



ENVIRONICS
RESEARCH GROUP

**REPORT ON CANADIANS' ATTITUDES TOWARD
CONSUMER WATCHDOG ORGANIZATIONS**

**CONDUCTED BY
ENVIRONICS RESEARCH GROUP LIMITED**

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TABLE OF CONTENTS

INTRODUCTION	5
BUSINESS AND INDUSTRY'S PERFORMANCE IN PROTECTING CONSUMERS	6
TYPE OF BUSINESS OR INDUSTRY REQUIRING CONSUMER WATCHDOG	7
LIKELIHOOD OF MEMBERSHIP IN CONSUMER WATCHDOG ORGANIZATION	8
LIKELIHOOD OF MAKING A DONATION	10
REQUIRING CONSUMER WATCHDOG ORGANIZATION FLYERS IN CUSTOMER MAILINGS	12
METHODOLOGY	
QUESTIONNAIRE	
STATISTICAL TABLES	

Introduction

In 1996, three consumers' associations received a grant from the Office of Consumers Affairs to conduct a feasibility study on a new formula that would serve to finance and develop consumers' associations across Canada. A Coordinating Committee was established, which included ACEF-Centre, the Fédération Nationale des Associations de Consommateurs du Québec (FNACQ), Democracy Watch, the Consumers' Association of Canada and the Public Interest Advocacy Centre (PIAC). This committee worked with several other consumers' associations in Canada to determine, amongst other targeted results, the likelihood of consumers' willingness to participate to such a formula.

Therefore, in December 1996, Environics Research Group Limited was retained by the Consumers' Association of Canada, Democracy Watch, the Fédération Nationale des Associations de Consommateurs du Québec, PIAC (Public Interest Advocacy Centre) and ACEF-Centre to conduct a survey of Canadians' attitudes toward and support for consumer watchdog organizations.

The current survey is based on a modified probability sample of 2,000 Canadians, 18 years of age or older, representing all segments and regions of the Canadian adult population, with the exception of the Yukon and the Northwest Territories. Strict probability samples of this size are estimated to be an accurate representation of the Canadian population within ± 2.2 percentage points, 19 times in 20. Interviews were conducted in-home between December 18, 1996 and January 15, 1997.

Business and Industry's Performance in Protecting Consumers

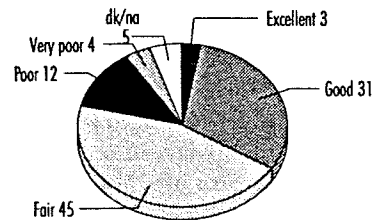
A majority of Canadians rate business and industry's performance in protecting consumers as "fair", "poor" or "very poor." One-third think that businesses do a good job.

When Canadians are asked to assess business and industry's performance in protecting the rights and interests of consumers in Canada, more than three in ten say they are doing an excellent (3%) or good (31%) job. A plurality of more than four in ten (45%) rate their performance as "fair." Fewer than two in ten (16%) say they are doing a poor (12%) or very poor (4%) job. Five percent offer no opinion.

Regional analysis finds that residents of Quebec are much more positive than those in the rest of Canada about business and industry's performance in protecting consumers. Almost one-half of Quebecers (48%) give them excellent or good ratings, while less than one-third of non-Quebecers (29%) feel the same way. British Columbians (23%) are the least likely to give business and industry's positive ratings and more likely than average to rate them as "fair" or "poor."

There are no significant demographic differences in response to this question.

Industry's Performance in Protecting Rights of Consumers



Q.32

In general, how good a job would you say that businesses and industries do in protecting the rights and interests of consumers in Canada. Would you say they do an excellent job, a good job, a fair job, a poor job or a very poor job?

