

You Have Choices: Choosing a Service Provider – Online Survey

*Executive Summary*

December 2016

Prepared for the Canadian Radio-Television and Telecommunications Commission

Contract Award Date: August 18, 2016

Contract #: 82082-170119/001/CY

POR Number: POR 034-16

Department Contact: communications@crtc.gc.ca

*Ce rapport est aussi disponible en français.*

# Political Neutrality Certification

I hereby certify as Senior Officer of Quorus Consulting Group Inc. 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, standings with the electorate or ratings of the performance of a political party or its leaders.

Signed:



Rick Nadeau, President

Quorus Consulting Group Inc.

# Executive Summary

## Research Purpose and Objectives

The Canadian Radio-television and Telecommunications Commission (CRTC) commissioned Quorus Consulting Group (Quorus) to conduct a survey to better understand the triggers, resources and types of information relevant to Canadians as they switch, subscribe or consider a telecommunications, Internet or television service provider. These insights will help the CRTC redesign an existing online tool called *Service Providers Near Me*.

Specifically, the objectives of this project are to:

* Identify the frequency and the triggers that explain why Canadians would switch service providers;
* Identify the influencers and broader reasons behind switching;
* Identify how they choose between providers; and
* Group the above information into logical audience personas that will be used to create user goals, user tasks and use case scenarios.

## Summary of Findings

Behaviours towards communication service providers were explored on a per service basis, given that respondents may not subscribe to all services and attitudes could also differ depending on the service. Therefore, results are herein organized by each of the communication services used.

### Over-the-Air Television (OTA TV)

Half of Canadians are aware of whether or not OTA TV is an option in their area, with most claiming that it is available. The remaining half of Canadians don’t know if it is available in their area.

Over half of those aware of OTA TV have seriously looked into accessing free TV channels for their home, mainly using Google or other search engines. A few would use the CRTC website or web sites from television service providers. The information sought includes the number of channels available, the equipment needed, specific channels available or if OTA TV is accessible in their area.

### Defining User Segments

For each of the four main services explored in this study, survey respondents were classified depending on their sign-up or switching intentions or based on their switching behaviour during the last year. The user segments are defined as follows:

* *Intenders:* Not subscribed to the service today but intend to subscribe within the next 6 months.
* *Considerers:* Have a service today and have considered switching service providers within the last year.
* *New Subscribers:* Have a service today but signed up for the first time within the past year.
* *Switchers:* Have a service today and switched service providers within the past year.
* *Status Quo:* Have been with their current service provider for over a year and have not considered switching.
* *Non-subscribers:* Do not subscribe to the service today and have no intention of doing so within the next 6 months.

### Paid Television Services

The largest user segment when it comes to paid television services is the *Status Quo* segment (roughly one-third), followed by *Considerers* and *Non-Subscribers* (roughly one out of five respondents in each segment). Fewer than 10% fall into each of the *Intender, Switcher* and *New Subscriber* segments.

Among *Considerers*, two thirds considered switching once or twice, and the other third considered switching at least three times. Among *Status Quo* subscribers, 7 in 10 are open to switching service providers, while the remaining feel they will probably never switch service providers.

Specific events that trigger the idea of switching service providers among *Considerers* are mainly when the service bill received is higher than usual, or when the service does not work as expected. Other triggers, not only for *Considerers* but also for *New Subscribers, Switchers* and *Intenders* include the perception of high prices, better offers from competitors, or specific channels or content wanted. The main barrier to switching among *Considerers* is the perceived hassle of going through the process.

Overall, respondents estimate there are on average three (3) paid television service providers in their area to choose from. In order to find one, respondents mainly turn to their family and friends for advice, visit specific service provider websites, use Google or other search engines in general, or call sales representatives from service providers. *New Subscribers* are more likely to use online sources (websites, social media, blogs or chat rooms) compared to other segments.

When looking for information to choose a paid TV service provider, the most important information for respondents are (in order of importance): the monthly price, the cost of the service or any equipment needed, and the channel packages.

Over 4 in 5 respondents say it was easy to find the information they were looking for. Among those who didn’t feel the information was easy to find, nearly one third had trouble finding information on the monthly price, the television channel packages available, and the cost of equipment needed (set-up boxes, satellite dish, etc.).

### Internet Services

The largest user segment when it comes to internet services is the *Status Quo* segment (roughly one-half), followed by *Considerers* (roughly one fifth), *New Subscribers* and *Switchers* (roughly one out of ten respondents in each segment). Fewer than 10% fall into each of the *Intender* and *Non-Subscriber* segments.

Over 7 in 10 *Considerers* thought of switching internet service providers once or twice during the last year, while the remaining considered switching at least three times. Two thirds of *Status Quo* subscribers are open to switching service providers. Nearly a third of *Considerers* indicated there was a different reason every time they considered switching over the past year. Other common triggers included a higher bill than usual or whenever the service didn’t work as expected (as noted by a quarter of *Considerers*). Another main reason to switch is the high cost of the service, particularly for *Considerers* and *Switchers*. The former, however, have not switched mainly because they find it is too much trouble, or the setup costs with a new provider would be too expensive.

On average, internet subscribers believe there are four (4) service providers in their area. When looking for information on them, at least two out of five visit specific service provider websites, speak to friends, family or coworkers, or do a general search on Google or other search engines.

In terms of the type of information that is of greatest interest, respondents tend to focus on the monthly price, the set up costs of any equipment, the internet speed in their area, and the monthly data cap.

