PUBLIC PERSPECTIVES: PARTICIPATION IN THE DIGITAL ECONOMY 1.0

2015

SUMMARY

PROPORTION OF CANADIANS ACCESSING THE INTERNET CONTINUES TO GROW.

CURRENTLY, 95% OF CANADIANS ACCESS THE INTERNET:

- 91% access the Internet at home.
- 2% are accessing elsewhere outside the home, and 2% access by mobile only
- 5% do not use the Internet at all.

THE LANDSCAPE IS CHANGING AS MORE CANADIANS ADOPT MOBILE DEVICES:

- Current penetration of mobile access to the Internet is 68%.
- 68% own a smartphone and 58% own a tablet.
- 2% of Canadians are accessing the Internet through mobile only.

SUMMARY

NON-SUBSCRIBERS SKEW OLDER, ARE LESS EDUCATED, LIVE IN RURAL AREAS, AND MANY HAVE LOWER HOUSEHOLD INCOMES.

LOW INCOME IS OFTEN SEEN AS THE KEY BARRIER TO INTERNET ACCESS AT HOME. BUT THE FINDINGS FROM THIS RESEARCH INDICATE THAT THE ISSUE OF COST AND AFFORDABILITY IS ONLY ONE PART OF THE STORY.

- While cost is cited as a barrier to accessing the Internet at home, 70% of non-subscribers do not mention cost at all.
- In fact, 30% prefer to subscribe to more traditional media - print magazines or newspapers (equal to general population).

THE REALITY IS THAT MANY OF THE OLDER NON-SUBSCRIBERS:

- Don’t see the relevance and are not interested, and/or
- Don’t know how to access/use the Internet, lack digital literacy

SUMMARY

THERE MAY BE WAYS TO ENGAGE SUB-SEGMENTS WITHIN THE NON-SUBSCRIBER POPULATION INCLUDING:

Lowering the price point, and improving access to quality broadband; but also, educating consumers about Internet security measures as well as how to use the Internet for their needs.

BUT MANY WILL LIKELY NEVER GO ONLINE.

Time will only see penetration rates change as one generation moves into the next.

OF IMPORTANCE IS THE SIGNIFICANT RANGE IN DEGREES OF PARTICIPATION IN THE DIGITAL ECONOMY AMONG INTERNET USERS THAT IS CORRELATED TO AGE, BUT NOT ALWAYS INCOME.

SUMMARY

THE DIGITAL DIVIDE IS OFTEN SEEN AS BEING DRIVEN PRIMARILY BY INCOME INEQUALITY BUT, IN FACT, LACK OF AFFORDABILITY IS ONLY A BARRIER FOR A FRACTION OF CANADIANS.

INSTEAD, A MORE SALIENT ISSUE IS THAT OF RELEVANCE, I.E. THOSE WHO SEE THE VALUE OF THE INTERNET IN THEIR LIVES ARE WILLING TO PAY FOR IT, AND THOSE WHO DON'T ARE NOT.

The findings here in this study indicate that the issue of *opportunity* is only one part of the story, and that *capability* to access the Internet and *motivation* to fully utilize the capacity of the digital economy are much more important factors in people's lives.

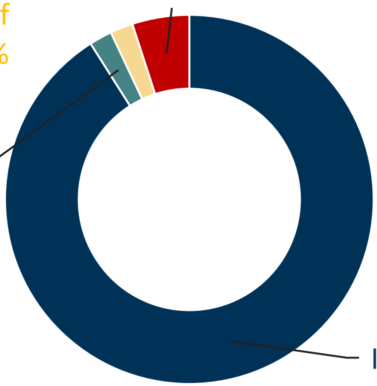
If the government wants to ensure that all Canadians can benefit from the Internet, then affordable access is not necessarily the only strategy for all, but rather developing programs and policies to engage and educate Canadians on the full benefits of participation in the digital economy.

Accessing the Internet

ACCESS TO THE INTERNET AT HOME

Currently, 91% of Canadians are subscribing to broadband at home; 9% are not accessing the Internet at home. Two percent are subscribing to a mobile data plan, 2% are accessing outside the home, and 5% are not accessing the Internet at all. Of the non-subscribers, 50% of those who currently subscribe to a mobile data plan and 30% who access outside of the home are considering ('yes' +'maybe') subscribing to broadband within the next 12 months.

