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Innovation, Sciences et Développement économique Canada

COMPETITION BUREAU MARKET STUDY: CONSUMER SWITCHING IN BROADBAND PROVIDERS – FINAL REPORT

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EXECUTIVE SUMMARY

A. BACKGROUND AND OBJECTIVES

Broadband is the backbone of Canada's digital economy and a critical service for Canadians. Canadians use broadband Internet to find and share information, purchase products and services, and increase their productivity at work.

Most Canadian homes can get broadband Internet by one of two ways: their local telephone company or their local cable company (the physical owners of the network, also referred to as Facility-Based Distributors or FBDs). This limited choice leads to an obvious question about competition: when consumers have only two options for their Internet service provider (ISP), can we be sure that market forces will deliver low prices and high levels of innovation that are characteristic of competitive markets?

The Canadian Radio-television and Telecommunications Commission (CRTC) has historically acted to increase the level of competition in Canadian broadband markets by allowing independent ISPs to lease network access from FBDs to provide Internet services to Canadians. Presently, dozens of companies have been established as competitive alternatives to FBDs. This raises the question of whether independent ISPs are fulfilling their role in placing increased competitive discipline on traditional telephone and cable companies. To address this question, the Competition Bureau ("the Bureau") conducted a market study to better understand the competitive dynamics of Canada's broadband Internet industry.

As part of this market study, Innovation, Science and Economic Development Canada (ISED) commissioned public opinion research to understand Canadian consumers' perceptions of the broadband industry and discover their habits in purchasing broadband Internet services. The research was designed to provide insights into ways to foster more competition in this sector - competition that could lead to more choices and lower prices.

ISED commissioned qualitative and quantitative research to address the following objectives:

1. Better understand what motivates consumer habits in purchasing broadband Internet services from network owners or from resellers.

2. Examine the competitive dynamics of the industry.

3. Identify positive steps that regulators or policymakers could take to further support competition between broadband providers.

B. METHODOLOGY

1. Qualitative phase

Environics Research conducted a series of twelve (12) focus groups with Canadians aged 18 and older between December 12, 2018 and January 24, 2019. Ten sessions were held in focus group facilities, with two in each of the following cities: Toronto, Halifax, Montreal, Edmonton, and Vancouver. Two sessions were conducted via conference call, one with households in rural Ontario and a second with households in rural Alberta and rural British Columbia. In each community, including the session with households in rural Ontario, one session was conducted with younger individuals (18 to 39 years) while the second session, including the session with households in rural Alberta/BC, was conducted with older individuals (40 and up). Ten sessions were conducted in English and two sessions were conducted in French.

Focus group participants were selected according to the Standards for the Conduct of Government of Canada Public Opinion Research – Qualitative Research[1]. More detailed information on the qualitative methodology is provided in Appendix A of the full report, along with a copy of the research instruments (Appendices B and C).

Statement of limitations: Qualitative research provides insight into the range of opinions held within a population, rather than the weights of the opinions held, as would be measured in a quantitative study. The results of this type of research should be viewed as indicative rather than projectable to the population.

2. Quantitative phase

The quantitative phase of this research project involved an online survey with 2,005 people who have a home Internet subscription in Canada, from March 6 to 14, 2019. The sampling method was designed to complete interviews with at least 2,000 Canadians aged 18 and over who have home Internet subscriptions. Quotas were set by age, gender, and region.

Respondents completed the Randomized Controlled Trial (RCT) section of the survey followed by a series of questions about the telecommunication services they have and their switching behaviour. A conjoint analysis was also conducted to measure the level of impact that various factors have on the selection of potential Internet service packages.

A more detailed description of the quantitative methodology is presented in Appendix A, and the questionnaire is included as Appendix D.

Statement of limitations: The quantitative research was conducted with respondents from an online panel. Since the samples used in online panel surveys are based on self-selection and are not a random probability sample, no formal estimates of sampling error can be calculated. Although opt-in panels are not random probability samples, online surveys with the general population resemble a random sample closely if they are well designed and employ a large, well-maintained panel.

C. CONTRACT VALUE

The contract value for this research was $194,515.49 (HST included).

D. REPORT

This report begins with an executive summary outlining key findings and conclusions, followed by a detailed analysis of the focus groups and of the survey data. Provided under separate cover is a detailed set of “banner tables” presenting the results for all quantitative survey questions by population segments as defined by region, age, gender and other subgroups. The report findings can be cross-referenced with these banner tables using the survey question number listed in the detailed analysis section.

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[1] Standards for the Conduct of Government of Canada Public Opinion Research – Qualitative Research. https://www.tpsgc-pwgsc.gc.ca/rop-por/documents/rechqual-qualres-eng.pdf

E. USE OF FINDINGS OF THE RESEARCH

The findings of this research will be used to help regulators and policy makers better understand the dynamics of the broadband industry and the potential impact of regulations on competition.

The findings of this study will also help increase compliance with the *Competition Act* by suggesting potential solutions to competition issues. This is essential for Canadian consumers, as competition fosters innovation and can lead to lower prices and increased choices.

F. KEY FINDINGS

The following are the key findings of the quantitative and qualitative research:

- **The current profile of Canadian Internet subscribers reveals a sophisticated population in terms of Internet use**. A high-speed wired connection is almost universal, except in rural areas. Internet is widely used for communications (e.g., email, text, social media) as well as bandwidth-heavy activities such as streaming and gaming. This reflects the view expressed in the qualitative research that Internet service at home is intensely used, highly relied upon, and in many cases, vital.

- By and large, Canadian households get their Internet service from FBDs (e.g., Bell, Rogers or Telus; 91%); only eight percent currently use an independent ISP such as TekSavvy or VMedia. The reasons for this are multiple and complex:

    - **Bundling services together is the norm for Canadian Internet subscribers**: two-thirds have at least one service bundled with their Internet. However, this is only the case for three in ten (30%) customers of independent ISPs. While breaking a bundle is not among the top perceived barriers to switching, it is cited among the considerations especially by those who thought about switching their ISP in the past two years but ultimately did not.

    - **There is a high level of satisfaction with their current Internet provider** (90% are very or somewhat satisfied). At the same time, strong satisfaction is more widespread among the small group of independent ISP customers.

    - **Switching activity is limited**. Fewer than one in five (17%) Internet subscribers have switched ISPs in the past two years, even though over half (58%) have considered switching. Among switchers, independent ISPs have been the net beneficiaries (a gain of five percentage points), but the majority (68%) of switches are still between FBDs.

    - **Independent providers have not yet successfully communicated any advantage beyond price**. One in three believe independent ISPs provide better value for money; otherwise, most say they provide the same level of service as FBDs or don't know enough to say. Very few hold outright negative perceptions of independent ISPs in relation to FBDs, although perceptions about consumer brand awareness, repair services and Internet reliability all favour FBDs slightly. This latter finding echoes concerns raised in the focus groups about service quality and reliability.

    - Advanced analysis (choice-based conjoint) reveals that **price is the largest single factor influencing the selection of a home Internet plan**. This clearly favours independent ISPs given the perceptions described above, and is consistent with the fact that price is by far the main reason stated for switching, particularly by those who moved from an FBD to an independent ISP. **However, the results also indicate that almost two-thirds of the time, the purchase decision is influenced by some other feature**, particularly download/upload limits and download speed.[2] Thus, price alone may be insufficient to motivate switching.

- **The results suggest choice in ISPs exists, at least in major urban centres, if less so in other communities (particularly rural/remote areas)**. Three-quarters are satisfied with the selection of ISPs available to them and as discussed above, the survey confirmed a certain level of switching between ISPs. Moreover, the qualitative research found evidence that new delivery models (for example, cellular-based Internet service) may be challenging the traditional platforms.
  - **The findings also suggest that while choice may technically exist, it is nonetheless perceived to be *limited***: A majority of Internet subscribers who thought about switching their ISP (but did not) were considering another FBD rather than an independent ISP. This validates the views heard in the focus groups that they have two choices at most (between their two local FBDs), and often believe there is not much difference between the two.
- **One factor operating in favour of increased choice is demographic change**. Younger subscribers are more likely to place higher demands on their Internet bandwidth for streaming and gaming (thus higher cost implications), to have embraced switching, and to have more positive opinions of independent ISPs, especially in terms of price. Consequently, like other consumer product categories such as cell phones, this trend towards demand for increased choice and switching between ISPs could accelerate with time.

G. POLITICAL NEUTRALITY STATEMENT AND CONTACT INFORMATION

I hereby certify as a Vice President of Environics Research Group that the deliverables fully comply with the Government of Canada non-partisan 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.

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[2] Notably, trust (which was tested in the survey as preference for a large versus a small brand) and Internet reliability (downtime) appear to play a much smaller role than was expressed in the focus groups. This is likely a function of the difference in methodology: the survey quantifies which information respondents used to decide between Internet plans, while the qualitative research allowed participants to express any concerns they may have (regardless of how large or small).

I. INTRODUCTION

A. BACKGROUND

Broadband is the backbone of Canada's digital economy and a critical service for Canadians. Canadians use broadband Internet to find and share information, purchase products and services, and increase their productivity at work.

Most Canadian homes are served by two networks capable of providing broadband Internet services: one owned by the local telephone company, and the other owned by the local cable company. This limited choice leads to obvious questions about competition; when consumers have only two options, can we be sure that market forces will deliver the low prices and high levels of innovation that are characteristic of competitive markets?

To address this question, the Bureau conducted a market study. As part of the market study, ISED commissioned public opinion research to hear from Canadian consumers about their perceptions of the broadband industry and discover their habits in purchasing broadband Internet services.

B. RESEARCH OBJECTIVES

ISED commissioned this research to address the following three objectives:

1. Better understand what motivates consumer habits in purchasing broadband Internet services from network owners or from resellers.

2. Examine the competitive dynamics of the industry.

3. Identify positive steps that regulators or policy makers could take to further support competition between broadband providers.

The intent of this research is to identify problems and suggest potential solutions to competition issues related to broadband in Canada. The research is also intended to help regulators and policymakers better understand the competitive dynamics of the broadband industry and the potential impact of regulations on competition. The research was designed to generate the following information and insights:

- consumer attitudes towards Internet service providers;
- barriers that consumers may face when switching providers;
- consumer purchasing habits;
- consumer confidence (in their personal situation, in the industry, in the economy); and,
- overall consumer satisfaction with Internet service providers.

Reading this report

In this report, quantitative results are expressed as percentages unless otherwise noted. Results may not add to 100% due to rounding or multiple responses. Net results cited in the text may not exactly match individual results shown in the charts due to rounding.

The following terms are used throughout the report:

- ISP refers to Internet service provider;
- FBD or Facility-Based Distributor are companies that provide Internet service and are the owners of the physical network over which the service is provided (typically, but not exclusively, the local telephone and cable companies); and,
- “Independent company” refers to ISPs that are not FBDs, which are sometimes referred to as “resellers”.

II. DETAILED FINDINGS – QUALITATIVE PHASE

A. Current use of ISPs

Types of Internet use. At the start of each group, participants were asked how they use their Internet at home. For nearly all participants, the Internet service in their home is intensely used, highly relied upon and in many cases, vital. Services that are widely used include:

- Video streaming (e.g., Netflix and YouTube)
- General browsing and searching (e.g., "Googling")
- E-mail
- Video calling (e.g., Skype or Facetime)
- Online banking
- Social media

Services that are less popular, but still considered fairly important among those who use them, include music streaming, accessing files or a Virtual Private Network (VPN) for work, online gaming and online shopping. Typically, the Internet is used by everyone in the household and often differently by each individual. Irrespective of how the Internet is used, a high-speed and reliable (i.e., uninterrupted) connection is largely considered essential.

Source of Internet service. Nearly all participants in this study use their local Facility-Based Distributor (FBD) (i.e., their major local television service provider or telephone service provider) for their Internet service. FBDs that were widely used are Rogers and Bell (in Toronto), Eastlink and Bell (in Halifax), Vidéotron and Bell (in Quebec), and Shaw and Telus (in Edmonton and Vancouver).

- For the most part, it was younger participants who used smaller, independent providers. Some of these ISPs included TekSavvy (Toronto), CityWide (Halifax), Distributel and Ebox (Quebec), Getus (Edmonton) and Surf (Vancouver).
- In rural and remote areas, participants seem to feel that only one, or at most two options are available to them. These individuals are also more likely to be aware of, and in a few cases, rely on satellite-based providers like Xplornet but by and large, they use the FBD (especially the telephone service provider) as their ISP. As well, technologies like wireless "hubs" (wireless devices that connect to a cellular network to provide fixed high-speed Internet access) are more common in rural and remote households. In these cases, the service provider is a cellular service provider, representing either the local FBD or an FBD from outside the local area.

Most participants have been with their providers for many years. Many, especially older participants, have been with their provider "forever" or "since the Internet was invented". It was more common for younger participants to report recent switches, typically within the past few years.

