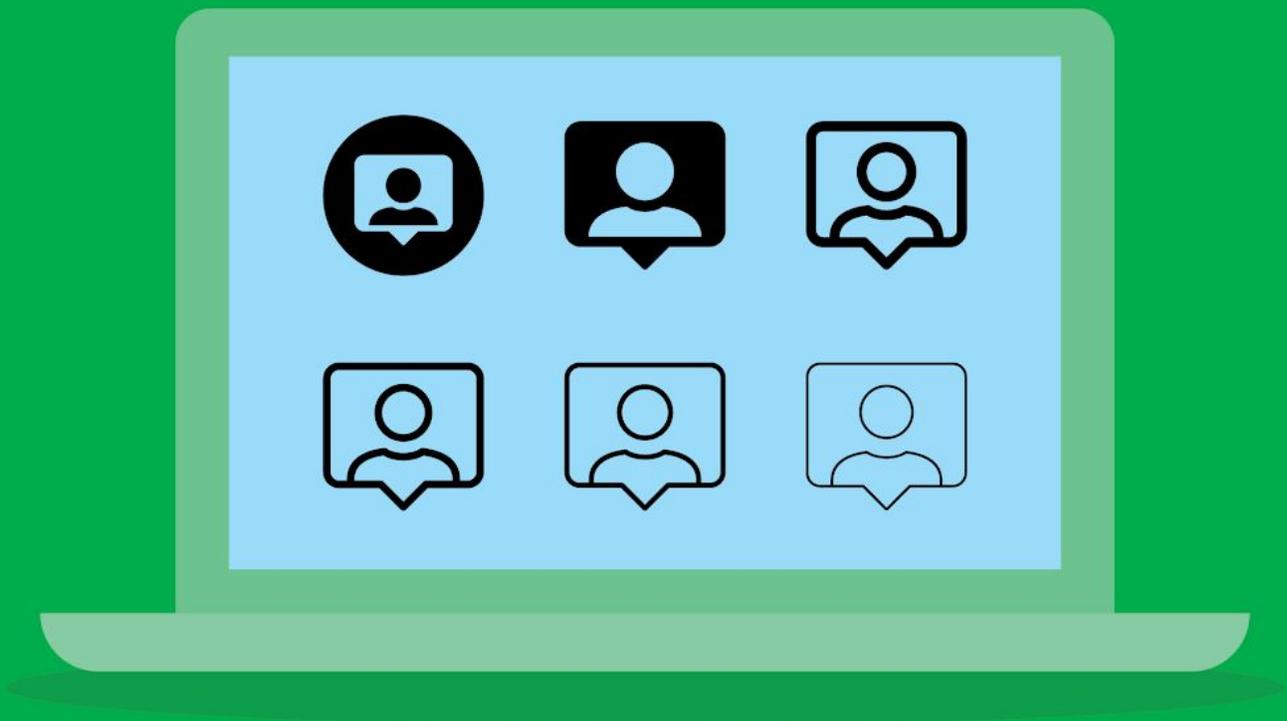


# Platform Perceptions

## Consumer Attitudes On Competition and Fairness in Online Platforms

Nationally Representative Online Survey



Prepared by CR Survey Research Department and Advocacy Division

September 24, 2020

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## Executive Summary

In July 2020, Consumer Reports (CR) conducted a nationally representative online survey to assess Americans' experiences and opinions about online platforms. For the purpose of this survey, we defined an online platform as “a technology-driven internet business model that allows people to produce or sell content, goods, and services online and at the same time people can come to consume those goods, services, or content via the internet. Some examples include Google (internet search content and advertising platform), Facebook/Instagram, Twitter (social platforms), Amazon (commerce platform), etc.”

Questions were asked to gauge consumer attitudes regarding the business practices of online platforms, and to learn if they are concerned about data collection, online advertising, mergers and acquisitions, and other platform conduct that affects consumers and competition. Another goal of this research was to determine whether consumers feel the current online marketplace is fair or not.

Notable survey highlights include:

- **roughly three quarters (75%) of Americans** think that platform power, in a variety of forms, presents a major or moderate problem;
- **a majority of Americans (52%)** think that paid placement of search results is fair only if it is disclosed as such, and **nearly one out of four (23%)** think this practice is unfair even if it is disclosed;
- **many Americans (46%)** have difficulty distinguishing between what is a paid ad and objective search result, and **the majority (58%)** are not confident that they are getting objective and unbiased search results when using an online platform to shop or search for information;
- **eighty-one (81) percent of Americans** are either very concerned or somewhat concerned about the amount of data platforms hold and that they acquire it to build out more comprehensive consumer profiles; and
- **nearly eight in ten (79%) Americans** think that mergers and acquisitions pursued by large platforms are unfair because they undermine competition and limit

consumer choice.

Importantly, a **majority of consumers—six out of ten—**support more government regulation of platforms and mandating interoperability features to deal with the growing power of large online platforms that may be hurting competition and consumers.

These results suggest that consumers are significantly concerned about the practices of online platforms and are aware of the harms that many believe those practices are causing. And more often than not, Americans believe that something must be done to rein in the power of these platforms. This study is an important step to better understand consumer attitudes and concerns regarding the online marketplace, and the power wielded by large platforms, and then develop policies to preserve and promote competition and prevent consumer harm.



## Introduction

Throughout our long history, stretching back to our founding in 1936, Consumer Reports (CR) has emphasized the fundamental importance of competition for ensuring a marketplace that works for consumers. For example, in the “Bread and Butter” columns in the May and July 1947 issues of Consumer Reports, we explained the importance of the antitrust laws for consumers, and the dangers posed by “the long-continued trend toward concentration of economic power in the hands of fewer and larger corporations.” Competition gives consumers choice, a source of powerful leverage against the power of the corporations that manufacture and sell the products and services that consumers need and want. And this leverage—the ability of consumers to go elsewhere for a better deal—forces manufacturers and sellers to pay more attention to serving the interests of consumers.