% access the Internet (n=1250)



Are you or someone in your household interested in subscribing to the Internet in your home within the next 12 months?
(Base: Those who do not subscribe to broadband, n=250)

Subscribe to mobile data plan	50%
Do not use the Internet	11%
Do not subscribe to Internet at home; access outside of home	30%

Locations of access outside of home
(Base: those who say they access through another location, n=83responded)

Family or friend's house	61%
From a public library or community centre	44%
From a WIFI hotspot	41%
From work	39%
Government office or community agency	13%
From school	10%
From another location	19%

Q1. DOES YOUR HOUSEHOLD SUBSCRIBE TO OR HAVE ACCESS TO THE INTERNET AT HOME? BASE: ALL RESPONDENTS (N=1250)
Q2. DURING THE PAST 12 MONTHS, HAVE YOU ACCESSED THE INTERNET FROM ANY OTHER LOCATION? BASE: THOSE WHO DO NOT ACCESS AT HOME Q1=NO (N=250) – PROPORTION 'YES" REBASED TO TOTAL. Q3. FROM WHICH OF THE FOLLOWING LOCATIONS DID YOU ACCESS THE INTERNET? PLEASE INDICATE YES OR NO TO EACH. Q11. ARE YOU OR SOMEONE IN YOUR HOUSEHOLD INTERESTED IN SUBSCRIBING TO THE INTERNET IN YOUR HOME WITHIN THE NEXT 12 MONTHS? BASE: THOSE WHO DO NOT ACCESS AT HOME Q1=NO (N=250) –PROPORTION 'YES" AND 'MAYBE' REBASED TO TOTAL. Q3.

INCIDENCE OF INTERNET ACCESS AT HOME BY DEMOGRAPHICS

One-in-five Canadians who are 60 years and older (18%), and almost one-third of those who have a household income of less than $25K (31%) don't subscribe to the Internet at home, significantly higher than those who earn more and are better educated.

Within the 18-29 year old group that does not subscribe to the Internet, 5% are currently signed up with a mobile data plan. And within the 60 and older group, 15% do not access the Internet at all.

Within the group of Canadians who do not subscribe to broadband and have a household income of under $25K (31%), over two-thirds do not use the Internet at all (20%).

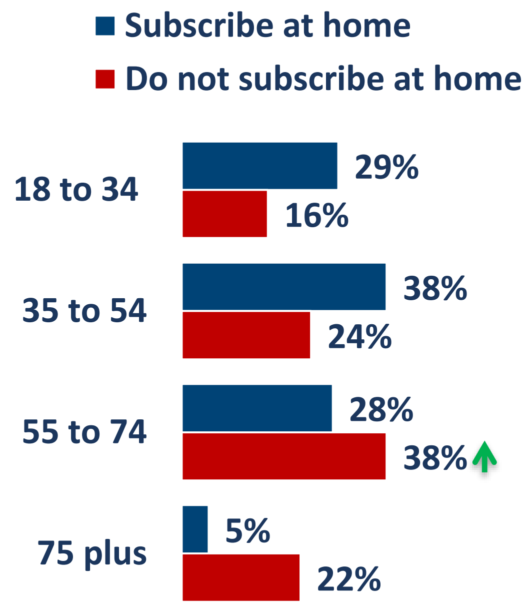
	AGE				EDUCATION			INCOME					COMMUNITY SIZE		
	18-29	30-44	45-59	60 plus	High school or less	Some college or uni	University of higher	<$25K	$25-<$50K	$50K-<$75K	$75K-<$100K	$100Kplus	Rural/ town	Small city	Large city
	140	271	359	480	341	465	434	174	253	196	154	305	367	219	631
Subscribe to broadband	94%	96%	92%	82%	79%	93%	96%	70%	89%	92%	97%	98%	84%	89%	95%
Do not subscribe	6%	4%	8%	18%	21%	7%	4%	30%	11%	8%	3%	2%	16%	11%	5%
Subscribe to mobile data plan only	5%	2%	2%	-	4%	2%	1%	3%	2%	3%	1%	1%	4%	3%	1%
Access Internet outside of home	1%	1%	3%	3%	4%	2%	1%	7%	2%	2%	1%	1%	4%	1%	1%
Do not use the Internet	-	1%	3%	15%	13%	3%	2%	20%	7%	3%	1%	1%	8%	7%	3%

