

Cell Phone Sadness: Canadians call for a more competitive, less expensive industry

Few aware of recent CRTC decision on Mobile Virtual Networks

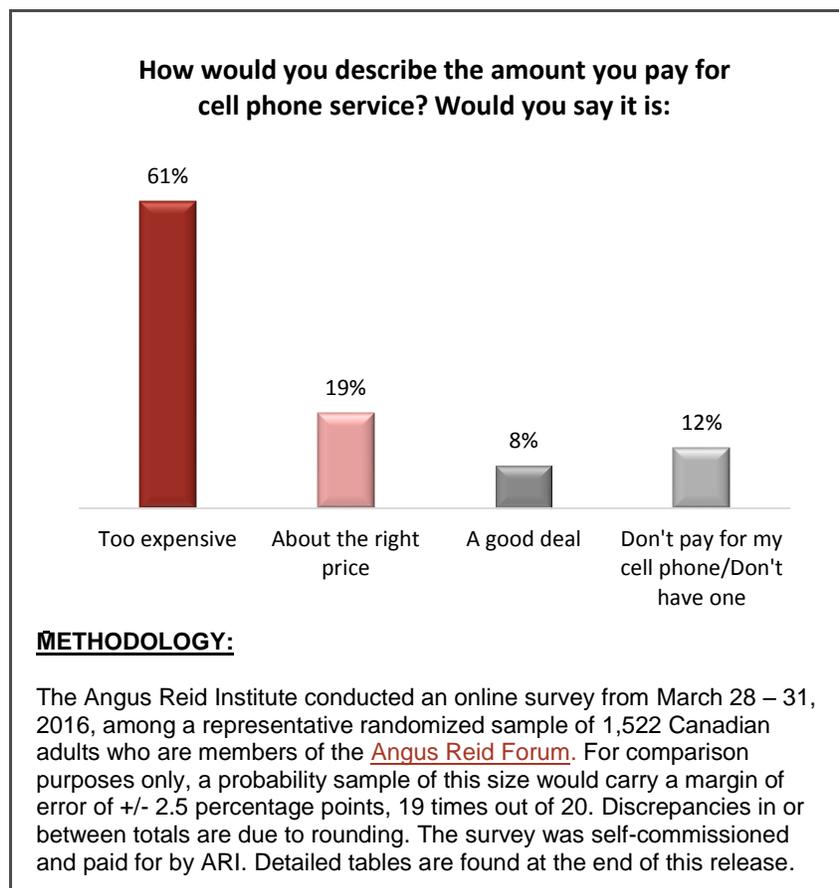
April 11, 2016 – Canadians’ collective frustrations with their cell phone service is legendary. So much so that [entire businesses have been set up](#) to call customer service lines on behalf of disgruntled users and argue for better rates.

There is little surprise then, that fewer than one-in-ten Canadians believe they’re getting “a good deal” on their wireless service, according to a new public opinion poll from the Angus Reid Institute. More than half say there is a dearth of competition in the industry.

For all their frustration, however, relatively few Canadians are aware of a recent regulatory decision that some say will make it more difficult to create new mobile service competitors to the “big three” of Bell, Rogers, and Telus.

Key Findings:

- More than three-in-five Canadians (61%) say they “haven’t really heard anything about” [a recent decision](#) by the Canadian Radio Telecommunications Commission (CRTC) to not require large cell phone companies to enter agreements with Mobile Virtual Network Operators (MVNOs) – a move the MVNOs say stifles competition
- Awareness of the decision drives opinion on it. Those who have been following the issue in the news mostly believe the CRTC made the wrong decision, while those who haven’t been following are unsure. Overall, only one-in-seven (14%) say the CRTC’s decision was the right one



- Six-in-ten Canadians (61%) say their cell phone plan is “too expensive,” while just 8 per cent say it’s “a good deal”

‘Expensive’ service, not enough competition

Canadians have many gripes about their mobile phone service – [nearly 10,000 of them in 2014-15](#), according to The Commissioner for Complaints for Telecommunications Services, an industry-funded non-profit organization that fields complaints about communications companies.

