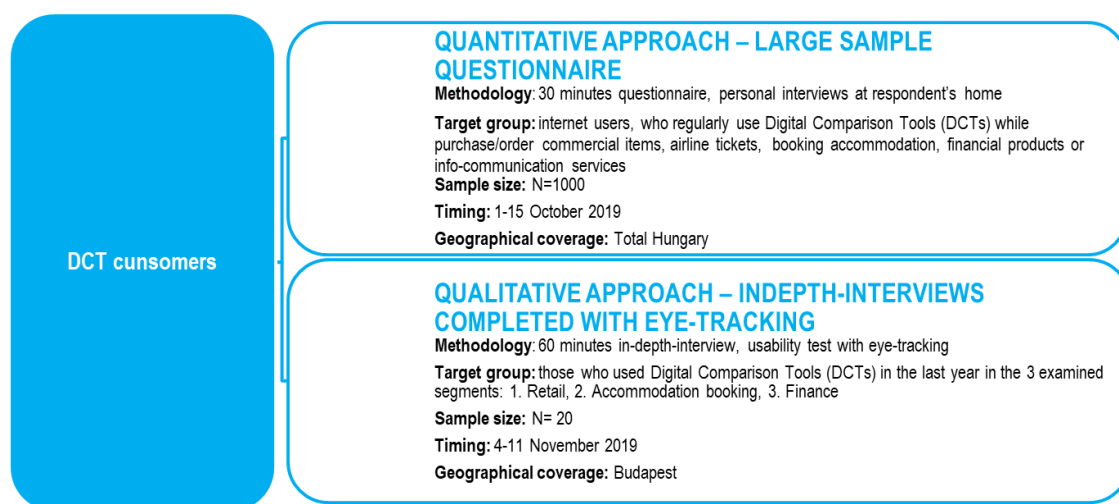
78. In addition to the aforesaid, in its seasonal campaigns the MNB draws attention to the advantages of Qualified Customer Friendly Home Loans and the comparison webpage related to the qualification programme. Moreover, the institutions participating in the qualification programme undertake to add and highlight a link on their webpages leading to the comparison page.

IV. The Market Research of Nielsen

79. As a summary of the results of the market research carried out by Nielsen on behalf of the GVH, the following conclusions can be drawn regarding the functioning of DCT's in the four segments (products and services of retail, accommodation and travel, finance and infocommunication services) that were the subject of the analysis.

IV.1. The Methodology of the Market Research

80. The results of the large sample (1000 respondents, nationwide) survey and the eye-tracking in-depth interviews (a total of 20 respondents) complement and reinforce each other. While the questionnaires made it possible to explore general user attitudes, expectations and needs and to carry out demographic profiling of the visitors of DCT sites, the personal interviews provided insights into typical behavioural patterns and a deeper understanding of certain phenomena.



IV. 2. Usage of DCT's in general

81. Based on the market research, consumers tend to visit digital comparison sites on an occasional as opposed to a regular basis when buying a service or a product. 21% of the people using these sites visit DCTs regularly when purchasing products or services – such product and service purchases are neither frequent, nor regular.

82. According to the research, 89% of consumers use such interfaces in relation to retail products. Digital comparison sites are visited in connection with travelling in over a quarter (26%) of cases, 24% use them in order to book accommodation, and 7% visit these platforms when purchasing airline tickets. In case of financial products, 21% use comparison sites.

83. As far as info-communication services are concerned, the importance of DCTs is almost negligible at present. Only 4% of the users stated that they have visited such platforms, moreover, it was revealed that many of them had in fact undertaken the comparisons on the websites of the service providers.

84. Given the differences that exist between the segments subject to the analysis in terms of the role played by DCTs and their manner of use, it was necessary to examine the four segments separately.

IV.3. Segment specific overview and findings

IV.3.1. Retail

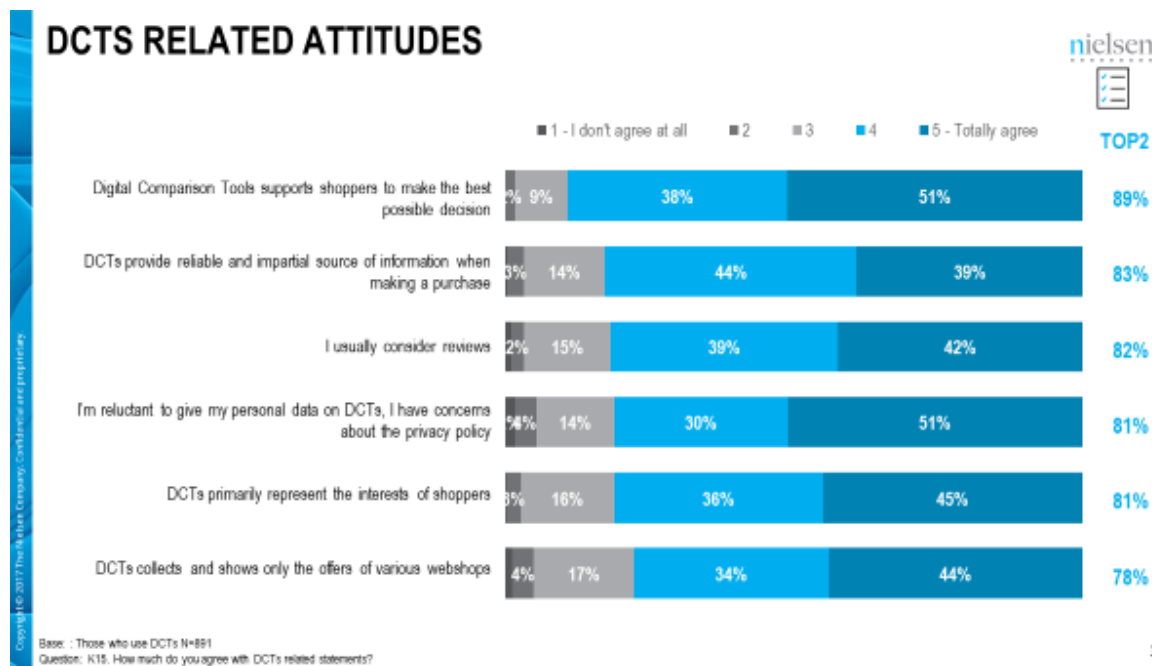
The Role of DCTs

85. The functioning of the DCT websites is clear for the users, who are typically aware of the fact that it is not possible to make purchases directly through the websites, and that transactions are directly linked to the webshop and not to the used comparison sites. Users regard DCTs as search engines or collection sites, which enable them to make a most responsible consumer choice. DCTs spare them time and energy as they do not have to look at every single webshop for offers.

Evaluation of DCTs

86. Users almost unanimously (89%) agree with the statement that the sites effectively help consumers; a smaller percentage (81%) thinks that the pages actually serve the interests of purchasers. These results indicate that a proportion of users suspect that the operators of the sites make use of some form of business model, nevertheless, the majority of users raised no concerns in this regard.

The overwhelming majority of users (83%) have no trust issues in relation to such sites, regarding them as impartial, independent sources of information, the main function of which is to collect and transmit different webshops' offers. Only 22% of users feel that these sites have other added value as well.



87. Users do not attribute much importance to the appearance of certificates on DCT sites in this segment. Consequently, their reputation is extremely low, and they do not enhance consumer trust.

