

The digitalization and other related technologies create major challenges for consumers and companies in the retail sector. The dominance of the American internet giants, Google, Amazon, Facebook and Apple (= GAFAs) is more and more challenged by large Chinese companies, the so-called TABs (Tencent, Alibaba, Baidu). Comparable European players do not exist.
(cf. Heinemann 2019, p. 3, 14 f)

Shopping via non-European online marketplaces or directly with companies in so-called third countries (all non-EU countries) means special risks for consumers. It is true that non-European traders must stick to EU laws and regulations when they operate in Europe. However, the consumer protectors of the VKI report that legal enforcement, returns (for example back to China), or repairs are a big problem.
(cf. Verein für Konsumenteninformation 2020)

Customs duties and import duties

When ordering in third countries, products that seem to be cheap can become much more expensive because of additional import duties. These must be added to the value of the goods to get the total price. Import duties are:

- Shipping charges
- Customs duties (starting from a value of goods of 150 euros)
- Import turnover taxes
- Special taxes (excise taxes)
- Service charges of the post office, the transport company, or delivery service

(cf. Bundesministerium für Finanzen)

Unsafe products

According to a study by several European consumer protection organizations, two out of three products bought online are against EU safety regulations. There are special risks with electrical products that can cause fires, toys, children's clothing, and baby equipment. Online marketplaces usually only act as intermediaries.

Therefore, the contract is not concluded with the mediating website, but with the seller, and the websites hardly take over any responsibility for the products. Further, the liability is unclear.
(cf. Verein für Konsumenteninformation 2020)

Fake shops

This term is used to describe online stores that cheat. As a rule, payment is required in advance, but the shops then never deliver the ordered goods. It makes sense to inform yourself in advance about the seller and to be skeptical about very cheap offers. The Internet-Ombudsstelle and the Watchlist Internet provide information and a list of warnings of dishonest online stores.

Further risks

In addition, there are further risks when shopping via online stores outside the EU, for example, fake products, offers at bargain prices (but for which you then need to pay a higher price), retailers going underground, or the confiscation of goods that have not been cleared by customs.
(cf. Proissl 2019)

For example, a well-known Californian shopping app that advertises high discounts, repeatedly blocked a customer account after a person returned the goods. There were also complaints about damaged or poorly processed products coming from this website. The company does not buy and sell itself, but the sellers are often from China, which makes complaints and returns very problematic.
(cf. Verbraucherzentrale 2022)

Warranty and guarantee

Warranty and guarantee are central rights of buyers. The warranty is the legal liability of dealers for defects that already existed at the time of delivery of the goods. A guarantee is the voluntary promise (per contract) to take over responsibility for certain defects that occur in an item during a certain period of time.



Transfer of risk in the mail-order business (damage in transit)

If ordered goods are shipped by a company, the risk of loss or damage is transferred to the consumer as soon as the goods are delivered. For example, if a good arrives already damaged, the company must deliver a new one.

Return in original packaging?

There is a special right of withdrawal for businesses concluded at a distance. Consumers can make use of the right of withdrawal within 14 days without giving any reason. The costs of returning the goods in case of withdrawal must be paid by the consumer. If the company has not informed the consumer of this fact, the company will have to pay it. Of course, the company can also voluntarily take over the return costs. If companies give a right of return that goes further than the legal framework, they can demand the return of the goods in their original packaging. If the goods are sealed, the right of return expires when the original packaging is removed. For example, this applies to DVDs, CDs, or software.

In addition to these risks for consumers, stationary retail is coming under increasing pressure from the dominant position of the sellers mentioned at the beginning (Amazon and Co.).

Impact of online retailing on stationary retailing

The booming online retail creates major challenges for stationary retailers. They are struggling with decreasing customer frequency and stagnating sales, while online retail, including mobile commerce, is increasingly gaining market share.
(cf. Heinemann 2019, p. 7)

Retail based on the classic 'residence principle', where consumers go into shops to buy goods, has changed dramatically. Digital competition

affects all elements of the traditional retail value chain, such as:

- Transport, distribution, and storage of products
- Determination of customer needs, assortment selection, and product composition
- Guarantee/warranty, services, and returns
(cf. Heinemann 2019, p. 13)

This also changes purchasing behavior. Price comparisons, the popularity of products, and their availability are first looked up on the internet before buying. The decision-making process takes place way before the purchase. The potential contact points between deciding and buying (that exists for the classic purchasing process) are not at the same time and in the end the retail company loses importance for customers.
(cf. Heinemann 2019, p. 10)

The consequences can be seen in the centers of small and medium-sized towns, where one can find increasing vacancies.
(cf. Heinemann 2019, p. 31)

According to calculations by the Handelsverband Österreich, every year around 20,000 jobs are lost in Austria because of the activities of Amazon, Zalando and Co.
(cf. Der Standard 2019)

By far the largest company in online retail in the Western hemisphere is Amazon.
(cf. Heinemann 2019, p. 15)

The example of Amazon can be used to show some of the problem areas in this industry.