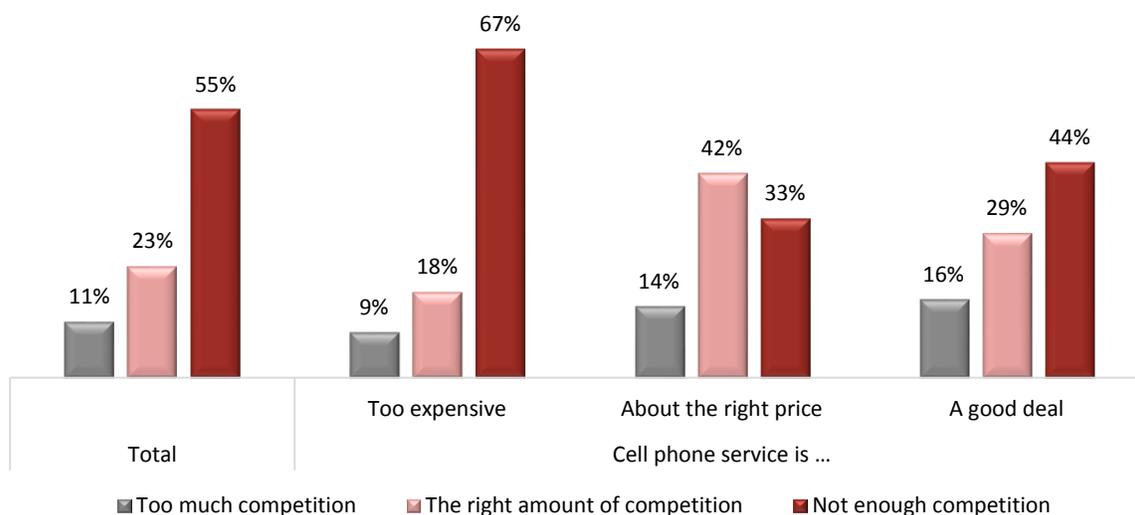
Chief among Canadians’ concerns? Prices that are consistently [among the highest in the world](#). As previously mentioned, fewer than one-in-ten (8%) say they’re getting “a good deal” on their wireless service. More than seven times that many (61%) say their cell phone plans are “too expensive.”

Alberta residents are the most inclined to say they’re the victims of high prices, with nearly three-in-four (72%) identifying their plans as “too expensive.” Ontario, meanwhile, has the largest population of people who feel like they’re getting a good deal, though this total is only slightly more than one-in-ten (12%, [see comprehensive tables for more detail](#)).

Unsurprisingly, those who say their service is too costly also take a dim view of the amount of competition between companies in the telecommunications sector.

A narrow majority of Canadians (55%) say there is “not enough competition” in the industry. This group is led by two-in-three (67%) of those who feel they’re paying too much for their phones:

What is your view about the level of competition between cell phone service providers in Canada?



Perceptions of the level of competition vary significantly by region, with Quebec and Saskatchewan residents notably more satisfied that the right amount exists ([see comprehensive tables](#)).

Perhaps not coincidentally, these provinces are home to local companies – SaskTel in Saskatchewan and Vidéotron Mobile in Quebec – that compete with the national providers.

Manitoba is also home to a local cell phone provider – the former Crown corporation MTS – but Manitobans don't rate the level of competition in the industry as highly as those other two provinces.

Few aware of CRTC decision

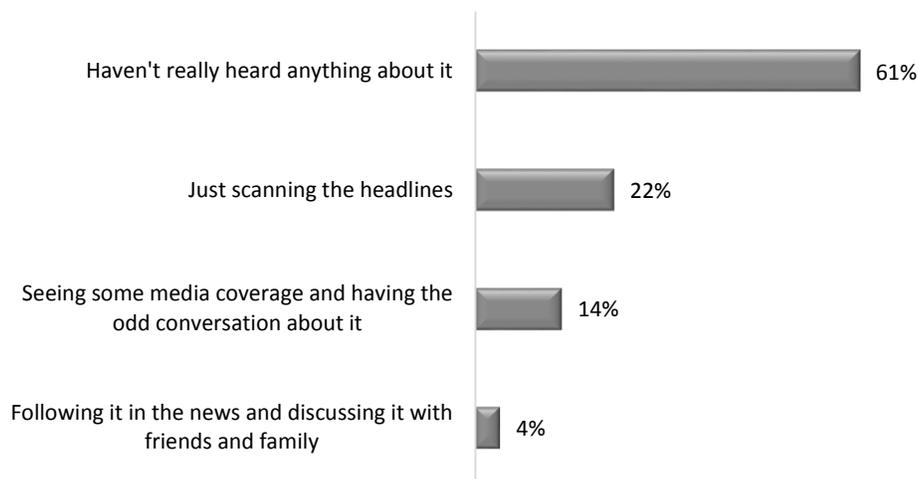
Despite their apparent hunger for increased competition in the cell phone market, three-in-five Canadians (61%) say they haven't seen or heard anything about [a recent CRTC decision](#) that [advocates say](#) eliminates one possible avenue for making the industry more competitive.

The decision in question concerns "Mobile Virtual Network Operators" (MVNOs) – small cell phone service providers that lease network capacity from larger companies and then sell that to their customers, often at a lower price than the big companies.

The CRTC denied an appeal from a group of MVNOs that would have required the country's largest wireless carriers to enter into these lease agreements, arguing that such a mandate would essentially punish the big companies for their investments in network infrastructure and discourage them from maintaining or expanding it.