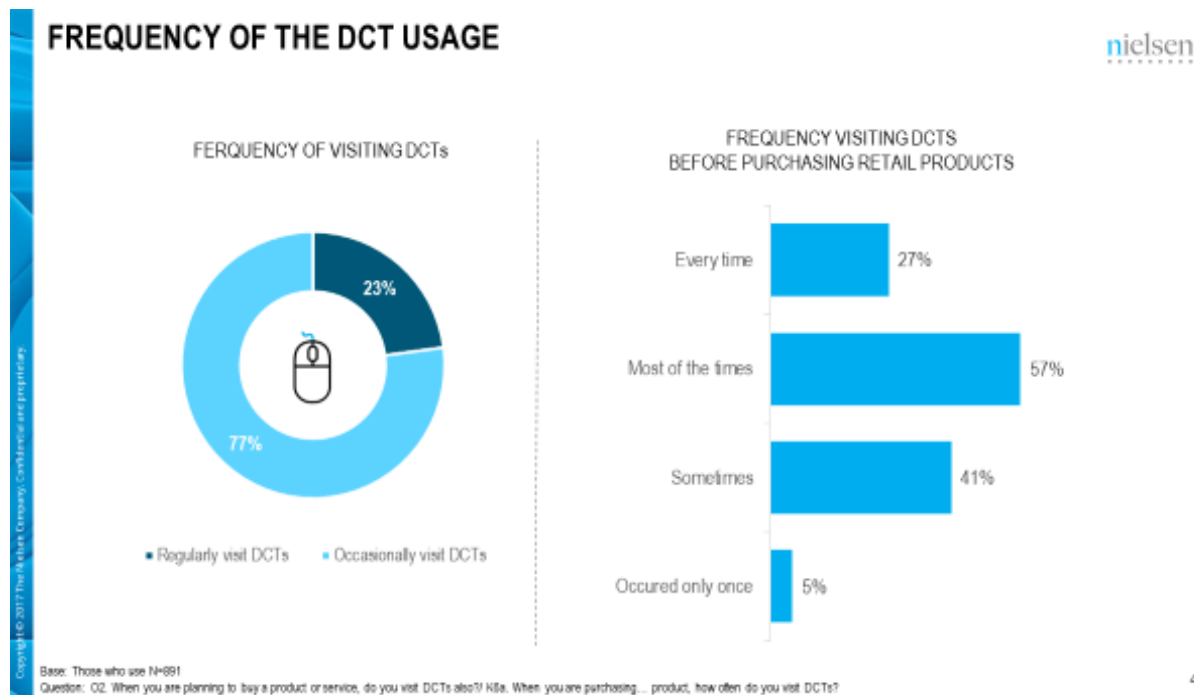
Users of DCTs

88. Women are overrepresented (60%) among users of the sites, particularly those in the 35-49 age group. Users have typically completed upper secondary education, mainly live in cities (outside of the capital city), in municipalities and villages, and as far as their financial situation is concerned, they can occasionally afford extra expenditure.

The role of DCTs in consumer choice

89. In the case of retail products consumers rarely rely on a single information source. In two-thirds of cases, DCT sites are visited when the need for a product arises, with the same sites sometimes revisited

at a later stage of the consumer decision making process. What is certain is that buyers often obtain their first impressions about particular products on these sites.



*one respondent was allowed to give multiple answers if he/she used DCT pages in several retail product categories

90. In addition to DCT sites, users rely on personal information sources when purchasing retail products. While it is relatively common for sales assistants to be asked for advice, in half of the cases buyers discuss the matter with friends and acquaintances, whose experiences and recommendations are then taken into account; furthermore, consumers also consider online stores' respective websites or the producers' homepages as being reliable sources.

Use of DCT sites

91. DCT sites are generally visited on an occasional basis. The majority of users (87%) inevitably visit DCT sites when purchasing retail products; however, such goods are not purchased on a regular basis. The target group has no difficulties in using these sites. Users tend to visit the pages with different devices, return several times and use whatever device is available at the time. Comparison sites are most often visited with smartphones (58%), and a little less often with laptops (53%).

Quite frequently the products that are compared on DCTs are not actually bought online, and the DCT sites are only used as a source of information. The ratio of completed purchases varies depending on the product in question. Information is mainly searched for in connection with mobile phones (37%), in relation to which in every second case the device is bought online. Comparison sites are visited when it comes to large household appliances (36%); however, in most cases the actual purchases occur offline. Smaller household appliances (31%) also happen to be searched for on DCT sites, nonetheless, consumers tend to buy these items in shops as well.

Users typically Google search for information typing either the name of the product category (*refrigerator*), or the specific brand or type if they already have it in mind. Which DCT sites are chosen to depend on the Google search results, with users either choosing the ones that are ranked first in the list, or the ones that look familiar (based on previous experience or on a suggestion of an acquaintance, or maybe based on knowledge from an advertisement).

DCTS USAGE PATTERNS – B. purchase realization #3



1. Visitors often use filters during the purchase realization phase. They have already narrowed the range of possible products to 2-3 models in earlier stages, so they do not want to look at the full range of assortment
2. They mostly identify the products only when browsing the list of results, so they are mostly focusing on the picture/ product name/ main product specifications. As users often use the filters, and list only the relevant products, they observe typically the first few result (the first 5 results receive the 90% of all attention)
3. One of the most important information is the price (they assume, that the lowest available price is shown in the list of results), stepping forward to the product page is relatively quick

The illustration shows user activities on oksoobbat.hu website during average 2 minutes spent on the page. The colored circles show the users' eyes movements what refers to the angle and extension of their attention.

5

Expectations concerning DCTs

92. The following expectations are held in relation to DCT sites that compare retail products: consumers want sites that list the widest possible range of offers about the products with detailed, up-to-date information (price updates are especially important), and with good quality and sufficient product images. The sites must be easy to navigate and should not be overly cluttered. Users generally get the impression that the available DCTs meet these expectations. That being said, consumers tend to find the large number of advertisements that appear on the homepages of such sites disturbing and off-putting.

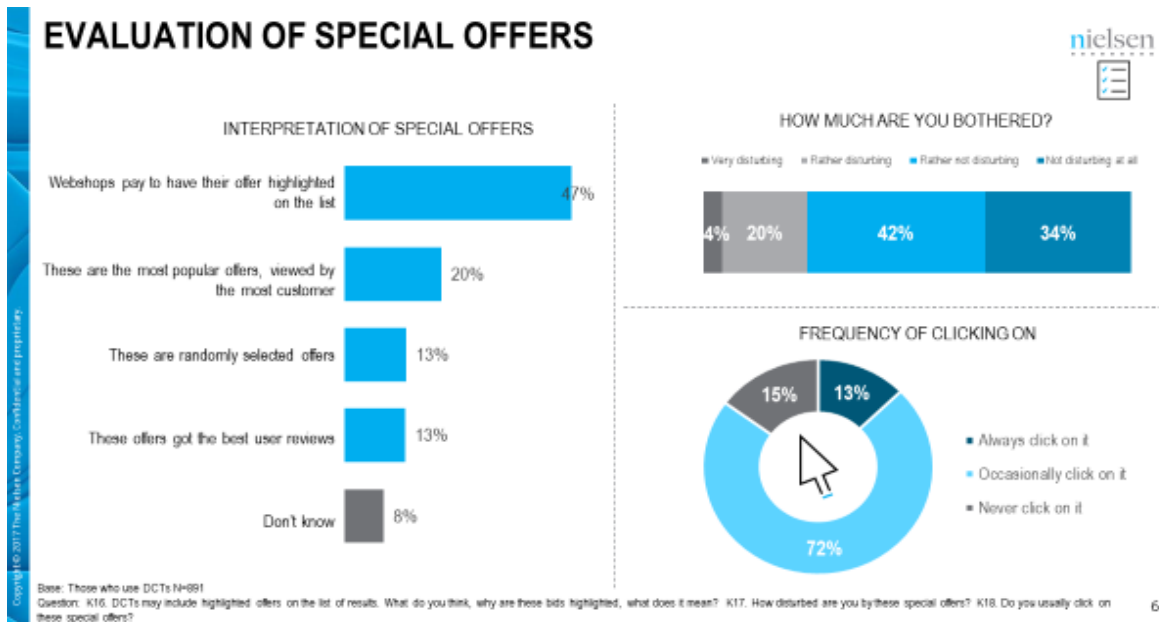
User reviews

93. Less than two thirds of consumers consider user reviews to be important, and based on the conducted interviews, such reviews are only read to a limited extent and are treated with caution. Generally, users do not pay much attention to these reviews and they therefore have little influence on purchasing decision. Users do not tend to question the origin and credibility of reviews. Even though the majority of consumers are aware that businesses have an interest and practice in manipulating user reviews, they are inclined to believe that the majority of such reviews stem from independent and non-professional users. There are no issues of trust in relation to these websites, and users do not suspect that the operators moderate or censor the content of - either the DCTs', the webshops' or the producers' - homepages.

Appearance of Promotional Offers on DCT Sites

94. Users have very little knowledge about the business model generally adopted by DCTs, and they do not attach great importance to it. Most consumers are not concerned with the issue, the majority thinks that DCT sites depend on advertising revenues, i.e., they believe that webshops pay commission to have their offers listed on the sites. As far as promotional offers are concerned, users are rather uninformed, with less than half of the target group assuming that highlighted offers are paid advertisements. Even those who do assume that such offers constitute paid advertisements are not disturbed by it, as they are familiar with the model from their use of other platforms (Google search promotional results, 'Vatera/Jófogás' highlighted advertisement services); consequently, they treat these results accordingly. Highlighting the offers effectively raises attention, while the users feel that the function helps them to find reliable/popular/favourable offers.