Working conditions

Trade unions criticize the payment of employees in the logistics centers. For example, the German trade union verdi demands payment according to the collective agreement for the retail and mail-order business. However, Amazon says that it can be a fair employer even without this agreement.

In Austria, the situation is better than in Germany because of the high coverage by collective agreements. Worldwide, however, trade unions say that Amazon causes the most difficult cases, often because of wage dumping.

In addition to Amazon's treating its employees badly, the Austrian trade union vida also points to violations of workers' rights who act as Amazon's subcontractors. Social dumping, false self-employment, and illegal employment in the delivery industry have been criticized for years.
(cf. Vida trade union 2020)
(cf. Der Standard 2019)

Ecological consequences

The environmental footprint of online retailing is usually worse than stationary retailing. Short delivery times result in a high logistical effort. Local delivery services cannot travel nearly as economically as they would like to. If deliveries cannot be made at the first attempt, additional routes are necessary. If the goods reach the customers, many of them are returned later. In most cases, this is done with clothing. Orders placed carelessly or orders of different clothing sizes to try on contribute to this. Back at the retailer, it is sometimes cheaper to destroy the new goods than to inspect and repack them. In addition to these reasons, the high cost of packaging is another fact that adds to the poor environmental performance of online retailing.

By only buying things online that are not available at the local retailer, one can greatly reduce the ecological footprint. Of course, when shopping at stationary retailers, environmental and social standards should not be forgotten. However, in the end, the ecological footprint of purchases on the internet can be improved by placing collective orders, by ordering from online retailers in the region, or by avoiding express deliveries.
Cf. Verbraucherzentrale 2021

Related links

Customs and import duties

- www.verbraucherzentrale.de/wissen/digitale-welt/onlinehandel/was-muss-ich-beim-onlineshopping-im-ausland-beachten-6781
- www.ndr.de/ratgeber/verbraucher/Online-Shopping-im-Ausland-Was-muss-ich-beachten,onlineshopping160.html
- www.import-shopping.de/zoll-und-steuernach-oesterreich-berechnen

Fake shops

- www.ombudsstelle.at
- www.watchlist-internet.at/fake-shops
- www.verbraucherzentrale.de/wissen/digitale-welt/onlinehandel/abzocke-online-wie-erkenne-ich-fakeshops-im-internet-13166

Online shopping

- <https://europakonsument.at/taxonomy/term/217>

Warranty and guarantee

- www.konsumentenfragen.at/konsumentenfragen/Rund_um_den_Vertrag/Nach_dem_Kauf/Gewahrleistung_und_Garantie.html

Return shipping in original packaging

- www.konsumentenfragen.at/konsumentenfragen/Rund_um_den_Vertrag/Besondere_Vertragsarten/Fernabsatz.html
- www.verbraucherzentrale.de/wissen/digitale-welt/onlinehandel/muss-ich-online-bestellte-ware-in-der-originalverpackung-zurueckschicken-28096

Contact points for consumer protection

- www.konsumentenfragen.at/konsumentenfragen/Wichtige_Ansprechpartnerinnen/Organisation_des_Konsumentenschutzes_in_Oesterreich.html

**Out-of-court dispute resolution for consumers**

- www.oesterreich.gv.at/de/themen/gesetze_und_recht/gerichtsorganisation_der_justiz/zivilrecht/1/1/Seite.1010144

Buy consciously and live sustainably

- www.bewusstkaufen.at

Sources and links

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www.bmf.gv.at/themen/zoll/post-internet/internet-shopping-versandhandel.html

Der Standard (2019). **Händler und Gewerkschaft treten erstmals gegen Amazon auf.**

www.derstandard.at/story/2000097614808/haendler-und-gewerkschaft-treten-erstmal-ge-meinsam-gegen-amazon-auf

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Verbraucherzentrale (2021). **Umweltfreundlich im Internet einkaufen – geht das?**

www.verbraucherzentrale.de/wissen/umwelt-haushalt/nachhaltigkeit/umweltfreundlich-im-internet-einkaufen-geht-das-26661

Verbraucherzentrale (2025). **Meine Rechte beim Onlineshopping.**

www.verbraucherzentrale.de/wissen/digitale-welt/onlinehandel/meine-rechte-beim-onlineshopping-28123

Verein für Konsumenteninformation (2020).

Online-Marktplätze: Vorsicht beim Kauf. Produkte häufig nicht sicher.

www.konsument.at/online-marktplaetze-vorsicht-beim-kauf-032020?pn=4

Notes