Type of Business or Industry Requiring Consumer Watchdog

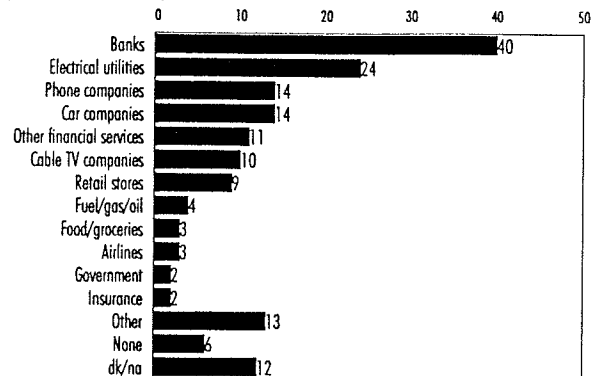
Canadians are most likely to name banks, and to a lesser extent energy utilities, as businesses or industries that require consumer watchdog organizations to police their behaviour.

Canadians were told that some people think there should be consumer watchdog organizations to keep an eye on the behaviour of certain businesses or industries, such as financial services, energy utilities, telecommunications, transportation and others. They were further informed that businesses and industries in Canada actively promote their interests through well-funded organizations and lobby groups, and that consumer organizations will need more money if consumers' interest are to be equally well promoted. One way of funding these organizations is to have an information flyer from these independent consumer organizations inserted into the billing envelopes and other routine mailings that businesses send to their customers, which would describe the watchdog organization and invite customers to join or contribute to it. They were also told that these organizations already exist in some states in the United States.

After hearing this information, they were asked what particular industry, business or type of business should have a consumer watchdog organization to protect their interests as a consumer. Four in ten Canadians mention banks as their first (29%) or second (10%) mention. One-quarter mention electrical/hydro utilities as their first (13%) or second (12%) mention. Fourteen percent mention phone companies as their first (5%) or second (9%) mention, and the same proportion mention car companies as their first (8%) or second (6%) mention. Eleven percent mention other financial companies as their first (4%) or second (7%) mention and ten percent mention cable television companies as their first (4%) or second (6%) mention. Nine percent mention retail stores as their first (4%) or second (5%) mention. Other industry sectors mentioned less often include fuel, gas and oil companies (4%), food and groceries (3%), airlines (3%), government (2%), insurance (2%), drug and pharmaceutical companies (1%), forestry (1%) and health care (1%). Another ten percent mention various other company types. Six percent cannot name any business, industry or type of

Businesses Needing Consumer Watchdog

(Combined mentions)



Q.33

What particular industry, business or type of business, if any, do you think should have a consumer watchdog organization, such as the one I have described, to protect your interests as a consumer?

Likelihood of Membership in Consumer Watchdog Organization

business that should have a consumer watchdog organization to protect consumers' interests, and twelve percent offer no opinion.

Regional analysis finds that Western Canadians, with the exception of residents of Saskatchewan, are more likely than average to mention banks as an industry that should have a consumer watchdog organization. Residents of Atlantic Canada, Quebec and Saskatchewan are more likely to mention electrical/hydro utilities. Residents of Quebec are also more likely to mention phone companies. Residents of Saskatchewan are more likely to mention fuel/gas/oil businesses. Residents of Toronto and Vancouver are more likely than others to mention cable companies. Vancouver residents are also more likely to mention car companies. Residents of Manitoba are more likely than average to mention retail stores. Residents of Atlantic Canada and Toronto are more likely than average to offer no opinion on the question.

There are few demographic variations in response to this question. However, better educated and wealthier Canadians and NDP and Reform Party supporters are more likely than others to mention banks as an industry that should have a consumer watchdog organization. Public sector workers are more likely than their private sector counterparts to mention phone companies. Those over 60 years of age and those living in rural areas are more likely to mention electrical utilities and less likely to mention banks.

A special crosstabulation finds that those who say they are very likely to join a consumer watchdog organization are more likely than others to mention electrical utilities and phone companies as industries that should have a consumer watchdog organization.