Three quarters of the visitors of DCT sites are not bothered by these highlighted offers, with 85% clicking on them at least occasionally.



Market players

95. Based on the consumers' usage it seems that the different DCT sites have few special features, and it is often hard to distinguish between the sites. In many cases even the names of the sites are similar (emphasising the price), with identification further hindered by the fact that users tend to visit the websites on an irregular basis; consequently, users do not get attached to the homepages of such sites.

As regards to retail DCT sites, 'árukereső.hu' stands out in particular, both in terms of popularity and frequency of use. 85% of the target group knows this page. The website's design and the simplicity of navigation within it are both considered above average.

The second most successful site is 'árgép.hu', with an overall awareness figure of 69%. For every fourth consumer, 'árgép' is the most frequently used DCT. The site is evaluated as being generally above average, with only its design receiving a lower score.

IV.3.2 Booking Accommodation

The Role of DCT sites

96. Consumers find it significantly more difficult to understand how digital comparison tools function when they are using them to book accommodation, compared to when they are using them to purchase retail products.

Users are under the general impression that these interfaces conclude contracts with the accommodation providers, and that the providers are therefore represented in a standardised way in order to enable users to book their accommodation, either domestically or abroad, through such sites. Consumers consider it an advantage that they either do not have to contact their host or only need to do so at the end of the booking process.

The transaction itself is also rather linked to the DCT site, especially if this is where the user has provided his/her personal data when booking. Consequently, if a consumer needs assistance or wants to submit a complaint, he/she tends to turn to the DCT site that he/she has used to book the accommodation in question, as opposed to the accommodation provider.

In this segment the understanding of the different sites differs to a greater extent than in the case of the retail segment, where users come across a lot more standardised functioning mechanism. As a consequence, it is more common to visit multiple sites, since the accommodation offers of each DCT in terms of supply and price are perceived as being significantly different.

'Booking.com' is explicitly categorised by users as being a DCT, since it allows them to compare different types of accommodation.

'Szállás.hu' has a high degree of consumer trust, given its Hungarian background (further strengthened by its Hungarian name). For this reason, however, users may only find it suitable for domestic bookings.

'Trivago.hu' has a very strong reputation and image as a result of the powerful television campaign promoting its services, however, the way in which it functions is often not clear to users. Consumers are frequently unaware of the fact that not only do they have to choose between the accommodations, but also between the intermediary pages (agents) of the accommodations as well. According to the research findings, consumers face a higher risk of navigating to sites unwillingly and becoming involved in transactions on websites that they did not intend to.

The evaluation of DCT sites

97. Users generally do not think that guest nights cost more if they are booked through DCT sites as opposed to directly with accommodation providers. Furthermore, they tend to think that like travel agencies, DCT sites can negotiate better prices as a result of their cooperation with the accommodation providers. While for the purpose of price comparison customers may visit the homepages of accommodation providers, bookings are generally made through DCT sites.

DCT sites in this segment are less accused of bias than those in the retail segment and are regarded as being objective sources of information, benefitting from a high degree of consumer trust.

The reputation of the sites' certificates and the influence they exert on the opinions of users is even lower in this segment, than in the case of purchasing retail products. 70% of users have never come across a certificate for any of the sites.

Users of DCT sites

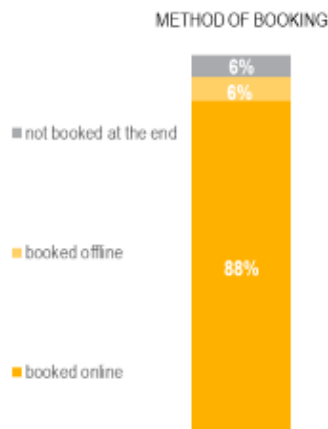
98. Compared to the average demographic composition of the target group of DCTs, women are even more overrepresented among the users of accommodation comparison sites. Such sites are mainly used by women falling within the 35-49 age group and are dominated by those who have completed higher education and who live in cities (outside of the capital city).

In this segment it is even more noticeable that the use of DCT sites is rather typical of those who have savings and can afford extra expenditure. Spending on travel and holiday is mainly affordable by those in a higher social status.

The use of DCT sites

99. Accommodation comparison sites also tend to be used on an occasional as opposed to a regular basis due to the fact that most individuals typically plan trips or leisure activities a few times a year at most. The sites are typically visited with laptops in a calm environment, with users taking their time to check out the sites, perhaps with a family member or friend. Smartphones are also used to access these sites, with 52% of consumers viewing these sites on a small screen as well. Bookings almost always take place online, most often through the DCT sites.

METHOD OF BOOKING



Base: Those who use DCTs of accommodations. N=236
Question: Q4. When you use DCTs of accommodations, then typically...

7

BROWSING THE LIST OF RESULTS, SELECTING RESULTS #1



Typical user behaviour while selecting among accommodations:

1. Using filters to exclude irrelevant accommodations.
2. Sorting by list price also supports focusing on the most relevant results.
3. The attention concentrates on the pictures and short descriptions of each accommodation. The most observed parts are the pictures what refers to that the decision is based on these the most.

The illustration shows a typical user activity on szallas.hu during the average 8 minutes spent on the site. The colored circles show the users' eyes movements what refers to the angle and extension of their attention.

8

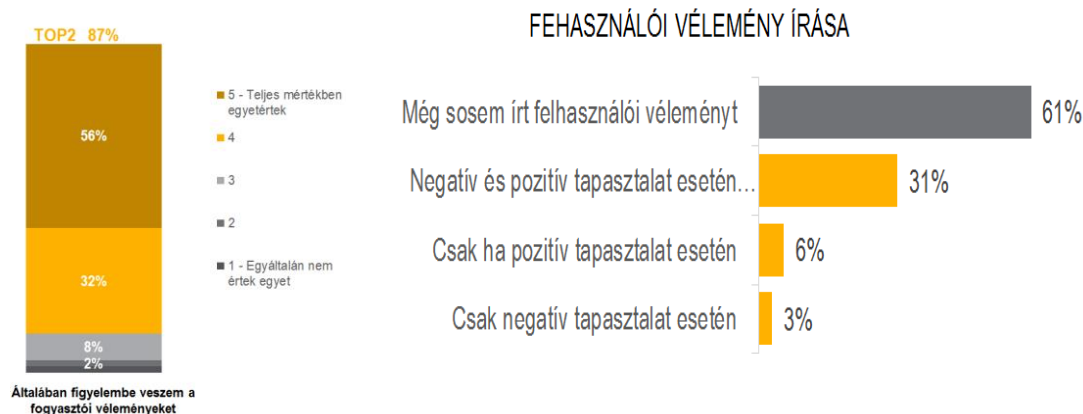
100. Users rarely begin their search for accommodation through Google search. Instead, they usually go directly to the DCT sites that they normally use and start filtering and selecting the offers there. The process of booking, in the event that a DCT site is used, is the following:

- i. Shopping around: after establishing a travel plan the users' first source of information concerning accommodation is the DCT sites that they usually visit. When using these sites, they assess the possible options, prices, and they narrow down the scope of options according to their needs (usually price does not exclusively play a decisive role, users aim to optimise value for money, taking into account personal needs such as parking, private bathroom, the possibility of breakfast or whether the accommodation is dog-friendly).
- ii. Booking: when the scope of options has been narrowed down to a few possible accommodations and the other parameters of the travel are also fixed (date, means of travel, airline ticket), then users return and re-check the availability of suitable accommodations according to their established needs, and depending on the availability they arrange the booking on the DCT sites (and on the sites that DCT's direct them to).

101. If the DCT sites direct users to other pages (this is mainly typical of "Trivago.hu"), there is a high risk that the users will end up making reservations (subject to different conditions) that differ from their original intentions.

User opinions

102. Users consider reviews to be extremely important when they are choosing accommodation and very often read them.



103. It is more common for consumers to write reviews about accommodation they have visited than it is for them to review products that they have purchased online. In the case of accommodation, it is quite standard for consumers to receive an email containing a feedback form to be filled out easily and rapidly. Trust towards the credibility of reviews is relatively high, with users under the impression that accommodation providers cannot generally manipulate them substantially. The scoring systems based on the evaluations are often unclear for the users and less informative, it is not very common that the visitors look into the method with which the calculations were made, or into the meaning of the given score or ranking.

