



2019-20 Competition Bureau Stakeholder Awareness and Influence Survey Executive Summary

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Executive Summary

Earnscliffe Strategy Group (Earnscliffe) is pleased to present this report to Innovation, Science and Economic Development Canada (ISED) summarizing the results of the qualitative and quantitative research regarding stakeholders' awareness and attitudes about the Competition Bureau.

The Competition Bureau (the Bureau) plays an important role in ensuring that Canadian businesses and consumers prosper in a competitive and innovative marketplace. An important part of the Bureau's work to safeguard a fair marketplace involves promoting its activities so that business know how to be compliant with Canada's competition laws; consumers and businesses have the information they need to protect themselves from anti-competitive and deceptive marketing practices; and policymakers and regulators consider competition when setting regulations and policies. The Bureau is seeking to increase its understanding of the level of awareness these stakeholders have of their activities. The Bureau would also like to better understand if and how awareness changes their behaviour in any way. To help expand their knowledge, the Bureau contracted Earnscliffe in 2019 to conduct research into stakeholders' awareness and impressions.

In addition to establishing a baseline understanding of awareness of the Bureau among stakeholders, the objectives of this research were to explore stakeholders' perceptions of the Bureau's various activities and publications, whether any of these have affected the stakeholders' behaviour, identify areas for increased understanding and awareness, as well as assess compliance. The contract value for this project was \$199,831.46 including HST.

To meet these objectives, Earnscliffe conducted a two-part research program. The first phase of the research included a series of ten focus groups with two segments of the Canadian population: Canadian consumers and decision-makers in small to medium sized-businesses (SMBs). For each group, a maximum of ten (10) individuals were recruited as participants. In total, 92 people participated in the focus group discussions. Two sessions were conducted in each of the following five cities: Halifax (June 17); Montreal (June 18); Toronto (June 18); Calgary (June 19); and, Vancouver (June 20). The groups in Montreal were conducted in French while all other groups were conducted in English. Each group was approximately 2 hours in length. Please refer to the Recruitment Screeners in the Appendix D of this report for all relevant screening and qualifications criteria.

In each city, the groups with decision-makers in SMBs began at 5:30 pm and were followed by the groups with Canadian consumers (18+) at 7:30 pm. Canadian consumers were given an honorarium of \$100 as a token of appreciation for their time, while decision-makers at SMBs received \$200.



The research also included a total of 30 in-depth interviews with three audiences: five (5) interviews with decision-makers in SMBs in Canada's North, ten (10) interviews with decision-makers in global multinational companies, and fifteen (15) interviews with regulators and policymakers across Canada, including in Canada's North. The interviews with decision-makers in SMBs and global multinational companies were conducted by phone between June 20 and July 19, 2019, while those with regulators and policymakers were conducted by phone between June 19 and July 22, 2019. The interviews were approximately 30 to 45 minutes in length.

Appendix B provides the discussion guide used for the focus groups and Appendix C provides the interview guide used for the in-depth interviews. Appendix D provides greater detail on how the groups and interviews were recruited. Appendix E includes the handouts that were given to each group and interviewee.

It is important to note that qualitative research is a form of scientific, social, policy and public opinion research. Focus group research is not designed to help a group reach a consensus or to make decisions, but rather to elicit the full range of ideas, attitudes, experiences and opinions of a selected sample of participants on a defined topic. Because of the small numbers involved, the participants cannot be expected to be thoroughly representative in a statistical sense of the larger population from which they are drawn, and findings cannot reliably be generalized beyond their number.

The second phase of the research involved a survey of Canadian consumers, decision-makers at SMBs, policymakers and regulators, and individuals employed by multinational organizations. In total, 1,504 individuals completed the surveys. The sample size break down by audience is as follows:

Canadian consumers	1,023
Small and Medium businesses	401
<i>Small and Mediums businesses that are also multinationals</i>	<i>87</i>
Global multinationals (phone)	30
Canadian regulators and policymakers	50
TOTAL	1,504



The length of interview for each audience was as follows:

- Consumers: 13 minutes
- SMBs: 17 minutes
- Multinationals (phone): 28 minutes
- Policymakers & regulators: 11 minutes

The surveys of Canadian consumers and SMBs were conducted online using Leger's opt-in panel. The survey of consumers was in field from July 15 to 29, 2020 and for SMBs from July 16 to 29, 2020. The final sample of consumers was weighted by age, region and gender to reflect the makeup of the Canadian population 18+ as per the 2016 Census. The SMB sample was weighted by business size according to Statistics Canada's Canadian Business Counts, with employees. The survey of policymakers and regulators was conducted online from July 22 to August 19, 2020 and the data was not weighted.

