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

Wireless Code Public Opinion Research – Spring 2021

Executive Summary

Prepared for Canadian Radio-television and Telecommunications Commission

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Canada

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The Canadian Radio-television and Telecommunications Commission (CRTC) commissioned Kantar to conduct a public-opinion research survey to obtain tracking data on how consumers understand their wireless service contracts and their related rights as well as to further explore a variety of topics such as wireless complaints, data usage, bill shock, and ease of switching service providers. This wave of research will again explore Canadians perceptions of the CRTC as well as issues related to the TV Service Provider Code, and introduced questions related to the Internet Code. This publication reports on the findings of this research.

Cette publication est aussi disponible en français sous le titre: Recherche sur l'opinion publique concernant le Code sur les services sans fil – printemps 2021.

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1. Executive Summary

1.1 Background

The Wireless Code, which was established in 2013 by the CRTC, is a mandatory code of conduct for wireless service providers. The Wireless Code serves two primary goals: to ensure consumers are empowered to make informed decisions about wireless services; and to make it easier for consumers to take advantage of competitive offers. The Wireless Code includes provisions that address clarity; contracts and related documents; changes to contracts; bill management; mobile device issues; and cancellation.

The Wireless Code applies to all retail mobile wireless voice and data services (wireless services) provided to individual and small business consumers in Canada. The Wireless Code applies to all wireless contracts as of June 3, 2015.

The CRTC committed to evaluating the effectiveness of the Wireless Code and to use the results in formal reviews. The first formal review was completed in 2017. The review of the Wireless Code over time assesses whether it meets and continues to meet its objectives, which includes ensuring that consumers are empowered to make informed decisions about wireless services. Benchmarks were collected in 2014 and further tracking was conducting from 2015 to 2020.

On June 15, 2017, the CRTC announced multiple changes to the Wireless Code. The information collected between 2017 and 2021 helped the CRTC assess whether Canadians were satisfied with the changes and whether further changes are required to ensure the objectives of the Wireless Code continue to be met. The Commission now needs to obtain an additional year of data to continue tracking the Wireless Code's effectiveness and Canadians' opinions over time.

1.2 Research Objectives

The overall objective of this research was to obtain tracking data on how consumers understand their wireless service contracts and their related rights as well as to further explore a variety of topics such as wireless complaints, data usage, bill shock, and ease of switching service providers. This wave of research also explores Canadians' perceptions of the CRTC as well as issues related to the TVSP Code and the Internet Code.

To ensure consistent tracking and comparability over time, the survey used for the Wireless Code POR research in 2019 was used with minimal changes, aside from two additional questions related to the Internet Code.

More specifically, the survey was designed to address the following objectives:

– Better understand some of the issues that affect Canadians the most as it relates to their wireless, TV, and Internet 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.

1.3 Summary of Findings

Wireless Data Usage

The percentage of Canadians who choose wireless plans with data remains high (85%) and has continued to trend upward since 2015. A small but increasing number of Canadians are now opting for unlimited data plans (15%). Among those who have data in their wireless plans, the vast majority (97%) take steps to manage or limit their data use.

Those with data plans feel increasingly confident in their ability to manage their data (85% vs. 81% in 2020), with the majority reporting they find it easy. As a result, fewer Canadians paid data overage fees in 2021 compared to any other year tracked (73% paid no overage fees vs. 51-59% from 2016-2020).

Bill Shock and Roaming Fees

Given that fewer Canadians are paying overage fees overall, it follows that fewer Canadians are reporting bill shock in 2021 than in any other tracked year (16% reported bill shock vs. 21-29% from 2014-2020). This trend suggests that changes to the Wireless Code are having a positive impact on Canadians' ability to understand and manage their contracts in a way that prevents bill shock. However, given that many Canadians were more likely to spend more time at home due to COVID-19 restrictions and that many of these also have a home Internet connection it is possible that this is a mitigating factor to them facing overage charges they could have incurred if they spent more time outside the home.