Promotional Offers

104. It is particularly difficult for the users of accommodation DCT sites to understand promotional offers. This is because such sites often use different highlighting methods, and it is not easy for users to navigate through them. As a consequence, users do not consciously pay attention to such offers and do not analyse them. More than half of the visitors (55%) choose the offers that are the easiest to understand since these are the most popular and most clicked on. Only 22% of users think that these highlighted offers are paid for by the accommodation providers and that they have no real advantage over other accommodation offers.

Despite the fact that such offers involve multiple signs and are visually diverse, the majority of users (78%) are not disturbed by them; furthermore, they are used to them, moreover, many (without knowing exactly what the offers mean) even click on them.

'Signs relating to Accommodation Availability'

105. While the majority of users do not believe the signs and therefore do not feel as though they influence their decisions, however, emotional influence works effectively, and sometimes users suddenly choose an accommodation based on such an offer.

244 775 Ft

2 fő, 9 éj, ellátás nélkül

Megnézem »

Már csak 1 apartman maradt
oldalunkon!

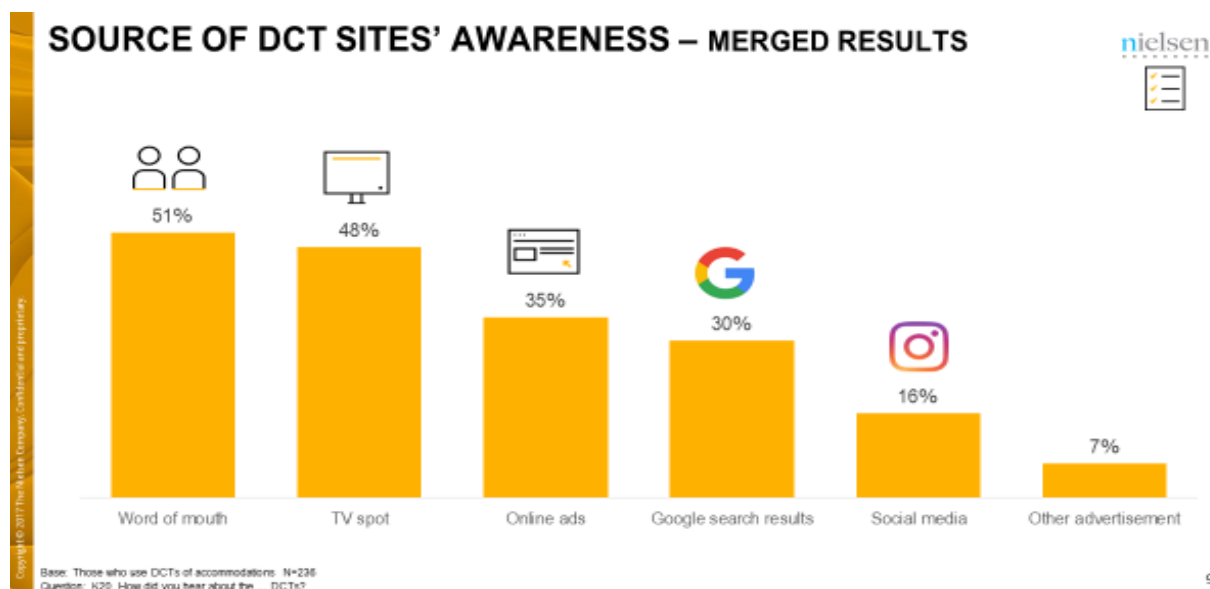
Expectations concerning DCT sites

106. While it is extremely important that such sites are easy to use (easily navigable, visibility of the page) and contain detailed and relevant information about the accommodations and offers (photos, detailed and exhaustive description of the accommodations, the newest and widest possible range of offers), users consider the availability of website usage services, such as detailed filtering and ranking options, to be a top priority. Users tend to feel that DCT sites meet these expectations.

Market Players

107. Users that visit accommodation comparison sites are more attached to the use of these sites than those who use retail price comparison sites, DCTs in the former segment have more special features and are more easily differentiated from one another.

Recommendations made by friends and acquaintances are especially important, as these are how the majority of users become aware of the websites. Moreover, television advertisements promoting accommodation DCT sites are also very influential, based on the websites' reputation last year's campaigns by 'szállás.hu' and 'Trivago' were both quite effective.



108. The two most powerful players are 'Trivago' and 'szállás.hu'. Even though the reputation among the target group of 'Trivago' is overall higher (88%) than that of 'szállás.hu', the base visiting regularly (41%) is under the visitor base of 'szállás.hu', which site is less know (86%). However, 'szállás.hu' is the market leader (59%) regarding its regular visitors.

The third biggest player in the category is 'booking.com', which with an overall awareness figure of 75% is only behind its two main competitors in terms of its reputation, its rate of regular visitors is almost equivalent to that of Trivago (39%).

IV.3.3. Purchase of airline tickets

The Role of DCT sites

109. Even though only 7% of the target group uses DCT sites when booking a flight, these sites are rather crucial for them, with two-thirds feeling that it would be more difficult to purchase airline tickets if these sites were not available.

There is a general feeling among the users of airline ticket comparison sites that these sites help them to make the best purchasing decisions; furthermore, the users of these sites are almost always convinced that the sites are unbiased, independent sources of information representing the consumers' interests.

DCT sites in this segment are perceived as having merely an intermediary role, whereby they collect and display information in a standardised manner for users.

The Users of DCT sites

110. Women are more likely to use airline ticket comparison sites; however, compared to the average users of DCTs, there are more men among these consumers. This segment is a lot more prevalent among youngsters, and there is a large number of people aged 25-29 years among users. Nevertheless, the number of visitors among those aged 45-49 years is also significant. The use of airline ticket comparison sites is especially typical of those who have completed higher education, those who have obtained a baccalaureate degree, and is most popular among those who live in Budapest.

As for the financial situation of these users compared to the ones in the other segments, the ratio of those who have savings and can afford extra expenditure is particularly high.

The Use of DCT sites

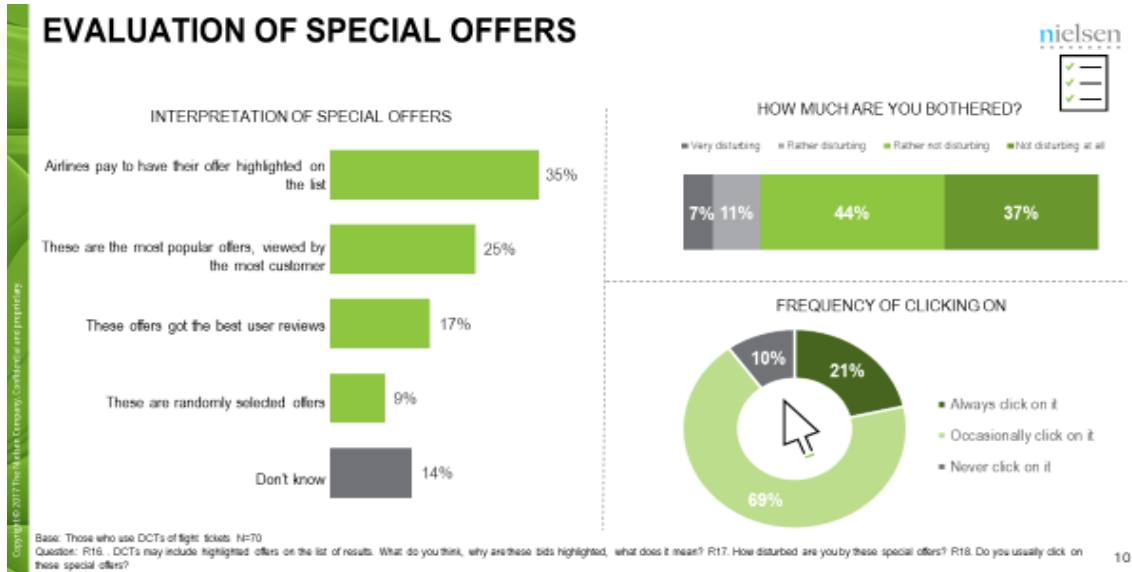
111. In addition to using DCT sites, half of the segment's users also visit the homepages of the featured airlines, and in every second case, they make a decision based on information provided on DCTs. 57% of the target group visits DCT pages before buying a ticket.

Having visited the DCT sites, 91% of consumers buy their tickets online; offline purchase is almost negligible.

