

# Wireless Code Public Opinion Research – Spring 2019

## Executive Summary



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Canada 

# 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 the first review was completed in 2017 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 2019 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. The 2019 research further explores a variety of topics such as wireless complaints, data usage, bill shock, and ease of switching service providers. This wave of research further explores Canadians' perceptions of the CRTC as well as issues related to the TV Service Provider Code.

The methodology was designed to ensure consistency with previous iterations of Wireless Code PORs conducted from 2014-2018.

This research 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 changed over the past year, with Canadians increasingly selecting plans that include data (83% compared to 70-76% in previous years). The majority of wireless plans continue to include limited data – a mere eight per cent of Canadians have unlimited wireless data, and nearly all Canadians with limited plans take steps to manage their data so as not to incur additional costs (97%).

The majority of Canadians continue to report they find it easy to manage their data (77%), with many relying on switching to Wi-Fi (92%) as a means of data management. Despite this, a considerable portion (48%) of Canadians with wireless contracts report having paid data overages in the last 12 months, a finding that has remained consistent over the past three years. This suggests that data management in a way that does incur additional costs continues to occur for many Canadians.

### Bill shock and Roaming fees

One quarter of Canadians (25%) continue to experience bill shock suggesting that there is continued room for improvement in this area. Bill shock is more prevalent among those with shared or family plans than those with individual plans (31% vs. 23%), as well as those on tab contracts compared to those who are not (30% vs. 22%).

Similar to previous years, data overage fees are the predominant source of bill shock and have increased over the past year (56% vs. 43%), while international roaming and long-distance fees continue to be secondary sources of bill shock.

The amount of unexpected charges varies greatly – from less than \$50 to over \$1,000 per billing cycle, however, there is a directional decrease in the number of bills exceeding \$250. Most of the unexpected charges continue to be \$100 or less (64%).

Interestingly, even though Canadians are more likely to report data overages as the primary source of bill shock, they tend to express a greater ease for managing data compared to managing roaming fees while travelling. This disconnect suggests that Canadians may still not fully understand how to manage their data in a way that prevents bill shock. Only half (53%) of Canadians report they find it easy to manage roaming fees, while less than a fifth (16%) find it difficult to manage roaming fees while travelling.

### **Understanding of Contracts**

Little has changed compared to 2018 regarding Canadians' understanding of their wireless contracts, with the majority (61%) continuing to find their wireless contract clear and easy to understand.

However, despite having been in place for over a year, the trial period explanation is somewhat unclear to many Canadians, with only one-third indicating it was clear and easy to understand (32%). Canadians also continue to have some challenges related to the explanation of cancellation fees. Close to one-in-three (30%) find the explanation unclear, an increase over 2018 findings (26%).

### **Changes**

When it comes to changes to contracts, a small but significant portion of Canadians state that changes to wireless services were made without expressly making them aware of the new terms and conditions (16%), an increase from 2018 (12%).

Consistent with 2018, only a small number of Canadians (18%) have switched service providers in the last two years, with the main reason being to obtain a better deal (45%). A minority of those who switched providers found this process difficult (11%), with one-third of switchers indicating that the process was difficult due to the high costs of ending their contract (32%).

### **Complaints**

Canadians are making fewer complaints than in the past, suggesting the Wireless Code is having a positive impact for wireless consumers. Levels of complaints have remained steady over the past year, decreasing six percent overall from 2014 (20% vs. 26%). The leading reasons for complaints continue to be data overage charges (27%), incorrect charges on bills (26%), inadequate quality of service (17%), and roaming charges (11%). Consumers continue to primarily complain to their service providers (95%) with few of these complaints (3%) also going to the Commissioner for Complaints for Telecommunications Services (CCTS). The CCTS responds to complaints from consumers if the consumer believes the complaint remains unresolved by the service provider.

### **Canadians' Wireless Plans**

The type of plans Canadians purchase has undergone some change since 2016. While most continue to purchase post-paid services in 2019 (90%), fewer have purchased pre-paid services in 2019 (8%) compared to 2018 (12%), a decline that has continued steadily since Fall 2016 (16%).

Further, while the majority of Canadians continue to use an individual plan (67%), family plans continue to see increased use compared to 2015 (32% vs. 25%).

## Demographic Differences

A number of additional demographic analyses were also undertaken, including age, gender, education, income and language. Differences between demographic groups have dissipated compared to 2018, particularly when it comes to income and education level, suggesting that the Wireless Code is having a positive impact on creating equitable outcomes for Canadians.

Demographic differences tend to persist in the following areas:

### Age:

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

- Younger Canadians continue to be more likely to employ activities to manage or limit data usage. This is true for switching to Wi-Fi when available (94-97% for 18-54-year-olds vs. 86% for 55+), using tools to track data (47-56% for 18-54-year-olds vs. 37% for 55+) as well as reducing data usage when notified (70-74% for 18-54-year-olds vs. 53% for 55+);
- They are more likely to have text (98% vs. 88%), calling minutes (86-90% vs. 79%) and data (88-91% vs. 74%) included in their wireless plan. However, older Canadians are increasingly including these options in their wireless plans;
- They continue to be more likely to experience bill shock than their older counterparts (18-54: 26-30% vs. 55+:20%), primarily driven by data overages. Relatedly, they are also more likely to have made a complaint in the past 12 months (22-23% vs. 16%);
- Those in the youngest age group (18-34) are more likely to find their wireless contract easy to understand than those 35+ (67% vs. 54-56%); and
- They are more likely to have a tab contract (38-48% vs. 30%).