Home Subscribers vs Non-Subscribers

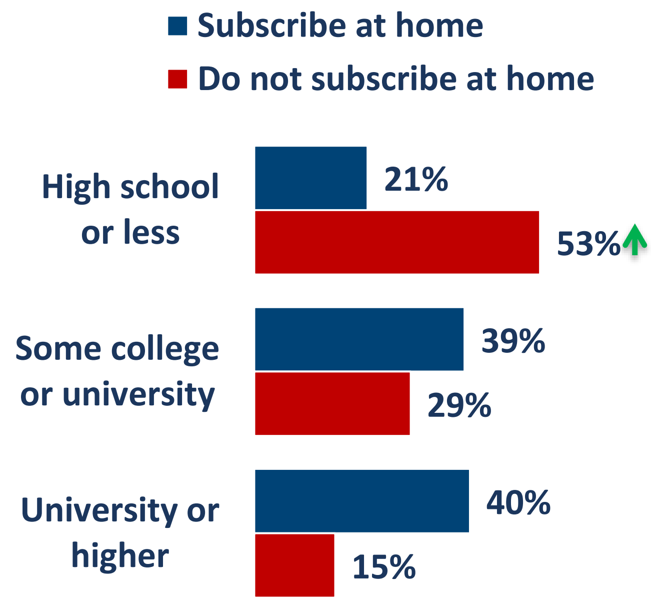
HOME SUBSCRIBERS VS. NON-SUBSCRIBERS

Canadians who do not subscribe to or have access to the Internet skew older (over 55 years old) and are typically less educated.

Profile of subscribers vs. non-subscribers by AGE (n=1000, n=250)



Profile of subscribers vs. non-subscribers by EDUCATION (n=1000, n=250)

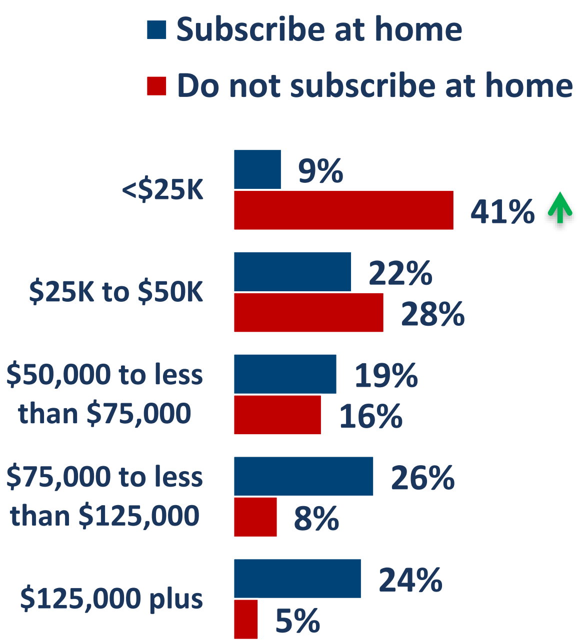


Average Age (Mean)	
Subscriber	46.3
Non-Subscriber	57.9

HOME SUBSCRIBERS VS. NON-SUBSCRIBERS

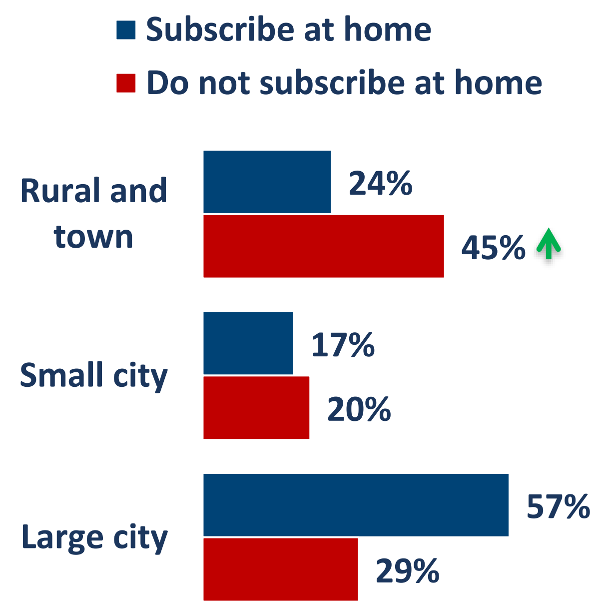
Canadians who do not subscribe to the Internet on average have significantly lower household incomes (average - $44K) and live in rural areas/towns.