Bundling. Participants often subscribe to at least one other service with their ISP. Older participants are more likely than younger participants to say they bundle their Internet service with their television and their home phone service. Moreover, if younger participants have a bundle, it is typically more limited than what older participants have (Internet and television service only). This service configuration is most commonly attributable to the fact that younger participants are more prone to what is known in the industry as “cord-cutting” – in other words, they do not subscribe to a home phone service, or, in many instances, television service.

Factors that influence choice of ISP. Participants were asked to describe the main factors they take into consideration or the process they follow in choosing an ISP. Price is almost always an important consideration, but participants also consider the provider’s reputation, the download cap (if there is one and how high it is), the service’s bandwidth or speed and the reliability of the connection. The quality of customer service and technical support and the ability to bundle are also important considerations, especially among older participants. Younger participants are more likely to look for additional features or promotions included with their Internet service.

Some features mentioned by participants are:

- “Home Hub” to be able to use the Internet when the power is off
- Streaming services (i.e., Netflix and YouTube) built into the set-top box
- Parental controls
- Promotional offers for free TV by subscribing to an Internet service
- Having access to public Wi-Fi (e.g., Shaw GO Wi-Fi service in public areas, as noted by participants in Western Canada)

During the process of choosing an ISP, some participants reported talking to family and friends to get recommendations. Most ISP shopping was limited to the FBDs in their area because they were either better known, the only ones known, or because they “didn’t trust” the smaller companies. Some younger participants said they just chose the ISP they grew up using at their parents’ home, because that’s what they were familiar with. Participants in rural regions explained that their only criteria is whether the service provider is available to them. If they can get some semblance of a high-speed connection, they will consider the provider.

Satisfaction with ISP service. In general, participants are more satisfied than dissatisfied with their ISP service. This is not the case in rural and remote regions, however, where dissatisfaction is the rule rather than the exception. In larger centres, only a few reported being dissatisfied, mostly due to price or customer service.

B. Perception and choice of ISPs

Perceptions of choice. In general, participants do not know many ISPs outside of FBDs. A few mentioned Primus or other independent companies specific to their region. A few participants also confused cellular service providers and Internet providers.

Based on their current understanding of what is available in their area, most participants perceived having no real choice when it comes to home Internet providers. Participants feel that when they are negotiating or deciding on a service provider, they are typically pitting two options, at most, against each other. Many participants revealed that they didn’t even know there were more options available outside of the two FBDs.

Not only do many participants feel they have too few options available to them from a service provider standpoint, many also feel that the two companies offer the same kind of service. This sentiment was not unanimous; however, some did argue that service providers differ on pricing, or that the Internet connection is different in terms of speed and quality.

Ultimately though, nearly all would prefer if there were more choices available to them, presuming that an increase in the number of service providers would lower prices.

"For Internet, the market isn't oversaturated so they can charge what they want. There's only three to pick from. With cellphones there's so many that the prices fluctuate." (Halifax, younger participant)

"You have a real choice, but it's a limited choice." (Edmonton, older participant)

Degree of familiarity with independent companies. Overall, independent companies are not well known at all. Participants do not understand the term "resellers" and most have never heard the term used before in an Internet service context. A few guessed what it means and were along the right lines. A few were also able to name one or two independent companies in their region, but this was rare; a few named an independent company without knowing they were resellers.

Given the limited awareness of independent companies in their area, participants could not explain with any confidence how these companies might be different from the major ISPs in their area. Most impressions were based on the following:

- If someone in the group was using or had experience with an independent company;
- What they would expect from a start-up, since most participants assumed that because these companies were not well known, they must almost invariably be new to the market; and/or,
- What they would expect from a smaller company.

Participants mostly attribute their lack of awareness to a lack of marketing effort on behalf of local independents rather than to their own lack of research. However, a few admitted having made no effort to find out who, beyond FBDs, can provide Internet service in their area.

Perceptions of independent companies. Once participants were given a definition of resellers and examples of local independents in the area, many raised concerns about using one of these ISPs, especially in terms of trust. A big obstacle is fear of the unknown and a general lack of experience with independent companies. Some participants were concerned the customer and technical support would be poorer than that of an FBD and they would have to wait too long if they needed a technician. However, this point was debated in a few groups since some believed these smaller companies would be more client-focused and offer better customer service than a large company with millions of customers.

Other concerns with using independent companies are the quality of the Internet connection, the financial stability of the provider and security. More specifically, participants feared that the speed and reliability of the Internet service would not be as good as what is offered by the FBDs. In terms of stability, there were concerns that many of these companies are start-ups and may not survive, leaving them to go through the hassle of having to find another provider. Participants want a service provider that is not going to close its doors anytime soon. Finally, many participants, especially older ones, worry about the extent to which the Internet network of these independent companies is secure.

"You get what you pay for." (Edmonton, younger participant)

"There are two companies that own the infrastructure. There are resellers, but personally I wouldn't go with them. They probably provide the exact same service, but I just would worry about reliability and I'm not willing to make the switch to test it." (Toronto, younger participant)

Some suggested it would ease some of their concerns if they knew these independent companies are in fact using their local FBD network.

For most participants, the only advantage an independent company might have over an FBD is pricing. There is an expectation that an independent would be less expensive than an FBD by about 20-30% (although some participants estimated the price difference to be as small as 10% or as large as 50-60%). For those who are already using an independent company, price was a significant consideration in their decision-making process. They were prepared to accept some compromises and some element of risk for a lower monthly bill. On the other hand, most other participants said they are not willing to compromise on things like customer support or the reliability of the network for a better price.

- Younger participants, especially in Vancouver, were most likely to accept trade-offs for a better price, especially when it comes to customer service.

Ultimately, many participants view switching to an independent company as a risk, and given how important their Internet connection is to their household and the hassle associated with switching providers, it is a risk few are prepared to take. Some of this risk could be mitigated if they were more familiar with the company's track record (both in terms of years in business and number of satisfied customers) and if they could see some customer reviews.

Terminology. Participants did not particularly like the word "reseller". Many would prefer they just be called "an Internet service provider". Consistent with the concerns described previously, some felt that the term "reseller" suggests these companies are selling a "second-hand", "recycled", "refurbished" or "lesser quality" service.

"How about providers, just the same as any other company? I wouldn't need to know that they are resellers as long as they're reliable." (Vancouver, older participant)

C. Switching ISPs

Experience with switching ISPs. Many participants have experience with switching their Internet providers, although younger participants are more likely than older participants to have switched. Most people who did switch tended to move from one FBD to another one. A few younger participants heard from friends or neighbours about an independent company being less expensive and switched from an FBD to an independent as a result.

Motivation to switch. Many reasons were provided for switching ISPs, the most common being price. Participants were more likely to switch if they were frustrated with the pricing of their current provider or if they found a better deal with another provider. As noted earlier, for the most part, switchers would compare offers with the other FBD in their region.

"The problem with the price is that [the FBD] will give you a good deal for 12 months, and then it's almost double. You try to negotiate, and they don't want to give you the same price." (Edmonton, younger participant)

"Every month my bill was different and I was tired of calling every month. And my friend was like, 'oh try [independent provider brand], it's just one price.' " (Toronto, younger participant)

Other reasons given for switching included:

- network reliability (or lack thereof);
- Internet speed;
- customer service; and,
- location (moved provinces or from rural/urban areas).

Reasons for not switching. Participants who haven't switched explained they have no reason to and weren't experiencing problems with their Internet service. A major reason that keeps participants from switching is their relationship with their current provider. Participants felt if they are loyal to their current ISP, they in turn are treated well and customer service is better. Others explained they haven't switched because they don't want to deal with the hassle of switching providers.

"I was late on my bill and they called me and told me that they see I've been with them a while, and they would knock the bill down $30 if I paid it right away." (Edmonton, younger participant)

"When [new TV product] came out, I thought of switching but the hassle of it, with Internet and email, I just didn't want to bother." (Vancouver, older participant)

Participants recognize that their current FBD are motivated to retain their business. Many have experienced situations where they have contacted their provider to either complain or "threaten" to leave and have been pleasantly surprised with the counter-offer presented by their provider. There have even been situations where the provider, especially in bundled services situations, was proactive in proposing cost-saving strategies to the client. In return, these participants have felt compelled to remain loyal, believing this loyalty is valued and will be rewarded.

D. Barriers to switching

Barriers to switching ISPs. Many participants, especially older ones, envision switching providers to be a hassle. Younger participants, while they still find it a hassle, are less likely to be put off by this, and more likely to switch.

"It's a hassle but doable." (Toronto, younger participant)

The nature of the hassle typically involves one or a combination of the following:

- Having to switch equipment - the installation of new equipment combined with having to pack up and ship or return the old equipment was seen as a hassle by a few participants in almost all groups;
- Having to change email addresses;
- The gap in service due to disconnecting one service and waiting for the new service to be activated;
- Having to take the time to compare offers, shop around, call different providers to see what they can offer, etc.; and,

- Having to take time off from work to accommodate a technician to come and set up the service. The service window that technicians give customers when coming to install the service (reported by participants as being either a half or a full-day window) was more likely to be seen as an inconvenience than a convenience.

“Taking the day off of work and losing those hours would possibly offset anything I’m going to save; it would have to be really good for it to be worth it.” (Edmonton, younger participant)

Disincentives to switching. Aside from hassle-related factors, participants also identified some disincentives to switching ISPs. Here again, participants reiterated that they are reluctant to abandon the loyalty that they have built-up with their current provider and the preferred treatment they believe they have earned with that provider over the years. A few also didn’t want to lose or break-up their bundle because it would increase how much they pay for their other services (potentially offsetting any price savings they might get from their new ISP) or because they simply like having all their services with one provider. Still related to bundling, a few older participants did not want to switch because it would also require switching their TV service or they would end up with two bills, neither of which was an interesting outcome for them. Finally, some preferred the status quo because it’s what they know best, and even if it is not a perfect service, it is at least familiar to them. They would be worried about going through the process of switching to a company whose Internet service is not known to them.

“If I were to change, what happens if it’s not better? That’s the unknown, I don’t know if the competition is better. I would hate to lose what I have now, not knowing if it’s better.” (Edmonton, older participant)

E. Role of the government

Overall, participants don’t believe there is enough competition among Internet providers. As a rule, participants only tend to think of two main companies (phone and cable) in their region when they think of competition. Despite this perception, there is more satisfaction than dissatisfaction with the options they have since they are pleased with the service from their current provider and don’t feel the need to switch.

"Even if I had more choice, I still don't know if I would change. I've been with [FBD brand] for ten years and I like them even if I notice the quality of the service is going down." (Edmonton, older participant)

On the other hand, some would prefer more competition regardless of whether they would switch – they would at least like more options to exist.

When asked if there was anything the Government of Canada could do to increase the amount of competition among ISPs; nearly all participants believe it has a role to play.

- A few hinted at loosening or removing foreign-ownership limitations;
- The Government could better inform/educate Canadians that they have choices when it comes to their ISP. This could be achieved by supporting advertisement efforts by independent companies or a Government website listing all the ISPs available in each region;
- The Government could forbid 2-year contracts;
- The Government could introduce regulations that require a minimum level of service across all providers in terms of the integrity, speed and reliability of the Internet connection;

- Provide more free public Wi-Fi in high traffic areas of cities; and
- Fund the installation of more and better infrastructure in rural and remote areas to support more reliable, consistent and fast Internet service in those regions.

Many also suggested some shape or form of price regulation. Participants would like to see rules in place to ensure more consistency in pricing between providers and more consistency across customers using the same ISP. A few participants also mentioned that they believe Canada's prices are high compared to other parts of the world, notably the US and Europe. These participants tended to suggest the Government should step in to ensure prices in Canada are more in line with what is paid in other countries.

While there is awareness of some of the recent regulations that have removed switching barriers in the telecommunications industry (e.g., prohibiting locked cell phones, permitting number portability, etc.), few could think of equivalent barriers to switching their Internet service that should also be regulated/removed. A few suggested that having to abandon or switch their email address or that having to switch their equipment (e.g., modem, set-top boxes, etc.) would be barriers worth removing. For the latter reason, a universal modem that could be used with any ISP was suggested (similar to a universal TV remote).