This has been true since marketplaces were created many centuries ago. But it has taken on a new importance in our era, as the ever-increasing use of the internet to connect us all for commerce and communication has led to widespread dependence on a few online platforms (with large market shares and substantial incumbency advantages) for those connections.

Augmenting the market power of these platforms is the ability to collect vast amounts of data on all the transactions and interactions (from both sellers and consumers) that take place on their platform as well as data from other online and offline interactions using their proprietary ecosystem of products and services. The business models of many large online platforms rely on building an extensive personal profile on all of us and using this to target consumers more personally than their competitors are able to. They are thus also able to capture a large share of profits generated by online services entrenching their dominance in ways that are just beginning to be fully analyzed and understood.

A number of legal scholars, government enforcers, and advocacy organizations (including Consumer Reports) are now keenly focused on identifying and addressing the harms of a highly concentrated online platform marketplace. Indeed, multiple government authorities at the federal and state level, as well as overseas, are actively investigating the conduct of Google, Facebook, Apple, and others to determine whether

they are violating competition laws to advance and cement their dominant market positions. Specifically, CR is concerned with the dominant power in the hands of a few platforms and the risks this poses for consumer choice. A related concern is the asymmetrical bargaining power of these platforms to impose terms and conditions on consumers and on transactions and interactions in marketplaces in which these platforms also compete.

As a part of our efforts, in July CR commissioned NORC at the University of Chicago to conduct a nationally representative online survey of American consumers for us, to gauge their awareness of, and their opinions about, the power of online platforms and the associated risks of harm. We surveyed 3,219 U.S. adult residents and found that notable majorities had significant concerns about the ways in which online platforms operate.

In addition to the field survey, Consumer Reports also used an online discussion board to gather thoughts, opinions, and experiences about online platforms from individuals. We collected qualitative data from 34 participants on July 15, 2020 in order to supplement survey results with a richer picture and insights. Select quotes and summarized data from this discussion board are included throughout this report.

## Highlights

Notable survey highlights include the following, grouped within themes of questions designed to gauge consumer attitudes and awareness regarding the practices of online platforms and their interactions with them.

### Concerns with Online Platforms

➤ Most (96%) Americans believe the following statement to be TRUE: *“Online platforms collect data about what you do even away from their services, including when you visit other companies’ websites or apps, so that they can build a more comprehensive profile on you.”*

➤ More than a quarter (28%) of Americans say they are “very concerned” about online platforms collecting data about what they do even away from their services, so

they can build a more comprehensive profile of them. An additional 53% say they are “somewhat concerned.”

➤ About four in ten (38%) of Americans say they are “very concerned” about the amount of data online platforms store about them. An additional 47% say they are “somewhat concerned.”

### **Preferred Placement of Own Branded Products in Search Results and Ads**

➤ Nearly three-quarters (74%) of Americans say they are aware of the practice where some online platforms have their own branded products and services (such as Amazon Kindle or Google Nest), and they will often display these products or services higher on a results page than products or services produced or sold by others.

➤ Nearly a quarter (23%) say this practice is unfair. More than half (52%) of Americans say it is “Fair, but only if this preferred placement is openly disclosed.” and an additional 10% say it is “Fair, even if this preferred placement is NOT openly disclosed.”

### **Pay-to-Play Search Results Placement by Third Parties (Other Companies & Sellers)**

➤ About eight in ten Americans (79%) say they are aware of the practice where some companies and sellers pay online platforms to have their products and services displayed higher on the results page.

➤ A quarter (25%) of Americans say this practice is unfair and an additional 58% say it is fair, BUT ONLY if it is LABELED as a paid ad. Only five percent say it is fair, even if it is NOT LABELED as a paid ad.

### **Ability To Distinguish Between What Is A Paid Ad And Objective Search Result**

➤ Many Americans (46%) have difficulty distinguishing between what is a paid ad and objective search result, and the majority (58%) are not confident that they are getting objective and unbiased search results when using an online platform to shop or search for information;

## Big Tech Acquisitions—Fair or Unfair?

We provided respondents the following information: *“Big tech mergers and acquisitions (e.g., Facebook/Instagram and Google/YouTube) have been criticized for blocking current and future competition for these companies.”*

➤ About eight in ten Americans say *“It is unfair because they are undermining competition and consumer choice in America.”*

➤ Two in ten Americans say, *“It is fair because this is just how business works in America.”*

## Proposals for Dealing with the Growing Power of Online Platforms

We showed respondents the following information: *“There is an ongoing debate about what is the best way to deal with the growing power of large online platforms that may be hurting competition and consumers.”* We then asked: *“How much do you favor or oppose each proposal?”*

Six in ten of Americans favor (strongly favor or favor)...

➤ *“Requiring online platforms to make it easier for users to switch from one platform to another without losing important data or connections -- such as iTunes songs or Facebook friends.”*

➤ *“Stronger government action to discipline and mitigate potentially harmful conduct of large online platforms. Actions could include new laws, regulations, or enforcement actions.”*

## Consumer Awareness, Attitudes and Concerns

Reports about large online platforms engaging in questionable business practices—abusing consumer privacy, or forcing other competitors from the marketplace, or otherwise maneuvering to cement its dominance—have become commonplace. In line with this reporting, our survey found consumers to be well aware of the issues stemming from the practices of online platforms and the concerns posed by those practices.

### Online Platform Practices—Are They Problematic or Not?

We first wanted to understand how much of a problem—if at all—consumers consider a variety of platform practices that have been called into question. Specifically, we asked:

***“When using an online platform to shop or search for information, how much of a problem, if at all, are the following practices?”***

***“Online platforms becoming so large and powerful that it is difficult for smaller sellers and new sellers to enter and compete in the marketplace—which can result in fewer choices for consumers.”***

Eighty-one (81) percent of Americans agree that this is a major or moderate problem.

***“Online search platforms and social networking platforms controlling what you see when you use their platforms.”***

Seventy-seven (77) percent of Americans agree that this is a major or moderate problem.