Profile of subscribers vs. non-subscribers by HOUSEHOLD INCOME (n=1000, n=250)



Average Household Income (Mean)	
Subscriber	$87,416
Non-Subscriber	$43,863

Profile of subscribers vs. non-subscribers by LOCATION OF RESIDENCE (n=1000, n=250)



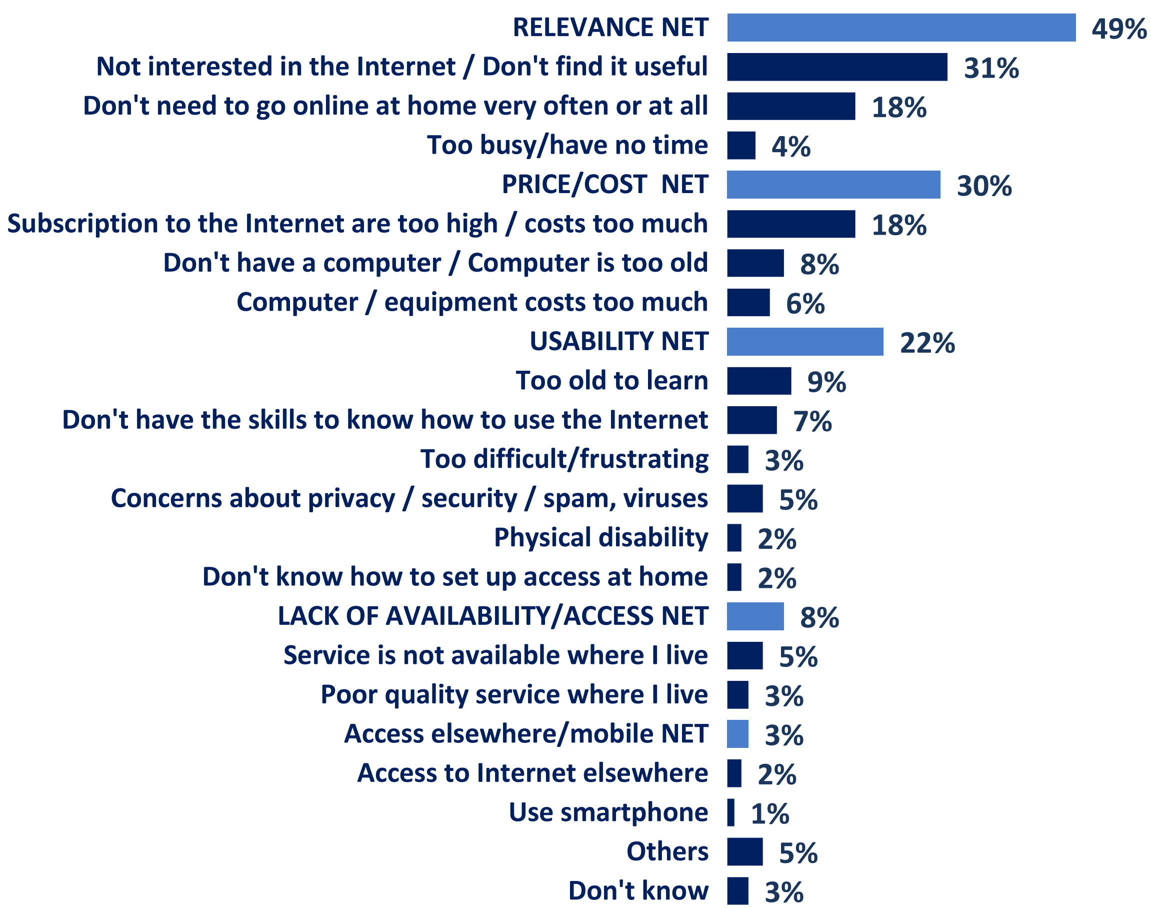
Excluding don't knows

Ipsos Public Affairs

MAIN REASONS FOR NOT SUBSCRIBING TO INTERNET

Of the 9% who do not subscribe to the Internet at home, seventy-percent did not mention cost as a factor at all. Half say they are simply not interested or don't see the relevance. Usability issues are the next most important factor in not subscribing to the Internet, after cost.

