Canadian Radio-television and Telecommunications Commission
Conseil de la radiodiffusion et des télécommunications canadiennes

Wireless Code Public Opinion Research – Spring 2020

Executive Summary

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

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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 included 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 2020 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 2020 research further explores a variety of topics such as wireless complaints, data usage, bill shock, and ease of switching service providers. This research also 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 research conducted from 2014-2019.

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 and TV services;
- 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; and
- Better understand Canadians' perceptions of the CRTC and how they are changing over time.

1.2 Summary of Findings

Wireless Data Usage

The majority of Canadians continue to select plans that include data (83%), with a small but increasing number now opting for unlimited data plans (13% vs. 8% in 2019). Among those with data plans, virtually all (97%) take steps to manage their data so as not to incur additional costs.

Those with data plans continue to feel confident in their ability to manage their data, with the majority reporting they find it easy (81%). This is translating into fewer Canadians reporting overage fees than in previous years (41% vs. 48-49% in 2018 and 2019).

Bill shock and Roaming Fees

However, despite fewer Canadians paying overage fees overall, one-in-five (22%) Canadians continue to experience bill shock, consistent with previous years. This disconnect suggests that while Canadians are having greater success managing their data, many may not fully understand their contracts or how to manage other fees and services in a way that prevents bill shock.

Data overage fees continue to be the predominant source of bill shock but have decreased over the past year (50% vs. 56%), while unexpected set-up fees or service charges appear to be on the rise (7% in 2020 vs. 2% in 2019). Further, while most Canadians continue to report they find roaming fees clear and easy to understand (51%); international travel accounts for a greater proportion of bill shock versus last year (17% vs. 12%).

The Wireless Code mandates that providers must suspend data overage charges once they exceed $50 unless an authorized user consents to paying additional fees. Despite this, two-thirds (66%) of those who experienced bill shock continue to report they have had charges in excess of $50 during the past year, with most of these falling in the $50 to $100 range (55%).

Understanding of Contracts

Little has changed compared to 2019 with regard to Canadians' understanding of their wireless contracts. The majority (57%) continue to find their wireless contract clear and easy to understand, and close to half (49%) of Canadians continue to find the explanation of cancellation fees clear and easy to understand, consistent with 2019.

However, after being in place for two years, many Canadians continue to find the explanation of the trial period somewhat unclear (41%). This may signal that general confusion continues to exist among some Canadians related to the trial period.

Changes

The number of Canadians who have changed their service provider is slowly increasing (up 4% since 2017). Overall, one-in-five Canadians report having changed their service provider in the past two years (20%). Being offered a better deal is the most commonly stated incentive to switch providers (58%), and few (14%) found the process of switching providers difficult.

Complaints

The number of complaints Canadians report making has remained stable since Fall 2016, suggesting the Wireless Code is having a positive impact for wireless consumers. Levels of complaints have decreased nine percent overall from 2014 (17% vs. 26%).

The causes of complaints have undergone a shift in the past year, likely reflecting the decrease in data overage charges noted earlier. Incorrect charges are now the leading cause of complaints (35% vs. 26% in 2019). Other causes continue to include data charges (27%) and inadequate quality of service (22%). Compared to 2019, more Canadians now cite misleading information about contract terms as a cause for complaint (19% vs. 8%).

The Commission for Complaints for Telecom-television Services (CCTS) responds to complaints from consumers if the consumer believes the complaint remains unresolved by the service provider. Consumers continue to primarily complain to their service providers (93%) with few of these complaints also going to the CCTS (5%).

Canadians' Wireless Plans

Little has changed over the past year regarding the type of plans Canadians purchase. Most continue to purchase post-paid services in 2020 (89%), with few purchasing pre-paid services (10%). Similar to the past two years, many also continue to use an individual plan (65%), with one-third (33%) opting for a family plan.

Demographic Differences

A number of additional demographic analyses were also undertaken, including age, gender, education, income and language. Compared to previous years, regional differences have dissipated. Demographic differences were noted in the following areas:

Age:

Canadians aged 18-54 continue to differ than their older counterparts (55+) in a number of ways:

- Younger Canadians (18-54) continue to be more likely to have data included in their wireless plans than Canadians aged 55+ (87-92% vs. 72%);
- 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 (93-97% for 18-54-year olds vs. 85% for 55+), reducing data usage when notified (74-75% for 18-54-year olds vs. 54% for 55+), and monitoring data usage with tools (46-54% for 18-54-year olds vs. 36% for 55+); and
- Younger Canadians continue to be more likely to have experienced bill shock than those 55+ (24-27% vs. 17%);

Canadians in the youngest age cohort (18-34) differ from those 35+ in the following areas:

- Those in the youngest age group (18-34) remain more likely than their older (35+) counterparts to have paid data overage fees (48% vs. 38-40%); and
- Those in the youngest age group (18-34) are more likely to say they find their wireless contract easy to understand than those 35+ (66% vs. 51-53%).

