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2022 Trade Commissioner Service Client Satisfaction Research

Summary

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SUMMARY

A. BACKGROUND AND OBJECTIVES

The Trade Commissioner Service (TCS) is a service offered by Global Affairs Canada (GAC) that provides expert advice and support to Canadian businesses on matters related to exploring and growing opportunities in foreign markets, improving access to foreign markets, attracting foreign investment, Canadian Direct Investment Abroad, and innovation. With offices across Canada and its presence in more than 160 cities worldwide, the TCS helps thousands of businesses each year. The Trade Commissioner Service also works with partner organizations such as provincial and municipal governments and industry associations that deliver programs and services to Canadian businesses.

The TCS commissioned EKOS Research Associates to conduct quantitative and qualitative research among its clients. The research was designed to gauge client satisfaction with the TCS and more clearly understand the types of services and information provide by the TCS that clients value.

B. METHODOLOGY

Two phases of research were conducted to deliver on the objectives: an initial quantitative phase in which a client satisfaction survey was sent to 2,978 TCS clients, followed by a qualitative phase that involved interviews with 41 key informant interviews survey respondents. The population of TCS clients includes all Canadian companies that sought the services of a Trade Commissioner in Canada or abroad between August 2020 and July 2022 to support their international business development.

Survey

The survey research involved a sample of n=2978 clients of the TCS who were identified through a contact list maintained by the TCS. The survey required an average of 15 minutes to complete and was conducted between November 24 and December 16, 2022. A response rate of 13% was obtained from the initial sample of 26,718. See Appendix A for details related to methodology, response rate calculation and potential for response bias. A margin of error is not applicable since a census of all members of the population was attempted.

Interviews

The qualitative research consisted of one-on-one interviews with 41 survey respondents between December 10, 2020 and February 1, 2023, with five completed in French. Each interview took between 30 and 45 minutes to complete. The questions included in the interview guide were primarily open-ended in nature in order to have the participants clarify key study issues in their own words and drawing on their experiences with the TCS.

It is important for readers to note that interview participants were purposely selected from the sample of respondents to over represent those indicating a lower level of satisfaction with the TCS in order to better understand the nature of dissatisfaction. It is therefore not intended to be a representative balance of the extent of satisfaction or dissatisfaction found in the population of TCS clients.

Please note that while the quantitative data provide a statistically representative means of reporting on the satisfaction and attitudes of clients, the qualitative interviews are a non-random exercise that focuses on discourse and anecdotal experiences which – by design – are not reflective of the entire population.

C. KEY FINDINGS

Key findings from the Survey Research

Consistent with past research in 2013 and 2019, the findings of this year's survey research show that a very high proportion of clients are happy with the service and information they have received. Specifically, the results find that:

- at least four in five clients (81%) are satisfied with the service and advice provided by the TCS compared with 80% in 2019 and 83% in 2013
- 82% would definitely or probably recommend the TCS to a colleague compared with 83% in 2019 and 86% in 2013
- 85% would definitely or probably use the services of the TCS again compared with 85% in 2019 and 86% in 2013

Only 5% of respondents or fewer describe themselves as dissatisfied or say they are unlikely to recommend the TCS or use its services in the future. The primary reasons noted are insufficient value gained and quality of the service provided.

Aspects of the Client Experience

The core aspects of service that clients most often associate with the TCS are:

- consistent quality of service (78%)
- receiving appropriate contacts (i.e., the right people to do business with) (78%)
- useful intelligence on market conditions from the TCS (73%)

Positive views about the appropriateness of the contacts provided has increased significantly since 69% in 2019.

Two in three clients (69%) say the TCS provided them with intelligence that helped address problems, up from 62% in 2019.

Reasons for Contacting the TCS

About four in five clients say they need a great deal or at least some assistance with information on local companies or organizations (84%), market intelligence (82%), and referrals to international business opportunities or sales leads (79%). Other areas where most clients say they need assistance include:

- recommendations on trade fairs or trade missions (74%)
- help with understanding responsible business practices abroad (64%)
- referrals to relevant programs and services available to their business (62%)
- locating financing (is an area of need identified by 56%)

Half of clients or fewer say they need a great deal or some assistance with advice on planning a trip (52%), referrals to professional service providers (50%), support on intellectual property (IP) rights and dealings with local governments (50%), and referrals to technology or R&D-related partnerships (50%). Although most areas of need are in line with 2019 results, the proportion of clients needing assistance and information on locating financial assistance increased to 56% from 45% in 2019.

Client Outcomes

Other areas of TCS assistance frequently noted are related to exporting goods (35%) and services (28%), as well as with revenue-generating partnerships or joint ventures (27%), up from 22% in 2019.