While two-thirds of visits to these sites take place using laptops, more than half of consumers also use smartphones to visit these sites.

Promotional Offers

112. Users do not entirely understand the promotional offers that appear on these sites, only every third consumer is aware of the fact that paid advertisements appear on the list of search results. 25% of users think that these offers are simply the most popular search results; nevertheless, the majority of users are not distracted by them and sometimes even happily click on them.



Market Players

113. The most well-known site in the category is 'repjegy.hu', with 79% of overall awareness and a 51% regular visitor base.

'Trivago' is also popular among airline ticket comparison, half of the target group knows the page, but only 13% visits it regularly.

VI.3.4. Financial Products

The Role of DCT Sites

114. The use of DCT sites concerning financial products is generally very diverse, depending on the products the users need information about. Financial products themselves are very different; the methods of concluding the contracts fundamentally differ; thus, it is hard to have a standardized analysis of each purpose of a visit.

Users of DCT sites

115. More men than women use DCTs in the financial segment, with their use more typical of people aged over 35. However, the representation of the 50-54 age group is also above the average.

The proportion of users who have completed higher education is also above the average. As far as these consumers' residence is concerned, compared to those of the other segments, they are more likely to live in cities and seats of counties.

Not surprisingly the collection of information about financial products is more common among those whose financial situation allows for occasional or regular extra spending, and those who have savings are represented somewhat in a higher proportion.

The Role of DCT sites

116. The segment can be divided into two categories depending on 1. the amount of the transaction of the financial product, 2. the length of the client's commitment.

117. The role played by DCT sites in this segment in relation to the collection of information, the comparison of financial products and the conclusion of contracts is equally important. For financial products that have relatively low insurance fees, users are subject to a short commitment period and the products are easily comparable.

In this segment, members of the target group most frequently search for compulsory third-party liability insurance (62%). The aim is to find the best (typically the cheapest) offer and the purchasing, switching,

and repurchasing of insurance also take place on DCT sites. There is a long tradition of adopting this method in Hungary, and users generally compare and complete transactions with confidence and without problems.

Users also quite frequently gather information about travel insurance. In two-thirds of cases, insurance contracts are concluded on the internet.

The role of DCT sites is essential for collecting information. For financial products involving large amounts of money or requiring long-term commitments, DCT sites only play a role in the initial orientation. The products involved are either so complicated or so dependent on personal parameters that users do not expect exhaustive information about them on DCT sites. Instead, their aim is to become familiar with the available product offers, exclude certain financial institutions, or to compare offers based on specific simple parameters.

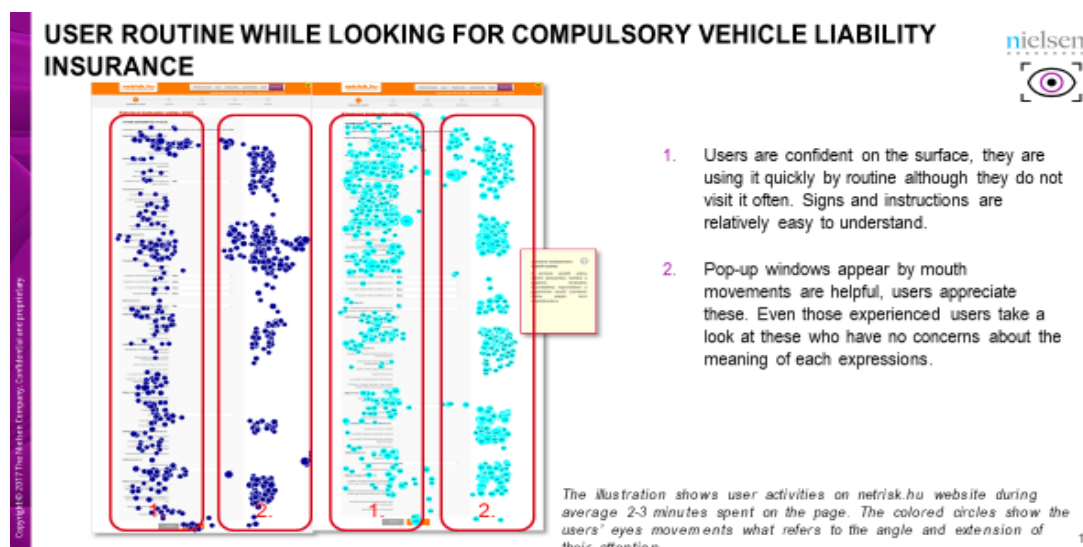
Information related to home insurance is frequently collected on DCT sites. However, contracts are concluded in financial institutions or through brokers, as users often require the personal help of an expert. As far as personal loans are concerned, even though the available online calculators can provide exact information in this category, and online solutions are also available for the conclusion of contracts, users still prefer offline administration.

The Use of DCT sites

118. The performance of financial related tasks, including the gathering of information, requires attention and concentration. Consequently, users prefer to visit these sites with laptops; in only one-third of cases smartphones are (also) used to view these pages.

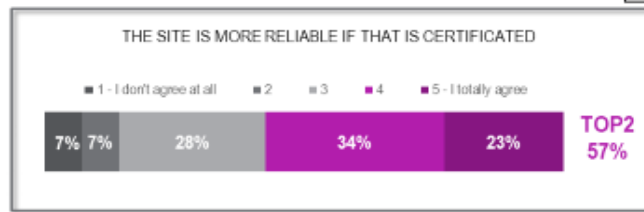
Almost the whole target group agrees that DCT sites help them to make responsible decisions, with respondents feeling that these sites assist them to make the best possible decisions. Nevertheless, a very high proportion of respondents also think that DCTs do not have much added value beyond their role in collecting and presenting the offers of financial institutions.

As far as the purchase of insurance is concerned (the majority of which relates to the purchase of compulsory third-party liability automobile insurance), information is collected on DCT sites in 71% of cases. The percentage applicable to loans is not much lower. When users are searching for information about credit products, in two-thirds of cases they first gather information from DCT sites.



119. Security and quality certificates are mainly relevant in these segments. Given that the products concerned are financial in nature (even though in the majority of the cases no actual cash flow takes place, not even when concluding a contract), the issue of security is considered to be of utmost significance. The reputation of each certificate is the highest in this segment and has the highest impact on the sense of security (57% of users trust a website more if it presents such a certificate).

AWARENESS AND IMPROTANCE OF CERTIFICATIONS



Base: Those who use DCTs of financial products N=209
Question: B2. Are you more likely to trust a DCTs, if you see such certifications on it? How much do you agree with statements?

12

Users' Opinion

120. Less importance is attached to the opinions of users in the financial segment as compared to the other analysed segments. The reason for this is that these products can be used with more objective conditions and within more restricted frameworks than the products and services of the other segments. Thus, the individual opinions matter less information-wise.