***“Personalized pricing where a retailer uses personal data collected on individual customers to tailor prices by setting a different price or offering discounts to some people but not others – often referred to as ‘dynamic pricing.’”***

Seventy-four (74) percent of Americans agree that this is a major or moderate problem.

*“Large online platforms collecting information about emerging and existing products and services, including the price people are willing to pay for them, so they can make and sell those products themselves – which sets the platform up as a direct competitor with the often smaller company.”*

Seventy-four (74) percent of Americans agree that this is a major or moderate problem.

	Major/ moderate problem	Minor/ not at all a problem	I don't know
<p><b>TOO LARGE AND POWERFUL</b> Online platforms becoming so large and powerful that it is difficult for smaller sellers and new sellers to enter and compete in the marketplace. This can result in fewer choices for consumers.</p>	81%	13%	6%
<p><b>TOO MUCH CONTROL</b> Online search platforms and social networking platforms controlling what you see when you use their platforms.</p>	77%	17%	6%
<p><b>UNFAIR PRICING</b> Personalized pricing where a retailer uses personal data collected on individual customers to tailor prices by setting a different price or offering discounts to some people but not others. This practice is often referred to as dynamic pricing.</p>	74%	17%	9%
<p><b>CONFLICTS OF INTEREST</b> Large online platforms (such as Google and Amazon) collecting information about emerging and existing products and services, including the price people are willing to pay for them so they can make and sell those products themselves. This sets the platform up as a direct competitor with the often-smaller company.</p>	74%	19%	7%

To better understand consumer concern with problematic platform practices, we asked online discussion panelists the following question:

***“In your experience, when using online platforms to shop or search for information, do you think you have ever experienced (either as a consumer or business) limited or modified choices due to the online platform filtering or blocking what you see?”***

Some respondents reported that they have experienced limited or modified choices due to online platforms filtering or blocking what they see. As a follow-up, we asked them to tell us about the experience and how they know it is happening.

Several respondents indicate that they notice the content was filtered when they switch platforms and get very different results.

## **Awareness and Concern About Online Platforms Collecting Data To Build A Profile Of Individuals**

We asked Americans to tell us if they think the following statement is TRUE OR FALSE:

***“Online platforms collect data about what you do even away from their services, including when you visit other companies' websites or apps, so that they can build a more comprehensive profile on you.”***

Nearly all (96%) say they believe the statement is true.<sup>1</sup>

We then asked Americans how concerned or not concerned they are about online platforms collecting data about what consumers do off-platform and away from their services to build more comprehensive profiles.

More than a quarter (28%) of Americans say they are “very concerned” about online platforms collecting data about what they do even away from their services, to build a more comprehensive profile. An additional 53% say they are “somewhat concerned.”

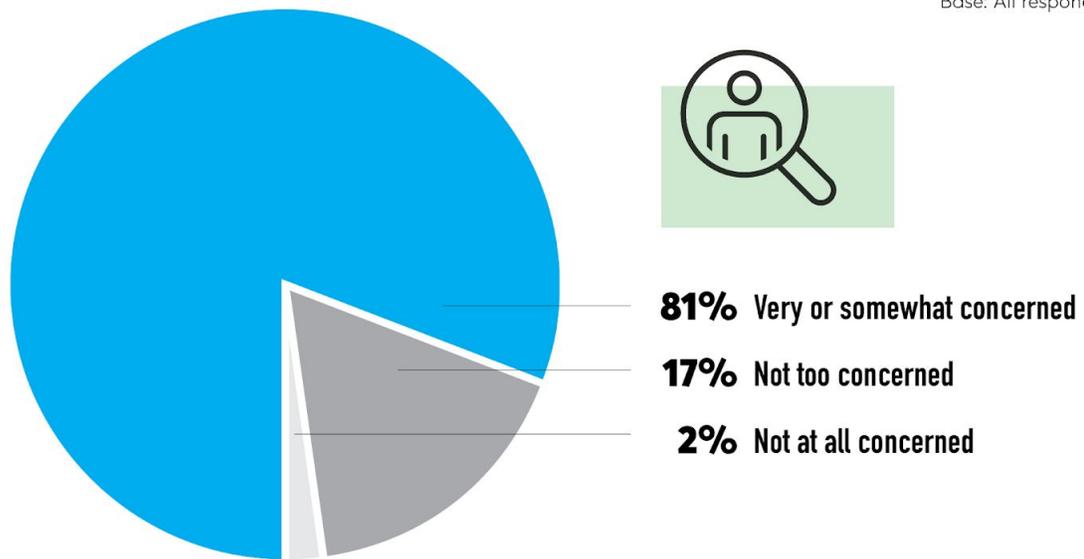
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<sup>1</sup> The respondent's language is a significant factor in whether or not Hispanic Americans believe this statement is true or false. A larger percentage of Hispanic Americans who took the survey in English (96%) than Spanish (79%) believe the statement to be true. Age, gender, education level, household income, and political party affiliation are also accounted for; significant differences still hold.

Black, non-Hispanic Americans<sup>2</sup> report a significantly higher level of concern about this than white, non-Hispanic or Hispanic Americans.