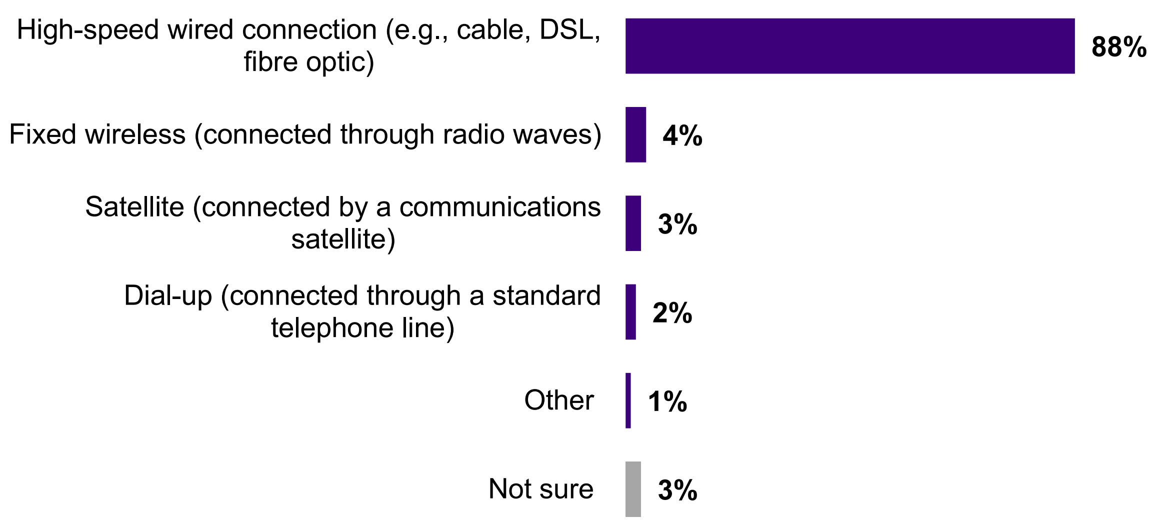
III. DETAILED FINDINGS – QUANTITATIVE PHASE

A. Profile of Internet use in Canadian households

Almost all Internet subscribers in Canada have a high-speed connection.

The vast majority (88%) of Internet subscribers have a high-speed wired connection (cable, DSL, fibre optic, etc.). Far smaller proportions have other types of services such as fixed wireless (4%), satellite (3%) or dial-up (2%)[3].

Current Internet service type



Q16 What type of home Internet service do you have?

BASE: TOTAL (n=2,005)

A high-speed wired connection is by far the most common type of service across the population but is less common in rural communities (75%) than in mid-sized (91%) and large urban (92%) communities. In turn, the other service types are more common in rural areas: nine percent have satellite, seven percent have fixed wireless and four percent have dial-up.

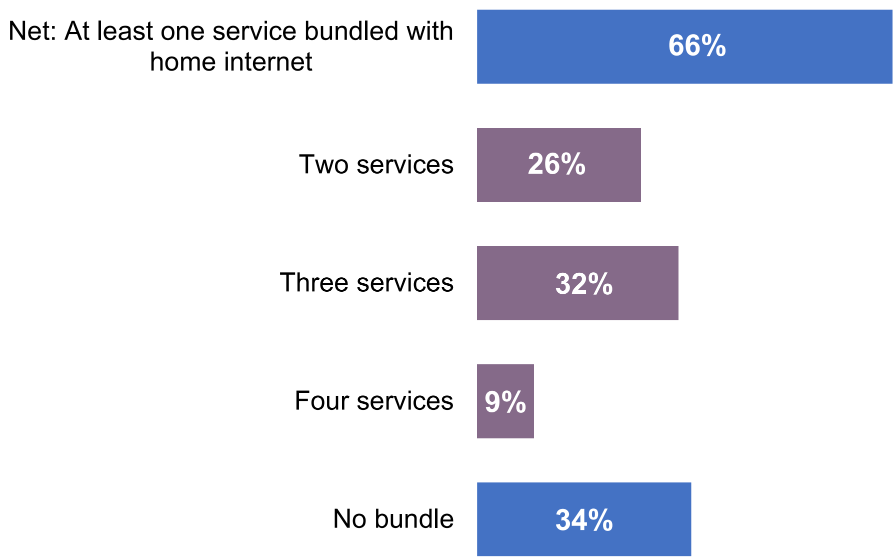
There were no differences in type of Internet service by household income level.

[3] Results in this report are based on an online sample survey and will not necessarily match similar measures cited by the Canada Radio-televison and Telecommunications Commission (e.g., Communications Monitoring Report based upon Statistics Canada's Survey of Household Spending).

Two-thirds of subscribers have at least one service in a bundle with their Internet. Internet service is most often bundled with television and least often with wireless phones.

Bundling services together is the norm for Canadian Internet subscribers. Two thirds (66%) have at least one other service bundled along with their Internet service; four in ten (41%) have three or more services bundled together.

Summary of service bundling



Q22-24 Is (are) this (these) service(s) bundled with your home Internet service? A subscription "bundle" means you get one bill with one price for all the services you receive from that provider.

BASE: All respondents (n=2,005)

FBD customers are much more likely than customers of independent ISPs to have their Internet bundled with other services (71% vs. 27%).

The likelihood of bundling increases with age, from half (52%) of those aged 18-34 to three-quarters (77%) aged 65 and older. Regionally, residents of Quebec are the most likely to have bundled services (75%). Bundling is less common in rural areas (60%) than in mid-size communities (69%) or urban centres (68%). There is no significant variation in bundling between different income groups.

Internet service is most likely to be bundled with television service (56%) and/or home phone (43%). Wireless phone service is bundled with Internet service far less often (17%).

Services bundled with Internet

Service bundling status	Television	Home phone	Wireless phone
Same provider as Internet, bundled	56%	43%	17%
Same provider as Internet, not bundled	5%	3%	10%
Different provider (not bundled)	11%	8%	47%
Do not have service	28%	45%	26%

Q18 In addition to home Internet, which of the following services does your household currently pay for?

BASE: All respondents (n=2,005)

Q19-21. Who provides this (these) service(s)?

BASE: Those paying for each service

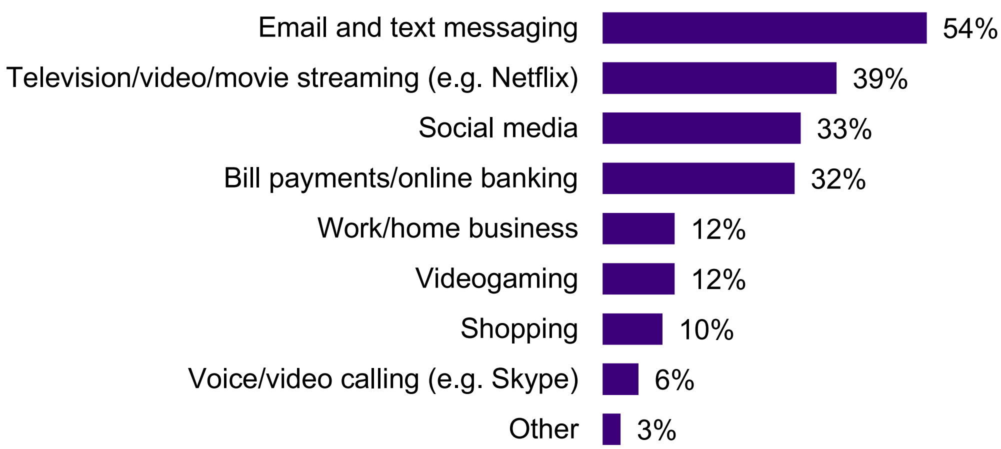
Q22-24. Is (are) this (these) service(s) bundled with your home Internet service? A subscription "bundle" means you get one bill with one price for all the services you receive from that provider.

BASE: Those indicating the same service provider as home Internet for each service

The most common use for home Internet is communication by email and text. More bandwidth-heavy activities like video streaming are also common.

Email and text messaging (54%) are the most common use for home Internet, followed by video streaming (39%), social media (33%) and online banking (32%). It is notable that these activities are not equivalent in terms of their reliance on high speeds and a high usage limit, as streaming and gaming require greater bandwidth.

Most common uses of home Internet[4]



Q25. What are the two most common uses of the Internet in your home on a daily basis?

BASE: All respondents (n=2,005)

The most common reasons for using their home Internet vary by age. Older Canadians have a greater tendency to use the Internet for email and text messaging (ranging from 31% of 18-34 year olds to 82% of those aged 65+) and bill payments/banking (ranging from 15% of 18-34 year olds to 54% of those aged 65+).

In turn, younger Canadians are more commonly using their Internet for activities that require higher bandwidth, such as streaming (62% of 18-34 year olds) and video gaming (22%), as well as for social media (43%). Thus, we can expect that these higher bandwidth activities will become a larger proportion of all Internet activity over time.

Using the Internet to stream videos (54%) and for work/home business (30%) are both higher among those in the highest income group ($150k+ per year). Streaming is less common in households that do not have high-speed Internet (40% compared to 31% of those without), and thus in rural areas (32%).

[4] These results reflect the type of activity for which Internet is used, which does not necessarily equate to the amount of time spent doing that activity. For example, streaming video may not be as common as email for many, but it may account for much more time spent on the Internet.

B. Satisfaction with Internet service providers

Most home Internet subscribers get their service from FBD providers. Only eight percent are using independent ISPs.

FBD (facility-based distributor) providers are generally large telecommunications companies who own and operate the infrastructure that delivers high-speed Internet service. Independent ISPs are generally smaller providers who do not own the infrastructure to deliver high-speed Internet service and instead lease it from an FBD in order to re-sell it to their customers.

Survey participants were asked to name their current Internet provider and the responses were subsequently classified into FBD and independent ISP providers. Overall, nine in ten (91%) of all Internet subscribers in Canada get their service from an FBD while fewer than one in ten (8%) get their service from an independent ISP.

Current Internet provider

Internet service provider	%
All FBD (Net)	91%
All Independent (Net)	8%
Other types of providers	1%
Not sure	<1%

Q17. Who is your current home Internet provider?

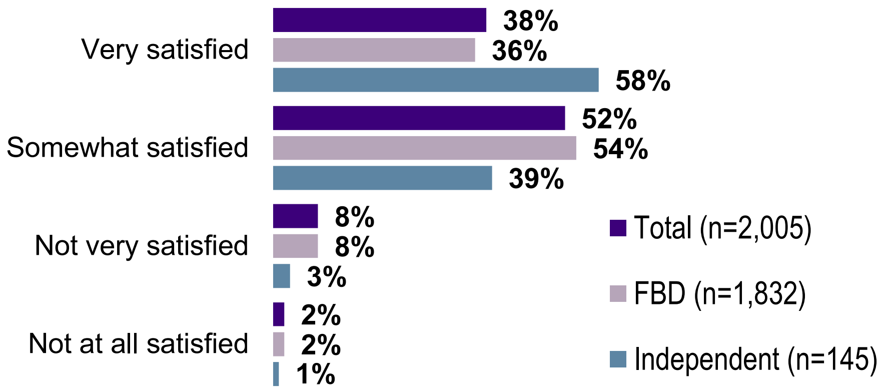
BASE: All respondents (n=2,005)

The large majority in every region and population segment currently subscribe to an FBD. Subscriptions to independent ISPs are more common in Ontario (15%) and Quebec (8%). Subscription to an independent ISP is significantly lower among those 65 and older (5%, vs. 9% under the age of 65).

Canadians are generally satisfied with their current Internet service provider, but strong satisfaction is more widespread among independent ISP customers.

Overall, consumers express moderate satisfaction with their current ISP, with four in ten (38%) who are very satisfied and half (52%) who are somewhat satisfied; relatively few are truly dissatisfied (10%). Notably, strong satisfaction is significantly higher among subscribers to independent ISPs (58%) than those subscribed to FBDs (36%), who in turn are more likely to describe themselves as somewhat satisfied.

Satisfaction with current provider



Q26. Overall, how satisfied are you with your current home Internet service provider?

BASE: All respondents (n=2,005)

Overall, satisfaction is high across all regions and population segments; strong satisfaction (i.e., very satisfied) is higher in Saskatchewan (48%). There are no consistent patterns in satisfaction by community size, age or income level.

Cost is the main concern for Internet subscribers who are not fully satisfied with their ISP, followed by service issues. While cost concerns drive lack of satisfaction among FBD customers, issues of Internet reliability are also of concern among independent ISP customers.

Those who are not fully satisfied with their ISP were asked the reasons why not. Overall, the top reason is cost (77%), followed by concerns about the service (40%). These are the two main reasons regardless of level of satisfaction (i.e., whether somewhat satisfied or dissatisfied), although concerns about the amount of Internet reliability and speed are twice as common among those who are dissatisfied.

Reasons why not fully satisfied with current ISP

Reasons not fully satisfied	Overall (n=1,250)	Somewhat satisfied (n=1,054)	Not very/not at all satisfied (n=196)	FBD (n=1,171)	Independent ISP (n=62)
Price/cost (NET)	**77%**	**75%**	**85%**	**80%**	**34%**
Costs too much	73%	71%	83%	76%	28%
Price variability	11%	10%	17%	12%	3%
Overage charges	6%	5%	9%	6%	3%
Service (NET)	**40%**	**37%**	**56%**	**38%**	**69%**
Internet connection is not reliable/too much downtime	19%	16%	31%	17%	40%
Internet speed is too slow for my needs	18%	16%	34%	18%	20%
Customer service issues, e.g. can't reach a representative	10%	10%	14%	10%	12%
Monthly download/upload limit is too low	5%	4%	7%	5%	3%
Locked into a contract or facing penalties if I cancel my service	7%	7%	9%	8%	2%
Other	2%	1%	2%	2%	1%
Not sure	5%	5%	2%	4%	6%

Q27. What are the main reasons you are not more satisfied with your current home Internet service provider? Note: due to multiple responses, totals add up to greater than 100%.