USER REVIEWS

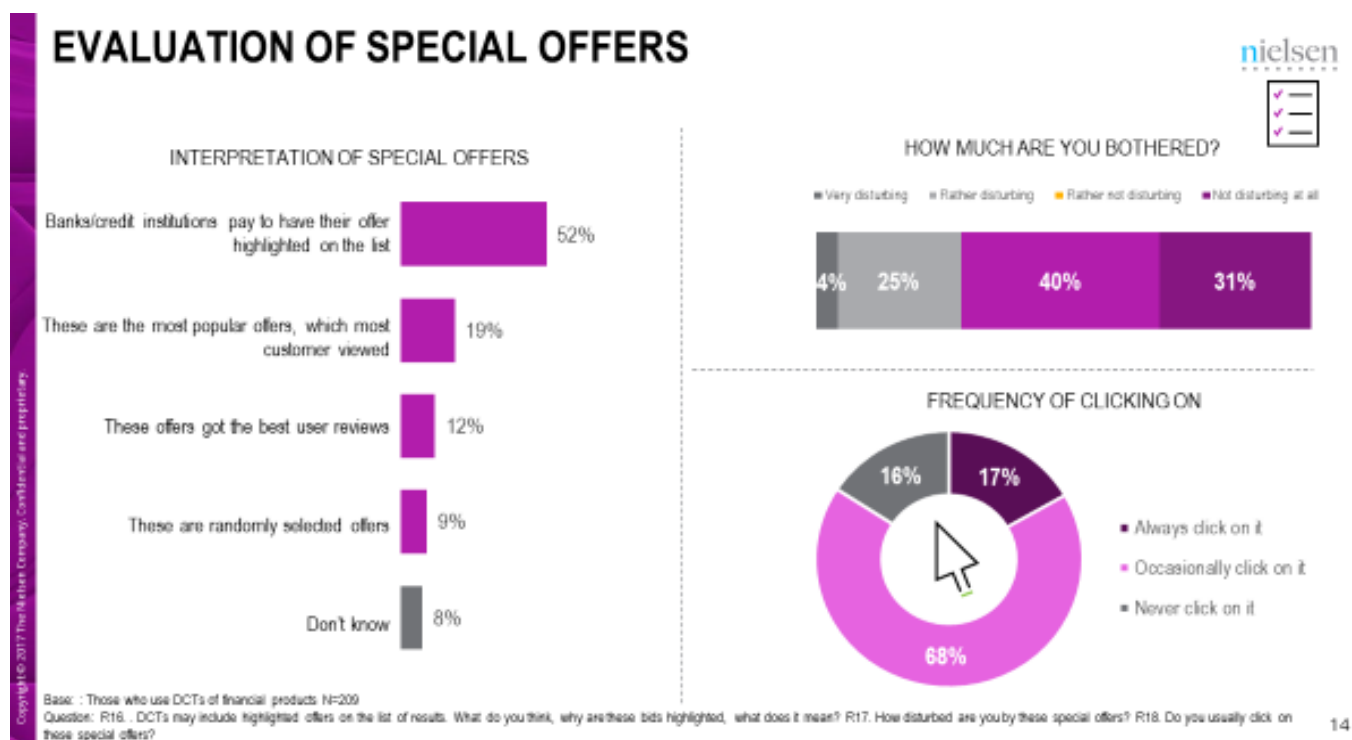


Base: Those who use DCTs of financial products N=209
Question: F10. Do you usually write reviews of products on the DCTs?

13

Promotional Offers

121. Compared to the other segments, the proportion of people who are aware of the fact that the highlighted offers are paid by the listed financial institutions is the highest in this segment. The majority of users are not bothered by these offers and often click on them. Since each offer is more carefully considered in this segment, users tend to take a stand on each product based on objective parameters, and differences of appearance have less influence on them.



Expectations concerning DCT sites

122. Expectations relating to financial DCT sites are also rather high, 90% think that the following parameters are essential: exhaustive, detailed and most updated information about each product, the possibility to arrange the search results, a well-functioning calculator, and helpdesk.

Market Players

123. The most significant player in the segment is 'netrisk.hu', which although behind 'biztosítás.hu' in terms of reputation, has significantly higher visitor conversion rate than 'biztosítás.hu.' The regular visitor base in the target group is 34%, and for almost all of the regular visitors, it is also the primarily visited homepage. The high reputation of 'netrisk' is mainly due to online advertisements, personal recommendations, and its television campaign. 'Netrisk' stands out from among its competitors with its well-known calculator, and according to the regular visitors' evaluation, the site provides visitors with by far the most offers in the segment.

'Biztositas.hu' is the most well-known page among the financial DCT sites. Nevertheless, regarding the ratio of visitors, it is only the second most visited financial DCT page. It should be noted that 'Biztosítás-kalkulátor' also has a significant reputation and rate of visitors.

IV.3.5. Info-communications Services

124. The size of the segment is minimal. Only 4% of users of DCT sites use interfaces concerning info-communications services, and they all use other subject related DCT sites as well. As a result, their appearance in the sample is insignificant and does not enable more in-depth analysis. The following conclusions are for information purposes only.

The users of the info-communications segment as regards to demographic composition do not differ from the average. However, men are represented to a greater extent in this segment as compared to the other segments. Use is typical of youngsters and those who have completed higher education; moreover, habitants of seats of counties and the capital city appear in this segment.

Half of the users in the info-communication segment mentioned the 'telenet.hu' page as a well-known site. However, one-third did not recognise any of the homepages, even when the sites were presented on a list. This suggests that at least one-quarter of users did not have the info-communications DCT sites in mind

that are actually available.

The few respondents who have already used (18 respondents) the website of 'telenet.hu' came across it through the recommendation of an acquaintance or friend. Nonetheless, many found it in online ads.

Users stated that they mainly visit DCT sites in this segment in order to obtain information about mobile phone and cable television subscriptions. In many cases, consumers directly contacted the service providers, and often DCT sites were only used to gather general information about supply.

The overall evaluation of the info-communication DCT sites was not very positive. Users do not believe that the pages constitute unbiased sources of information, and results relating to website navigability and design are also weaker in this segment than in the others.

V. Sweep

125. After launching the market analysis in April 2019, within the framework of a so-called sweep¹⁹, the GVH – in accordance with a specific set of criteria consisting of approximately 30 aspects – used desktop computers and mobile phones to overview a dozen comparison sites, chosen at random, in the four market segments that were the subject of the market analysis.²⁰

126. The aim of the sweep was to explore what information reaches consumers and how it reaches them. Incidentally, the method was also appropriate for carrying out spot-checks to monitor compliance with the law.

127. The overview of the sites was based on the below-mentioned main aspects, and in general, we can conclude that the result of sweep showed mixed pictures along with all the three sets of groups of criteria.

V.1. Transparency, Design

128. *The aspects in question were the following:*

- how easy it is to find the General Terms and Conditions (GTC)/FAQ, their length, transparency, time taken to scroll down to them, comprehensiveness, readability
- what the structure of the homepage is like, whether there are any cross-references
- what the font size, buttons, “tiles” size, colour are

Summary Statement:

129. In the case of certain pages, it took several clicks or a longer period of scrolling to find the policies, which were then often rather long in length. In other cases, they appeared in the imprint. Certain policies that seemed transparent turned out to be incomplete, and on occasions there were also several versions of the same GTC. It was discovered that a number of pages also contained a shorter version of the full version of the GTC, although this version did not contain all the information that was necessary to make an informed decision.

In general, the policies were comprehensible, although in some instances the characteristics of the offers were not entirely transparent. The use of cross-references and highlights facilitate both the transparency and understanding of the texts to a great extent.

V.2. Information on the Business Model

130. The aspects in question were the following:

¹⁹ The English term means sweeping, combing and in an abstract sense, ordering and cleaning. Within the framework of the sweep the case handlers of the GVH, based on a standardised set of criteria, reviewed the pre-defined target areas of the analysis.

²⁰ Therefore, the findings below are not exhaustive or statistically representative and do not cover the whole market.

- whether the advertisements or “promotional links” were well distinguished from the other links,
- whether all elements that affected the price (e.g. transport costs) were indicated,
- whether the aspects of comparison, the ranking of the search results and the basis of the highlights were presented,
- whether any condition that affected the comparison was indicated,
- whether any discounts were applied and how they were indicated,
- whether information was presented about how many people had purchased the product, were currently viewing the product, or were ‘considering’ buying it,
- whether information was provided about the availability of the product and the conditions that had an effect on its availability,
- whether the page provided information about the identity, number and geographical location of the distributors featured by the site,
- whether the business model (including how the page generated revenue), the operators and the owners of the page were presented,
- whether the page provided information on the use of data [if the site indicated that it collected personal data, whether these data were shared with third parties, and if so, whether consumers were informed about this, whether the page required further data that were unnecessary for the conclusion of transactions (e.g., photos, the indication of hobbies)].

Summary Statement

131. As regards to promotional offers, the pages do not typically indicate that the displayed offers are in fact promoted. It is common, however, for the pages to display the elements affecting the displayed prices (e.g., transport costs) as individual cost elements, although in the case of certain pages, further browsing is required to understand all of the cost elements. In the case of certain sites, it is not clear whether it is compulsory to purchase certain supplementary elements, and if so, how much they cost.

The basis of the comparison is usually the price. Where it differs, one has the possibility to filter and systematise by choosing certain conditions (e.g., monthly fee, APR, service provider), and in several cases by choosing conditions described generally (e.g., ‘Top 5 Products’, ‘Based on the Evaluation of the Shop’, ‘Popular Product’, ‘Due to Distance’).

The extent to which it is possible for the users of such sites to identify the partners that are represented on them with their products and services also varies greatly. In some cases, it is not possible to identify any of the partners, whilst in others all of the partners can be ascertained; certain pages highlight listed partners but once the “Proceed” button has been clicked on, it becomes clear that there are further distributors on the page.