Asked how closely they've been following this story, most Canadians say they aren't paying any attention at all:

How closely would you say you've been following this issue?

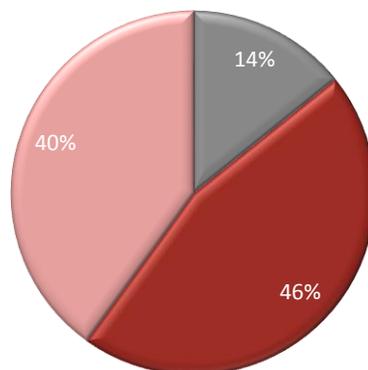


Those following the issue say the CRTC made the wrong decision

For their part, MVNOs argue that they could create the competition Canadians say they want, if only the CRTC would force the big companies to play ball.

As might be expected, given the lack of awareness of this issue, a significant portion of the population (40%) offers no opinion on the CRTC's decision. Those who *do* take a position are more than three times as likely to say it was the wrong decision as to say it was the right one:

Which of the following two broad points of view is closer to your own opinion?

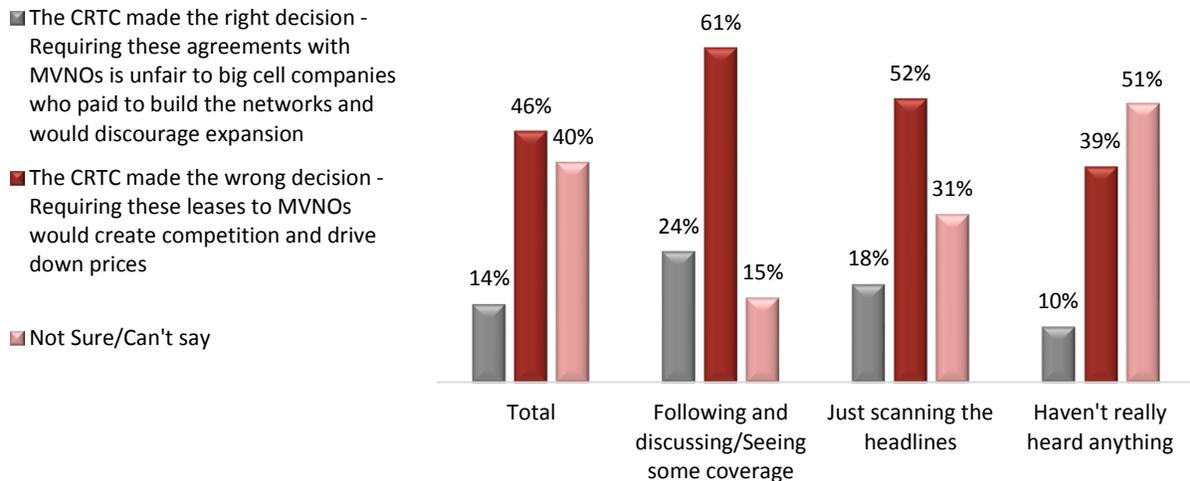


- The CRTC made the right decision - Requiring these agreements with MVNOs is unfair to big cell companies who paid to build the networks and would discourage expansion
- The CRTC made the wrong decision - Requiring these leases to MVNOs would create competition and drive down prices
- Not Sure/Can't say

Canadians who have been following the issue at least somewhat closely are much more likely to have an opinion – either for or against the CRTC's decision.

Roughly one-quarter (24%) of this group say the commission made the right choice, while more than twice that many (61%) say it made the wrong one. Those paying less attention are less certain, as seen in the following graph:

Which of the following two broad points of view is closer to your own opinion?



The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research organization established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.

Summary tables follow. For detailed results by region, age, gender, education, and other demographics, [click here](#).

Thinking generally about the cell phone business sector as a whole, what is your view about the level of competition between cell phone service providers in Canada?					
(weighted sample sizes)	Total (1522)	Cell phone service			
		Too expensive (927)	About right (286)	A good deal (127)	Don't know/Don't have (182)
Too much competition	11%	9%	14%	16%	14%
The right amount of competition	23%	18%	42%	29%	15%
Not enough competition	55%	67%	33%	44%	35%

Don't know/Can't say	11%	6%	11%	11%	35%
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Which of the following two broad points of view is closer to your own opinion?

(weighted sample sizes)	Total (1522)	Awareness of the issue		
		Following and discussing + Seeing some media coverage (267)	Just scanning the headlines (333)	Haven't really heard anything (922)
The CRTC made the right decision – Requiring these agreements with MVNOs is unfair to big cell companies who paid to build the networks and would discourage expansion	14%	24%	18%	10%
The CRTC made the wrong decision – Requiring these leases to MVNOs would create competition and drive down prices	46%	61%	52%	39%
Not sure/Can't say	40%	15%	31%	51%