(Non-subscribers, n=250)



Q6. WHAT ARE THE MAIN REASONS YOU DO NOT USE THE INTERNET? ANYTHING ELSE?; Q10. CAN YOU PLEASE TELL ME THE REASONS WHY YOUR HOUSEHOLD DOES NOT SUBSCRIBE TO THE INTERNET AT HOME? BASE: THOSE WHO DO NOT SUBSCRIBE TO THE INTERNET (N=250)

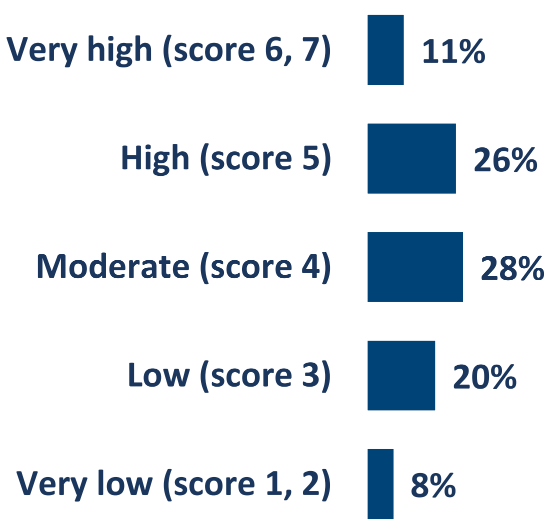
Participation in Digital Economy

OVERALL INDEX OF DIGITAL PARTICIPATION

We developed an overall index based on frequency of participation in Internet activities (including digital economy and social online activities). Five overall categories fall into a normal distribution curve: 11% score very high on Internet use, while 8% fall very low. Low, moderate and high Internet users equal 20%, 28% and 26%, respectively.

Eighty-one percent of respondents who fall very low on the overall index typically use the Internet less than five hours a week, significantly lower than those in other categories, indicating very little participation in the digital economy,

Overall Index Categories



Base: All respondents, n=1250. Non-users not shown

Time on Internet (weekly) by Index

		Overall index of participation in digital economy (Use the Internet)				
	Total	Very low (1,2)	Low (3)	Moderate (4)	High (5)	Very high (6,7)
Base: Internet Users	*1080*	*140*	*252*	*327*	*258*	*103*
<5 hours	32%	81%	54%	27%	16%	9%
5 to <20 hours	48%	15%	36%	56%	58%	48%
20 hours +	19%	3%	9%	17%	25%	43%

Q13. IN A TYPICAL WEEK, ON AVERAGE, HOW MANY HOURS DO YOU SPEND ON THE INTERNET FOR PERSONAL USE? IS IT ..BASE: ALL RESPONDENTS WHO USE THE INTERNET (N=1080)

PROFILE OF RESPONDENTS BY INDEX

Canadians who are ‘very low’ and ‘low’ on the digital participation index likely face barriers outside of cost to greater participation in the digital economy.

		Overall index of participation in digital economy (Use the Internet)				
		Very low (1,2)	Low (3)	Moderate (4)	High (5)	Very high (6,7)
		140	252	327	258	103
Age	18 to 34	7%	17%	25%	44%	51%
	35 to 54	27%	36%	40%	43%	41%
	55 to 74	54%	39%	32%	13%	8%
	75 plus	12%	9%	4%	1%	-
	Average age	**59.2**	**53.1**	**47.7**	**38.4**	**35.5**
Education	High school or less	37%	29%	15%	20%	14%
	Some college or university	43%	37%	47%	34%	33%
	University or higher	17%	34%	38%	47%	52%
Employment status	Employed (FT/PT)	42%	56%	65%	71%	68%
	Retired	44%	32%	21%	7%	6%
Location of residence	Rural and town	35%	33%	24%	20%	20%
	Small city	18%	17%	19%	15%	14%
	Large city	45%	48%	55%	63%	64%
Children	No	77%	71%	60%	55%	57%
Canadian status	Permanent resident/landed immigrant	3%	5%	3%	10%	9%
Income (excludes no responses)	<$25K	20%	9%	6%	12%	12%
	$25K to $50K	31%	23%	24%	18%	17%
	$50K to less than $75K	19%	21%	20%	18%	16%
	$75K to less than $100K	12%	15%	15%	17%	15%
	$100K plus	18%	32%	34%	35%	40%
	Average income	**$ 62,094**	**$ 83,871**	**$ 89,428**	**$ 88,486**	**$ 95,547**

TRANSACTIONAL ONLINE ACTIVITES

There is a significant difference in degrees of participation within the index groups. 'Very low' users are online minimally, while 'low users' are primarily banking online.

Few Canadians are interacting with a healthcare professional online or visiting government websites (except 'very high' users) but those who likely need this kind of access and information the most in the 'very low' and 'low' groups would benefit most.