BASE: those less than very satisfied with their home Internet service provider (n=1,250)

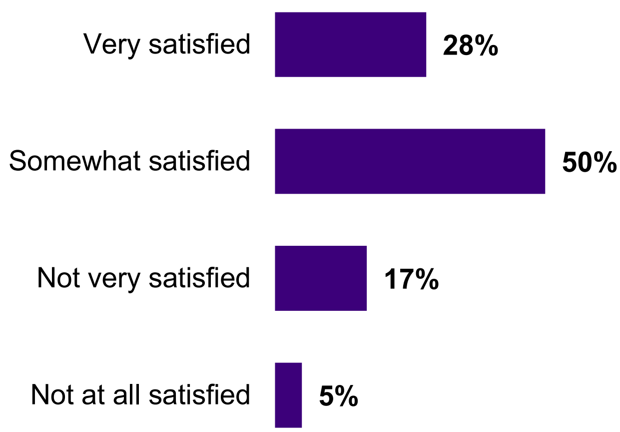
A particularly notable finding is that reasons for lack of satisfaction vary for FBD and independent customers. Cost is by far the top reason for FBD customers (80%); however, customers of independent ISPs are marginally more likely to express concern about Internet downtime (40%, vs. 34% for cost).

Among those who are less than fully satisfied with their current ISP, older Internet subscribers more often give cost as the reason (85% among those 65+) than younger subscribers, who are significantly more likely to cite issues around service (47% among those 18-34), especially connection reliability and speed. Cost is also more widely mentioned as a concern in Atlantic Canada (84%) and BC (82%) and less commonly in Saskatchewan (60%).

Three quarters are satisfied with the selection of ISPs available to them.

In addition to asking about their level of satisfaction with their current ISP, Internet subscribers were also asked their level of satisfaction with the *choice* of home Internet providers available to them. Most people are satisfied with the available choices (78% overall; 28% very satisfied).

Satisfaction with selection of ISP choices



Q28. How satisfied are you with the choice of home Internet service providers available to you?

BASE: Al respondents (n=2,005)

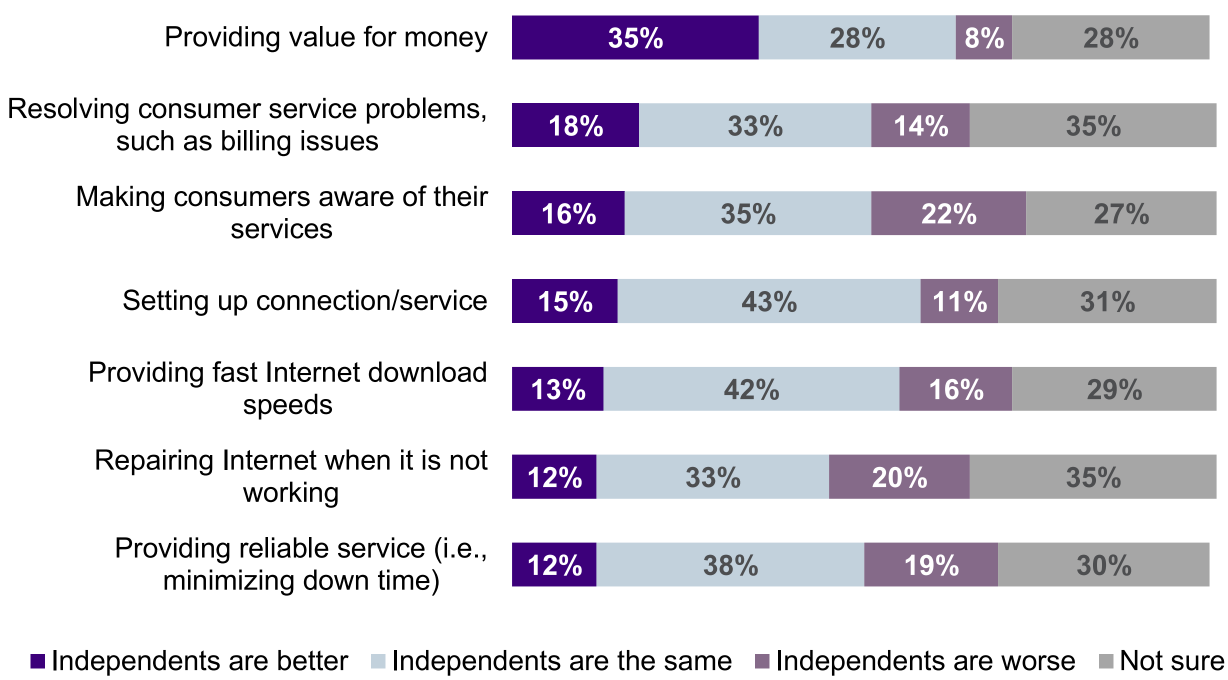
Most Internet subscribers are satisfied overall with the choice of available ISPs, regardless of their region or population segment. Strong satisfaction is higher among customers of independent ISPs (39% compared to 28% of FBD customers), residents of Saskatchewan (35%), Alberta and Quebec (32% each) and those in large urban communities (30% compared to 24% in rural areas).

Independent ISPs are not clearly differentiated from FBDs on any service element except price, with one-third of subscribers who say they are better value for money.

Survey participants were asked their views on various aspects of the service provided by independent ISPs compared to FBDs. Across most of these areas, most people say that independent ISPs are either the same as FBDs or they are not sure. FBDs are slightly favoured in a few areas, including making consumers aware of their services (22% vs. 16% for independents), repairing the Internet when it is not working (20% vs. 12%) and providing reliable service (19% vs. 12%). The largest difference is price, where more than a third of people (35%) feel independent ISPs are better than FBDs and only eight percent think that independent ISPs are worse.

Consistently, around a third of Internet subscribers say they just do not know enough to make a judgement, underlining one of the conclusions from the qualitative research: that many people are unaware of independent ISPs and what they offer.

Perceptions of independent ISPs



Q35-41. To what extent do you believe the service provided by independent Internet service providers are better than, the same as, or worse than Internet service provided by the local telephone and cable companies in each of the following situations?
BASE: All respondents (n=2,005)

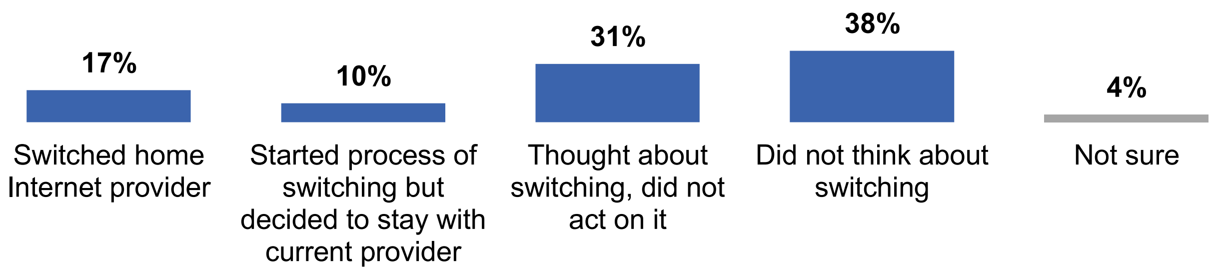
Younger subscribers (aged 18-34) are typically more likely to say that independent ISPs are better, especially in terms of prices. Views of independent ISPs as better or the same as FBDs are more common among their customers, while FBD customers are more apt to say independent providers are worse than FBDs or they are not sure about the comparison. There are no other consistent differences in perceptions by population segment.

C. Switching behaviours

A majority considered switching ISPs in the past two years, but fewer than one in five did.

A majority (58%) of Internet subscribers have thought about switching ISPs in the past two years. However, only a fairly small proportion (17%) actually made the switch. A few (10%) started the process of switching but eventually decided to stay with current provider, while three in ten (31%) didn't act on their thoughts of switching.

Switching in the past two years



Q29. Which of the following best describes you? In the last two years…

BASE: All respondents (n=2,005)

Likelihood to have switched in the past two years is higher among younger Internet subscribers (25% aged 18-34 compared to 9% of those aged 65+). The proportion who did not even think about switching ranges from a high of almost five in ten in Manitoba (48%) and Saskatchewan (47%) to a low of one-third each in Ontario (33%) and the Atlantic provinces (33%). There are no consistent differences in switching behaviour by community size or income.

There is a clear relationship between satisfaction with their current ISP and recent switching behaviours. Strong satisfaction is highest among those who did not think about switching (58%), which is unsurprising (satisfied people don't consider switching). It is next highest among those who switched providers in the past two years (45%) and is lowest among those who considered switching but did not (16%).

While most people who have switched recently moved between FBD providers, there has been a small net gain for independent ISP customers among switchers.

People who have switched Internet providers in the past two years were asked who their previous ISP was in order to identify switching patterns. Among switchers, there has been a net move toward independent ISPs (up seven percentage points, from 10% to 17%) and away from FBD providers (down four percentage points, from 85% to 81%). Despite this trend, the data indicate that the majority (71%) of switchers are still between FBD providers.

ISP switched to/from among recent switchers

Internet service provider	Recent switchers (n=340)	
	Previous ISP	Current ISP
FBD providers (NET)	85%	81%
Independent (NET)	10%	17%
Other	1%	<1%
Not sure of provider	4%	1%

Q17. Who is your current home Internet provider?

BASE: Those who switched home Internet provider in past two years (n=340)

Q30. Who was your previous Internet provider before you switched to your current provider?

BASE: Those who switched home Internet provider in past two years (n=340)

Price is the overarching reason given for switching providers, and particularly for switching from an FBD to an independent ISP.

Recent ISP switchers were asked why they decided to switch providers. The most common reason given is cost (66%); issues with the Internet service such as reliability, speed and customer service, are a secondary reason (43%). Most of the switchers who were motived by price were looking for a better deal elsewhere, although a few were also trying to avoid variability/overage charges. For one-quarter of switchers, switching ISPs was prompted by a move.

Price is the main reason for switching regardless of whether it was from one FBD provider to another or from an FBD provider to an independent ISP, but it is a more common motivator for the latter group (89%). In turn, reasons related to service are relatively more common among people switching among FBD providers (43%).

Reasons for switching ISP

Reason for switching	Overall (n=340)	Switched from FBD to a different FBD (n=244)	Switched from FBD to independent ISP (n=46)
Price/cost (NET)	**66%**	**66%**	**89%**
Cost (looking for better price)	64%	65%	87%
To avoid price variability/overage charges	10%	11%	13%
Service (NET)	**40%**	**43%**	**26%**
Internet connection not reliable/too much downtime	22%	24%	14%
Customer service issues, e.g. couldn't reach a representative	17%	20%	17%
Internet speed too slow for my needs	16%	16%	9%
Monthly download/upload limit was too low	9%	8%	14%
Moved	24%	26%	15%
Other	2%	2%	3%
Not sure	2%	<1%	0%

Q31 Why did you switch your Internet provider? Note: due to multiple responses, totals add up to greater than 100%.

BASE: THOSE WHO SWITCHED HOME INTERNET SERVICE PROVIDER (n=340). NOTE: Due to small sample sizes, the results are not broken down separately for those who switched from an independent ISP to a different independent ISP (n=7), from an independent ISP to an FBD (n=24) or to/from another type/unknown provider (n=19) (although these three groups are included in the "overall" calculation).

Some who thought about switching their home Internet provider considered an independent ISP, but ultimately stayed with their FBD provider.

Those who considered switching (either started the switching process but ultimately did not switch, or thought about switching, but did not act on it) were asked which ISP they considered switching to.

The results are similar to those who actually did switch, in that, it would have represented a net move towards independent ISPs (+10 percentage points among those who started the process and +8 points among those only considering it), but again, the majority would have chosen an FBD provider. One-quarter of those who had only thought about switching did not have a specific provider in mind.

Which ISP considered switched to

	Started switch process but stayed with current (n=204)		Thought about switching but did not act on it (n=617)	
Internet service provider	**Current ISP**	**ISP considered switching to**	**Current ISP**	**ISP considered switching to**
FBD providers (NET)	96%	82%	95%	68%
Independent (NET)	3%	13%	4%	12%
Other	0%	1%	1%	1%
No specific company/not sure	1%	10%	0%	25%

Q17. Who is your current home Internet provider?

BASE: TOTAL (n=2,005)

Q32x Which Internet service provider(s) did you consider switching to?

BASE: THOSE WHO CONSIDERED SWITCHING HOME INTERNET PROVIDER IN PAST TWO YEARS (n=821)

When switching ISPs, the main barriers are equipment hassles and disconnection time. Those who only considered switching foresee the hassles with equipment but are relatively more concerned with the cost of switching.