Overall, four in five say it was easy to find the information for which they were looking. Among those who say it was difficult to find certain information, nearly one third had trouble finding information on the monthly price of the service, as well as the internet speed in their area.

### Home Phone Services

The largest user segment when it comes to home phone services is the *Status Quo* and *Non-Subscriber* segments (roughly two out of five respondents in each segment), followed by the *Considerer* segment (roughly one tenth). Fewer than 10% fall into each of the *Switcher*, *New Subscriber* and *Intender* segments.

Among *Considerers*, nearly two thirds contemplated switching home phone service providers within the last year once or twice, and another third considered switching at least three times. Three in five *Status Quo* subscriber are open to switching providers. *Considerers’* most common event triggering the idea to switch home phone service providers is the moment they receive their bill. However, this segment ends up not changing providers as they perceive this would be too much trouble for them. Other common reasons that tend to motivate individuals to switch or select a specific provider include being offered a better priced service or a promotion, or finding their current service too expensive and an increasing bill.

Respondents believe there are on average three (3) service providers in their area. To decide how to choose one, subscribers and *Intenders* mainly visit service provider websites, speak with family, friends and coworkers, or use Google or other search engines. The most important information sought for these respondents is the monthly price, followed closely by the costs related to setting up the service or the equipment required, as well as the availability and cost of calling features.

Over 4 in 5 respondents feel it was easy to find the information they were looking for in regards to home phone service providers. Those who felt it was difficult to obtain the information they needed say the information most difficult to find was the monthly price of the service, equipment or service set up costs, as well as contract or commitment terms.

### Cellular Services

The largest user segment when it comes to cellular services is the *Status Quo* (roughly three out of five respondents), followed by *Considerers* (roughly over one in ten respondents). Fewer than 10% fall into each of the *Switcher*, *New Subscriber,* *Intender, and Non-Subscriber* segments.

Over 7 in 10 *Considerers* have thought about switching service providers in the last year at least twice. Over a quarter have considered switching at least three time in the same period of time. Nearly two thirds of *Status Quo* subscribers are open to the idea of switching service providers.

The most common events triggering *Considerers* to think of switching cellular service providers are when they get their bill, every time their service does not work as expected, and every time they get a bill that is higher than usual. However, they are most likely to refrain from switching because of stipulations in their current contract, the trouble associated with switching providers, or the expensive contract termination fees. Other reasons that typically compel individuals to switch or think of switching include the cost of the service and an increasing bill, or finding better prices or promotions from competitors.

Respondents believe there are on average six (6) cellular service providers in their area. To find information about these providers, respondents mainly resort to service provider websites, speak to friends, family or coworkers, or do a general search on Google or other search engines.

The most important information sought regarding cellular services include the monthly price of the service, data plans, cellular coverage areas, types and price of cell phones available, as well as the availability and cost of calling features. Information on cellular services are considered easy to find by over four out of five respondents. Information that is relatively more difficult to find is the monthly price, cellular coverage area, roaming rates, data plans, and contract or commitment terms.

### Technology User Behaviour

This research also explored the devices used to do research on communication service providers. At least four in five respondents used their devices at home, particularly laptops or chromebooks. Not surprisingly, smartphones are used the most when conducting research on the go, or at work/school.

For all services, including OTA TV, respondents have a stronger preference to have an online tool that helps them search information based on their city or postal code.

Respondents’ attitude towards bundling their communication services leans towards bundling two services, mainly paid TV and Internet. Those considering bundling three services would include Paid TV, Internet, and home phone services.

### Final Observations

Considering OTA TV has existed for much longer than paid television service, awareness of the service seems low. Behaviours towards other communication services are similar in terms of motivations to select a provider or switch to another one. Regardless of the service, most respondents are aware and willing to switch providers if they feel the service or price is not meeting their needs or expectations. It is clear communication services users are vigilant of their expenditures towards these services and the value for their money is the most important subscription driver, and therefore the most important type of information that needs to be readily available to them. Service monthly price, costs of equipment, contract terms, and service and plan details such as channel packages, internet speed and data caps, calling features, coverage areas, types and costs of devices, roaming fees, or other information with an impact on the service cost are considered crucial for consumers when it comes to selecting their service provider and the service plan that best meets their needs. This information also needs to be accessible on all types of devices as there seems to be equal use of devices when conducting research.

## Methodology

The research approach consisted of an online survey with Canadians, between the ages of 18 and 55, who have an Internet connection and any of the following: a smartphone, a desktop, a tablet or a laptop. Respondents also needed to have access to or otherwise express an intention to subscribe to any of the following: over-the-air (OTA) TV, paid TV, mobile or landline phone, or Internet services. For the services to which they subscribe or intend to subscribe, the respondent needed to be one of the household’s main decision-makers or influencers.

Respondents were invited from a panel of Canadians. In total, 1,200 surveys were completed with Canadians between October 3 and October 17, 2016. Quotas were established to ensure sufficient representation in specific regions to make sure regional analysis was possible. Because of the non-probability sampling nature of online panels, a valid margin of error cannot be calculated. The margin of error for a comparable probability-based random sample of the same size is +/- 2.8%, 19 times out of 20. The data in this report is weighed to replicate actual population distributions by province, age, and gender, within Canada according to 2011 Census data.

**Supplier Name: Quorus Consulting Group Inc.**

**PWGSC Contract Number: 82082-170119/001/CY**

**Contract Award Date: August 18, 2016**

**Contract Amount (including HST): $38,457.86**

**For more information, please contact the CRTC at: communications@crtc.gc.ca**