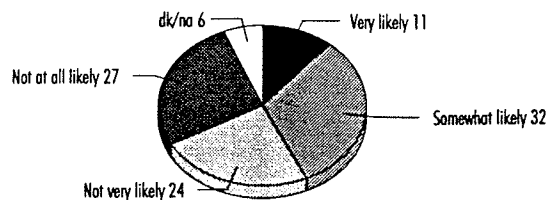
Four in ten Canadians would be at least somewhat likely to join a consumer watchdog organization. Those who are likely to join, are willing to pay, on average, an annual membership fee of \$28. Those who would not join think that \$17.30 would be an appropriate membership fee.

Canadians were asked if they received a consumer watchdog organization's flyer in the billing envelope or other mailing sent to them by a business or industry (their first mention as an industry or business that should have a consumer watchdog organization), and the flyer invited them to join the watchdog organization, what was the likelihood that they would do this. More than four in ten say they would be very (11%) or somewhat (32%) likely to join the organization. One-half (51%) say they would be not very (24%) or not at all (27%) likely to do so. Six percent offer no opinion.

Likelihood of joining this consumer watchdog organization is higher among residents of British Columbia (51% very/somewhat likely to join), Saskatchewan (48%) and Montreal (48%). Albertans are more likely than average to say they are not likely to join a consumer watchdog organization.

Better educated and more affluent Canadians, younger people and both Reform Party and NDP supporters are more inclined than others to say they would be likely to become members of these organizations. Those aged 60 and older, those in the lowest education and income groups and PC party supporters are more likely

Likelihood of Joining Watchdog Organization



Q.34

If you received a consumer watchdog organization's flyer in the billing envelope or other mailing sent to you by [first response] and the flyer invited you to join the watchdog organization, how likely would you be to join as a member? Would you be very likely, somewhat likely, not very likely or not at all likely?

than average to say they are not likely to become members.

When Canadians who say they are likely to join a consumer watchdog organization are asked how much they would be willing to pay as an annual membership fee for the organization, the average amount stands at \$28. The dollar amounts break down into those who would be willing to pay \$1 to \$10 (24%), \$11 to \$20 (21%), \$21 to \$50 (23%) and \$51 and more (9%). Twelve percent say they would not be willing to pay any annual membership fee and ten percent offer no opinion.

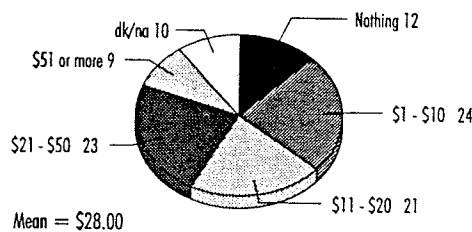
Atlantic Canadians, on average, are willing to pay the highest annual membership fee (\$36.8); residents of Quebec (\$24.6) and Saskatchewan (\$24.6) are willing to pay a much lower amount. Younger Canadians, those in the higher education groups and private sector workers are also willing to pay, on average, a higher annual membership fee. It is notable that there is little correlation between household income and how much people are willing to pay.

A special crosstabulation finds that those who say they are very likely to join a consumer watchdog organization are willing to pay a slightly larger amount than those who say they are only somewhat likely to join (\$29.4 compared with \$27.5).

When Canadians who say they are not likely to join a consumer watchdog organization are asked what they think would be a fair annual membership fee for such an organization, on average, they say \$17.3. This breaks down into those who would be willing to pay \$1 to \$10 (23%), \$11 to \$20 (13%), \$21 to \$50 (14%) and \$51 and more (3%). Twenty-two percent think such an organization should charge no membership fee and 24 percent offer no opinion.

Albertans mention the highest average amount (\$23.4); residents of Montreal (\$12.2) and British Columbia (\$12.1) mention a much lower amount, on average. Younger Canadians and Bloc Québécois supporters mention much higher amounts, on average; those 60 and older and NDP supporters mention much smaller amounts, on average.