Recent switchers, those who started the process but didn't finish and those who thought about switching but didn't act, were asked about the issues or challenges they faced. There are differences in the barriers reported by these three groups.

For those who switched ISPs, the most common challenges were the hassle of changing equipment (24%) and the downtime between disconnection and re-connection of their Internet service (23%). Four in ten (40%) switchers did not experience any issues with their transition.

Among those who started to switch but did not, the main barriers to switching were the effort involved in swapping equipment (34%), the cost of switching (31%) and their current provider matching the offer or giving them a better offer (30%). For those who only thought about switching, the main perceived barrier to switching was also the effort involved in swapping equipment (49%); cost is the secondary reason for this group (28%). Other concerns for both these groups include needing to change their email address, losing their bundle discount, the hassle of comparing plans/options, and a lack of choice in providers in their area.

Switching issues/challenges faced or prevented from switching

Switching issues/challenges	Switched ISP (n=340)	Started switch but stayed with current ISP (n=204)	Thought about switching but didn’t act (n=617)
Hassle of changing equipment	24 %	**34 %**	**49 %**
No Internet between disconnection and installation	**23 %**	13 %	16 %
Expensive to switch	16 %	**31 %**	**28 %**
Previous provider made it difficult to cancel	12 %	11 %	6 %
Lack of technical support from the new provider	8 %	**13 %**	5 %
Had to break contract/wait for contract to expire	7 %	7 %	8 %
Hassle of changing email address	7 %	**14 %**	**20 %**
Had to break/didn’t want to break bundle/lose bundling discount	4 %	**14 %**	**17 %**
Current provider matched offer/offered better price	s/o	**30 %**	16 %
Nothing in my area/not enough choice	s/o	10 %	**19 %**
Too complicated to compare plans/options	s/o	14 %	14 %
Other	1 %	2 %	4 %
None, no issues	**40 %**	4 %	9 %
Not sure	1 %	2 %	2 %

*Note: in this table, numbers in **bold** indicate a statistically significant difference from the corresponding number in the other subgroups/columns*

Q32 What issues or challenges did you face, if any, when you switched your Internet provider? Note: due to multiple responses, totals add up to greater than 100%.

BASE: THOSE WHO SWITCHED HOME INTERNET SERVICE PROVIDER

Q33 What issues or challenges, if any, prevented you from switching your Internet provider? Note: due to multiple responses, totals add up to greater than 100%.

BASE: THOSE WHO CONSIDERED SWITCHING HOME INTERNET SERVICE PROVIDER

D. Conjoint analysis

Conjoint analysis reveals that price is the largest single attribute influencing the selection of a home Internet plan (among the six attributes tested), but almost two thirds of the time, the purchase decision is influenced by some other feature such as download/upload limits and download speed.

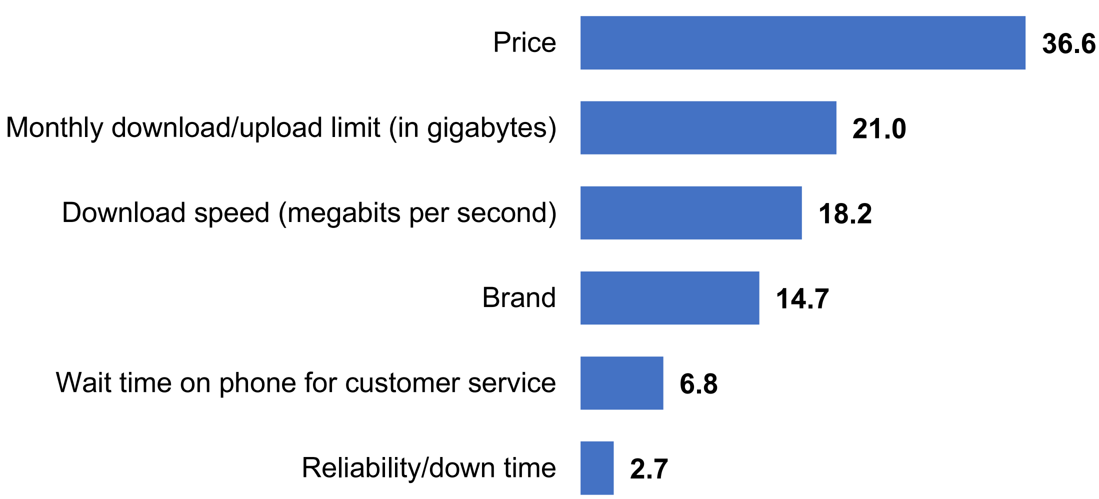
Conjoint analysis is a technique used to simulate in a controlled survey environment the purchasing scenario consumers face in the market. When faced with a purchase decision, consumers do not rate or rank each individual product, or feature of a product, but instead, make a choice out of the panoply of (imperfect) options available to them. The idea behind conjoint analysis is that by *observing* respondents' choices we have a better sense of what features they prioritize, rather than by *asking* them directly.

In this survey, respondents were asked to choose between one of three Internet plans, and repeated this exercise ten times. Each plan differed in terms of brand, download speed, monthly download/upload limit, reliability (Internet downtime), speed of customer service and price. The results indicate the average *share of impact* that each of those six dimensions had on respondents' choices.

Price clearly has the largest impact on choice of Internet plan (at 36.6 share of impact). However, this means the other five factors (63.4 share of impact total) have a greater combined impact on choice.

After price, these other factors can be grouped into two different tiers. About half of the decision-making impact rests with monthly upload/download limits (21.0), download speeds (18.2) and brand (14.7). The two factors with the lowest impact are wait time for customer service (6.8) and the reliability of the service (2.7).

Share of impact on choice of home Internet plan[5]



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[5] The outcome is the average share of impact that each of the six dimensions had on respondents' decision (i.e., what aspect takes up their conscious thought when presented with a choice of ISP packages). For example, the share of impact for price is 36.6%. If people were choosing randomly, all of the features would have a 16.7% (100/6) share. This approach has the valuable property of ratio-scaling, meaning an item with a score of 20 is twice as important as an item with a score of 10.

There are regional variations in the impact that the different factors have. Price is more important to residents of BC (41.6) and Ontario (39.4) and less important in Quebec (28.3). Price is also more important among those in large urban areas (39.3) and those in the lowest income group (earning $40k or less per year - 38.7). Those aged 18-34 place relatively more importance on monthly download limits (23.2) while those 65+ are relatively more concerned with brand (17.4).

Price has a relatively larger impact on customers of independent ISPs (41.9) than on FBD customers (36.1). Customers of independent ISPs also place relatively greater importance on download limits (24.4 vs. 20.7 for FBD customers), while FBD customers place greater relative importance on brand (15.2), wait time for customer service (6.9) and reliability (2.8).

APPENDIX A - METHODOLOGY

1. Qualitative research

Environics Research conducted a series of twelve (12) focus groups with adult Canadians between December 12, 2018 and January 24, 2019.

Group composition

Ten in-person sessions were held in focus group facilities, with two in each of Toronto, Halifax, Montreal, Edmonton and Vancouver. Two sessions were conducted via conference call, one with households in rural Ontario and a second with households in rural Alberta and rural British Columbia. In each community, including rural Ontario, one session was conducted with younger individuals (18 to 39 years), while the second session, including rural West, was conducted with older individuals (40 and up). Ten sessions were conducted in English and two sessions in French.

Summary of focus groups

Date and time	City	Group composition
In-person groups		
Dec 12, 2018 5:30pm ET	Toronto	Younger
Dec 12, 2018 7:30pm ET	Toronto	Older
Dec 13, 2018 5:30pm AT	Halifax	Younger
Dec 13, 2018 7:30pm AT	Halifax	Older
Dec 15, 2018 11:00am ET	Montreal (French)	Older
Dec 15, 2018 1:00pm ET	Montreal (French)	Younger
Jan 21, 2019 5:30pm MT	Edmonton	Younger
Jan 21, 2019 7:30pm MT	Edmonton	Older
Jan 22, 2019 5:30pm PT	Vancouver	Younger
Jan 22, 2019 7:30pm PT	Vancouver	Older
Telephone groups		
Jan 24, 2019 5:00 pm ET	Rural Ontario	Younger
Jan 24, 2019 7:00pm ET	Rural West	Older

The sessions lasted approximately 90 minutes and consisted of between 4 and 10 participants (out of 10 people recruited) for the in-person sessions and 4 to 6 participants (out of 7 people recruited) for the telephone sessions.

Recruitment

Environics developed the recruitment screener and finalized it in collaboration with the Competition Bureau and ISED representatives. Participants were screened to ensure they have Internet service at home, are solely responsible or share responsibility for paying the bill and making decisions about their subscription and do not live in a condo or apartment building with a pre-set arrangement for Internet service (meaning they cannot switch providers).

Participants were also screened to ensure they were invited to the appropriate session according to age, and to include a good mix of individuals by gender, income and education levels, employment types, ethnic backgrounds and Internet service providers. Standard focus group exclusions were in place (i.e., recent related focus group attendance). All participants were offered a $100 honorarium to encourage participation and thank them for their commitment.

Moderation

Derek Leebosh, Vice President, Environics, and Rick Nadeau moderated the sessions. All qualitative research work was conducted in accordance with accepted professional standards and applicable legislation including the Privacy Act and PIPEDA (Personal Information Protection and Electronic Documents Act) legislation.

All groups were video and audio recorded for use in subsequent analysis by the research team. During the recruitment process and at the session sign-in, participants were asked to consent to such recordings.

Statement of limitations

Qualitative research provides insight into the range of opinions held within a population, rather than the weights of the opinions held, as would be measured in a quantitative survey. The results of this type of research should be viewed as indicative rather than projectable.

2. Quantitative research

This research consisted of an online survey of 2,005 Canadians who have home Internet service. Survey respondents were selected from registered members of an online panel. Since the samples used in online panel surveys are based on self-selection and are not a random probability sample, no formal estimates of sampling error can be calculated. Although opt-in panels are not random probability samples, online surveys can be used for general population surveys provided they are well designed and employ a large, well-maintained panel.

Sample design and weighting

Environics Research conducted this online survey from March 6 to 14, 2019. The sampling method was designed to complete interviews with at least 2,000 Canadians ages 18 and over who have home Internet subscriptions. Quotas were set by age and gender to be representative of the Canadian 18+ population. Region was stratified to ensure sufficient subsamples in smaller population areas.

In addition, the sample was designed to ensure that four equal-sized groups of n=500 respondents, balanced by age, gender and region, were assigned to each of the four conditions for the Randomized Controlled Trial (RCT) described in the questionnaire section below.

The following sample distribution was obtained:

Sample distribution

Region	Target (quota)	Actual Unweighted	Actual Weighted*	% of sample
Atlantic Canada	200	201	132	7%
Quebec	430	430	465	23%
Ontario	650	652	768	38%
Manitoba	110	112	69	3%
Saskatchewan	110	110	67	3%
Alberta	225	224	233	12%
BC + Territories Combined	275	276	271	14%
Age group (% pop.)	**Target (quota)**	**Actual Unweighted**	**Actual Weighted***	**% of sample**
18-34	547	537	547	27%
35-59	868	873	868	43%
60+	585	595	589	29%
Gender (% pop.)	**Target (quota)**	**Actual Unweighted**	**Actual Weighted***	**% of sample**
Male	972	957	982	49%
Female	1,028	1,037	1,011	50%
Other/refused	0	11	11	1%

*Results are weighted by region, gender and age to 2016 Census data.

Respondent profile

The following table presents the weighted distribution of survey participants by key demographic and other variables.

Respondent profile

Variable	Total sample %
Age	
18-34	27
35-59	43
60+	29
Gender	
Female	50
Male	49
Education	
High school or less	28
Apprentice/college/some university	37
University graduate/post-graduate	33
Total annual household income	
Under $40,000	25
$40,000-<$80,000	32
$80,000-<$100,000	13
$100,000-<$150,000	15
$150,000 or more	6
Prefer not to say	9
Community size (self-reported)	
Rural (<30K)	24
Medium sized (30K-<500k)	40
Large urban centre (>500K)	37
Survey language	
English	77
French	23
Responsibility for Internet subscription decisions	
I am primarily responsible	67
I share responsibility with someone	27
Someone else is primarily responsible	6

Questionnaire design

Environics designed the questionnaire in consultation with representatives from ISED and the Bureau, to ensure research objectives were met. In addition to the screening and demographic sections, there were three main sections of the questionnaire:

- A Randomized Control Trial (RCT), designed by an independent contractor to the Bureau, Behavioural Scientist Dr. Claire Tsai from the University of Toronto, aimed at verifying the impact of bundling on consumers' preferences for home Internet services and corresponding purchase intentions. More information about the RCT methodology and results can be found at [https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04470.html].

- A set of questions about their current Internet service provider, satisfaction levels, switching experiences and perceptions of independent vs. FBD providers.

- A set of questions pertaining to the choice-based conjoint analysis.

Upon approval of the English questionnaire, ISED arranged for the questionnaire to be translated into French.