132. Similarly to the above, whether and how the operators indicate their revenue also differs significantly. While there are pages that provide visitors with clear and detailed information about this, some sites only provide general or incomplete information. The majority of pages provide information about the identity of the operators of the sites, typically in the imprint or in the GTC, nevertheless, in several cases the identity of the operator was unable to be found, either.

133. Based on the brochures and information on the comparison sites, the use of the visitors’ data along with certain aspects and, in some instances, transferring the data to third parties are quite typical. The extent of the information provided about such practices varies from complete to incomplete. Certain websites do not allow consumers to start the purchasing process without registering (e.g., providing name, e-mail address, phone number, billing data), even though these pieces of information are not necessary to make a purchase.

V.3. Other

- whether the page suggests that its use is free of charge,
- whether the page uses statements about being a market leader,
- whether the page displays certificates of trust.

134. It was found that a number of pages do in fact contain statements about being free of charge and a market leader. However, while such statements are not typical, the use of certificates of trust is prevalent among DCTs.

VI. Regulatory Requirements on the Functioning of DCTs

135. In case a market player operates a digital comparison tool in the financial and credit field or in the telecommunications services field, it has to do so in accordance with the following regulatory requirements.

136. Recommendation no 5/2015 (V.05.) of the Hungarian Central Bank ('MNB')²¹ provides guidance on the supervisory requirements concerning the configuration and management of the electronic platforms used for the presentation and comparison of insurance products and insurance intermediation.

137. The aim of the recommendation is to ensure that:

- a) the pursuit of insurance intermediation with an electronic device does not affect compliance with the current and future legislation governing the pursuit of the activity;
- b) the e-client can conclude an insurance contract in accordance with his/her needs and necessities while ensuring that the intermediary fulfils his/her legal obligation to provide information and advice, thus avoiding the non-voluntary conclusion of contracts and misunderstandings;
- c) the insurance policies are more easily accessible and concludable, and, furthermore, that clients are provided with a consultancy service that is thorough, professional and is in accordance with the specific features of the intermediated insurance service;
- d) the comparison sites and the electronic platforms use simple language are transparent, clear, give understandable and accurate information about the services available and the set of criteria of the consultancy provided on the page.

138. In addition to the price of the services, a simple comparison and explanation of the services provided by each contract should be key factors in choosing the product that best suits the needs and requirements of the e-customer, thus beyond price competition, competition for services will be pursued for the benefit of consumers.

139. Recommendation No. 10/2016 (X. 24.) of the Hungarian Central Bank ('MNB') to financial organisations on the application of consumer protection principles, "Section IV. The Principles of Increasing Transparency and Reducing Information Asymmetry,"²² as stated in paragraph 21, require financial institutions to draw consumers' attention to the MNB's consumer protection website, including the applications that assist consumers in making choices.

140. The Single European Telecommunications Code²³ will fundamentally transform the EU regulatory framework for telecommunications markets.

141. With regard to comparison sites, the recital (267) of the Code states that Independent

²¹ <https://www.mnb.hu/letoltes/5-2015-sz-ajanlas-a-biztositasi-termekek-bemutatasat-osszehasznolitasat-szolgalo.pdf>

²² <https://www.mnb.hu/letoltes/10-2016-fogyasztovedelmi-elvek.pdf>

²³ Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code

comparison tools, such as websites, are an effective means for end-users to assess the merits of different providers of internet access services and interpersonal communications services, where provided against recurring or consumption-based direct monetary payments, and to obtain impartial information, in particular by comparing prices, tariffs, and quality parameters in one place. Such tools should be operationally independent from service providers and no service provider should be given favourable treatment in search results. Such tools should aim to provide information that is both clear and concise, and complete and comprehensive. They should also aim to include the broadest possible range of offers, in order to give a representative overview and cover a significant part of the market. The information given on such tools should be trustworthy, impartial, and transparent. End-users should be informed of the availability of such tools.

142. The deadline for transposing the EU Code is December 2020 and from the date of transposition the above requirements will apply to comparison websites in the telecommunications sector.

VII. Recommendations

143. In order to maintain consumer trust, comparison pages must have a transparent business model.

144. Based on the findings of the market analysis, the GVH has formulated the following recommendations for (a) business model-related and (b) not-closely-business model-related commercial practices, highlighting that they are essentially a response to the questions that have arisen as a result of the present market analysis and do not amount to an exhaustive list of all the regulatory requirements that the operators of DCT sites should bear in mind.

145. While some of the recommendations respond to practices that constitute potential infringements and others concern the breaches identified by the directives covered by the “A New Deal for Consumers” package referred to in Chapter II. 5, while there are a number of recommendations specifically aimed at preventing infringements, however, their absence is less obviously illegal.

146. The GVH aims to ensure that the operators of DCTs bring their practices into line with the legislation, taking into account the following recommendations.

VII.1. Recommendations for business model-related commercial practices

VII.1.1. Results list, rankings, highlights

147. DCTs are required to have clear, unambiguous criteria for the rankings that appear in the list of results, and to clearly distinguish ads or "promotional links" from natural results.

148. Market analysis data reveal that consumers typically focus on the first few results of a hit list when searching.

149. The exact ordering of the ranking of offers on the service providers' pages is not always transparent to consumers, and the rules of the highlighting and recommendation system are often not known to the partners.

150. Some service providers offer the ability to highlight merchant offers, which may change the sorting principle. Product highlights distort organic rankings. On a mobile phone, due to the physical display limitations, fewer offers per screen area are added, which further enhances the effect of highlights.

151. Based on the data of the market analysis, it can be concluded that highlighting effectively draws the attention of users and is usually viewed. The majority of consumers feel that this feature helps them find offers that are reliable/top/get the most clicks/best, thinking that these are the reasons why the offers are ranked high on the list; thus, one should pay close attention to them.

However, the real situation is markedly different. In the majority of cases the partners specifically pay the operators for their promotions (often at bidding rates based on the offer of a pay-per-click trader), and the highlights are not based on objective criteria, such as the reliability, popularity of the partner, or the superiority of his/her offer compared to other offers. A partner merely has to pay a fee in order for an offer to be highlighted, with operators not informing consumers of this fact.

152. **The GVH recommends that consumers be clearly and visibly informed about:**

- the criteria for ranking in the list of results,
- the fact that highlighting is not about performance data, but about payment, meaning that these highlights constitute paid ads and do not reflect the given product's ranking in the search results.

VII.1.2. User Ratings / Moderation Policies

153. Consumer opinions and ratings on DCT sites must be reliable.

154. According to market analysis data - although to varying degrees depending on the segment - access to user opinions is important to DCT users. Evaluations and opinions are important in their decision making and are often taken into account.

Consumers do not generally question the credibility or reliability of reviews and tend to attribute most of them to independent and lay users. Nevertheless, they believe that there are business or other interests and practices that manipulate user opinions.

155. **On the one hand, the GVH recommends that in order to further enhance the reliability of consumer reviews, DCT operators, in cooperation with their partners, establish control and operational mechanisms that will only make it possible for opinions and ratings to be published that are based on real consumer experience, i.e., provided by consumers who bought, used the product/service in question. Thus, they could take steps to prevent false or influenced reviews (such as paid fake reviews) from displaying.**

156. **On the other hand, the GVH recommends that operators develop guidelines and regulations on the principles of publishing and moderating consumer opinions and display them for consumers on their DCT sites.**

VII.1.3 Evaluation systems

157. The complex evaluating systems on DCT sites must be transparent and reliable.

158. Based on the market analysis, it can be concluded that complex rating systems used by some DCTs, such as the use of scores, stars, and other scales, do not always provide users with guidance on their content.

159. Scoring systems based on consumer ratings or other considerations are difficult for users to understand, although they still try to take these into account when making their decisions.

160. **The GVH recommends that when DCT operators are using a rating system they should inform consumers in a comprehensible and perceptible manner about the criteria that the system is based on, and how each criterion is taken into account and measured, so that consumers are**

able to make informed decisions.

VII.1.4. Criteria of comparison

161. DCTs are required to compare products and services according to the same set of criteria.

162. Where the comparison is based on price, it should include all the elements that make up the total price to be paid by the consumer, such as transport costs and other arising expenses. Price-based comparisons are therefore appropriate where the order is determined in relation to the final price, including all cost elements.

163. DCTs that make comparisons based on only one feature of a product or service may not be effective in helping consumers to choose the most appropriate service, if the lack of any description of the non-price elements of the product or service (such as quality of service, in the case of complex services their technical or other characteristics, special or value-added services that may be related) do not allow consumers to compare the services fully and objectively. In these cases, due to the complexity of the products, the DCTs may not present a complete offer due to the lack of detailed information. This may entail the risk that the consumer - failing to take all the dimensions into consideration - will not choose the best offer.