		Index of participation in digital economy				
"Always" and "Most of the time"	**Total**	Very low (1,2)	Low (3)	Moderate (4)	High (5)	Very high (6,7)
Base: Internet users	1080	140	252	327	258	103
Banking online	**59%**	10%	37%	63%	71%	92%
Conducting research on topics of interest such as medical or health-related information	**38%**	9%	17%	37%	50%	77%
Browsing or shopping, such as booking travel or reservations, or buying clothes or other goods and services	**30%**	3%	10%	31%	39%	62%
Searching for employment, or applying for a job	**18%**	-	4%	12%	24%	61%
Taking a course for work, education or personal interest	**17%**	1%	6%	11%	23%	49%
Visiting or interacting with government websites	**17%**	1%	4%	11%	22%	54%
Organizing social or community activities, such as a party or event	**17%**	-	5%	10%	21%	63%
Interacting with a healthcare professional, such as booking appointments, checking lab results or receiving appt reminders	**6%**	1%	2%	4%	8%	16%

Q14. HOW OFTEN DO YOU PERFORM ANY OF THE FOLLOWING ACTIVITIES ONLINE, USING A SCALE OF ALWAYS, MOST OF THE TIME, SOMETIMES, RARELY OR NEVER? (READ LIST) THE FIRST ONE IS [...]. THE NEXT ONE IS [..., ETC]. BASE: THOSE WHO ACCESS THE INTERNET (N=1080)

ONLINE SOCIAL & CULTURAL ACTIVITIES

Again, Canadians who fall into the 'very low' group are using the Internet minimally, primarily for sending and receiving email. 'Low' to 'moderate' users, compared to high users, are participating less frequently but many are still engaged in social and cultural activities online, such as reading, watching or listening to the news, social media, and to some extent entertainment.

		Index of participation in digital economy				
"At Least Once A Day" and "2 to 3 Times A Week"	Total	Very low (1,2)	Low (3)	Moderate (4)	High (5)	Very high (6,7)
Base: Internet users	1080	140	252	327	258	103
Emailing	84%	35%	75%	92%	93%	97%
Reading, watching or listening to the news or other topics of interest	66%	9%	45%	65%	90%	98%
Using social media sites like Facebook or Twitter	64%	12%	36%	65%	87%	99%
Listening to music or the radio or watching TV shows or videos online	56%	5%	28%	54%	80%	95%
Using an Instant Messenger program such as Google Chat, MSN Messenger or Whatsapp	43%	5%	16%	34%	67%	85%
Blogging or posting content online	24%	-	3%	15%	38%	68%
Making telephone or video calls such as Skype or Facetime	21%	3%	3%	15%	33%	59%

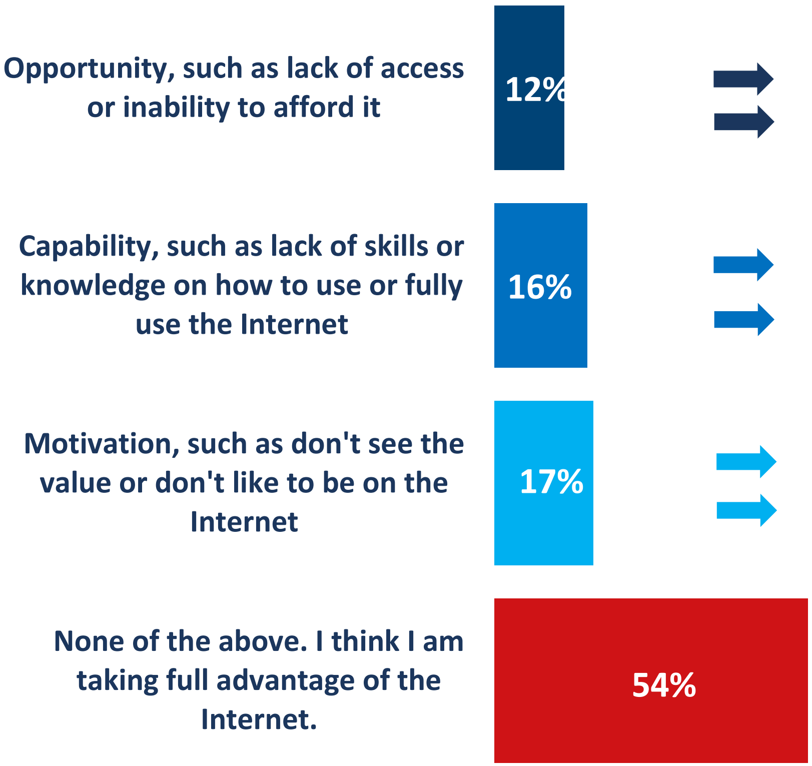
Q15. HOW OFTEN DO YOU DO EACH OF THE FOLLOWING ACTIVITIES ONLINE, USING A SCALE OF AT LEAST ONCE A DAY, TWO TO THREE TIMES A WEEK, ONCE A WEEK, EVERY TWO TO THREE WEEKS, ONCE A MONTH OR LESS, OR NEVER THE FIRST ONE IS ...[...]. THE NEXT ONE IS [..., ETC]. BASE: THOSE WHO ACCESS THE INTERNET (N=1080)