Environics' data analysts programmed the questionnaires, then performed thorough testing to ensure accuracy in set-up and data collection. This validation ensured that the data entry process conformed to the surveys' basic logic. The data collection system handles sampling invitations, quotas and questionnaire completion (skip patterns, branching, and valid ranges).

Prior to finalizing the survey for field, a pre-test (soft launch) was conducted in English and French. The pre-test assessed the questionnaires in terms of question wording and sequencing, respondent sensitivity to specific questions and to the survey overall, and to determine the survey length; standard Government of Canada pre-testing questions were also asked. As no changes were required following the pre-test, the n=118 responses (100 English, 18 French) are included in the final data set.

The final survey questionnaire is included in Appendix D.

Fieldwork

The survey was conducted by Environics using a secure, fully featured web-based survey environment. The survey took place from March 6 (soft launch pre-test) to March 14, 2019. The average questionnaire completion time was 10 minutes.

All respondents were offered the opportunity to complete the surveys in their official language of choice. All research work was conducted in accordance with the Standards for the Conduct of Government of Canada Public Opinion Research – Online Surveys and recognized industry standards, as well as applicable federal legislation (Personal Information Protection and Electronic Documents Act, or PIPEDA).

The data from this survey are statistically weighted to ensure the sample is as representative of the Canadian population according to the most recently available Census information.

Completion results

The completion results are presented in the following table.

Completion results

Total email addresses used	**27,368**
Invalid cases	**0**
invitations mistakenly sent to people who did not qualify for the study	0
incomplete or missing email addresses	0
Unresolved (U)	**22,952**
email invitations bounce back	0
email invitations unanswered	22,952
In-scope non-responding units (IS)	**339**
non-response from eligible respondents	0
respondent refusals	0
language problem	0
selected respondent not available (illness; leave of absence; vacation; other)	0
early break-offs	339
Responding units (R)	**4,077**
completed surveys disqualified – quota filled	1,919
completed surveys disqualified for other reasons	153
completed surveys	2,005
Participation rate / response rate = R ÷ (U + IS + R)	**15%**

APPENDIX B – FOCUS GROUP SCREENER

Environics Research Group
Consumer Switching in Broadband Providers
Competition Bureau
PN10195

Recruitment for Group Discussion

Respondent Name: ______________________________

Home #: ______________________________

Business #: ______________________________

Group #: ______________________________

Recruiter: ______________________________

GROUP 1	**GROUP 2**	**GROUP 3**	**GROUP 4**
Toronto	Toronto	Halifax	Halifax
Wed, December 12	Wed, December 12	Thurs, December 13	Thurs, December 13
5:30 pm	7:30 pm	5:30 pm	7:30 pm
Younger group	Older group	Younger group	Older group
GROUP 5	**GROUP 6**	**GROUP 7**	**GROUP 8**
Montreal (French)	Montreal (French)	Edmonton	Edmonton
Saturday, Dec 15	Saturday, December 15	Monday, January 21	Monday, January 21
11:00 am	1:00 pm	5:30 pm	7:30 pm
Older group	Younger group	Younger group	Older group
GROUP 9	**GROUP 10**	**GROUP 11**	**GROUP 12**
Vancouver	Vancouver	Phone – Rural ON	Phone – Rural West
Tuesday, January 22	Tuesday, January 22	Thursday, January 24	Thursday, January 24
5:30 pm	7:30 pm	5:00 pm	7:00 pm
Younger group	Older group	Younger group	Older group

Ten recruits per in-person session; seven recruits per phone session. $100 incentive. All must be Internet users who pay the bill for home Internet services. 'Younger' is defined as anyone between the ages of 18 and 39 and 'older' is anyone over the age of 40.

Seven recruits per phone session. $100 incentive. All must be Internet users who pay the bill for home Internet services, living in a rural area. 'Younger' is defined as anyone between the ages of 18 and 39 and 'older' is anyone over the age of 40.

Hello/Bonjour, my name is _________ from Environics Research. We are calling today to invite participants to attend a (a telephone conference call) focus group discussion we are conducting about consumer issues, on behalf of the Competition Bureau, an agency of the Government of Canada, part of Innovation, Science and Economic Development. This study is a research project, not an attempt to sell or market anything. Your participation in the research is completely voluntary, anonymous and your decision to participate or not will not affect any dealings you may have with the Government of Canada.

IN PERSON: The format is a “round table” discussion led by a research professional. A video-recording of the session will be produced for research purposes.

TELEPHONE: The format will be a conference call discussion led by a research professional. An audio-recording of the session will be produced for research purposes.

The recordings will be used only by the research professional to assist in preparing a report on the research findings and will be destroyed once the report is completed. All information collected, used and/or disclosed will be used for research purposes only and administered as per the requirements of the Privacy Act.

The session will last a maximum of 1.5 hours and you will receive a cash gift of $100 as a thank you for participating in the session. May we have your permission to ask you or someone else in your household some further question to see if you/they fit in our study? This will take about 5 minutes.

NB: If a participant asks for information on the research company conducting the research they can be told: Environics Research is located at 33 Bloor Street East, Suite 900, Toronto Ontario and can be reached at 416-920-9010.

Yes	1 – **CONTINUE**
No	2 – **THANK AND TERMINATE**

Would you prefer to continue in English or French? / Préférez-vous continuer en anglais ou en français?

[INTERVIEWER NOTE: FOR ENGLISH GROUPS, IF PARTICIPANT WOULD PREFER TO CONTINUE IN FRENCH, PLEASE RESPOND WITH, "Malheureusement, nous recherchons des gens qui parlent anglais pour participer à cette recherche. Nous vous remercions de votre intérêt." FOR FRENCH GROUPS, IF PARTICIPANT WOULD PREFER TO CONTINUE IN ENGLISH, PLEASE RESPOND WITH, “Unfortunately, we are looking for people who speak French to participate in this research. We thank you for your interest.”]

1. Are you or is any member of your household or your immediate family employed in:

Type	**No**	**Yes**
A market research, communications or public relations firm, or an advertising agency	**1**	**2**
Media (Radio, Television, Newspapers, Magazines, etc.)	**1**	**2**
A political party	**1**	**2**
A telecommunications company (e.g. Bell, Rogers, etc.)	**1**	**2**

IF YES TO ANY OF THE ABOVE – THAN K AND TERMINATE

2. TELEPHONE ONLY: So that we can confirm if you live in an urban or rural area, what are the first three digits of your postal code?

____

IF 2ND DIGIT=0, RESPONDENT LIVES IN RURAL AREA/CONTINUE. IF NOT, TERMINATE

3. INDICATE:

Male	1
Female	2 **50/50 split**
Other	3
Prefer not to disclose	4

4. We have been asked to speak to participants from all different ages. So that we may do this accurately, may I have your exact age please? _________. WRITE IN

Under 18	0	**TERMINATE**
18-29 years of age	1	**Younger Group**
30-39 years of age	2	**Younger Group**
40-49 years of age	3	**Older Group**
50-59 years of age	4	**Older Group**
60-69 years of age	5	**Older Group**
70-75 years of age	6	**Older Group**
76 years or more	7	**Older Group**

5. Do you currently have Internet service at home?

Yes	1 – **CONTINUE**
No	2 – **THANK AND TERMINATE**

6. How often do you go online and use the Internet visiting websites, streaming, using social media etc..? Would it be…? READ

Every day or almost every day	1	
A couple of times a week	2	
Once a week or less	3	**TERMINATE**
Never	4	**TERMINATE**

7. Are you the one who pays the bill for your home Internet service and makes decisions about your subscription or is that someone else in your household?

I pay the bill and make decisions	**CONTINUE**
Someone else pays the bill/makes decisions	**ASK TO SPEAK TO PERSON RESPONSIBLE**
I and someone else jointly pay/make decisions	**CONTINUE**

8. Who is your current Internet provider?

RECORD RESPONSE – MIX OWNERS/RESELLERS in Toronto, Halifax, Montreal, Edmonton and Vancouver/TELEPHONE: Rural Ontario and rural west

Bell	**NETWORK OWNER**
Eastlink	**NETWORK OWNER**
Vidéotron	**NETWORK OWNER**
Rogers	**NETWORK OWNER**
Cogeco	**NETWORK OWNER**
Telus	**NETWORK OWNER**
Shaw	**NETWORK OWNER**

Any other ISP mentioned

RECORD:

RE-SELLER (e.g., Teksavvy, Distributel, Primus)

Don't know/Not sure **TERMINATE**

9. What type of Internet do you currently use at home? READ

01 – High speed wired connection (e.g., cable, DSL, fibre)
02 – Dial-up
03 - Satellite
04 – Fixed wireless
05 - Other
99 – DK/NA

10. Do you live in a condo or apartment building that has a pre-set arrangement with a specific Internet provider, meaning that you cannot switch your provider?

Yes	1 – **THANK AND TERMINATE**
No	2

11. Which of the following categories best corresponds to the <u>total</u> annual income, before taxes, of <u>all members</u> of your household, for 2018? READ - MIX

01 - Under $29,999
02 - $30,000 to $59,999
03 - $60,000 to $79,999
04 - $80,000 to $99,999
05 - $100,000 to $149,999
06 - $150,000 and over
99 - REFUSE/DK/NA

12. Could you please tell me what is the last level of education that you completed? MIX

Some High School only	1
Completed High School	2
Trade School certificate	3
Some Post secondary	4
Completed Post secondary	5
Graduate degree	6

13. Are you working (CHECK QUOTAS)? MIX

Full Time (35 hrs. +)	1
Part Time (under 35 hrs.)	2
Homemaker	3
Student	4
Retired	5
Unemployed	6

14. What is your current occupation?

Type of Job:
Type of Company:

IF MARRIED ASK: WHAT IS YOUR SPOUSE'S OCCUPATION?

Type of Job:
Type of Company:

TERMINATE IF OCCUPATION RELATES TO EXCLUSIONS IN Q. 1

15. What is your ethnic background?

IN-PERSON: RECRUIT FOR DIVERSITY. ENSURE AT LEAST TWO (2) PARTICIPANTS PER GROUP IDENTIFY AS BEING AN ETHNO-CULTURAL MINORITY OR AS INDIGENOUS (FIRST NATIONS*, INUK (Inuit), METIS) FOR GROUPS IN VANCOUVER, EDMONTON, TORONTO AND MONTREAL.

***First Nations includes Status and Non–Status Indians.**

16. Participants in group discussions are asked to voice their opinions and thoughts, how comfortable are you in voicing your opinions in front of others? Are you... (read list)

Very comfortable	1	**MIN 5 PER GROUP**
Fairly comfortable	2	
Not very comfortable	3	**TERMINATE**
Very uncomfortable	4	**TERMINATE**

17. **Have you <u>ever</u> attended a focus group or a one-to-one discussion for which you have received a sum of money, here or elsewhere?**

Yes	1	**MAXIMUM 5 PER GROUP**
No	2	**(SKIP PAST Q21)**

IF YES ASK:

18. **When did you last attend one of these discussions?**

    ____

    (TERMINATE IF IN THE PAST 6 MONTHS)

19. **How many focus groups or one-to-one discussions have you attended in the past 5 years?**

    ____

    (SPECIFY)

    IF 5 OR MORE, TERMINATE

20. **What topics were discussed?**

    ____

    (IF RELATED TO INTERNET USE/THEIR INTERNET PROVIDER, THANK AND TERMINATE)

IN-PERSON:

21. **Sometimes participants are also asked to write out their answers on a questionnaire. Is there any reason why you could not participate? If you need glasses to read, please remember to bring them. (Add hearing impairment.)**

Yes	1 – **THANK AND TERMINATE**
No	2

NOTE: TERMINATE IF RESPONDENT OFFERS ANY REASON SUCH AS SIGHT OR HEARING PROBLEM, A WRITTEN OR VERBAL LANGUAGE PROBLEM, A CONCERN WITH NOT BEING ABLE TO COMMUNICATE EFFECTIVELY.

---

22. **I would like to invite you to attend the focus group session where you will exchange your opinions in a moderated discussion with other Canadians from your community about the broadband Internet industry and your habits in purchasing Internet services.**

IN PERSON: The session will be video recorded and observed by representatives of the research team, but your participation will be anonymous.

TELEPHONE: The session will be audio recorded and representatives of the research team may also listen in on the session, but your participation will be anonymous.

The recordings will be used only by the research professional to assist in preparing a report on the research findings and will be destroyed once the report is completed. Do you consent to take part in the focus group? By agreeing to participate you are giving your consent to these procedures.

IN PERSON: You will be asked to sign a release to this effect when you arrive at the session. Do you consent to this?

Yes	1
No	2 – **THANK AND TERMINATE**

23. We will contact you again before the date of the session to confirm your attendance. Note that this invitation is to you personally and you cannot have anyone else substitute for you. Do you consent to this?