We originally intended to conduct all the interviews with decision-makers at multinational companies by phone. However, due to the length of the questionnaire used, the data collection by phone proceeded slowly and achieving the 50 completes by phone was deemed unfeasible. Consequently, the analysis of the multinationals in this report includes the 30 completes done by phone, in addition to 87 responses from SMBs online that also happened to be multinationals. By combining the data in this way, we were able to achieve a sample size suitable for quantitative analysis. Data collection by phone for multinational respondents occurred between July 16 and September 16, 2020 and the data was not weighted. The telephone interviews were conducted from Léger's centralized call-centre using state of the art Computer Aided Telephone Interviewing (CATI) system.

Appendix F summarizes the methodology used to undertake the quantitative research and Appendix G includes all the survey instruments used.

The following summarizes the key takeaways from the research.



Overall Awareness and General Perceptions of the Bureau

- Overall, awareness of the Bureau was low among consumer, SMB and multinational audiences, while regulators and policymakers were more knowledgeable.
 - Unaided, very few consumer, SMB and multinational participants in the qualitative research named the Bureau as the entity responsible for protecting businesses and consumers from anti-competitive practices. They were more likely to name the Better Business Bureau, Canada Revenue Agency, the RCMP, and provincial government departments or agencies. Very few had any previous experience interacting with the Bureau. Similarly, few consumers (12%), SMBs (17%) and multinationals (15%) identify the Competition Bureau as the organization responsible for enforcing federal competition laws and labelling laws in the quantitative survey.
 - In contrast, many regulators and policymakers had some form of interaction with the Bureau, typically, of either a consultative or educational nature. Half (56%) correctly identify it in the survey as the organization responsible for enforcing federal competition laws.

- Consumers', SMBs' and multinationals' understanding of a series of terms related to the Bureau's work is mixed. Among consumers surveyed, the plurality indicate that they are not aware of terms like abuse of dominance (42%) and mass-marketing fraud (45%).
 - Understanding is slightly higher among SMBs and multinationals. However, the qualitative research demonstrates that some respondents in both the consumer and SMB groups had very different understandings of several terms. While terms like collusion, price-fixing and scams tended to generate common interpretations that were generally accurate, others such as cartels, mass-marketing fraud and multi-level marketing were much less consistently understood.
 - Policymakers and regulators are the audience most familiar with the terms associated with the Bureau's work, though not all claim to have a clear understanding of all the terminology.

- Consumers surveyed have limited knowledge of the Acts the Bureau enforces, with a quarter or less saying they are familiar with each. Familiarity is slightly higher among SMBs and multinationals surveyed. For example, 27% of consumers, 30% of SMBs and 47% of multinationals are familiar with the *Competition Act*.
 - Consumers and SMB participants in the qualitative research, provided with the names of the four Acts, demonstrated they could generally deduce what some of the Acts likely cover from their respective names.
 - The *Competition Act*, in both the focus groups and the survey, is the Act the most businesses deem relevant to them.



- Policymakers and regulators are more familiar with the Acts than the other audiences. That said, significantly more of those surveyed recall the *Competition Act* (54% familiar) than the *Textile Labelling* (28%) and *Precious Metals Marking Act* (10%).
 - Those surveyed say the *Competition Act* is the Act that most often influences their work (46%).

Awareness and Perceptions of the Bureau's Activities & Performance

- The bread price-fixing investigation and the Ticketmaster settlement are the most frequently recalled Bureau activities among almost all audiences surveyed.
 - Two-thirds of consumers (65%) recall the bread-price fixing investigation and 50% recall the Ticketmaster settlement.
 - Similarly, two-thirds (66%) of SMBs have heard of the bread-price fixing investigation and 55% have heard of the Ticketmaster settlement.
 - Among multinationals, 67% recall the bread price-fixing investigation. While over half (54%) recall the Ticketmaster settlement, slightly more recall CRTC submissions on mobile wireless services (60%) and the penalty Facebook had to pay to settle the Bureau's concerns about misleading privacy claims (62%).
 - Over three-quarters of policymakers and regulators have heard of the bread price-fixing investigation (84%) and the Ticketmaster settlement (78%).
- Though few recalled most of the other activities¹ tested during the quantitative phase, the results from the qualitative portion demonstrate that audiences may respond positively when exposed to information about them. All four audiences were surprised by the breadth of the Bureau's mandate. Exposure to these activities tended to improve participants' opinion of the Bureau.
 - In fact, most in the consumer and SMB groups were interested in learning more about what the Bureau does and suggested that the Bureau should more broadly and more actively communicate its activities.
- Among the consumers, SMBs and multinationals surveyed, the Bureau's activities that are of greatest interest are the Little Black Book of Scams (32% of consumers are interested, along with 35% of SMBs and 37% of multinationals) and the Consumer/Business alerts (39% of consumers are interested, along with 35% of multinationals and SMBs).
 - The SMBs, multinationals and consumers involved in the qualitative research were also intrigued by these publications. They were provided with examples of Alerts published by the Bureau and appreciated the value and relevance of the information. They found the Alerts credible and indicated that they would like to receive such warnings.
 - Participants frequently mentioned that The Little Black Book of Scams, the title of which was shown to all, was something they would be interested in learning more about.