### Concern About Online Platforms **Collecting Data to Build a Comprehensive Profile**

Base: All respondents



### Concern About The Amount Of Data Online Platforms Store About Americans

We asked Americans:

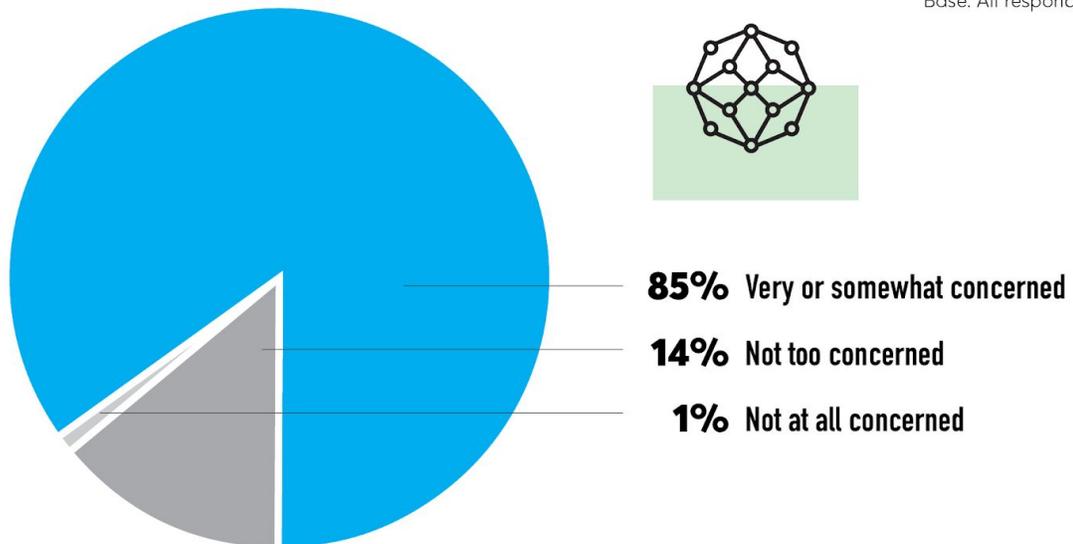
*“When thinking about the data online platforms (such as Google, Amazon, etc.) can collect about you, including your personal information, shopping and purchasing history, and other online activities, how concerned or not concerned are you about the amount of data they store about you?”*

<sup>2</sup> Age, gender, education level, household income, and political party affiliation are also accounted for and significant differences still hold.

About four in ten (38%) of Americans say they are “very concerned” about the amount of data online platforms store about them, and an additional 47% say they are “somewhat concerned.” Black, non-Hispanic Americans<sup>3</sup> report a significantly higher level of concern about this than white, non-Hispanic, or Hispanic Americans.

### Concern About the Amount of **Data Stored** About You on Online Platforms

Base: All respondent



We asked the online discussion panel the same question and overall the response frequencies were quite similar. We also asked them why they answered the way they did.

In many instances when respondents say they are “very or somewhat concerned,” many suggested that they feel powerless to prevent or avoid the practice, with responses including consumers who “...do a lot of online searching and shopping and don't think there is really a way to avoid it,” and those who are “...concerned about it but

<sup>3</sup> Age, gender, education level, household income, and political party affiliation are also accounted for and significant differences still hold.

recognize that at present I am powerless to really stop it.” Indeed, one respondent remarked, “George Orwell had no idea that we would give up our freedom so easily; We’ve asked ‘Big Brother’ for suggestions on what to buy!”

Of those who said they are “not too concerned or not at all concerned” about the amount of data online platforms store about them, many indicated that they like the customization or convenience these platforms provide and see that as part of the price they must pay.

WHAT WE HEARD

“

**George Orwell had no idea that we would give up our freedom so easily; We’ve asked ‘Big Brother’ for suggestions on what to buy!**

”

## Fair Market Practices: What Is Fair?

Having identified the extent to which consumers think that various platform structures and practices pose problems, CR also sought to understand which structures and practices consumers consider fair—or unfair—in the operation of the online marketplace. These questions covered:

- a platform’s search results preferencing its own products and content and the practice of third parties paying for premier placement in search results;
- platforms acquiring other online product and service providers; and

➤ platforms leveraging their role as the intermediary providing the connection to charge commissions or fees on sales conducted over the platform.

## **Preferential Placement Of Search Results and Ads: Own Products And Third Parties**

We asked consumers about a platform giving preferential placement in search results to its own products and services, or to products and services of sellers who pay for preferential treatment. Specifically, we provided respondents the following information:

*“Some online platforms have their OWN branded products and services (such as Amazon Kindle or Google Nest), and they will often display these products or services higher on a results page than products or services produced or sold by others. This allows for more visibility and a greater likelihood of clicks or traffic to their site or product.”* We asked: *“Were you familiar with this practice before today?”*

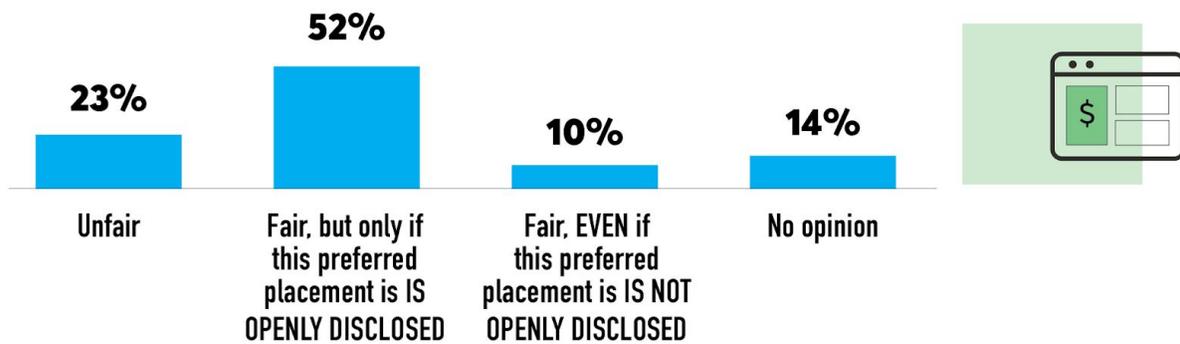
Nearly three-quarters (74%) of Americans say they are familiar with this practice. Then, we asked:

*“Do you think this practice is FAIR or UNFAIR?”*

Nearly a quarter (23%) say this practice is unfair. More than half (52%) of Americans say it is “Fair, but ONLY if this preferred placement is openly disclosed. And 10% say it is “Fair, even if this preferred placement is NOT openly disclosed.”