Attitudes & Barriers

BARRIERS TO TAKING FULL ADVANTAGE OF INTERNET

Over half of all Canadians (54%) think they are taking full advantage of the Internet. For others, it mostly comes down to ‘capability’ or a lack of knowledge (15%), or ‘motivation’ and not seeing the personal value or reward in using the Internet (9% reflective) or not feeling it is for them (6% automatic).

(All respondents, n=1250)



OPPORTUNITY (rebased to All Respondents)	
Physical, such as lack of access or affordability	8%
Social, such as your friends/family not using the Internet	3%
CAPABILITY	
Knowledge, such as you lack the knowledge or understanding about how to take full advantage of the Internet	15%
Physical, such as you lack the manual dexterity to use a computer	<1%
MOTIVATION	
Reflective, such as from what you've seen and heard you don't believe there is personal value or reward in using the Internet	9%
Automatic, such as you feel that using the Internet is not for you	6%

Other/Don’t know mentions not shown

Q18. WHEN ALL IS SAID AND DONE, WHICH OF THE FOLLOWING THREE THINGS WOULD YOU SAY HINDERS YOU FROM TAKING FULL ADVANTAGE OF THE INTERNET AND USING IT TO PARTICIPATE IN THE DIGITAL ECONOMY? FOR EXAMPLE, THE ABILITY TO ACCESS E-GOVERNMENT SERVICES, SOCIAL SITES AND CONNECTIONS, E-LEARNING, HEALTH RELATED SERVICES, ENTERTAINMENT, AND GOODS AND SERVICES. BASE: ALL RESPONDENTS
Q19A. IS IT 'PHYSICAL', SUCH AS LACK OF ACCESS OR AFFORDABILITY, OR IS IT 'SOCIAL', SUCH AS YOUR FRIENDS/FAMILY AREN'T USING THE INTERNET? BASE: ALL RESPONDENTS
Q19B. IS IT 'PHYSICAL', SUCH AS YOU LACK THE MANUAL DEXTERITY TO USE A COMPUTER, OR 'KNOWLEDGE', SUCH AS YOU LACK THE KNOWLEDGE OR UNDERSTANDING ABOUT HOW TO TAKE FULL ADVANTAGE OF THE INTERNET? BASE: ALL RESPONDENTS
Q19C. IS IT 'AUTOMATIC', SUCH AS YOU FEEL THAT USING THE INTERNET IS NOT FOR YOU, OR 'REFLECTIVE', SUCH AS FROM WHAT YOU'VE SEEN AND HEARD YOU DON'T BELIEVE THERE IS PERSONAL VALUE OR REWARD IN USING THE INTERNET (...)? BASE: THOSE WHO ANSWERED EACH OF OPPORTUNITY, CAPABILITY OR MOTIVATION. REBASED TO TOTAL RESPONDENTS (N=1250).

BARRIERS TO TAKING FULL ADVANTAGE OF INTERNET

For non-Internet users, motivation and capability are the primary barriers to accessing the Internet more so than opportunity.

Canadians who access the Internet outside the home say that motivation, followed by opportunity are the primary barriers to taking full advantage of the Internet.

	Total	Do not use the Internet and do not subscribe	Subscribe to mobile data plan only	Access Internet outside of home	Subscribe to broadband	Overall Index of participation in digital economy (Use the Internet): Very low (1,2)	Low (3)	Moderate (4)	High (5)	Very high (6,7)
Base: All respondents	1250	155	41	54	1000	140	252	327	258	103
Opportunity, such as lack of access or inability to afford it	12%	17%	26%	27%	11%	14%	8%	11%	12%	20%
Capability, such as lack of skills or knowledge on how to use or fully use the Internet	16%	23%	7%	15%	16%	26%	23%	16%	8%	7%
Motivation, such as don't see the value or don't like to be on the Internet	17%	39%	26%	35%	15%	35%	25%	13%	9%	4%
None of the above - taking full advantage	54%	17%	37%	19%	57%	22%	42%	58%	70%	69%