Yes	1
No	2 – **THANK AND TERMINATE**

24. IN-PERSON: Please bring along some form of identification as you will be asked to show it. Only you may attend, you cannot send a substitute. The session is about an hour and a half in length (i.e., 90 minutes), but we are asking that all participants arrive 15 minutes prior to the start time of the session. Are you able to be at the research facility 15 minutes prior to the session time?

TELEPHONE: The session is about an hour and a half (i.e., 90 minutes), but we are asking that all participants call into the toll-free number 5 minutes prior to the start of the session. Are you able to call in about 5 minutes prior to the start time?

Yes	1
No	2 – **THANK AND TERMINATE**

25. TELEPHONE: May I please have your email address, so I can send you the dial-in details for the conference line?

E-mail address:

IN-PERSON AND TELEPHONE: I would like to invite you to a group discussion on (date). The session will last 1.5 hours in total and you will receive **$100** to thank you for your participation.

In-person locations:

Toronto – Wednesday, December 12th (5:30-7:30 and 7:30-9:30pm)

CRC Research, 1867 Yonge Street Suite 200, 416-488-2328

Halifax – Thursday, December 13th (5:30-7:30 and 7:30-9:30pm)

MQO Research, 1883 Upper Water Street, 4th Floor, 902-465-3034

Montreal – Saturday, December 15th (11:00am-1:00pm and 1:00-3:00pm)

CRC Research, 1610 Rue Ste-Catherine Ouest, Bureau 411, 514-932-7511

Edmonton – Monday, January 21st (5:30-7:30 and 7:30-9:30pm)

Trend Research, 10011 - 80 Ave NW, 780-485-6558

Vancouver – Tuesday, January 22nd (5:30-7:30 and 7:30-9:30pm)

CRC Research, 1398 West 7th Ave, 604-714-5900

TELEPHONE: PLEASE ENSURE PARTICIPANTS ARE TOLD THE TIME OF SESSION

Please call **1-866-269-6685** at that time. You will then be prompted for a "conference code" which is 6239778121. You will then be placed in conference with the moderator and the other participants.

INTERVIEWERS: Tell respondent that it is a small group and anyone who does not show or cancels at the last minute will compromise the project. Make sure they know we feel their opinions are valuable and we are serious about finding out what they have to offer.

NOTE: PLEASE TELL ALL RESPONDENTS THAT THEY WILL RECEIVE A CONFIRMATION CALL THE DAY PRIOR TO THE SESSION. IF FOR SOME REASON THEY HAVE NOT HEARD FROM US THEY SHOULD CONTACT US AT __________. IF THEIR NAME IS NOT ON THE ATTENDANCE FORM THEY WILL NOT BE ADMITTED TO THE GROUP. IF A RESPONDENT HAS ANY OTHER QUESTIONS ABOUT THE RESEARCH, THEY SHOULD ALSO CONTACT US AT THIS NUMBER.

Thank you very much for your help!

APPENDIX C – FOCUS GROUP DISCUSSION GUIDE

Environics Research
Consumer Switching in Broadband Providers
PN10195
Competition Bureau/ISED

1.0 Introduction to Procedures (10 minutes)

Welcome to the focus group. We are conducting this research project for the Competition Bureau, an agency of the Government of Canada, part of Innovation, Science and Economic Development. I work for Environics Research which is a public opinion research company.

We want to hear your opinions. Feel free to agree or disagree. You don't have to direct all your comments to me; you can exchange ideas and arguments with each other too.

There are some observers watching the session on the other side of the two-way mirror and they are part of the research team. We are also video-taping this session to help me write my report. The video will only be used internally to analyse the research and will not be released to anyone else.

I may take some notes during the group to remind myself of things also. Anything you say here will remain anonymous and any comments you make will not be linked to you by name in any reporting we do on this project. Your participation in this research will not affect any dealings you may have with the Government of Canada.

The host/hostess will pay you your incentives at the end of the session. Please make sure your cell phones are turned off.

Let's go around the table so you can each introduce yourselves to the group. Tell us your name and a little bit about yourself, such as what kind of work you do if you work outside the home and who lives with you in your house. Also, since we are going to be exploring issues around Internet service, could you each tell us how you access the internet at home (e.g., by cable modem, DSL enabled phone line, dial-up, fibre-optic connection, wireless (through your phone and a USB stick) etc.)?

2.0 Current ISP and Use of Internet (15 minutes)

Today we want to explore issues around how people use the Internet and how they choose their Internet service provider. Could you each tell us a bit about how you use the Internet in your home? Let's go around the table again.

PROBE: Do you use it for accessing information/visiting websites? Communication/e-mail? Social media? Online banking/shopping? Entertainment/streaming of films and music/Gaming? For work/accessing work files from home?

I'd like you each to tell us what company provides you with your home Internet service, and how long you have been with that Internet Service Provider (ISP)?

PROBE: Do you only get home Internet service from them or do you also get other telecommunications services such as mobile and cable from the same provider?

How did you choose your current ISP in the first place? Did you shop around and compare ISPs? What was your process?

What were the main considerations in choosing your ISP?

PROBE: Price, data limits, speed, customer service, reliability of network, loyalty to the company, wanting to bundle services

Are you generally satisfied with your ISP?

3.0 Perception of Choice of ISPs (10 minutes)

Here in [NAME OF CITY] what are the ISPs that come to mind? Who can people choose from?

Would you say that there is "real choice" when it comes to home Internet providers here, or are they all about the same?

What are differentiating factor between ISPs? Is it just price or are there other factors that give you choice? **PROBE**: data cap or not, speed, reliability of service etc…

Do you know what is meant when people talk about ISPs that are "resellers" of Internet service?

IF UNCLEAR SAY: *Just to clarify, "resellers" are smaller ISPs that lease network access from your local phone or cable company at wholesale prices and then sell Internet plans to consumers.*

Are you aware of any **resellers** of home Internet services here in [CITY]? Who are they?

IF NOT AWARE OF ANY: *For example, there is TekSavvy, CIK Telecom, VMedia, Distributel…*

What do the resellers offer that is different from the big ISPs that are your local cable and phone companies, if anything?

PROBE: Are they generally cheaper? Is there any difference in network reliability or service quality?

Are there any trade-offs if you use a reseller as your ISP instead of a big provider? What are they?

Do you trust a reseller to be able to provide the same level of service as a big ISP?

4.0 Switching ISPs (25 minutes)

Have any of you ever switched ISPs for your home Internet?

IF YES: What ISP did you switch from and to?

Did any of you switch between a big ISP - that is the local cable or phone provider - and a "reseller"? Or from a big ISP to another big ISP? If so, was there any difference in the experience?

What were the reasons for the switch?

PROBE IF NOT MENTIONED: Price? Better services? Better package? A promotion? Higher speed? Better reliability of network?

In the end were you glad that you switched ISP? Were there benefits for you? If not, why not?

IF NO: Why haven't you ever switched providers or thought about switching providers?

Have you ever thought of switching ISPs or were you ever tempted to switch? Tell us about that, what made you think about it?

Have you ever thought of switching ISPs and changed your mind after informing your service provider? If yes, can you explain why?

PROBE: The retention service offered me a better deal (faster speed/higher data capacity, at the same or a lower price). I was offered another service for free?

IF NO ONE HAS SWITCHED: Do you have any friends or family members who have switched ISPs or who at least explored switching? What was their experience?

Did any of you who switched have any reservations about switching providers or reasons why you hesitated? **IF YES**: What were they?

When any of you did switch providers, were there any challenges or issues any of you had as a result of switching or that you would expect to have?

If you were going to switch ISPs, would it be just to get a better price or are there other issues?

Would you be willing to sacrifice some reliability of the network for a better price? What about the trade-off between price and customer service?

5.0 Barriers to switching ISPs (20 minutes)

In general, is it easy or a hassle to switch ISPs? Why is that?

Are there factors that are a disincentive to switching ISPs and that would make you hesitate to switch now? What are they?

PROBE IF NOT MENTIONED:

Being locked into a contract and having to pay to break it?

Loss of bundling discounts?

Termination costs?

Hassle of cancelling the service (e.g., phoning customer service, dropping equipment, scheduling appointment for uninstallation…)

Hassle of searching information and comparing different ISPs

Hassle of having bills from multiple companies?

Loss of loyalty program benefits?

Hassle of changing your email address?

Anything else?

6.0 Role of government (10 minutes)

As you may know, the Government of Canada sets many regulations around the telecommunications industry, either directly or through the CRTC. Do you think there is enough competition when it comes to home Internet service? Why? Why not?

Is there anything you think the government could do to increase the amount of competition among ISPs and to remove barriers that may exist to switching, or is it just up to the market to determine?

As far as you know, are there any government regulations that apply to communications companies and consumers switching to or from them?

IF YES: What comes to mind?

For example, at one time if you switched cell phone providers you had to switch phone numbers. Then the CRTC set a rule on "number portability" that said that companies have to let you take your number with you if you switch. How many of you knew about that?

Is there anything like that applying to people who just want to switch ISPs? Should there be?

Do you have any other thoughts or ideas you would like to share regarding today's discussion?

Thanks for your participation!

APPENDIX D – SURVEY QUESTIONNAIRE

Competition Bureau
Consumer Switching in Broadband Providers
Questionnaire

Online survey conducted with n=2,000 Canadians 18+;
15-minute average length

LANDING PAGE

Please select your preferred language for completing the survey / Veuillez sélectionner la langue de votre choix pour remplir le sondage.

01–English / Anglais

02–Français / French

Welcome to this survey about how people use the Internet and how they choose their Internet service provider. The survey is being conducted by Environics Research, an independent research company, on behalf of the Competition Bureau, an agency of the Government of Canada, part of the Innovation, Science and Economic Development portfolio. The survey will take about 15 minutes of your time.

Your participation is entirely voluntary and all of your answers will be kept completely anonymous. If you wish to verify the legitimacy of this research or to ask technical questions about this survey, please contact Robert Hughes at Environics at Robert.hughes@environics.ca.

If you wish to get more information about who commissioned this research, please send an email to ic.publicopinionresearch-recherchesurlopinionpublique.ic@canada.ca.

Thank you in advance for your participation.

< PROGRAMMING NOTE: All questions are mandatory.>

Eligibility/Screening

1. Do you currently have Internet service at home?

   01–Yes
   02–No — THANK AND TERMINATE

2. In what year were you born?
   DROP DOWN LIST – SEE QUOTAS
   99-Prefer not to answer — ASK Q3

IF UNDER 18 THANK AND TERMINATE

3. [IF Q2=99] Would you be willing to indicate in which of the following age categories you belong?
Select one only
SEE QUOTAS

01-Under 18	THANK AND TERMINATE
02-18 to 34	
03-35 to 44	
04-45 to 54	
05-55 to 64	
06-65 or older	
99-Prefer not to answer	

4. In what province or territory do you live?
Select one only
DROP DOWN LIST – SEE QUOTAS
01-British Columbia
02-Alberta
03-Saskatchewan
04-Manitoba
05-Ontario
06-Quebec
07-New Brunswick
08-Nova Scotia
09-Prince Edward Island
10-Newfoundland and Labrador
11-Yukon
12-Northwest Territories
13-Nunavut

5. How do you identify yourself?
Select one only – SEE QUOTAS
01-Female gender
02-Male gender
03-Gender diverse
99-Prefer not to answer

RCT

Intro page

In the next section, we will present you with information about home Internet services and ask you to evaluate different packages.

Please imagine that you are shopping for home Internet services. Try to imagine each step of the decision-making process as if you are really preparing to buy home Internet services or even switch Internet service providers (ISP).

First you gather information about possible options.

Then you evaluate the different options by considering factors such as price, download/upload speeds and the possibility of bundling (a subscription “bundle” means you get one bill with one price for all the services you receive from that provider, such as Internet, television and landline telephone).

Finally, you decide which service to buy.

Please click >> to continue
[insert page break]

The next page presents two home Internet service plans. These plans are like most service plans available on the market. The Internet service provider name is not mentioned so that you can focus on the content/quality of the services when making your purchase decision.

There are no right or wrong answers to the following questions. So please answer according to how you feel.
[insert page break]

PROGRAMMER: SHOW PAIRED VISUALS RANDOMLY ASSIGNED TO N=500 RESPONDENTS BALANCED BY AGE/GENDER/REGION.
Visuals 1 and 4
Visuals 2 and 4
Visuals 3 and 4
Visuals 3 and 5

RANDOMIZE ORDER IN WHICH THE VISUALS IN EACH PAIR ARE SHOWN (OPTION X OR Y). VISUALS ARE TO BE SHOWN ABOVE ALL QUESTIONS IN THIS SECTION.

TEXT INSERTION INSTRUCTIONS IN [VISUAL TYPE]:

Visuals 1,2 and 3:	home Internet service in the bundle offer
Visuals 4,5:	unbundled (à la carte) home Internet service offer

OPTION X

$126.50/month

100 + Channels

Save money with a bundle!

