

'You Can't Use Information You Don't Know Exists'

Helping Canadian Wireless Consumers Understand and Enforce Their Rights

Sean Grassie

WHAT INFORMATION DO WIRELESS SERVICE PROVIDERS GIVE CONSUMERS AT THE POINT OF SALE? IS IT SUFFICIENT TO MAKE INFORMED CHOICES?

Background: The Complex Canadian Wireless Marketplace

Canadian consumers of wireless services encounter many issues when they try to navigate the complex and dynamic telecommunications marketplace. Perhaps the most pressing issue is that most Canadians are simply not aware they have rights in relation to wireless services. The *Wireless Code* is a kind of 'bill of rights' for Canadian wireless consumers. However, it is unclear whether the existence of the *Code* has led to more informed consumers or a more dynamic wireless marketplace.

To understand and thus enforce their rights when dealing with service providers, wireless consumers must be familiar with those rights. In particular, consumers should be aware of the *Wireless Code*, created by the CRTC so that wireless consumers will be "better informed of their rights and obligations contained in their contracts with wireless service providers." However, a recent survey showed that **79.4%** of Canadian wireless consumers **are not aware of the Code**. Since awareness of the *Code* is low and the incidence of problems is high, consumer empowerment is critical to enable wireless consumers to "self-help."

The objective of this study was to gather and comprehensively assess what information wireless consumers are given at the point of sale and how information flows from service providers to consumers at this critical juncture. In particular, we wanted to find out whether the *Wireless Code* is having a discernible impact on the capacity for consumers to make informed choices regarding wireless services. To do so, the study employed a 'mystery shopper' approach to get an inside look into industry practice and analyze interactions between consumers and wireless service providers at the point of sale.

Methodology: The "Mystery Shopper" Approach

The study used an ethnographic approach, using **mystery shoppers** to collect data through actual encounters in the field. The encounters took place between researchers posing as average consumers and staff at retail telecommunications stores (participants). The project was carefully designed not to expose individual service providers, incur additional transaction costs, or produce any negative reputational impact. We selected six telecommunications providers for the study and used two different interaction scenarios for a total of 12 visits (one visit per scenario per provider).

The scenarios replicate common in-person consumer interactions regarding a wireless service contract, such as inquiries about different cell phone plans, price points, data limits, and information about devices. Depending on the nature of the interaction, the scenarios also included problem-solving queries at the point of sale, for example posing a hypothetical to the employee and asking for information to resolve the issue, understand next steps, etc.

Two researchers conducted all twelve visits, each taking ownership of one scenario for all six providers, to maintain consistency. They posed as average consumers inquiring about a new wireless service contract. One researcher acted as a consumer, interacting with an employee, while the other researcher acted as a friend and observed the interaction. The researchers posed as consumers inquiring about a new plan, but stopped short of purchasing a new service contract.

Immediately after each interaction, each researcher individually completed a detailed ten-page checklist, after which they jointly completed a single checklist, marking any areas of disagreement. Those twelve checklists have further been reduced into two composite lists – one for each scenario. Each researcher also created a subjective narrative account of each visit, colour-coded and analyzed for broader themes.

What Did the Mystery Shoppers Find?

SELECTED RESULTS

◆ Our checklist analyzed many categories of information provision. In our view, these three categories are among the most crucial in terms of empowering consumers:

ACCESS TO THE CONTRACT	UNLOCKING	TRIAL PERIOD
Information Provision Rate: 8.3%	Information Provision Rate: 33.3%	Information Provision Rate: 0%
<u>The <i>Wireless Code</i> states that:</u> <input type="checkbox"/> Providers must "facilitate [the] consumer's understanding of their contracts" and should assist consumers in making "informed decisions about wireless services."	<u>The <i>Wireless Code</i> states that:</u> <input type="checkbox"/> Providers offering locked devices must give the consumer the means to unlock the device upon request. <u>But our study found:</u> <input type="checkbox"/> 4 out of the 6 providers offering locked devices did not discuss unlocking at all. <input type="checkbox"/> Only 1 provider out of 6 fully explained how to unlock the phone and how much it would cost to do so.	<u>The <i>Wireless Code</i> states that:</u> <input type="checkbox"/> Providers must offer consumers a trial period of at least 15 days, so they can determine if the service "meets their needs" and to "increase consumer choice." <u>But our study found:</u> <input type="checkbox"/> Not a single provider out of 12 mentioned or discussed trial periods.

CONCLUSIONS: UNAVAILABILITY OF INFORMATION

- ◆ Certain categories of crucial information were consistently **not provided** in our interactions with the wireless service providers.
- ◆ It is unrealistic to expect consumers to find this information for themselves, especially since they are not typically given access to the contract prior to sign-up.
- ◆ This leads to the paradox uncovered in our research: **YOU CAN'T USE INFORMATION YOU DON'T KNOW EXISTS.**

RECOMMENDATIONS

1. Better **promotion of the *Wireless Code*** and the rights it contains (e.g. advertising, social media campaign).
2. Mandatory **training for provider employees** on the *Wireless Code* and on the wireless marketplace in general. This information can then be passed to consumers at the point of sale.
3. An **online tool or 'app'** for consumers to get the information they need before, during, or after interacting with their provider.
4. Better **monitoring and enforcement** powers for relevant regulatory authorities (CCTS, CRTC) to ensure providers are complying with the *Code*.

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UROP 2017-2018 team

Students: Sean Grassie | Lora Hamilton |

Research supervisors: Professor Mary Cavanagh, uOttawa ÉSIS | Professor Marina Pavlović, uOttawa Common Law