Among the 16 per cent that experienced bill shock in 2021, data overage fees continue to be the primary stated reason (41%), though this has decreased since 2020 (50%). Long distance fees have increased as a stated reason versus last year (16% vs. 7%) while international roaming fees have decreased (7% vs. 17%), likely reflecting the impact of COVID-19 restrictions that have limited travel.

However, the number of unexpected charges among those who have experienced bill shock has remained steady since 2019. The Wireless Code mandates that providers must suspend data overage charges once they exceed $50 unless an authorized user consent to paying additional fees. Despite this, more than two-thirds (70%) 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 (67%).

Understanding of Contracts

Canadians are finding their wireless contracts increasingly easy to understand, with the majority (62%) saying they find their wireless contract clear and easy to understand (5, 6 or 7 on a scale of 1-7). This reflects a five per cent increase over 2020.

However, little has changed since 2020 regarding Canadians' understanding of trial periods, with only half (51%) finding the explanation clear and easy to understand. Similarly, half continue to find the explanation for cancellation of contract clear and easy to understand (51%), consistent with 2020. This may signal that general confusion continues to exist among some Canadians related to trial periods and cancellation of contracts.

Changing Service Providers

The number of Canadians who have changed their service provider over the past two years remains steady at 20 per cent. As in previous years, most Canadians who switched providers cite being offered a better deal (53%). Among those that switched, few experienced difficulties switching service providers (7%).

Complaints

The incidence of Canadians who report having made complaints about their wireless services has remained stable over the past year (16%) and remain below 2014 levels (26%), suggesting the Wireless Code is having a positive impact for wireless consumers.

There have been a number of shifts in the reasons behind complaints over the past year. Inadequate quality of service is now the top stated reason (29% vs. 22% in 2020). As expected, given lower incidence of bill shock, complaints regarding incorrect charges have decreased (20% vs. 35% in 2020). However, as noted previously, COVID-19 restrictions could be a new factor that is impacting the number of customers experiencing overages.

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. Consistent with previous years, more than nine-in-ten Canadians who have made a complaint made it solely to their service provider (93%), while 4% made the complaint to both their provider and the CCTS. Almost no Canadians reported solely escalating complaints to the CCTS (<1%), signalling that they understand the process involves contacting their provider first.

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 2021 (90%), with few purchasing pre-paid services (9%). Consistent with the previous two years, many also continue to use an individual plan (68%), with one-third (31%) 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 except where noted. 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) are more likely to actively manage or limit data usage than their older counterparts (55+; 99-100% among the youngest two age groups vs. 82-96% among age groups over 55).
- Younger Canadians (18-54) remain more likely than their older (55+) counterparts to have paid data overage fees at least once in the past year (30% of those 18-34 have paid no overage fees vs. 19-21% among age groups 55+).
- As in previous years, younger and middle-aged Canadians (18-54) continue to be more likely to experience bill shock than their older counterparts (18-20% vs. 10-13% among those 55+).

As in 2020, an in-depth analysis of older Canadians (55+) was undertaken to identify whether there are any significant differences between those 55-64, 65-74, and 75+ and their younger counterparts (18-54). In 2020, 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, thus age was reported as one older cohort (55+) for clarity. In 2021, greater discrepancy exists between the 75+ age group and other groups, thus the full breakdown is reported on to allow this nuance.

Canadians in the older age cohort (75+) differ from those 18-74 in the following areas:

- Canadians 75+ are less likely to own a cell-phone (74% vs. 88-92% among those 18-74);
- Canadians 75+ that do own a cell-phone are less likely to have data included in their plans than any other age group (57% vs. 70-93%);
- Canadians 75+ who have data in their plans are less likely to actively manage their data (82% vs 95-100%);
- Canadians 75+ are least likely to report reducing data usage when notified (28% vs. 45-72%) and monitoring data usage with tools (5 % vs. 29-51%);
- Canadians 75+ are more likely to be enrolled in a prepaid plan (20% vs. 6-11%);
- Canadians 75+ are more likely to bring their own device when enrolling in a new wireless plan (56% vs. 35-41%); and
- Canadians 75+ are less likely to be informed about the role of the CRTC (29%) than those 35-74 (39-43%).