### Is Preferred Placement of Ads by Online Platforms for Their Own Products and Services Fair or Unfair?

Base: All respondents



We also provided respondents the following information:

*“Some companies and sellers pay online platforms to have their products and services displayed higher on the results page, which allows for more visibility and a greater likelihood of clicks/traffic to their site.” We asked them “Were you familiar with this practice before today?”*

About eight in ten Americans say they are familiar with this practice.

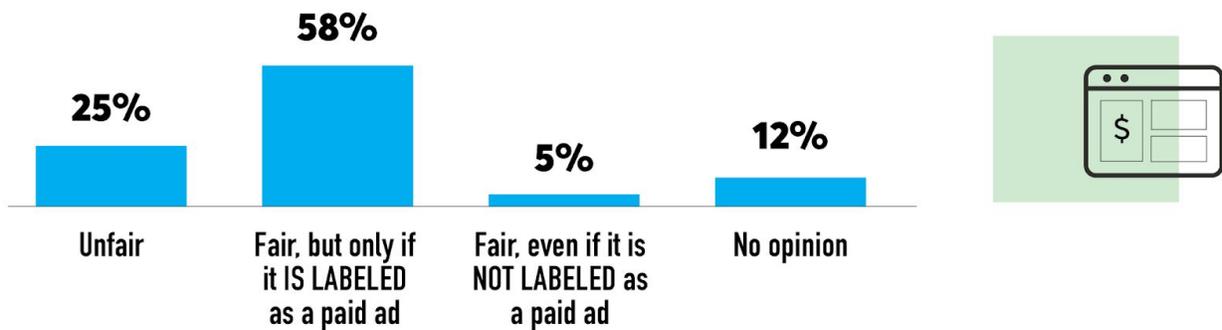
Then, we asked:

*“Do you think this practice is FAIR or UNFAIR?”*

A quarter (25%) of Americans say this practice is unfair. A larger percentage of 58% say it is fair, BUT ONLY if it is LABELED as a paid ad. And one in 20 say it is fair, even if it is NOT LABELED as a paid ad.

## Fair or Unfair that Companies **Can Pay** for Better Placement on Online Platforms

Base: All respondents



WHAT WE HEARD

“

**Somewhat unfair, as it can be misleading. You would think that the first few products that come up would be the best sellers and the ones that have the best reviews.**

”

Our survey also found that many consumers have difficulty distinguishing between what is a paid ad and what is an objective search result.

More than a third (36%) of respondents said it is somewhat difficult to determine if search results are shown in an objective way versus paid placement. And 10 percent said it is very difficult.

Fifty-eight percent are not confident that they are getting objective and unbiased search results when using an online platform to shop or search for information; 42% say they are not too confident; and 15% say they are not at all confident.

## **Platform Acquisitions Of Other Online Competitors**

Concern has risen in many quarters in recent years regarding mergers and acquisitions by large platforms, as potentially anti-competitive—the concern being that platforms are buying potential competitors to maintain dominant positions. We wanted to clarify how consumers perceived these acquisitions.

First, we provided respondents the following information:

***“Big tech mergers and acquisitions (e.g., Facebook/Instagram and Google/YouTube) have been criticized for blocking current and future competition for these companies.”***

Then we asked them to tell us which of the following statements comes closest to your view, even if neither is exactly right?

***“It is unfair because they are undermining competition and consumer choice in America.”***

About eight in ten (79%) respondents agree with this statement.

***“It is fair because this is just how business operates in America.”***

Two in ten (20%) respondents agree with this statement.

## Big Tech Mergers – Fair Or Unfair?

UNFAIR

**79%**

OF AMERICANS SAY  
“it is unfair because they  
are undermining  
competition and consumer  
choice in America”

FAIR

**20%**

OF AMERICANS SAY  
“it is fair because this is  
just how business works  
in America”

- A larger percentage of females (84%) than males (75%) say it is unfair.
- Older adults are more likely than younger adults to say it is unfair.
- A larger percentage of white, non-Hispanic (82%) than Black, non-Hispanic (74%) or Hispanic (72%) Americans say it is unfair.
- A larger percentage of Democrats (83%) than Independents (77%) or Republicans (79%) say it is unfair.
- A larger percentage of Hispanic Americans who took the survey in English (74%) than Spanish (60%) say it is unfair.

## Intermediary Commissions & Fees

We asked consumers what they think about an online platform when it acts as an intermediary or “middleman” when providing the connection between a seller and buyer, and then taking a percentage cut of the sale or charging a fee for providing the connection. We gave the example of food delivery services provided to restaurants.

***“Some online platforms serve as a connection between third party businesses and consumers. In this role, platforms serve as a ‘middleman’ to connect sellers and buyers, and they take a percentage of the sale as their ‘cut’ or fee for executing the sale.***

***For example, restaurant delivery platforms like Seamless, Uber Eats, and GrubHub offer food delivery services from restaurants to consumers. As more and more restaurants use these delivery platforms and as the platforms increase their ‘cut,’ it creates a disadvantage for the ones who cannot afford to pay these fees since they lose out on the exposure that these platforms provide. On the other hand, it offers tremendous convenience for customers and expands participating restaurants’ exposure, helping to increase their business.”***

Then we asked them to tell us which of the following statements comes closest to your view, even if neither is exactly right?

***“It is unfair because they are undermining competition and consumer choice in America.”***

More than half (57%) of survey respondents agree with this statement.

***“It is fair because this is just how business operates in America.”***

Forty-three (43) percent of respondents agree with this statement.

## Middleman Cuts – Fair Or Unfair?

UNFAIR

**57%**

OF AMERICANS SAY  
"it is unfair because they  
are undermining  
competition and consumer  
choice in America"

FAIR

**43%**

OF AMERICANS SAY  
"it is fair because this is  
just how business works  
in America"

- A larger percentage of females (62%) than males (51%) say it is unfair.
- Older adults are more likely than younger adults to say it is unfair.
- A larger percentage of Democrats (60%) and Independents (60%) than Republicans (51%) say it is unfair.

