Wireless Code Public Opinion Research 2018

Prepared for the Canadian Radio-television and Telecommunications Commission

POR 068-17

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1. Executive Summary

1.1. Research Purpose and Objectives

The Wireless Code, which was established in 2013 by the CRTC, is a mandatory code of conduct for wireless service providers and applies to all retail mobile wireless voice and data services provided to individual and small business consumers in Canada. The Wireless Code applied to all wireless contracts as of June 3, 2015.

The CRTC committed to evaluating the effectiveness of the Wireless Code and recently completed a review to assess whether the Wireless Code meets and continues to meet its objectives, which includes ensuring that consumers are empowered to make informed decisions about wireless services. On June 15, 2017, the CRTC announced multiple changes to the Wireless Code, which came into effect on December 1, 2017.

The information collected in the 2018 Wireless Code public opinion research (POR) will help the CRTC assess whether Canadians are satisfied with the changes and whether further changes are required to ensure the objectives of the Wireless Code continue to be met. Additionally, the 2018 Wireless Code POR continues to monitor trends related to the perceptions of the CRTC and has added a number of questions related to Canadians' understanding and satisfaction with the new Television Service Provider (TVSP) Code, which came into effect on September 1, 2017.

The methodology was designed to ensure consistency with previous iterations of Wireless Code PORs conducted in the Fall and Spring of 2016.

This POR 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 ongoing 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.
- Better understand Canadians' perception of the CRTC and how it is changing over time.
- Better understand issues that affect Canadians the most as they relate to their television services.

1.2. Summary of Findings

Wireless Data Usage

The composition of wireless plans has remained stable when compared to the Fall 2016 results. More specifically, wireless plans that include data continue to be common in Canada (76%). The majority of wireless plans have limited data (85%), which results in most Canadians (94% compared to 91% in Fall 2016) attempting to manage their data so as not to incur additional costs.

Canadians report finding it easy to manage their data (77%) and use tools to track their usage (59%). Despite this, a considerable portion (49%) of wireless owners report having paid data overages in the last 12 months, suggesting that data management may in fact be harder than anticipated for many Canadians.

Bill shock and Roaming fees

Almost a quarter of Canadians (24%) continue to experience bill shock suggesting that there continues to be room for improvement in this area moving forward. This is a slight, although not statistically significant increase, from Fall 2016 (21%). Some Canadians continue to struggle to track how much data they use, to understand the cost of international roaming and to understand the cost of long distance calling.

Younger Canadians (18-54) continue to be more likely to experience bill shock compared to those who are 55 years of age or older (21-63% vs. 15%), as are those with tab contracts (29% vs. 21%), and not unexpectedly, those who find data management difficult (62% vs. 19%).

The amount of unexpected charges varies greatly – from less than $50 to over $1 000 in one billing cycle. Most of the unexpected charges continue to be $100 or less (61%).

Almost one in every five Canadians (17%) finds it quite difficult to manage roaming fees while travelling. Men find managing roaming fees easier to manage than women (56% vs. 48%), as well as those with a higher income (68% vs. 39-53%).

Understanding of Contracts

A majority of Canadians (61%) find their contracts clear and easy to understand. This is truer for those aged 18-34 when compared to older Canadians (74% vs. 55-56%). Unlimited data contracts seem to be easier to understand (70% vs. 42%) for many Canadians and those who find data management easy also find their contracts easier to understand (70% vs. 42%).

The newly instated trial period explanation is somewhat unclear to many Canadians. It was found clear and easy to understand by only one in three Canadians (36%). There is also some indication that the trial period may be more confusing for those with a higher education. Those with higher education levels are more likely to find the explanation unclear or difficult to understand compared to those with lower education levels (44% vs. 31%). A more thorough investigation into this would be required.

Some Canadians are also having some challenges related to the explanation of cancellation fees. One in four Canadians find the explanation unclear. Interestingly, the data also shows that Canadians with higher educations are more likely to find the cancellation fee explanation unclear (32% vs. 18%) which raises a red flag as to how well this clause is really understood.

Changes

When it comes to changes to contracts, a small number of wireless owners report changes being made to their contracts without prior notification (12%).

A small number of Canadians (16%) have switched service providers in the last two years with the main reason being a better deal (49%).

Complaints

Canadians are making fewer complaints than in the past suggesting the Wireless Code is having a positive impact for wireless consumers. Eighteen per cent of Canadians have made a complaint in the last year resulting in a decrease of eight per cent since 2014. The reasons for complaints are changing with only one of the previous four main reasons now being mentioned (compared to Fall 2016) – previous main reasons for complaints comparing Fall 2016 with 2018 results, were incorrect charges on their bill (45% vs. 17%), inadequate quality of service (25% vs. 16%) and misleading information about the terms of contract (23% vs. 12%). In 2018 data charges seem to be the biggest thorn in consumers' sides (29%), which was the fourth highest reason for complaining in Fall 2016 (32%). Consumers continue to primarily complain to their service providers (97%) with 5% of these complaints also going to the Commissioner for Complaints for Telecommunications Services (Canada) (CCTS). The CCTS responds to complaints from consumers if the consumer believes the complaint remains unresolved by the service provider.