Q18. WHEN ALL IS SAID AND DONE, WHICH OF THE FOLLOWING THREE THINGS WOULD YOU SAY HINDERS YOU FROM TAKING FULL ADVANTAGE OF THE INTERNET AND USING IT TO PARTICIPATE IN THE DIGITAL ECONOMY? FOR EXAMPLE, THE ABILITY TO ACCESS E-GOVERNMENT SERVICES, SOCIAL SITES AND CONNECTIONS, E-LEARNING, HEALTH RELATED SERVICES, ENTERTAINMENT, AND GOODS AND SERVICES. BASE: ALL RESPONDENTS (N=1250)

ATTITUDES ABOUT THE INTERNET

Only about half of Canadians who do not use the Internet see value in the Internet for society or the economy. For those not engaged – low and very low users, however, it's ultimately a matter of personal relevance.

	All respondents			Do not use the Internet and do not subscribe	Overall index of participation in digital economy (Use the Internet)				
Rated "Strongly + Somewhat Agree" (excludes 'don't knows'	Total	Subscribe to or have access to Internet at home	DO NOT subscribe to or have access to Internet at home		Very low (1,2)	Low (3)	Moderate (4)	High (5)	Very high (6,7)
Base: All respondents	1250	1000	250	155	140	252	327	258	103
Internet makes things easier	94%	97%	73%	60%	81%	95%	99%	99%	100%
The Internet is good for society	85%	87%	60%	56%	67%	82%	88%	90%	99%
The Internet is good for the economy	86%	88%	66%	56%	70%	80%	89%	93%	99%

Q17. TO WHAT EXTENT DO YOU AGREE OR DISAGREE WITH EACH OF THE FOLLOWING STATEMENTS? BASE: ALL RESPONDENTS (N=1250)

OBJECTIVES

Ipsos' *Participation in the Digital Economy* Study seeks to:

- Understand Canadians' type of engagement and frequency of access on the Internet, if at all, to meet their social, economic and cultural needs.
- Identify barriers that limit or prevent Canadians from meaningfully participating in the digital economy (e.g. availability, quality, price, digital literacy, concerns related to privacy and security, etc.).
- Identify enablers that allow Canadians to meaningfully participate in the digital economy (e.g. connected devices and applications).
- Profile different segments of the population based on usage of the Internet (access at home/no access at home), type and frequency of usage.

METHODOLOGY

- A national survey (English and French) conducted among Canadian residents, 18 years and older.
- For this survey, a sample of 1,250 people living in Canada, 18 years or older (stratified n=1000 who access or subscribe to the Internet at home, and n=250 who do not) was interviewed by telephone (70% landline and 30% cell phone) and selected by Random Digit Dialing (RDD).
- The margin of error on n=1250 is +/- 2.8 percentage points, 19 times out of 20. The margin on error on the non-subscriber sub-group of n=250 is +/- 6.2 percentage points.
- Overall data has been weighted by age, gender and region, as well as incidence of access to the Internet, to be representative of the Canadian population.
- The study was in field between October 7 and 26, 2015.

Ipsos Public Affairs (Canada)

Ipsos Public Affairs conducts strategic research in partnership with clients to understand and manage issues, advance reputations, determine and pinpoint shifts in attitude and opinion, enhance communications, and evaluate policy. We help our clients **Listen, Engage and Measure** the world around them and the issues of the day. We collect and interpret the intelligence our clients need to make decisions and to move their organizations forward. We specialize in the following:

Public Opinion Polling for Media Releases
- Data for public release, Ipsos News & Polls
- Pollster for Global News (Canada) and Reuters News (U.S. & International)

International Trends
- Global Omnibus
- Global @dvisor - Used to generate data for this report

Public Sector Research
- Government and Social
- Program Evaluation/Performance Measurement
- Not-for-Profit
- Municipal
- Health

Reputation & Risk Management
- Corporate Social Responsibility
- Stakeholder Relations, Strategic and Crisis Communications

Visit www.ipsos.ca for information about all of our products and services.

For more information about this Public Perspectives report or our research capabilities, please contact:

Mike Colledge
President, Canadian Public Affairs

mike.colledge@ipsos.com
613.688.8971

@MikeDColledge

Chris Martyn
Chief Research Officer, Public Affairs
North America

chris.martyn@ipsos.com
416.324.2010

For a full list of reports from 2015, please click here