Unlimited Usage
Download Speed Up to 100 Mbps
Upload Speed Up to 10 Mbps

Unlimited Local Calling

OPTION Y

$70.50/month

Unlimited Usage
Download Speed Up to 100 Mbps
Upload Speed Up to 10 Mbps

Internet, TV, and home phone services can be purchased from separate vendors for around $126.50 in total.

OPTION X

$126.50/month

100 + Channels

Single bill! Hassle free!

Unlimited Usage
Download Speed Up to 100 Mbps
Upload Speed Up to 10 Mbps

Unlimited Local Calling

OPTION Y

$70.50/month

Unlimited Usage
Download Speed Up to 100 Mbps
Upload Speed Up to 10 Mbps

Internet, TV, and home phone services can be purchased from separate vendors for around $126.50 in total.

OPTION X

$126.50/month

100 + Channels

Unlimited Usage
Download Speed Up to 100 Mbps
Upload Speed Up to 10 Mbps

Unlimited Local Calling

OPTION Y

$70.50/month

Unlimited Usage
Download Speed Up to 100 Mbps
Upload Speed Up to 10 Mbps

Internet, TV, and home phone services can be purchased from separate vendors for around $126.50 in total.

OPTION X

$126.50/month

100 + Channels

Unlimited Usage
Download Speed Up to 100 Mbps
Upload Speed Up to 10 Mbps

Unlimited Local Calling

OPTION Y

$70.50/month

Unlimited Usage
Download Speed Up to 100 Mbps
Upload Speed Up to 10 Mbps

6. How much do you **like** the [visual type] (option X)?

Dislike it very much			Neither like it nor dislike it			Like it very much
1	2	3	4	5	6	7

7. How **attractive** do you find the [visual type] (option X)?

Not at all attractive			Neither attractive nor unattractive			Extremely attractive
1	2	3	4	5	6	7

8. How much do you **like** the [visual type] (option Y)?

Dislike it very much			Neither like it nor dislike it			Like it very much
1	2	3	4	5	6	7

9. How **attractive** do you find the [visual type] (offer Y)?

Not at all attractive			Neither attractive nor unattractive			Extremely attractive
1	2	3	4	5	6	7

10. Between these two home Internet plans, which plan do you **prefer**?
Please click on the plan you prefer.

11. If you had to choose between these two Internet plans for your home, which plan are you **more likely to buy**?
Please click on the plan you are more likely to buy.

12. You indicated you are more likely to buy option [X/Y - per Q11 choice]. If this plan was available to you, how likely would you be to switch to it from your current home Internet service plan?

Not at all likely			Neither likely nor unlikely			Extremely likely
1	2	3	4	5	6	7

13. If option X was available to you, how interested would you be in receiving more information about it?

01-Very interested
02-Somewhat interested
03-Not very interested
04-Not at all interested

14. If option Y was available to you, how interested would you be in receiving more information about it?

    01-Very interested

    02-Somewhat interested

    03-Not very interested

    04-Not at all interested

Experiences and attitudes

15. Who is primarily responsible for paying the bill for your home Internet service and making decisions about your subscription?

    01–I am primarily responsible

    02–I share responsibility with someone

    03–Someone else is primarily responsible

16. What type of home Internet service do you have?
    Please select one

    01–High speed wired connection (e.g., cable, DSL, fibre optic)

    02–Dial-up (connected through a standard telephone line)

    03–Satellite (connected by a communications satellite)

    04-Fixed wireless (connected through radio waves)

    97–Other (Please specify) ______________________________

    99–Not sure

17. Who is your current home Internet provider?
    Please select one

    01-Bell

    02-CIK Telecom

    03–Cogeco

    04-Distributel

    05-Eastlink

    06-Primus

    07-Rogers

    08-Sasktel

    09-Shaw

    10-Start.ca

11-TekSavvy

12-Telus

13-Vidéotron

14-VMedia

15-Xplornet

97–Other (Please specify) ______________________________

99–Not sure

18. In addition to home Internet, which of the following services does your household currently **pay for**?

01-Television (not including streaming services such as Netflix or YouTube)

02-Home telephone (landline)

03–Wireless telephone (cellphone, including talk, text and/or data services)

04-None of the above SKIP TO Q.25

Who provides this (these) service(s)?

GRID-ONLY SHOW ITEMS SELECTED AT Q.18

19. Television

20. Home telephone (landline)

21. Wireless telephone (cellphone)

01-Same provider as your home Internet service

02-A different provider from your home Internet service

99-Not sure

IF ALL CODE 2-99 AT Q19-21, SKIP TO Q.25

Is (are) this (these) service(s) **bundled** with your home Internet service? A subscription “bundle” means you get **one bill with one price** for all the services you receive from that provider.
GRID-ONLY SHOW ITEMS IF CODE 1 AT Q.19-21

22. Television

23. Home telephone (landline)

24. Wireless telephone (cellphone)

01-Yes, bundled with my home Internet

02-No, not bundled/on separate bills

99-Not sure

ASK ALL

25. What are the two most common uses of the Internet in your home on a daily basis?
Please select the two most common uses.

01-Email and text messaging
02-Social media
03-Voice and video calling (e.g. Skype, Facetime)
04-Television, video or movie streaming (e.g. Netflix, YouTube)
05-Videogaming
06-Work/home business
07-Bill payments and online banking
08-Shopping
09-Other (Please specify) _______________

26. Overall, how satisfied are you with your current home Internet service provider?

01–Very satisfied
02–Somewhat satisfied
03–Not very satisfied
04-Not at all satisfied

27. [IF Q26=02-04] What are the main reasons you are not more satisfied with your current home Internet service provider?
Select all that apply. Please be as specific as possible.

01-Costs too much
02–Customer service issues, e.g. can't reach a representative
03-Internet connection is not reliable/too much downtime
04–Internet speed is too slow for my needs
05–Locked into a contract or facing penalties if I cancel my service
06- Monthly download/upload limit is too low
07-Price variability
08-Overage charges
97–Other (Please specify) ________________________________
99–Not sure

28. How satisfied are you with the **choice** of home Internet service providers available to you?

01–Very satisfied
02–Somewhat satisfied
03–Not very satisfied
04-Not at all satisfied

29. Which of the following best describes you? In the last two years…

01-I switched my home Internet provider

02-I started the process of switching Internet provider but decided to stay with my current one in the end

03-I thought about switching my Internet provider, but did not act on it

04-I did not even think about switching my Internet provider

99-Not sure

30. [SWITCHERS, Q29=01] Who was your **previous** Internet service provider, before you switched to your current provider?
Please select one

01-Bell

02-CIK Telecom

03-Cogeco

04-Distributel

05-Eastlink

06-Primus

07-Rogers

08-Sasktel

09-Shaw

10-Start.ca

11-TekSavvy

12-Telus

13-Vidéotron

14-VMedia

15-Xplornet

97–Other (Please specify) ______________________________

99–Not sure

31. [SWITCHERS, Q29=01] Why did you switch your Internet provider?
Please select all that apply.

01-Moved

02-Cost (looking for a better price)

03–Customer service issues, e.g. couldn’t reach a representative

04-Internet connection was not reliable/too much downtime

05–Internet speed was too slow for my needs

07-Monthly download/upload limit was too low

08-To avoid price variability/overage charges

97–Other (Please specify) ______________________________

99–Not sure

32. [SWITCHERS, Q29=01] What issues or challenges did you face, if any, when you switched your Internet provider?
Please select all that apply.

01- Had no Internet for a period between disconnection and installation
02-Expensive to switch (e.g., cancellation fee, new setup costs)
03-Hassle of changing equipment
04-Lack of technical support from new provider
05-Previous provider made it difficult to cancel old service
06-Hassle of changing email address and updating records
07-Had to break contract/wait for contract to expire
08-Had to break up my bundle or lose bundling discounts
97–Other (Please specify) ______________________________
98-None, I had no issues when I switched
99–Not sure

32x. [CONSIDERED BUT DIDN'T SWITCH, Q29=02 OR 03] Which Internet service provider(s) did you consider switching to?
Please select all that apply.

01-Bell
02-CIK Telecom
03-Cogeco
04-Distributel
05-Eastlink
06-Primus
07-Rogers
08-Sasktel
09-Shaw
10-Start.ca
11-TekSavvy
12-Telus
13-Vidéotron
14-VMedia
15-Xplornet
97–Other (Please specify) ______________________________
98-Didn't have a specific company in mind
99–Not sure

33. [CONSIDERED BUT DIDN'T SWITCH, Q29=02 or 03] What issues or challenges, if any, prevented you from switching your Internet provider?
Please select all that apply.

01-Would have been without Internet for a period between disconnection and installation
02-Expensive to switch (e.g., cancellation fee, new set up costs)
03-Hassle of changing equipment
04-Lack of technical support from new provider
05-Provider made it difficult to cancel service
06-Hassle of changing email address and updating records
07–Would have had to break contract/wait for contract to expire
08-Did not want to break up my bundle or lose bundling discounts
09-Current provider matched offer/offered a better price
10-Too complicated to compare plans/service options
11-Nothing in my area/not enough choice in my area
97–Other (Please specify) ______________________________
98-None, I had no issues that prevented me from switching, I changed my mind
99–Not sure

Conjoint exercise*

INTRO PAGE

This next section shows you some different home Internet plans and asks **which one you would buy**. Some of the plans you are going to see are not currently available on the market, but we'd like you to **imagine that they were available today**. It is important that you answer in the way you would if you were **actually buying a home Internet plan**.

If you wouldn't purchase any of the plans we'll show you, you can indicate that by choosing "None". By choosing none, you indicate that you'd buy another plan or would continue using your existing plan.

Please click >> to continue
[insert page break]

34. If you are looking for a new home Internet plan, and these are the only options available, which ONE would you choose?
[ADD SCREEN COUNTER: 'X of Y']

NOTE FOR REVIEWERS ONLY: A choice-based conjoint analysis is a technique for assessing the relative contribution different factors make in consumers' decision to buy a product or service.

The survey programming randomizes/assigns the variables into different packages and respondents are asked to select the package that best suits them (this task will be repeated multiple times per respondent, with different packages). The number of tasks/iterations each respondent sees depends upon the final number of variables/levels to be tested.

Brand	Download speed (megabits per second)	Monthly download/ upload limit (in gigabytes)	Reliability/ down time	Wait time on phone for customer service	Price
Internet service provided by your phone or cable company (e.g., Bell, Rogers, Shaw)	40 Mbps	100 GB	0% downtime	2 minutes	$50/month
Independent company that leases existing telephone or cable networks at wholesale prices to provide Internet service to consumers (e.g., Tek Savvy, CIK Telecom, Distributel)	100 Mbps	300 GB	1% downtime	10 minutes	$70/month
-	250 Mbps	500 GB	2% downtime	25 minutes	$90/month
-	500 Mbps	Unlimited	-	-	$110/month

In Canada, most homes receive Internet service through a network owned either by the local telephone company or by the local cable company (examples include Bell, Rogers and Shaw). There are also independent companies who use the existing telephone or cable networks to provide Internet services to consumers (examples include TekSavvy, CIK Telecom and Distributel).

To what extent do you believe the service provided by **independent Internet service providers** are better than, the same as, or worse than Internet service provided by the local telephone and cable companies in each of the following situations?
Please select one response for each statement
RANDOMIZE 35-41 (CAROUSEL)

35. Setting up your Internet connection/service

36. Resolving consumer service problems, such as billing issues

37. Repairing your Internet when it is not working

38. Providing fast Internet download speeds

39. Providing reliable Internet service (i.e., minimizing down time or occasions when you cannot access the Internet)

40. Providing value for money

41. Making consumers aware of their services
    01–Independent providers are better
    02–Independent providers are the same
    03–Independent providers are worse
    99–Not sure

Demographics

The following are a few questions about you and your household, for statistical purposes only. Please be assured all of your answers will remain completely anonymous.

42. What is the highest level of formal education you have completed?
    Select one only

    01–Up to high school
    02–Some high school
    03–High school diploma or equivalent
    04–Registered Apprenticeship or other trades certificate or diploma
    05–College, CEGEP or other non-university certificate or diploma
    06–University certificate or diploma below bachelor's level
    07–Bachelor's degree
    08–Postgraduate degree above bachelor's level
    99–Prefer not to answer

43. How big is the community in which you live? Would you say it is:

01–A rural or small community (with a population below 30,000)

02–A medium-sized community or city (with a population over 30,000 but under 500,000)

03–A large urban centre (with a population over 500,000)

44. Which of the following categories best describes your total household income? That is, the total income of all persons in your household combined, before taxes?
Select one only

01–Under $20,000

02–$20,000 to just under $40,000

03–$40,000 to just under $60,000

04–$60,000 to just under $80,000

05–$80,000 to just under $100,000

06–$100,000 to just under $150,000

07–$150,000 and above

99–Prefer not to answer

This completes the survey. On behalf of the Competition Bureau, thank you for your valuable input. In the coming months, the results of this survey will be available on the Library and Archives Canada website.