Language:

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

- Those whose primary language is not an official language are more likely to report difficultly managing roaming charges than those whose first language is French or English (24% vs. 11-15%; 1, 2 or 3 on a scale of 1-7);
- Those whose primary language is not an official language are also less likely to recall the Television Service Provider (TVSP) Code (79% vs. 58-59%; do not recall);
- Those whose primary language is not an official language are more likely to have experienced problems related to service calls (27% vs. 6-14%);
- Those whose first language is not an official language are less likely to feel informed about the mandate of the CRTC (78% vs. 57-62%; not very well/not informed); and
- Those whose primary language is not an official language are also less likely to recall the Internet Code (82% do not recall vs. 64-69%).

Region:

Canadian residents in the territories differ from those in the provinces in the following ways:

- Fewer Canadians in the territories (76%) and Atlantic provinces (79%) have data included in their plans compared to the rest of Canada (84-89%);
- Those in the territories are less likely to say they were made aware of the basic service package (24% vs. 47-64% among other regions);
- Those who live in the territories are less likely to recall the Internet Code (53% vs. 66-76% in other regions); and
- Those in the territories consider themselves better informed about the CRTC's mandate (51% vs. 32-38% in other regions).

Television Service Provider Code

Despite coming into effect more than three years ago, awareness remains low and has declined since the Television Service Provider (TVSP) Code was initially introduced. In 2021, few (11%) clearly recall the TVSP Code while most do not recall it at all (60%). This is likely a function of the reduced media attention on the TVSP Code as time goes on.

In-line with previous years, only half of TV subscribers (55%) believe they have been informed of the basic service package, despite the requirement that all customers should have been informed by their service provider. 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 (59%) and few (13%) have experienced difficulties related to TV service calls. The number of Canadians who have made a complaint about their TV services in the past 12 months has remained steady (22%) but remains lower than in 2018 (27%). Most Canadians continue to say they have not experienced an uninformed price change to their channels or package (76%).

Internet Code

The Internet Code is administered by the CCTS and applies to the largest national and regional Internet Services Providers (ISP), thought the CRTC expects all ISPs to behave in a manner that is consistent with the principles of the Internet Code.

Just over one quarter of Canadians (28%) recall hearing about the Internet Code. However, of those who recall, most vaguely recall it (21%), while a few clearly recall it (7%). Among those who recall the Internet Code, most recall comes from television (33%), followed by ISPs (23%), or print media (21%).

CRTC

Canadians' understanding of the mandate and role of the CRTC has remained stable over the past year. Thirty-five per cent consider themselves very well/well informed about the CRTC.

Canadians' impressions of the CRTC are similar to 2020 and are more positive than in fall 2016 (35% net favourable vs. 29%). Given that impressions of the CRTC have remained steady, it follows that most Canadians say their impression of the CRTC has not changed. Few report an improved (7%) or worsened (5%) opinion, with most remaining the same (79%).

Strategic Implications

The results of this research suggest that the Wireless Code continues to have positive impacts on Canadians, and that changes to the Wireless Code in 2017 and 2019 have addressed a number of issues identified in previous research. It also provides information to be considered for future updates of the Wireless Code, the Television Service Provider Code, and the Internet Code.

1. The majority of Canadians' wireless plans includes data, with a small but increasing cohort now opting for unlimited data plans. Among Canadians with limited data plans, virtually all take steps to manage their data usage. This suggests that the Wireless Code is effectively supporting consumers in this area; however, greater attention may be warranted for demographic groups that experience more difficulty managing roaming charges and overage fees, including those whose primary spoken language is not an official language and those 18-54.