## Principles and Policies: A Discussion of Solutions

Finally, having queried practices that consumers consider problematic and clarified the practices consumers find acceptable in a fair online marketplace, CR asked consumers about what kinds of standards online platforms should be held accountable for, what actions should be required or off limits, and what improvements government should make in law or enforcement.

### Fair Treatment Guidelines Online Platforms Should Follow

We asked Americans how much they “agree or disagree” with the following statements about guidelines that online platforms should be expected to follow to promote the fair treatment of all sellers and users.

Three quarters of the survey respondents strongly agree or agree with these two statements:

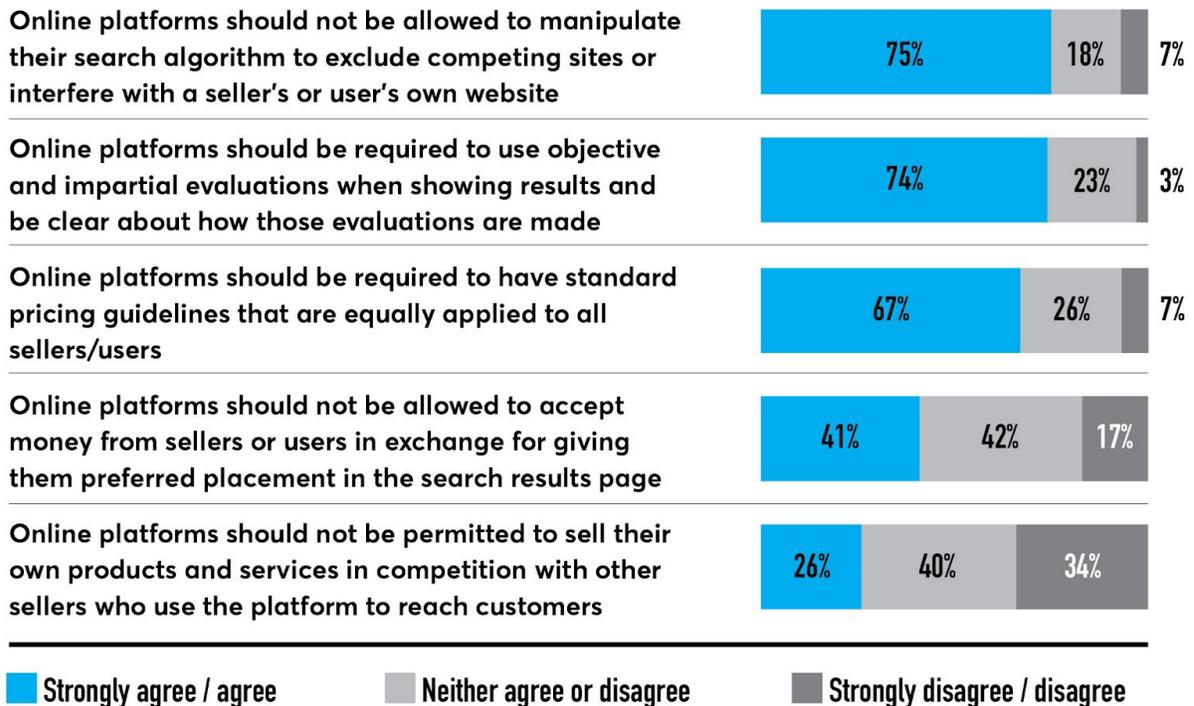
***“Online platforms should not be allowed to manipulate their search algorithm to exclude competing sites or interfere with a seller’s or user’s own website.”***

Seventy-five (75) percent of Americans agree with this statement.

***“Online platforms should be required to use objective and impartial evaluations when showing results and be clear about how those evaluations are made.”***

Seventy-four (74) percent of Americans agree with this statement.

## Fair Treatment Guidelines That Online Platforms Should Follow



Base: All respondents

## Requirements Online Platforms Should Follow

We asked Americans how much they “agree or disagree” with the following statements about requirements that online platforms should be expected to follow.

***“Online platforms should be required to respect privacy laws that protect the users' personal information so that the user cannot be manipulated or exploited by that information.”***

Eighty-four (84) percent of Americans agree with this requirement.

***“Online platforms should alert users who view false information that the information is suspect.”***

Eighty-one (81) percent of Americans agree with this requirement.

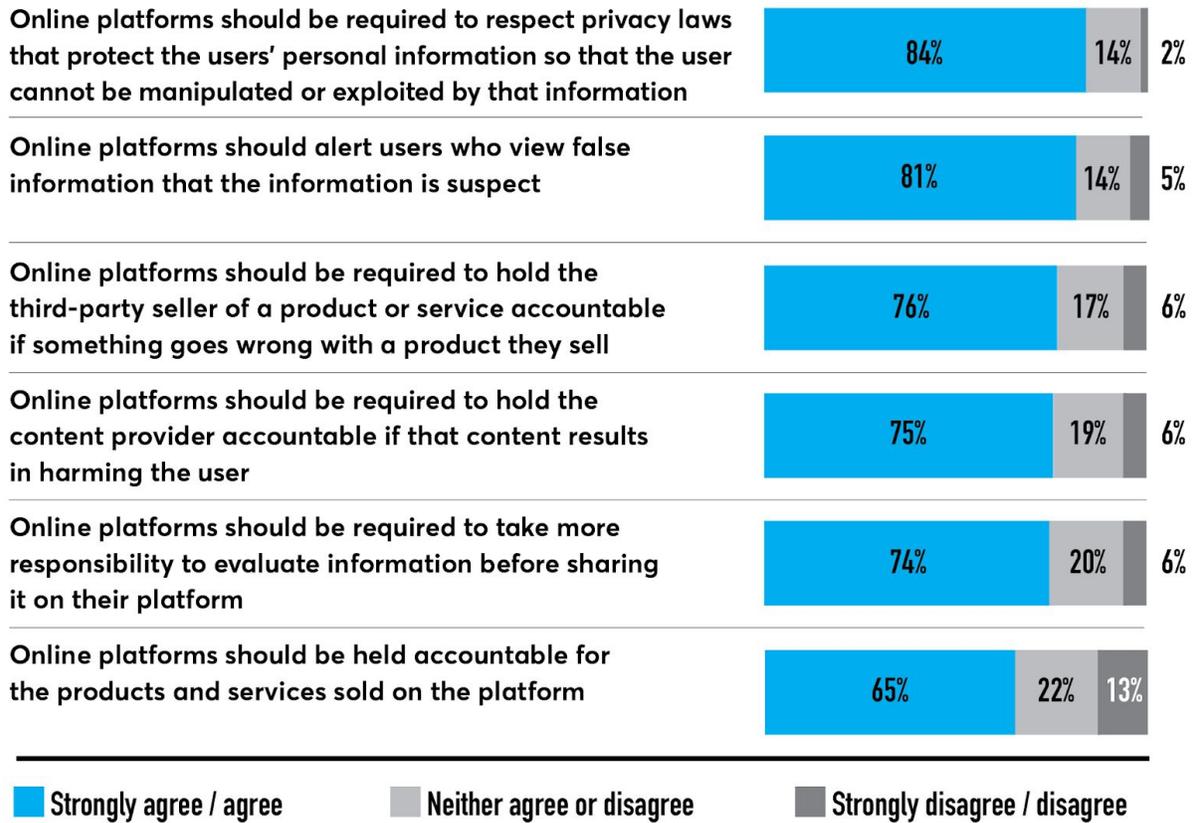
***“Online platforms should be required to hold the third-party seller of a product or service accountable if something goes wrong with a product they sell.”***