An in-depth analysis of older Canadians (55+) was undertaken to identify any significant differences between those 55-64, 65-74, and 75+ and their younger counterparts (18-54). The analysis found that while there is some variation between the 55-64, 65-74, and 75+ age groups, overall, those 55-64, 65-74, and 75+ consistently vary in the same manner (i.e., all three age groups are higher or lower than those 18-54). Thus, to ease reader burden and ensure clarity, the older cohort in this report has been grouped as 55+.

Language:

A few notable differences exist among Canadian's whose primary spoken language is not an official language:

- Those who do not speak an official language are more likely to experience bill shock (30% vs. 18-21%); and
- Those who do not speak an official language are more likely to have found the explanation of the trial period for new contracts unclear (55% vs. 38-39%).

Television Service Provider Code

Despite having been introduced more than two years ago, awareness of the Television Service Provider (TVSP) remains low and has declined from previous years. In 2020, fewer (13% vs 17%) can recall the TV service provider code while more do not recall it at all (60% vs 56%). This may be a function of the reduced media attention on the Code as time goes on.

Only half of TV subscribers (50%) believe they have been informed of the basic service package, 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 (55%) and few (14%) have experienced difficulties related to TV service calls. Most Canadians continue to say they have not experienced an uninformed price change to their channels or package (76%).

The number of Canadians who have made a complaint about their TV services in the past 12 months has remained steady since 2019 (23% for both) but remains lower than in 2018 (27%). The nature of these complaints varies, but most continue to centre around incorrect charges (32%), inadequate quality of service (22%), or price (18%).

CRTC

Canadians' understanding of the mandate and role of the CRTC has remained stable compared to 2019 and is approaching 2014 levels. Thirty-six per cent now consider themselves very well/well informed about the CRTC, compared to 38 per cent in 2014.

Canadians' impressions of the CRTC are similar to 2019 and remain more positive than in Fall 2016 (33% vs. 29%). This may be reflecting the increase in Canadians who feel well informed about the role of the CRTC over the past two years. However, it is worth noting that 62% of Canadians say they are not well informed about the role of the CRTC, which implies that many consumers' impressions of the CRTC are based on little to no knowledge.

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, and consequently data management, continue to be of primary importance to Canadians. An increase in the number of Canadians choosing unlimited data plans, as well as a reduction in the number of Canadians paying data overage fees, suggest Canadians are increasingly aware of and involved with plan management. This signals a positive change, however, the incidence of paying overage fees remains high. While it is possible some Canadians are comfortable with paying occasional overage fees in the interest of having a lower monthly bill, higher rates of bill shock among those who have paid overage fees in the past year suggest the Wireless Code may be able to further support some consumers in this area.

2. Despite fewer Canadians paying data overage fees overall, Canadians continue to experience bill shock on par with 2016 levels. Other factors are increasingly contributing to unexpected charges, namely international travel and unexpected set-up fees or service charges. This may be an area where the Wireless Code could further support Canadians.

3. Results suggest many Canadians do not fully understand the terms surrounding trial periods, with more consumers finding the explanation unclear than clear. This is exacerbated among those who do not speak an official language. An opportunity exists for the Wireless Code to support consumers in this area, ensuring Wireless Service Providers make better efforts to ensure the explanation of the trial period easier to understand and thus consumers can take better advantage of it.
4. The TVSP Code is starting to show its impact. The number of complaints has continued to be below 2018 levels. Little had changed in other aspects of TVSP Code; awareness continues to be low, but few are having difficulty understanding contracts or issues with service calls suggesting the low awareness is not critical. Many Canadians continue to be unaware of the basic service package and as such, encouraging service providers to draw attention to this may be beneficial to Canadians.
5. Canadians' impressions of the CRTC have improved with time and are increasingly positive. However, many Canadians say they are not well informed about the role of the CRTC, signalling an opportunity to further educate consumers.

1.3 Methodology

The methodology was designed to ensure consistency with previous waves of Wireless Code surveys conducted from 2014-2019. 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 1,510 Canadians aged 18 years and older; 1,322 with those who have their own wireless plan and 188 with those who do not have a wireless plan. Included in this sample were Canadians who reside in cell phone only households (n=502). This sample also included Canadians that are under contract with TV service providers (n=1,060).

Interviews were conducted using a combination of random digit dialling (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 undertaken on January 10th, 2020. No changes were made after the pre-test and as such the data were included in the final data set. The survey was in field from January 16th – January 30th, 2020.

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 **$114,337.12** including applicable taxes.

1.5 Statement of Political Neutrality

I hereby certify as a representative of Kantar 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.

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