Demographic Differences

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

Age:

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

- Younger Canadians are more likely to employ activities to manage or limit data usage. This is true for switching to Wi-Fi when available (97-98% for 18-54 year olds vs. 88% for 55+), using tools to track data (56-68% for 18-54 year olds vs. 35% for 55+) as well as reducing data usage when notified (75-84% for 18-54 year olds vs. 61% for 55+).
- They continue to be substantially more likely to experience bill shock than their older counterparts (18-35: 36% & 35-54: 21% vs. 55+:15%).
- They are more likely to have text (96% vs. 80%), calling minutes (88% vs. 80%) and data (83-87% vs. 60%) included in their wireless plan.
- They are more likely to have a tab contract (33-35% vs. 21%).
- They are more likely to choose a plan that includes a phone that was sold at a reduced price (62-64% vs. 50%).
- They are more likely to have a locked phone (35-38% vs. 27%).

Education:

Canadians with a higher level of education (university degree or higher) have slightly different outcomes compared to those with lower levels of education. More specifically:

- Canadians with a university degree or higher find their contracts easier to understand (66-67% vs. 55%).
- They are less likely to find the explanation of the trial period clear and easy to understand (31% vs. 44%).
- They are more likely to have changed their service provider (19% vs. 12-14%).
- They are more likely to have complained to their service provider in the last 12 months (21% vs 10%),
- They are more likely to make use of a promotion through an employer or association (11% vs. 4-5%).

Television Service Provider Code

Due to the relatively recent introduction of the Television Service Provider (TVSP) Code, it is not surprising that only half of Canadians have heard of the TVSP Code (56%). It is however, surprising that only half of TV subscribers (54%) believe they have been informed of their entry-level service offering, especially given the requirement that all customers should have been informed.

At an overall level many Canadians find their TV contracts clear and easy to understand (57%) and only 14% have experienced difficulties related to TV service calls. TV subscribers are usually informed of price changes (76%) and only one in four consumers have made a complaint about their TV service in the last 12 months.

CRTC

Over the past five years, Canadians' understanding of the mandate and role of the CRTC has declined. In 2014, 38 per cent of Canadians considered themselves informed about the mandate and role of the CRTC while in 2018, only 29 per cent consider themselves informed.

Overall Canadians' impressions of the CRTC continue to be more neutral in 2018 than they were in 2014. However, it is necessary to take into consideration that only one in three Canadians report being well informed of the CRTC's role which implies that two in three consumers' impressions of the CRTC are based on very little to no knowledge. In fact, when looking at the opinions of those who consider themselves very well or well informed about the CRTC's role, 50-55% are positive about the CRTC. This implies that there is still work to be done to not only inform the public of the CRTC and its role, but also to address public perceptions.

Strategic implications

The results of this research provide evidence that suggests the Wireless Code continues to have positive impacts on Canadians[1]. It also provides information to be considered for future updates of the Wireless Code and/or the Television Service Provider Code.

1. Data continues to be increasingly important to Canadians and thus also the management thereof. A considerable portion of Canadians still pay overage fees with data overages being the main cause, implying Canadians continue to struggle with data management and changes to the Wireless Code may be able to further support consumers in this area.
2. A sizeable number of Canadians still experience bill shock. Aspects to consider here include data usage tracking, the cost of long distance calls as well as the cost of international roaming. International roaming in particular needs to be addressed here as these charges seem to be harder to navigate.
3. The explanation of cancellation fees and the trial period needs to be clearer and more easily understood by Canadians. Results suggest that there continues to be a number of Canadians who do not fully understand these aspects of their contracts.
4. Initial results on the TVSP Code suggest there is room for improvement in relation to the clarity of contracts, informing customers about the basic cable package and general awareness of the TVSP Code.
5. Understanding of the CRTC is still somewhat low which in turn leads to an overall lower impression of the organization. By improving understanding, the CRTC has the opportunity to improve overall perceptions.

1.3. Methodology

The methodology was designed to ensure consistency with previous waves of Wireless Code surveys conducted by TNS in the Fall and Spring of 2016. A telephone survey was conducted among 1,345 Canadians age 18 years and older; 1,152 with those who have their own wireless plan and 193 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.

Included within the sample are 1,034 Canadians that are under contract with TV service providers.

A pre-test consisting of 10 completed English interviews and 10 completed French interviews was completed before fielding the survey on January 25th, 2018. The survey was in field from January 26th to February 8th, 2018. 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 +/3 per cent, 19 times out of 20.

[1] Please note that all note that not all service providers had fully implemented the December 2017 changes to the Wireless Code at the time of survey and as such, the results may under-represent the full impact of the December 2017 changes.

1.4. Contract Value

The total contract value for this project was **$79,903.66** including HST.

1.5. Statement of Political Neutrality

I hereby certify as a Representative of Kantar TNS 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 apolitical party or its leaders.

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