### Region:

Quebecers differ from those in other regions of Canada in a few key ways

- Quebecers are less likely to make complaints compared to those in other regions of Canada (11% vs. 19-30%);
- Quebecers are more likely to have an individual than shared or family plan (80% vs. 48-65%); and
- Quebecers are less likely to have made a complaint about their TV services in the past 12 months (16% vs. 26-38%).

## Television Service Provider Code

Despite having been introduced more than a year ago, awareness of the Television Service Provider (TVSP) remains low. The number of Canadians who do not recall hearing or seeing anything about the TVSP Code has remained steady compared to 2018 (56%).

Similarly, only half of TV subscribers (52%) believe they have been informed of their entry-level service offering, despite the requirement that all customers should have been informed. Given that this has remained steady over time, it may signal issues with the way in which the information is being disseminated to Canadians.

At an overall level, most Canadians continue to find their TV contracts clear and easy to understand (54%) and few (14%) have experienced difficulties related to TV service calls. TV subscribers are usually informed of price changes (71%), though this has decreased somewhat compared to 2018 (76%).

Interestingly, the number of Canadians who have made a complaint about their TV services in the past 12 months has increased compared to 2018 (27% vs. 23%). The nature of these complaints varies, but most center around incorrect charges (20%), inadequate quality of service (17%), changes to their contract without notice (13%), or price changes/high prices (12%).

## **CRTC**

Canadians' understanding of the mandate and role of the CRTC has improved compared to 2018. Thirty-six per cent now consider themselves very well or well informed about the CRTC, compared to 29 per cent in 2018. These levels are comparable to 2015, when knowledge levels were at their highest (38% very well/well informed).

Canadians' impressions of the CRTC are less neutral than they were in 2018, and show slight improvements from Fall 2016. This is likely a product of the increase in Canadians who feel well informed about the role of the CRTC.

### **Strategic implications**

The results of this research provide evidence that suggests the Wireless Code continues to have positive impacts on Canadians. 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, particularly those in older age cohorts, and thus effective and accessible methods of data management continue to be of primary importance. 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. Those who experienced bill shock are more likely to report difficulty with management and understanding of their wireless and television contracts. While causation cannot be established, it is possible that these charges are a result of some Canadians experiencing greater difficulty with management of their contracts, and/or that incurring these overage charges has made this group feel like they have less control over or understanding of their services. This suggests that those who have experienced bill shock continue to lack the clarity and tools they need to effectively manage their services and are at risk of incurring future overage charges. Given that data overage and roaming charges are primary causes of bill shock, there may be ways for the Wireless Code to further assist Canadians with managing these fees.
3. The explanation of cancellation fees and the trial period needs to be clearer and more easily understood by Canadians, as Canadians are finding these areas increasingly difficult to understand. Results suggest that there continues to be a number of Canadians who do not fully understand these aspects of their contracts.
4. The lack of changes in understanding of 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, and even among those who are well informed perceptions are mixed. This implies that the need to improve understanding of the CRTC and its role, as well as address public perceptions.

### **1.3. Methodology**

The methodology was designed to ensure consistency with previous waves of Wireless Code surveys conducted from 2014-2018. The sample was split into two distinct segments: Canadians who currently have a personal (or retail) wireless plan covering services such as voice, text and data and Canadians who do not currently have a personal (or retail) wireless plan. A telephone survey was conducted among 1,524 Canadians aged 18 years and older; 1,322 with those who have their own wireless plan and 202 with those who do not have a wireless plan. Included in this sample were Canadians that are under contract with TV service providers (n=1,107), along with Canadians who reside in cell phone only households (n=516).

Interviews were conducted using a combination of random digit dialing (RDD) for the landline sample frame and pre-screened cell-phone only (CPO) sample. The RDD approach ensures that all telephone numbers are given an equal probability of being selected thereby minimizing sampling bias for this portion of the sample. Random sampling for CPO households is cost prohibitive and as such pre-screened CPO sample was used for the CPO household subsample.

A pre-test consisting of 10 completed English interviews and 10 completed French interviews was completed before fielding the survey on January 21<sup>st</sup>, 2019. No changes were made after the pretest and as such the completes were included in the final data set. The survey was in field from January 22<sup>nd</sup> – February 6<sup>th</sup>, 2019.

Due to the inclusion of pre-screened cell phone only sample, the sample is a non-probability sample and as such margin of error does not apply.

#### **1.4. Contract Value**

The total contract value for the project was **\$105,021.83** including applicable taxes.

#### **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 a political party or its leaders.

A handwritten signature in black ink that reads "Tanya Whitehead". The signature is written in a cursive, flowing style.

Tanya Whitehead

Kantar TNS

Senior Director, Public Practice Leader