Clients most often note that assistance provided by the TCS has given them access to market information they would not have otherwise had (63%) and enabled them to expand or explore

markets (62%). Only slightly fewer (59%) say it provided them with contacts they would not have otherwise had and improved their knowledge of the competitive environment (56%). Respondents reported that marketing strategy (47%) and profile and credibility (46%) also improved with assistance from the TCS, along with the ability to overcome or avoid barriers to business opportunities (46%).

The most significant TCS contributions noted related to assistance with removing a trade barrier (53%), revenue-generating partnerships (46%) and foreign affiliate sales (43%). Each of these are up from 2019 levels, particularly removal of a barrier (44% in 2019). Significant contributions are also reported with regard to assistance with exporting of services (39%) and of goods (38%), along with the contribution made by assistance with attracting angel investors (36%), licensing of technology (36%), and investment abroad leading to revenue generation (35%). The TCS performance in all of these areas was judged to be much higher than in 2019.

Obstacles and Challenges Related to Export Activities

Significant obstacles to doing business in international markets that were noted by about half of clients are a lack of market contacts (57%), uncertainty of the regulatory environment in other countries (53%), lack of information about international business opportunities (52%), and a lack of access to financing (56%).

Administrative obstacles outside of Canada are a moderate to major challenge in relation to their organization's exporting activities, according to 53% of clients. Similar to 2019, about half of clients indicate that lack of financing or inadequate cash flow (51%) or financial risk (50%) is a challenge. Less than half cite logistical obstacles (45%), market knowledge issues (44%), or foreign border obstacles (43%); the latter two are reported as an obstacle by slightly fewer clients than in 2019. About one in three clients say that intellectual property issues in Canada (34%) or administrative obstacles in Canada (32%) are a challenge; both have also decreased marginally as a challenge from what clients reported in 2019. Among the challenges identified, Canadian border obstacles are a challenge for fewer (28%) clients.

Market Diversification

Two in three clients (65%) say they export goods and services to the United States and to other foreign markets. An additional one in six (16%) say they export goods and services to foreign markets other than the United States. Only 7% export exclusively to the United States. As in 2019, two in three respondents (66%) identify the United States as first among their three largest export markets, followed by the United Kingdom and China at a distant 21% and 19%,

respectively. France (11%), Germany (10%), Mexico (10%), India (9.5%), Japan (9%) and Australia (9%) are all top three markets for roughly one in ten clients.

On a regional basis, the United States is again reported as the largest export market for the greatest number of clients (67%), followed by Western Europe (44%) and East/Southeast Asia (36%). Latin America is the fourth largest region (26%). The United States is most often (53%) identified as the fastest-growing export market over the next three years followed by Western Europe (37%) and East/Southeast Asia (36%).

Key findings from *the In-Depth Interview Research*

Interactions with the TCS

Above all, TCS clients want support to identify contacts to conduct business internationally, including potential buyers or customers. A few said they look to the TCS for assistance in connecting with these contacts or providing an introduction, along with vetting potential contacts to ensure they are legitimate buyers. Some participants approached the TCS for market intelligence, information about the local business culture or barriers in conducting business in a market. A few participants sought information on regulations in a market. Finally, a few requested help identifying sources of funding and financial assistance.

Participants felt that help understanding the business culture in a target country was the most helpful element of their interaction with the TCS, along with the provision of contacts and the ability of the TCS to make connections and support introductions. Some said that the service was most helpful once they had an established relationship with a Trade Commissioner, or the Trade Commissioner offered strategic advice and follow-up.

Participants offered several areas for improvement, including improving consistency of assistance, responsiveness, and clarifying the priority areas (business size or sector) that the TCS supports. Related to responsiveness, only some said they would consider reaching out to the TCS in a crisis situation. Some felt that information the TCS provided was too general and not specific to their needs. Other gaps include a desire for more guidance to identify sources of funding, or more of the general information provided online.

Other Organizations

Most participants were aware of other organizations that offer comparable information or services as those offered by the TCS. Most often, other federal organizations such as EDC or

BDC were mentioned, along with a few mentions of NRC, IRAP, or Statistics Canada. Participants were aware of private sector professionals such as lawyers, financial consultants, brokers, and banks. Provincial trade-focused organizations, federal government support from other markets, professional networks and associations were also mentioned.

Many have used the services or accessed information from at least one of these other organizations. A few noted that other private organizations are expensive; however, they provide more responsive or specialized information. What makes the TCS unique, according to participants, is the extensive presence of the TCS in other markets, market landscape understanding, and the weight of the federal government in making introductions.

Branding

The TCS conjures images of an ambassador or facilitator, and has the ability to make connections for Canadian businesses. For those who are satisfied with the TCS, descriptive words such as “knowledgeable”, “insightful”, “professional”, or “trustworthy” come to mind.

