Wireless Code Public Opinion Research

Fall 2016

Executive Summary

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1. Executive Summary

1.1. Research Purpose and Objectives

In 2013, the Canadian Radio-television and Telecommunications Commission (CRTC) created the Wireless Code so that consumers of retail mobile wireless voice and data services would be better informed of their rights and obligations contained in their wireless contracts. The CRTC committed to evaluating the Wireless Code in 2016-2017 to assess whether it continues to meet its objectives. As such, the CRTC seeks to understand the impact of the Wireless Code over time on consumers' understanding of their contracts and related rights. Public Opinion Research (POR) related to the Wireless Code was conducted each year since 2014, with reports being published in Spring 2014, Spring 2015, and Spring 2016 respectively.

The primary purpose of the fall 2016 POR is to provide a deeper understanding of some issues affecting wireless consumers including complaints, data usage and bill shock. More specifically, the survey was designed to address the following objectives:

- Better understand some of the issues that affect Canadians the most as it relates to their wireless services to support the evaluation of the Wireless Code.
- Obtain data to assess whether the Wireless Code continues to meet its objectives, which include ensuring that consumers are empowered to make informed decisions about wireless services.
- Obtain more in-depth information on wireless complaints, data usage and bill shock.
- Allow for a more in-depth analysis of the experience of Canadians in each of the provinces in the Prairies.
- Better understand Canadians' perceptions of the CRTC and how they are changing over time.

For tracking purposes and comparability over time, a questionnaire similar to the one used for the Spring 2016 POR was developed along with new questions designed to obtain additional information.

1.2. Summary of Findings

Canadians and their Wireless Devices

Mobile phones and wireless devices are a staple of Canadian life. With nearly universal adoption in Canada of mobile phones (91%) or any wireless device (93%)[1], the Wireless Code has become more important than ever. Furthermore, the rapid increase in smartphone ownership (87%) by Canadians (up 22% from 65% in 2015) points to the growing importance of data in particular. This is further supported by the fact that wireless plans are being used for all aspects of Canadians' lives, from calling to texting, to using the internet,

[1] Connected Life 2016 - http://connectedlife.tnsglobal.com/

navigating, banking and shopping. Indeed, the use of mobile phones and thus their wireless plans permeates all aspects of Canadians' lives. Most common are calls (92%) and texts (84%) followed by using the internet (74%), reading emails (72%) and using apps (70%). Social media (59%), navigation (58%) and online banking (45%) are also popular uses of wireless plans. Less popular, but still undertaken by a sizeable proportion of Canadians, are playing online games (31%), working (30%) and online shopping (26%).

Wireless Data Usage

Mobile wireless plans that include data have become increasingly common in Canada (72%). Most plans have limits on the amount of data included; however, some plans (16%) offer unlimited data. As a result, many Canadians try to manage or limit their data by using Wi-Fi or reducing data use. Few (36%), however, use tools to track or monitor data use.

While many Canadians (75%) consider it easy to manage data use, a considerable number (46%) have paid data overages in the past year, which suggests that some Canadians are struggling to manage their data in a way that prevents additional fees.

Bill Shock

While fewer than in the past (-7% since 2014))[2], a sizeable number of Canadians (21%) continue to experience bill shock, suggesting there continues to be room for improvement in this area moving forward. Canadians struggle with tracking how much data they use, understanding and managing the cost of international roaming fees and keeping track of how many calling minutes they have used.

Heavier users of wireless plans (26-31% vs 11-15%) are more likely to experience bill shock. Thus it is not unexpected to see that younger Canadians (18-54) are substantially more likely to experience bill shock than their older counterparts (24-25% vs 15%). As well, those with higher household incomes ($150K+) (36% vs 16-22%), those with family plans (28% vs 19%) and those with limited data (27% vs 14%) are also more likely to experience bill shock.

The amount of the unexpected charges varies greatly – from less than $50 to over $1,000 in one billing cycle. Most (64%) incidents of bill shock are $100 or less.

Complaints

Canadians are making fewer complaints suggesting the Wireless Code is having positive impacts for wireless consumers. Seventeen per cent of Canadians made a complaint about their wireless services in the last year. Complaints are down by 35 per cent in the past two years and 20 per cent of the 35 per cent has occurred in the last six months. Canadians that tend to complain, do so often, averaging 2.88 complaints in the past twelve months. They tend to complain to their service provider and mostly about incorrect charges on their bill, data charges, poor service quality and misleading contract terms.

Very few Canadians (2%) raise their complaint with the CCTS and mostly because they are unaware of its existence. Most Canadians (69%) do not recall being informed about the CCTS by their service provider suggesting alternative approaches to increasing awareness may be necessary.

[2] 28% in 2014; 29% in 2015; 24% in Spring 2016

One quarter (25%) of complainants feel their complaint was not resolved and close to half (46%) are not satisfied with the resolution of their complaint. 2015 and Spring 2016 results indicate higher satisfaction among those who raised their complaint with the CCTS.