Annual Membership Fee

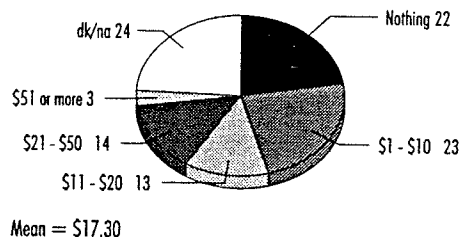


Q.35

If you were to join a consumer watchdog organization, such as the one I have described, how much would you be willing to pay as an annual membership fee for the organization?

(Subsample: Very/somewhat likely to join)

Annual Membership Fee



Q.37

Even though you would not be likely to join a consumer watchdog organization, such as the one I have described, what do you think would be a fair annual membership fee for such an organization?

(Subsample: Not very/not at all likely to join)

Likelihood of Making A Donation

Canadians who say they are likely to join a consumer watchdog organization are evenly divided as to whether they would be willing to make a donation, in addition to paying a membership fee, to help the organization. Fifteen percent of those who would not join, would nonetheless be willing to make a donation.

When Canadians who say they are at least somewhat likely to join a consumer watchdog organization are asked how likely it would be that they would make a donation to this organization, in addition to their membership fee, to help further the organization's work to protect their interests as a consumer, they are evenly divided. Five in ten say they are very (8%) or somewhat (42%) likely to make a donation. A similar proportion say they are not very (25%) or not at all (22%) likely to do this. Four percent offer no opinion.

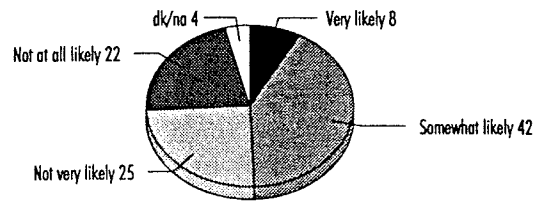
Residents of Quebec (34%) are much less likely than those in the rest of Canada (54%) to be willing to make a donation, over and above their membership fee; they are more likely than average to say they are not at all likely to do this. Outside Quebec, Atlantic Canadians (64%) are the most likely to be willing to make a donation.

Younger Canadians, those in the higher education groups, Conservative, NDP and Reform Party supporters are more likely than others to be willing to make a donation. Those in the lowest education group are much more likely than average to say they are not at all likely to do this.

A special crosstabulation finds that 60 percent of those who say they are very likely to join a consumer watchdog organization say they are very (20%) or somewhat (40%) likely to make a donation, over and above their membership fee. This falls to 45 percent among those who say they are only somewhat likely to join a consumer watchdog organization.

Canadians who say they are not likely to join a consumer watchdog organization were asked how likely it would be that they would make a donation to help further the organization's work to protect their interests as a consumer. Over three-quarters say they are not very (29%)

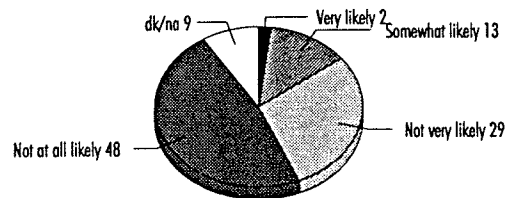
Likelihood of Donating to Watchdog Organization



Q.36

In addition to paying the membership fee to join this organization, how likely would you be to make a donation to help further the organization's work to protect your interests as a consumer? Would you be very likely, somewhat likely, not very likely or not at all likely? (Subsample: Very/somewhat likely to join)

Likelihood of Donating to Watchdog Organization



Q.38

How likely would you be to make a donation to help further the organization's work to protect your interests as a consumer, even if you would not actually join the organization? Would you be very likely, somewhat likely, not very likely or not at all likely? (Subsample: Not very/not at all likely to join)

or not at all (48%) likely to make a donation. Fifteen percent say they are very (2%) or somewhat (13%) likely to do this. Nine percent do not offer an opinion.

