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Conseil de la radiodiffusion et des télécommunications canadiennes

Telephone Survey on Mobile Wireless Services in Canada Executive Summary

Prepared for Canadian Radio-television and Telecommunications

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EXECUTIVE SUMMARY

The Canadian Radio-television and Telecommunications Commission (CRTC) commissioned Phoenix Strategic Perspectives Inc. (Phoenix SPI) to conduct research to better understand the needs, behaviours and habits of Canadians when it comes to mobile wireless services.

Background and Objectives

In recent years, Canadians have come to rely on mobile wireless services in many aspects of their lives: to communicate with each other, for entertainment, to conduct business, to interact with all levels of government, and to further their education. At the same time, mobile wireless services are enabling Canadian businesses to increase efficiency and productivity, which in turn enables them to remain competitive in the global marketplace.

The retail mobile wireless service market continues to be the largest and fastest-growing telecommunications market sector in Canada. In 2018, retail mobile wireless services generated revenues of $27.1 billion, representing an increase of $2.6 billion, or 10.7%, over 2017 revenues. The number of Canadian subscribers continues to grow, with total subscribers reaching 33.2 million in 2018, an increase of 4.8% from the previous year.

In Telecom Notice of Consultation 2019-57, issued on February 28, 2019, the CRTC began a proceeding to review the wireless market with a focus on: (1) competition in the retail market, (2) wholesale regulation, and (3) the future of mobile wireless services in Canada. Interested parties have made written submissions on each of these issues and will also make oral representations at a public hearing. Parties' submissions will be considered by the Commission, and ultimately the Commission will determine if any changes to the regulatory regime are required to ensure: (1) the regulatory regime remains relevant, (2) the needs of Canadians continue to be met, and (3) the policy objectives set out in the Telecommunications Act are being achieved.

The CRTC engaged the services of Phoenix SPI to conduct a study designed to help the Commission better understand the needs, behaviours and habits of Canadians when it comes to mobile wireless services. This resulted in two reports, both on the public record of the proceeding: (1) A public opinion research (POR) report; and (2) a consultation report.

Methodology

This study involved two initiatives: POR and a consultation. The POR involved a representative telephone survey to understand the views of Canadians on related issues. Specifically, an 8-minute random digit dialling (RDD) telephone survey was administered to a nationally representative sample of 1,208 Canadians[1] aged 18 or older. To be eligible to complete the survey, respondents had to have a cell phone for personal use. An overlapping dual-frame (landline and cell phone) sample was used to minimize coverage error; approximately 70% of the numbers were cell phones and 30% were landlines.

The sample frame was geographically disproportionate to improve the accuracy of regional results. Based on a sample of this size, the overall results can be considered to be accurate within ±2.9%, 19 times out of 20 (adjusted to reflect the geographically disproportionate sampling). The margin of error is greater for results pertaining to subgroups of the total sample. The fieldwork was conducted between November 25 and December 12, 2019.

[1] This includes Canadian citizens and permanent residents.

The survey data has been weighted by region, age and gender to ensure results that are representative of the Canadian population. Population figures from Statistics Canada's 2016 census data were used to construct the weights.

In addition to the representative telephone sample, the questionnaire was made available online for completion on a voluntary basis by all Canadians. This consultation offered Canadians who have an interest in the subject an opportunity to provide feedback to the CRTC. The results of the broader consultation are not representative of the Canadian population and are included under separate cover.

Key Findings

- **More than eight in 10 Canadians are satisfied with their cell phone provider. Of those who indicated being dissatisfied, cost is the main reason for dissatisfaction with cell phone providers.**
    - Just over eight in 10 (83%) Canadians say they are satisfied with their current cell phone provider, with 35% saying they are very satisfied. Fewer than one in five are somewhat or very dissatisfied with their provider.
    - Those who are dissatisfied with their current cell phone provider pointed to cost to explain their dissatisfaction. Specifically, 65% attribute their dissatisfaction to the cost or price of their cell phone service, 38% to the cost or price of data, and 12% to the cost or price of overage changes.
- **Half of Canadians with a cell phone have switched providers, and many found it somewhat or very easy.**
    - Fifty-three percent of Canadians with a cell phone say they have switched cell phone providers. Canadians who switched providers are more likely to be 25 to 34 years old (61%) or 35 to 54 years old (57%) than 55+ (45%).
    - Most Canadians (81%) who switched cell phone providers say it was easy to do, with 53% saying it was very easy. In contrast, more than one-third (37%) of Canadians who have not switched providers think it would be somewhat or very difficult to do so.
- **Currently, most Canadians are not likely to switch cell phone providers. Canadians are divided about switching to flanker brands.**
    - Nearly half (47%) said they have not switched cell phone providers. The main reason these Canadians stayed with their current provider is because their plan covers their needs (51%). Those who stayed because their plan covers their needs were more likely to live in Quebec (68%) and report household incomes of under $40,000 (63%).
    - Approximately two-thirds (65%) of Canadians say they are not likely to switch cell phone providers at the end of their contract.
    - One in four (25%) Canadians say they have told their cell phone provider they plan to switch to another provider in order to lower their bill, of whom 72% said their provider offered them a better cell phone package or the same package at a lower rate to not switch .
    - More than half the Canadians surveyed do not use a flanker brand for their cell phone services. When asked if they would consider switching to a flanker brand, four in 10 (41%) say they would consider it after having been provided with the following description of a flanker brand: A flanker brand is a brand used by a large cell phone provider to offer services and plans under a different name and often at a lower price. For example, Virgin mobile, FIDO, and Koodo are flanker brands. Those reporting

annual household incomes under $40,000 (25%) are less likely to consider switching to a flanker brand than those from households with higher annual incomes.

  - In contrast, 47% of Canadians who do not currently use a flanker brand say they would **not** consider switching to one. When asked why not, one-third (34%) said they would not consider switching because they are satisfied with their current provider. Additionally, nearly three in 10 (28%) would not make the switch because they are concerned about the quality or coverage of the cell phone service.

- **Few think that Canada's cell phone prices are better compared to other countries.**
  - Canadians were asked if they think Canada's cell phone prices are better, worse or about the same as what they would find in other countries. Few (4%) think Canada's cell phone prices are better than prices compared to other countries. In contrast, two-thirds (66%) think Canada's cell phone prices are worse.

Notes to Readers

- For editorial purposes, the terms "Canadians", "Canadian wireless consumers" and "respondents" are used interchangeably to denote survey participants. Additionally, "Canadians" is used to refer to Canadian citizens and permanent residents.
- All results in the report are expressed as percentages, unless otherwise noted. Percentages may not always add to 100% due to rounding or multiple mentions.
- The number of respondents changes throughout the report because some questions were not asked of all respondents. Accordingly, readers should be aware of this and exercise caution when interpreting results based on smaller numbers of respondents.
- Demographic differences are identified in the report.
  - When reporting subgroup variations, only differences that are significant at the 95% confidence level and that pertain to a subgroup sample size of more than n=30 are discussed in the report.
  - If one or more categories in a subgroup are not mentioned in a discussion of subgroup differences (for example, if one out of four age segments are compared), it can be assumed that significant differences were found only among the categories reported.

The contract value was $83,043.36 (including HST).

Political Neutrality Certification

I hereby certify, as a Senior Officer of Phoenix Strategic Perspectives, that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Policy on Communications and Federal Identity of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not contain any reference to electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leader.

Signed:

Alethea Woods, President
Phoenix Strategic Perspectives