Regional Differences

Regional analyses were undertaken to assess significant differences between regions (Atlantic, Quebec, Ontario, Prairies, BC and the Territories) and due to the presence of a fourth major carrier in the Prairies, further analyses between the provinces of Alberta, Saskatchewan and Manitoba were also undertaken. No significant differences were found between the Prairie Provinces and limited differences were found regionally. More specifically, Canadians in the Atlantic were less likely to have a wireless plan with data (57%) compared to the rest of Canada (76%) and more likely to have a tab plan (21% vs 4-6%). Furthermore, Quebeckers are least likely to experience bill shock (12% vs 19-31%) and least likely to complain (4% vs 14-24%), consistent with results from previous years. This may be related to the provincial consumer protection legislation that Quebec has had in place since 2009 - Quebec's Bill 60. Quebeckers are also less likely to own their own phone (59% vs 69-78%) and have a tab contract instead (15% vs 2-4%) and more likely to have a pre-paid plan (24% vs 10-19%).

Demographic Differences

A number of additional demographic analyse were also undertaken including age, gender, education, income and language. The most significant differences were related to age and income.

Age

Canadians 18-54 are substantially different than their older counterparts (55+) in a number of ways:

- They use their wireless plan more often and for a wider variety of tasks;
- They are more likely to have a wireless plan that includes data (78-85% vs 51%);
- They are more likely to manage or limit their data use (90-96% vs 80%);
- They find it more difficult to manage their data usage – especially those 18-34 (18% vs. 11-12%);
- They are more likely to have experienced bill shock (24-25% vs 15%); and
- They have a lower satisfaction with the resolution of their complaint (30-37% vs 59%)

Income

Canadians with higher household incomes also differ from those with lower incomes (<$60K) in a number of ways:

- They use their wireless plan more often and for a wider variety of tasks;
- They are more likely to have a wireless plan that includes data (76-89% vs 59-61%);
- They are more likely to have postpaid accounts (86-93% vs. 71-80%); and
- Those with very high incomes ($150K+) are more likely to experience bill shock (36% vs 16-22%)

CRTC

Over the past two years, Canadians' understanding of the mandate and role of the CRTC has declined somewhat. Overall impressions of the CRTC tend to have remained the same and are mostly neutral or positive with only 12 per cent having negative impressions of the CRTC. Older Canadians have more positive impressions of the CRTC compared to younger Canadians.

Strategic Implications

The results of this research provide support to suggest the Wireless Code has had positive impacts for Canadians. It also provides information that may inform future processes at the CRTC. More specifically:

1. Spring 2016 results indicate data within wireless plans is becoming increasingly essential to Canadians. Furthermore, the results of this survey show that a variety of activities that Canadians use their wireless services for require data. Thus, it is important for the CRTC to ensure the Wireless Code fully reflects and addresses Canadians' increased interest and growing use of wireless data.
2. Managing data overages in a way that prevents additional fees continues to be a struggle for many Canadians. Initiatives that address managing or reducing overages may be of particular relevance and interest to Canadians.
3. While bill shock is down significantly in the past three years, it continues to be an issue for one-in-five Canadians. Initiatives that address consent to overage fees, tracking data use, improved understanding of international roaming fees (both data and calling) and tracking calling minutes may help to reduce bill shock among many Canadians.
4. Awareness of the CCTS continues to be low among Canadians despite requirements of service providers to inform consumers about it. Alternate approaches to increasing awareness and informing customers about the CCTS may be required to improve awareness.
5. Wireless complaints tend to be directed to Canadians' wireless service providers, and Canadians tend to be dissatisfied with the resolution offered. Previous research indicates improved awareness of the CCTS also increases satisfaction with complaint resolution. Thus, improving awareness of the CCTS has the potential to improve satisfaction with complaint resolution.

1.3. Methodology

The methodology was designed to ensure consistency with the last Wireless Code survey conducted by TNS in the Spring of 2016. A telephone survey was conducted among 1,483 Canadians age 18 years and older; 1,277 with those who have their own wireless plan and 206 with those who do not have a wireless plan. The sample was split into two distinct segments: Canadians who currently have a personal wireless plan covering services such as voice, text and data and Canadians who do not currently have a personal wireless plan. Interviews were conducted using random landline telephone sampling sources. Only landline phones were targeted for this survey as results from previous research indicate there are no discernible differences of opinions based on landline versus cell phone respondents. A pre-test consisting of 10 completed English interviews and 10 completed French interviews was completed before fielding the survey on August 29th, 2016. The survey was in field from September 6th to September 19th, 2016. The sample for this study was a probability sample and as such the findings can be extrapolated to the Canadian population with a margin of error of +/-2.5 per cent, 19 times out of 20.

1.4. Contract Value

The total contract value for this project was **$59,934.45** including HST.

1.5. Statement of Political Neutrality

I hereby certify as Vice President, Ottawa Regional Office & Public Sector Practice Lead of TNS Canada Ltd. that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences and standings with the electorate or ratings of the performance of a political party or its leaders.

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