2. Given the ongoing COVID-19 restrictions that began in March 2020, it is important to consider which factors may have been impacted by restrictions, rather than driven by changes to the Wireless Code. Among significant differences year over year, the following are suggested as potentially impacted by COVID-19:

    - An increase in ease of data management and lower rates of bill shock may be driven by increased time at home, where many Canadians are presumably able to use their home Internet access to access the Internet rather than using their wireless data plan;

    - A decrease in data overage fees as a reason for bill shock is also likely driven by more time at home and increased use of home Internet rather than wireless data plan. The higher incidence of long-distance charges may be a function of Canadians connecting with friends and family during lockdown restrictions. Similarly, international roaming fees have decreased as a stated reason for bill shock, almost certainly due to travel restrictions.

    Thus, determining which fluctuations are maintained in 2022 will be an important step in analyzing the ongoing effectiveness of the Wireless Code.

3. Trial periods and cancellation fees continue to be a source of confusion for many Canadians. This suggests that this is a key area for the Wireless Code to support consumers, particularly as Canadians are increasingly opting for tab plans or device financing plans that were starting to be offered by the large service providers in summer 2019.

4. Little has changed regarding awareness of the TVSP Code. Awareness continues to be low, but few are having difficulty understanding contracts or issues with service calls suggesting the low awareness may not be critical. Many Canadians continue to be unaware of the basic service package and as such, service providers should draw attention to this as it may be beneficial to Canadians.

5. Awareness of the Internet Code is above awareness of the TVSP Code, likely due to increased media attention since it was introduced in 2019 and came into effect in 2020. However, understanding of what the Internet Code is meant to achieve is likely low, as most only vaguely recall hearing about it. As with the TVSP Code, encouraging service providers to draw attention to this may be beneficial to Canadians,

particularly as rates of working from home have increased in light of COVID-19 and the measures put in place to combat it.

6. Canadians' impressions of the CRTC remain positive; however, most continue to say they are not well informed about the role of the CRTC. This signals an opportunity to further educate consumers so that they understand their rights as consumers.

1.4 Methodological Overview

For tracking purposes and comparability over time, most questions remained the same or similar to the ones used for the 2020 Wireless Code POR survey, with the addition of two new questions related to the Internet Code.

A telephone survey was conducted among 1,561 Canadians aged 18 years and older; 1,353 with those who have their own wireless plan and 208 with those who do not have a wireless plan. Included in this sample were Canadians who reside in cell-phone only households (n=526). This sample also included Canadians that are under contract with TV service providers (n=1,102).

Interviews were conducted using a combination of random digit dialling (RDD) for the landline sample frame and pre-screened cell-phone only households (CPO) sample. Since this survey included pre-screened sample it is considered a non-probability sample and as such margin of error does not apply and conclusions from these results cannot be generalized to any population.

A pre-test consisting of 10 completed English interviews and 10 completed French interviews was undertaken on January 11, 2021. 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 20 – January 31, 2021.

A detailed methodology can be found in Chapter 4.10.

Please note: Analysis was undertaken to establish the extent of the relationship among variables such as gender, age, region, level of education attained, language spoken, household income, type of plan (family vs. individual; prepaid vs, postpaid; employee; limited vs. unlimited data; tab contract), ease of managing data, recall of Television Service Provider code, informed role of the CRTC, complaints, bill shock, and CPO sample. Only differences significant at the 95% confidence level are presented in this report. Any differences that are statistically significant between subgroups are indicated with an uppercase letter to refer to the applicable column.

The numbers presented throughout this report are rounded to the closest full number. Due to this rounding, in some cases it may appear that ratings collapsed together are different by a percentage point from when they are presented individually, and totals may not add up to 100%. Also, the data for 2014 and 2015 was taken directly from the 2014 and 2015 Wireless Code Public Opinion Research reports. Kantar has incorporated these results as well as results from Spring and Fall 2016, 2017, 2018, 2019, and 2020 research into the 2021 report for year-over-year comparison where applicable.

1.5 Contract Value

The total contract value for the project was **$121,848.54** including applicable taxes.

1.6 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, standing with the electorate or ratings of the performance of a political party or its leaders.

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