Seventy-six (76) percent of Americans agree with this requirement.

***“Online platforms should be held accountable for the products and services sold on the platform.”***

Roughly two-thirds support this statement, with only about one in ten Americans disagreeing.

## Requirements That Online Platforms Should Follow



Base: All respondents

## Proposals For Dealing With The Growing Power Of Online Platforms

CR then gauged how consumers view various categories of possible policy solutions to mitigate competition concerns. We provided respondents the following information:

*“There is an ongoing debate about what is the best way to deal with the growing power of large online platforms that may be hurting competition and consumers.” We then asked: “How much do you favor or oppose each proposal?”*

*“Requiring online platforms to make it easier for users to switch from one platform to another without losing important data or connections—such as iTunes songs or Facebook friends.”*

Sixty-one (61) percent of Americans favor this proposal.

*“Stronger government action to discipline and mitigate potentially harmful conduct of large online platforms. Actions could include new laws, regulations, or enforcement actions.”*

Six in ten of respondents strongly favor or favor this solution.

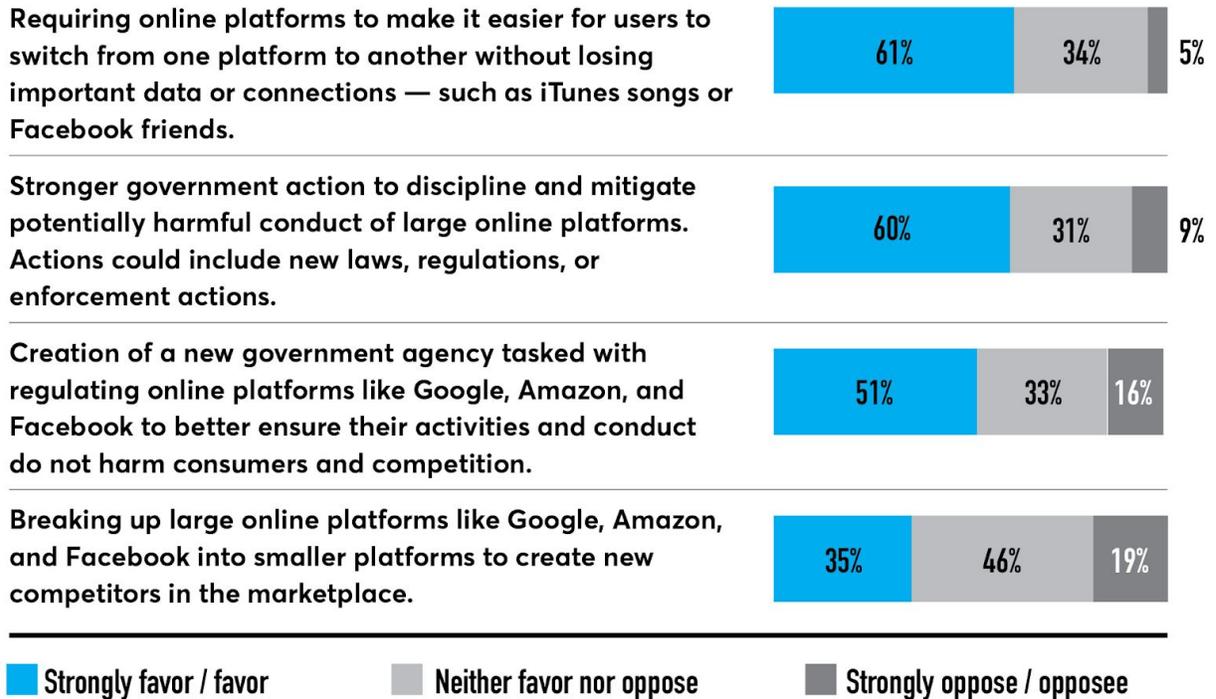
Age and political affiliation play a significant role<sup>4</sup> when it comes to this support for all of these proposals. As an individual’s age increases, they are more likely to favor each of these proposals. Democrats are also more likely than Republicans to support each of these proposals.

While these results included a large margin of respondents who neither favor nor oppose the proposals, all proposals demonstrated more Americans are supportive of the measures than opposed to them—and all proposals except one had at least three times as many Americans supporting as those opposing.

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<sup>4</sup> All of the demographic/background variables were entered into the model and each of these variables are still significant.