¹ Each audience was presented with a series of the Bureau's enforcement cases, advocacy activities, and alerts and asked if they were aware of them. A full list of the activities presented in the quantitative phase can be found in the questionnaires in Appendix G.

- While policymakers and regulators surveyed also show an interest in the Little Black Book of Scams (38%), they indicate that the Competition Assessment Toolkit (40%) is of slightly greater interest and are also curious about the competition promotion work (28%) and market studies (28%).
- All audiences surveyed agree that the work of the Bureau is important to the Canadian economy and trust the information it provides.
 - For example, 73% of consumers, 68% of SMBs and multinationals, and 74% of policymakers and regulators agree that the Bureau's work is beneficial to the Canadian economy.
 - Over two-thirds of each audience agree that they would trust information provided by the Bureau; 70% of multinationals, 88% of policymakers and regulators, 71% of consumers and 73% of SMBs.


Interactions with the Bureau

- Among the few consumers and businesses surveyed who claim to have been influenced by one of the Bureau's activities, the most common response is that they are now armed with more information to protect against scams and other anti-competitive behaviour. Regulators and policymakers note that the primary effect the Bureau's work has on them is that they consider it in their daily work drafting policy and regulations.
- There tends to be more respondents among the consumers, SMBs, and multinationals surveyed who provide either a neutral rating of the Bureau's performance on a variety of metrics, or who do not offer a response, than provide an opinion one way or another. For example, over half (52%) of consumers either provide a neutral rating or none at all when it comes to how well the Bureau does publishing the outcome of its investigations. The trend persists among businesses; 56% of SMBs provide a neutral response or do not respond when asked how well the Bureau addresses the competition issues associated with digital transformations taking place.
 - However, among those who do provide a response, more believe the Bureau is doing well than believe it is doing poorly. For example, 36% of SMBs agree the Bureau does well helping Canadian businesses understand how to be compliant with competition and labelling laws, compared to 16% who believe the Bureau does a poor job.



- Very few consumers, SMBs and multinationals surveyed have ever contacted the Bureau. Just 5% of consumers, 8% of SMBs and 16% of multinationals report having done so.
 - The very few consumers who contacted the Bureau did so primarily to report a scam (31%). SMBs, in contrast, are most likely to have contacted the Bureau to get information on compliance with labelling laws (32%) and to file a complaint (28%). Multinationals also are likely to have contacted the Bureau to get information on labelling compliance (42%), as well as get merger guidelines (37%).
 - In the qualitative portion, a small number of global multinationals and SMB decision-makers said had some dealings with the Bureau, but their interactions with the Bureau tended to be by the company's (internal or external) legal counsel. Generally, the SMBs and multinationals who interacted with the Bureau were not that satisfied with their interaction.

 - About a quarter (28%) of policymakers and regulators surveyed say they have contacted the Bureau. The most common reasons for contacting the Bureau are for information on an investigation (21%), for advice on regulations or policies (21%) and for information on competition/labelling laws (21%).
 - The policymakers and regulators in the qualitative component who had contacted the Bureau were more satisfied with their interaction than the SMBs and multinationals. They praised the Bureau for being extremely knowledgeable, smart (asks the right questions), professional, responsive and helpful. Most came away feeling satisfied with their interactions with the Bureau and felt that their queries had been addressed in a timely, efficient and effective manner.

 - Few among any of the audiences, both in the survey and the qualitative research could specifically describe or name additional information they might need from the Bureau. Despite this, when it was discussed in the focus groups, consumers, SMB and multinational decision-makers did have an appetite for further information from the Bureau generally.
 - The preferred methods by which participants would like to receive information from the Bureau that were suggested in the focus groups varied somewhat, but suggestions offered with more frequency included the use of social media and targeted advertising for people who search for information on scams, as well as compelling intercept advertising on YouTube. Participants also mentioned that they would be open to signing up for email alerts, and were not aware that such a service already exists. In the survey, email was the top method of communication for all three audiences (50% among consumers, 47% among SMBs and 54% among multinationals).
 - In contrast, regulators and policymakers felt they would be more likely to go to colleagues in other parts of their organizations, outside counsel, and/or seek out the experiences of other jurisdictions as a first step to find information. If they were to receive unsolicited information from the Bureau, their preference was by email, both in the interviews conducted and in the survey (46%).
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The Bureau's Future Work

- Consumers surveyed are most likely to pick the telecommunications industry (36%) as one of the most important areas of focus for the Bureau's future work followed by retail trade (30%), health care and pharmaceuticals (28%), banking and finance (27%), e-commerce (25%) and retail gas (24%).
- Businesses also believe the Bureau should focus on telecommunications. For example, 41% of SMBs prioritize the industry, followed by health care and pharmaceuticals (25%), banking and finance (25%) and e-commerce platforms (24%).
 - A third of multinational respondents agree the Bureau should focus on telecommunications (32%), followed by e-commerce platforms (26%), health care and pharmaceuticals (25%), and manufacturing (23%).

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Signed: 

Date: October 5, 2020

Doug Anderson
Principal, Earncliffe