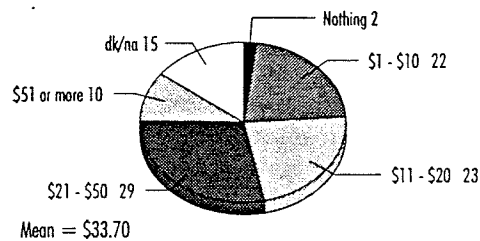
Residents of Atlantic Canada (53%) and Quebec (57%), particularly Montreal (66%) who are not likely to join, are most likely to say they are not all likely to make a donation to such an organization. Residents of Western Canada (41%), are somewhat less likely to feel this way.

Less affluent and less educated Canadians, those aged 60 and older and Conservative supporters are more likely than others to say they are not at all likely to make a donation. Those with a university education are the most inclined to say they are likely to make a donation.

Canadians who say they are likely to make a donation to a consumer watchdog organization, either in addition to becoming a member or instead of becoming a member, say they are willing to donate, on average, \$33.70. This breaks down into those who would be willing to donate \$1 to \$10 (22%), \$11 to \$20 (23%), \$21 to \$50 (29%) and \$51 and more (10%). Two percent would not be willing to donate anything and 15 percent do not offer an opinion.

The average donation amount is much higher in Quebec (\$45.7), particularly Montreal (\$53.6), than in the rest of Canada (\$30.9). The average donation is also higher among men and those aged 45 to 59.

Likely Amount of Donation



Q.39

*How much would you be willing to donate?
(Subsample: Very/somewhat likely to donate)*

Requiring Consumer Watchdog Organizations' Flyers in Customer Mailings

Two-thirds of Canadians agree that government should require business to enclose the flyers of consumer watchdog organizations in their mailings to customers.

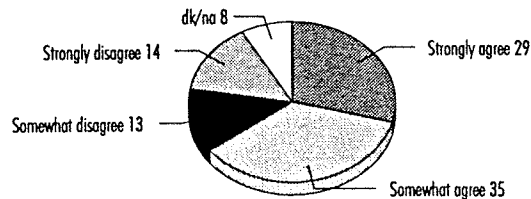
Canadians were asked whether, if a business or industry refused to include a consumer watchdog organization's information flyer in their mailings to customers, the government should require the business to do this. Two-thirds say they strongly (29%) or somewhat (35%) agree that the government should require the business to enclose the flyers in their mailings. Twenty-seven percent say they strongly (14%) or somewhat (13%) disagree with this proposal. Eight percent offer no opinion.

Residents of Quebec (41%), especially Montreal (49%), are more likely than those living in the rest of Canada (26%) to strongly agree that the government should require a business to enclose a consumer watchdog organization's flyer in their mailings. Outside Quebec, residents of Manitoba and Saskatchewan are also more likely to feel this way; Ontarians, especially Torontonians, and Albertans are less inclined to strongly agree with this proposal. In fact, Albertans are two times more likely than other Canadians to strongly disagree with this proposal (29% compared to 14%).

Better educated Canadians, younger people and NDP supporters are more likely to agree with this proposal. Those 60 and older, those in the lowest education group and Conservative and Reform Party supporters are less likely to concur, though even among these groups there is still majority support for this.

A special crosstabulation finds that 84 percent of Canadians who say they are very likely to join a consumer watchdog organization say they strongly (65%) or somewhat (19%) agree that government should require a business to enclose a consumer watchdog organization's flyer in their mailings. This proportion is much higher than the national average of 64 percent. Furthermore, those who say they are very likely to join a consumer watchdog organization are more than two times as likely to strongly agree with this idea (65% compared with 29% nationally).

Require Watchdog Flyers in Mailings



Q.40

If a business or industry refused to include a consumer watchdog organization's information flyer in their mailings to customers, do you strongly agree, somewhat agree, somewhat disagree or strongly disagree that the government should require the business to enclose the flyers in their mailings?