164. The GVH recommends that DCT operators draw the attention of consumers to the fact that, apart from the particular aspect of the comparison, due to the complex and personalised nature of the service, consideration should be given to comparing other elements as well in order to find the most suitable offer.

VII.1.5. Information on the identity of the operator

165. Consumers must also be adequately informed as to who are the operators of the DCTs.

166. Knowledge of this circumstance, on the one hand, enables the consumer to assess whether the DCT is an independent and objective source of information and, on the other hand, can give him/her guidance on who to turn to in relation to the DCT's functioning, products, and services.

167. If a distributor of certain products or services creates a website, belonging to the company or leading to a link, for the purpose of comparative advertising, it is not considered as an independent source of information, but as an advertising interface for its own product or service. The users of the site should be made aware of the methodology and criteria used by the service providers, as well as the contractual obligations to certain businesses.

In the absence of this information, consumers may be misled as they expect unbiased, independent, and objective comparison.

168. The GVH recommends that DCT operators make it clear whether the comparison site is independent or operated by the dealer/service provider or whether it is (directly or indirectly) sponsored by the retailer/service provider.

169. It shall be made clear to consumers whether the intermediary platform and/or its partner is responsible for any complaints or demands that may arise in relation to the products and services appearing on the DCT.

170. Consumers often find it difficult to distinguish between forms of liability and it is not always clear to them who they can turn to, for example, with their complaints. On some platforms, the transactions

made on them are linked to the DCTs instead of the partners, which is why consumers choose to turn to the DCT operators instead of the partners when seeking assistance or lodging complaints.

171. The GVH recommends that each DCT site should display, in an easily identifiable and unambiguous manner, besides the identity and contact details of the DCT operator, what responsibility the operator or partner has for the transaction in question.

VII.1.6. The complete Picture of the Market

172. DCTs must clearly inform users about where they obtain and publish their data.

173. Based on the market analysis data, the primary reason for visiting DCTs is to find the best deal for the products/services in question. Users expect the pages to present as many offers as possible based on detailed, complete, and up-to-date information.

174. Comparison pages are expected to cover the whole market as broadly as possible, thus providing a general, comprehensive picture of the products and services sought.

175. It was expressed as an opinion that the average user does not necessarily have the experience or the prudence to recognise and distinguish between the offers of non-Hungarian legal entities (including retailers that pay dues and taxes outside of Hungary) and the offers of domestic retailers, who are taxed in Hungary. In this regard, price comparison pages do not appear to enlighten consumers/users.

176. The GVH recommends that DCTs inform consumers about the number, identity, contact details and geographic scope of the distributors, partners, and partners featured on the site.

VII.1.7. Up-to-date information, reliable communication

177. Comparison pages must ensure that the information communicated to consumers is accurate, up-to-date, and valid at all times of viewing.

178. According to the market analysis data, especially in the case of digital price comparison sites, prices were sometimes inaccurate, and on the sites operated by certain partners, consumers found different prices to those that were displayed during the comparison process. The prices that appear on the comparison pages may be displayed in Hungarian forints, while certain partners that actually provide the products/services in question may display the prices on their pages in euros.

179. For some sites, the updating of the content displayed on the DCTs did not fully correspond to the offers and details available on their partners' websites or webshops (such as additional terms and conditions affecting the purchasing decision), and this fact was not referred to on the sites.

180. Similarly to the above, it may be a problem if the prices calculated on comparison sites on the basis of the consumers' preferences are different from the ones displayed on the sites and webpages of their partners.

181. The GVH recommends that comparison site operators take steps to ensure that they can properly monitor the changes made by partners in relation to the products and services that appear on the DCTs, so that the same and accurate prices and terms are displayed on both the comparison pages and the partner websites that are accessible from the sites.

182. Furthermore, the GVH recommends that DCT operators, when directing a consumer to a

foreign exchange retailer or partner, should include the price on the comparison page not only in Hungarian forints, but also in the original currency, thereby ensuring that the consumer is aware of the fact that the forint value is only an estimate, and that he/she will have to pay in the foreign currency.

VII.1.8. Information on the Use of Data/Promotion of the Service as Free of Charge

183. The use of data provided by consumers in connection with the use of a digital comparison tool is part of the business model of some comparison platforms. In such cases, consumers should be informed about how their data are collected and managed by the platforms to the extent and in the manner necessary to enable them to make informed transactional decisions.

184. Comparison pages should in any case provide consumers with information on the use of their data in a comprehensible and transparent manner.

185. If it is an essential element of a comparison site's business model that it collects detailed information about consumers' interests, behaviours, and purchasing habits in connection with its use and sells targeted advertising opportunities to its business clients, it cannot be considered a service free of charge because consumers pay for the services with these pieces of information.

186. Many consumers are unaware of the scope or value of the information they are supplying and may therefore believe that a service can be used without risk and without compensation.

187. The GVH recommends that the information provided to consumers should clarify how the operator uses the consumers' data e.g., for profiling activities and targeted advertisements to fund the platform.

VII.1.9. Page Design/Aspects of Usability

188. DCTs should be user-friendly in design and should provide information in an easy-to-use manner.

189. This entails both substantive and formal requirements, the proper management of which may pose an understandable challenge for DCT operators. While achieving this requires significant resources, a well-designed page in terms of content, functionality and appearance can become a competitive advantage.

190. In order to ensure a good consumer experience, the pages must be simple and easy to use and comprehend, which presents a further challenge due to the often complex conditions of the products and services.

191. It should also be borne in mind that, according to the market analysis data, it is important for consumers that data are structured in an appropriate, non-overwhelming and transparent manner. While the design of each page is obviously different, the application of certain features and functions can be observed on some well-designed, user-friendly pages, which can serve as recommended good practices. These include, for example, pop-up windows with short, clear definitions, click-through options, hyperlinks, visual highlights, and page tagging that appear in the letterhead of each column.

192. Finding the best offers on some pages is difficult, even for those who have already used the given page. It is not easy for the average user to understand the variety of signs and different offers.

193. While the majority of users do not believe the signs and therefore do not feel as though they influence their decisions, however, emotional influence works effectively, and sometimes users suddenly

choose an accommodation based on such an offer.

194. The GVH recommends that DCT operators seek to use simple and clear language, avoiding the use of complex legal or technological concepts. In addition to the above, they should allow search personalisation, apply detailed filters, and rank results in a multi-level criteria.

195. They should make sure that the page is not cluttered; it is transparent and easy for consumers to navigate. They should pay attention to the features and physical display limitations of different devices.

VII.1.10. Reputation of Statutory and Business-based Comparison Sites

196. DCTs are operated on a statutory basis in the financial and credit market and also in relation to communication services, as - considering the number, complexity, and personalisation of the offerings on the market - comparing these services is a time consuming and complex process. Digital comparison tools can especially speed up and help this comparison process.

197. Active competition exists among the business based DCTs in the financial services market, where there is a high degree of user trust, as compared to the info-communications market where such active competition is not present. One area of competition is the promotion of comparison sites.

198. According to the market analysis, there are no known comparison platforms operating on a non-market/commercial basis.

199. The GVH recommends exploring the reasons for this.

VII.2. Suggestions for non-business model related commercial practices

VII.2.1. The Use of Statements of being a Market Leader

200. The GVH recommends increased caution when using statements on being a market leader in the case of digital comparison tools.

201. Operators of the DCTs must be able to prove the validity of any statements made in relation to being a market leader for the duration of their use. This, in view of the wide range of offers on DCTs and the sometimes rapidly changing nature of the data relating to them, may pose challenges to operators, who need to ensure the criteria and substantiation of the statement for all market participants and for the market as a whole.

VII.2.2. Applying Trust Certificates

202. Although the reputation, effect on opinion, and confidence-building role of the various website certificates differ from one segment to another, their application suggests that their display on platforms is considered by operators to be a form of trust.

203. When certificates are displayed on a comparison tool, it is necessary that they are defined by a well-defined set of criteria from a verifiable organisation and that their content is easily accessible to consumers.

VII.2.3 Display of educational Articles

204. If a DCT site contains content that is educational in nature and aimed at expanding consumer knowledge, it is necessary to clearly indicate whether the content is independent content that has been compiled by the DCT operator or whether the operator has been remunerated for publishing it.