## Level of Support for Proposals to Address the Growing Power of Online Platforms



Base: All respondents

We also asked online discussion panelists about their views on interoperability as a potential solution:

*“Some say that online platforms should adhere to interoperability standards. Interoperability standards would require online platforms to build their technology in a standardized way so that users on one platform could seamlessly switch to another without losing important data or connections – such as iTunes songs or Facebook friends. Others might argue it is the platform’s right to build technology in a way that does not enable people to easily move between platforms.”*

***For example, if interoperability standards were adhered to, Facebook users would be able to easily access all of their contacts/connections/friends, history, posted photos/videos that they've built on Facebook on another social media platform.***

***Do you think it is the platform's responsibility to adhere to interoperability standards when building their technology?"***

Our online discussion group was less supportive of requiring interoperability, with a number of them saying it is not the platform's responsibility to adhere to interoperability standards when building its technology.

We also asked them about their views on "breaking up" big tech as a solution. A little more than a third (35%) of Americans say they support the proposal to break up large platforms like Google, Amazon, and Facebook into smaller platforms to create new competitors in the marketplace.

We asked a similar question in the online panel:

***"Some say that online platforms such as Google, Amazon, Facebook have become too big and powerful, oftentimes by purchasing up competitors (for example, Facebook acquired Instagram and Google bought YouTube). These people feel these large platforms should be broken up to allow for other smaller companies and sellers to enter and compete in the marketplace--which enhances innovation and better choices for consumers. However, others argue that breaking up these tech giants who have incredible budgets for research and development would stifle innovation and result in fewer new products or products of lower quality for the consumer."***

***"How do you feel about this?"***

The online discussion panelists were truly divided in their views on this question. Roughly a third of panelists said that big tech should be broken up, another third said big tech should not be broken up, and the remaining third couldn't decide.

WHAT WE HEARD

“

**I think that companies monopolizing markets is destroying the idea of a free market and gives consumers a false sense of choice. I don't think any innovation from social media companies is going to help the average person and ideally the entire system would be dismantled.**

”

## Conclusion

Our survey reveals that most consumers are well aware of the competition and platform accountability issues being discussed in policy circles. There are widespread concerns about the power of online platforms, about how that power is becoming more entrenched, and about the ways it can be exploited to harm consumers and the marketplace.

Our research also indicates that a significant number of consumers, albeit a minority, seem to have resigned themselves to the current state of affairs—that the exploitation and the restrictions on choice are a necessary price they must pay for having access to an online marketplace and the benefits it provides.

But when the internet was first made broadly available for communications and commerce almost three decades ago, the expectation was that it would put *more* power and choice in the hands of consumers. Indeed, revolutionary technology has created avenues and options that were not available before. Unfortunately, the full promise of the open internet is being undermined by the enormous power online platforms are wielding as the connectors, gatekeepers, and arbiters of those avenues and options.

But consumers can preserve the open internet and fix the online marketplace, and they already have a sense of which tools they want to use to do so.

These survey results will help lay the groundwork for developing effective and workable solutions to fix the online marketplace so that it truly works for consumers. Even while consumers do not always expect it in the current online ecosystem, they deserve—and should be able to expect—a fair, effective, and transparent online marketplace. Consumers recognize the problems. What needs to happen next is for consumers and policymakers to collaborate on developing, and ensuring effective enforcement of, appropriate solutions to create a fair, competitive marketplace that will unlock the kind of choice, quality, and innovation we all deserve.

## **SURVEY METHODOLOGY**

This online survey was fielded by NORC at the University of Chicago using a nationally representative sample. The survey was conducted from July 7–22, 2020.

A general population sample of U.S. adults age 18 and older was selected from NORC's AmeriSpeak® Panel for this study. Funded and operated by NORC at the University of Chicago, AmeriSpeak® is a probability-based panel designed to be representative of the US household population. Randomly selected US households are sampled using area probability and address-based sampling, with a known, non-zero probability of selection from the NORC National Sample Frame. These sampled households are then contacted by US mail, telephone, and field interviewers (face to face). The panel provides sample coverage of approximately 97% of the U.S. household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the USPS Delivery Sequence File, and some newly constructed dwellings. While most AmeriSpeak households participate in surveys by web, non-internet households can participate in AmeriSpeak surveys by telephone. Households without conventional internet access but having web access via smartphones

are allowed to participate in AmeriSpeak surveys by web. AmeriSpeak panelists participate in NORC studies or studies conducted by NORC on behalf of governmental agencies, academic researchers, and media and commercial organizations.

In total, NORC collected 3,219 interviews, 3,105 in English and 114 in Spanish. The margin of error for the sample of 3,219 is +/- 2.17% at the 95% confidence level. Smaller subgroups will have larger error margins. Panelists were offered the cash equivalent of \$2 after successfully completing the survey.

Final data are weighted by age, gender, race/Hispanic ethnicity, housing tenure, telephone status, education, and Census Division to be proportionally representative of the U.S. adult population. Key demographic characteristics (after weighting is applied) of this sample are presented below:

- 52% female
- Average age of 46 years old
- 64% White, Non-Hispanic
- 37% 4-year college graduates
- 49% have a household income of \$60,000 or more

The qualitative online discussion board was used over three days (July 14 – 16, 2020). One day (July 15) was focused on online platforms. The previous day (not included in this report) focused on product safety. The third day was a wrap-up day for both sessions. Participants were required to engage in the two days of the discussion. The online discussion was delivered via the online platform Qualboard offered by 2020 Research using a quota sample. Each day, a different member of the Consumer Reports Research group moderated the discussion. Participants were recruited to represent a mix based on gender, age, race/ethnicity, education, household income, employment status, marital status, political affiliation, home ownership status, and those with children in their household. In total, thirty-four participants completed the online platform portion of the study. Study participants logged in to the Qualboard message board and responded to a set of open-ended questions at their convenience throughout each day. The moderator asked follow-up questions as needed throughout the discussion. Participants received an email or SMS notification when they had new questions available to answer on the message board. We estimate that participants spent approximately 30 minutes per day for three days responding to study questions. Participants who finished all questions (across all two topics) were offered a \$125 incentive for participating.