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What are the three main tips you give to foreign companies coming to Czech Republic? Specifically small- to mid- sized companies?

There are not much specificities in the Czech Republic in comparison to other EU countries regarding e-commerce business. The main issues that foreign companies should take into account are following:

- Specific approach of Czech people to retailers in general. The customers are very price sensitive (especially in online business – everybody is searching for the best price) but also attracted by brands (searching for brands that can be bought by lower prices)
- Transactions on online market are increasing in number and in amounts – a lot of people use smart technologies (not only young people). There is less conservatism than in other EU countries.
- A lot of young people are attracting by goods that are produced environment-friendly and in organic quality or with taking into account sustainable production.

Do you think there are economic benefits from online retailers becoming and/or remaining ethical?

Ethics in e-commerce can cover more facts for example:

- Selling goods that are environment-friendly produced and production is without any harm to other ethical issues (children work etc.),
- Transactions realized online are secure,
- Personal data are not misused or sold,
- Customers are not misled by presenting them different goods online than in reality (using correct photo or video) or by presenting incorrect data about goods (quality, functions, other information).

Being ethical in above mentioned areas brings to the company prestige and can lead to increase of turnover and also loyalty of customers. The company can use such behavior also for promoting its approach to gaining new customers.

Moreover if there is any weaknesses in these issues the company's reputation is deteriorating very fast because of negative references from others spread online. So it is very risky to handle these areas without sufficient care.

How do companies/organizations manage ethical issues to protect their e-commerce privacy, security, trust and intellectual property?

In e-commerce business the ethical issues are the most

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important issue as described above. Majority of companies are aware of it and try to manage the issues carefully. Of course there are some others (mainly new start-ups) that need more development in this area but they know about the risks very much and try to avoid it.

The small companies try to use advisors that can limit the risks and set up some basic security and privacy rules in e-commerce including safety of all IT environment of the company. The companies try to be as much transparent as possible that is very important to be seen as trustful partner for customers – all claims should be taken very seriously and with sufficient care. Companies even checks the references in public online forums and try to understand negative references and find the way how to answer on it. This approach will reduce possible bad reputation.

How is Czech Republic different regarding ethics/compliance when compared to other EU countries?

Czech Republic is very similar to other countries regarding ethics. Due to the fact that Czech people are not very conservative and are keen on technologies the risks are much promoted. Therefore a lot of people are aware about their rights and companies have to react appropriately.

What regulatory/legislative measures in Czech Republic are currently have a positive and/or negative impact on SMEs attempting to become more ethical?

Except GDPR or some tax law or EU legislation regarding e-commerce there is no other specific legislation related to e-commerce in the Czech Republic. Some companies promote there special ethics rules (usually more tough than standard legislation). It is presented as advantage to customers because the care is something that can differentiate companies among them.

Moreover GDPR and EU legislation force companies to be more ethical and try to secure customers against main risky issues in e-commerce (misuse of personal data or misleading of customers).

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Do you feel Czech consumer trust in online retailers is declining?

The recent evolution shows that the consumers are informed and choose retailers that are well known and present very high level of security and trust. Even the approach to returning the goods is very important (based on the legislation customer can return online bought goods within 14 days from the purchase without any restriction) – the information about it is widely spread among customers. Therefore Czech consumers trust in online retailers very much in general but differentiate retailers based on the references received.

It seems from both perspectives, both consumer and retailer, there is a usage of and reliance on cross-border trade?

Czech customers use also the foreigners' webs and retailers because they are comfortable with English so they can order a lot of things out of the Czech Republic. Nevertheless the knowledge of foreign rules and legislation is poor and therefore the easiest way is to buy thing within EU because there is no problems with deliveries or duties. Even though a lot of people buy things also from US or China – especially due to very competitive prices. The increase in these cross-border transactions is visible and relates on a positive references to such transactions.

What are some of the main ethical issues businesses have to deal with in e-commerce?

The most important is a security of personal data and correct approach to the customers. If some of it is inappropriate the number of customers decreases immediately – the negative information especially in e-commerce is very fast and discourage other potential customers.

What are the opportunities and challenges for businesses to apply business ethics in their online trading? Generally, and more specifically for Czech Republic?

If the company promote some additional approach towards ethics it can bring additional customers to them in general. Of course the information about high security attracts also hackers to check if the information is correct so the company could face some more sever attacks from hackers.

In the Czech Republic the online business is the fastest growing industry and therefore it should be very attractive for investors. Nevertheless the risks related to it are also

very important and the importance is increasing as well during time.

How are consumer preferences and/or behaviors shaping the conversation around business ethics and online trading?

Similar to other countries the media image of business ethics and e-commerce shape the behavior of customers. Especially in online business it is very visible – information is spread very fast and negative information even much faster. The customers are then very sensitive on such information and react accordingly. Therefore the company should check very carefully all information about the market and itself because some small negative information can destroy totally its reputation (even it is a fake information). People tend to believe all information in media even though there is no evidence of the correctness. Therefore the reaction of company to any such information should be also very fast and explain all necessary impacts related to such information (especially if it could have a potential impact on the company).

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