The name of the Trade Commissioner Service itself was straightforward, according to some participants, or they felt that they were used to the name or the naming is unimportant. Particularly, “trade” implies the mandate of the organization, to facilitate trade, although a few said that “export” might be better or they are not in the business of “trade”. The term “commissioner” was seen as bureaucratic or government-speak, although a few pointed out that the service is provided by a Trade Commissioner.

TCS Staff

Many participants, notably those who were satisfied with the TCS overall, considered the TCS staff to be professional, asking questions to develop knowledge of their business or sector. Some explained that although staff may be polite and willing to help, the processes themselves were slow or bureaucratic. A few participants noted a consistent turnover of “transient” staff.

Business Challenges During the COVID-19 Pandemic

Most notably, restrictions due to the COVID-19 pandemic resulted in business development challenges. Participants reported they were unable to travel to different markets to attend trade shows or meet with current or potential customers. Sales decreased for some due to changes in consumer behaviour, restrictions, or general uncertainty. Supply chain challenges

were experienced by those with tangible products. Increased labour costs were a challenge, along with the ability to attract and retain labour.

Participants implemented various mitigation strategies throughout the pandemic, such as the transition to remote work environments. Others adapted their business model to enhance an online sales strategy, found other business ventures or products that would be profitable during the pandemic, or changed their purchasing model or suppliers.

Although a few businesses indicate they were unaffected by or increased revenue during the pandemic, only a few participants who said they experienced notable challenges indicate that they have fully recovered. Some anticipate continued challenges as they endeavour to recover, with a few small businesses stating they have taken on more debt and may not recover.

Anticipated Challenges

Many challenges are expected by participants over the next five years. Among them are an economic downturn, inflation, higher interest rates, and currency instability. Sourcing capital and financial support is an expected challenge for some, with a few continuing to experience cash flow difficulties due to the pandemic. Supply chain challenges are expected to persist, disrupting manufacturing, delivery delays, and increased cost. Labour shortages are expected to continue, along with the associated increased costs and loss of productivity. A few do not anticipate resuming business travel to the same level as before the pandemic due to increased costs, travel disruption, and lack of efficiency in meetings.

Use of the TCS in the Future

The TCS is considered an important resource for information and service to support international business activities; many interview participants indicate they intend to continue to seek support from the TCS. Some described the need for more fulsome support to enter a new market, such as an overview of market intelligence, regulatory considerations, cultural knowledge, along with contacts and introductions. A few anticipate seeking support from specific services such as trade missions, funding, or help vetting identified organizations.

D. NOTE TO READERS

Survey

Detailed findings are presented in the sections that follow. Overall survey results are presented in the main portion of the narrative and are typically supported by graphic or tabular presentation of results. Statistically and substantively significant differences between sub-groups of respondents are provided in tables or bulleted text below the main chart or table. If differences are not noted in the report, it can be assumed that they are either not statistically significant¹ in their variation from the overall result or that the difference was deemed to be substantively too small to be noteworthy. Results may not total 100% due to rounding. Similarly, some totals of percentages for two responses may not appear correct due to rounding. The programmed survey instrument can be found in Appendix B.

Interviews

As per section 10.2.3 of Public Services and Procurement Canada's Qualitative Research Standards, "Qualitative research is designed to reveal a rich range of opinions and interpretations rather than to measure what percentage of the target population holds a given opinion. These results must not be used to estimate the numeric proportion or number of individuals in the population who hold a particular opinion because they are not statistically projectable."² In order to avoid portraying these results as generalizable to the population, terms such as "a few," "some" and "most" are used to broadly indicate views rather than using specific percentages. To ensure a common understanding of the terms used in the analysis, the following guidelines were used in analyzing and reporting on participant results:

"A few participants" = at least two people but less than 25%;

"Some participants" = 25 to 49%;

"Many participants" = 50 to 75%; and,

"Most participants" = over 75%.

¹ Chi-square and standard t-tests were applied as applicable. Differences noted were significant at the 95% level.

² Public Services and Procurement Canada. [Standards for the Conduct of Government of Canada Public Opinion Research - Qualitative Research](#). Last updated: Spring 2019.

It should also be understood that the information provided by participants is subjective in nature and based on their own recollection, perceptions and information provided by Canadian business representatives. Appendix C provides the recruitment invitation, and Appendix D provides the interview guide.


E. CONTRACT VALUE

The contract value for the POR project is \$126,791.65 (including HST).

F. POLITICAL NEUTRALITY CERTIFICATION

I hereby certify as Senior Officer of EKOS Research Associates Inc. that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Policy on Communications and Federal Identity and the Directive on the Management of Communications. 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.

Signed by:



Susan Galley (Vice President)