



2018 GCSurplus Market Research Final Report

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This public opinion research report presents the results of a set of online surveys and in-depth interviews conducted by Phoenix Strategic Perspectives on behalf of Public Services and Procurement Canada. The research study was conducted between March 12 and April 30, 2018.

Cette publication est aussi disponible en français sous le titre : Rapport final d'étude de marché de GCSurplus 2018

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Executive summary

GCSurplus.ca is the Government of Canada's e-commerce solution for the sale of surplus assets on behalf of federal departments. GCSurplus.ca provides the public with a bilingual, accessible, open, fair and transparent platform to view, bid and buy government surplus assets such as vehicles, planes, ships and office furniture via a closed bidding process. Public Services and Procurement Canada (PSPC) commissioned Phoenix Strategic Perspectives (Phoenix SPI) to conduct market research in support of GCSurplus' efforts to improve its services.

The objectives of the research were: to determine how to improve the existing service to make it easier and more attractive to use, for past and current buyers; to engage with potential users to determine why they are not currently using the service, and how to interest them in using the service or market GCSurplus to them; and to establish a baseline to track and measure organizational reach and impacts from year to year. The results provide feedback to possibly redesign different facets of GCSurplus' service delivery and program management, as well as to inform the design of a marketing strategy to advertise and grow GCSurplus.

Methodology

To meet the objectives, both quantitative and qualitative research were conducted with the target population. The target population included:

- Current users of GCSurplus, defined as registered users who have used the system in the past year to view goods, place a bid, or make a purchase.
- Former users of GCSurplus, defined as those who have registered with the system, but who have not used the system in the past year.
- Non-users, defined as Canadians who are not registered with GCSurplus and who purchase new and used goods on electronic platforms, such as Kijiji, Craigslist, or eBay.

Quantitative research in the form of an online survey was conducted with current and former users of GCSurplus. In total, 1,041 current and former clients of GCSurplus completed an online survey between March 12th and 26th, 2018. The response rate was 29%. Based on a sample of this size, the results for the survey can be considered accurate to within $\pm 3.0\%$, 19 times out of 20.

With non-users, a mixed-mode approach was used, one that included an online survey, as well as one-on-one interviews. An online panel survey was conducted with 1,013 Canadians who were members of Maru/Matchbox's online panel and who purchased, or were thinking about purchasing, the types of goods available on GCSurplus. The response rate was 64%. The online fieldwork was conducted March 22nd to 26th, 2018. The results of the online survey cannot be generalized to the population because the survey sample is a non-probability sample.

Following the online survey, 20 one-on-one telephone interviews were conducted with individuals who had completed the online panel survey (i.e., non-users of GCSurplus).



Interviews lasted approximately 30 minutes and participants received a \$50 honorarium. The fieldwork was conducted during the month of April 2018. This phase of the research was qualitative in nature and, as such, the results provide an indication of participants' views about the issues explored, but they cannot be generalized to the full population of Canadians who are members of the general public.

Key Findings

GCSurplus Clients

Use of GCSurplus

Almost half (47%) of current clients first heard about GCSurplus via word-of-mouth. Following this, almost one-quarter (23%) said they learned about GCSurplus through an Internet search, while one in 10 (10%) became aware of it when browsing Government of Canada websites. Over three-quarters (77%) of clients surveyed found it easy to register for GCSurplus, and most clients (76%) who viewed or changed their account information found the process easy, including 51% who said it was very easy.

The vast majority (92%) use GCSurplus for personal interest, while nearly one-quarter (23%) use the site for business purposes (multiple responses accepted). When clients were asked how many times they logged into GCSurplus, 75% reported doing so more than 10 times in the last year. These clients were most likely to log in several times a week (36%) or once a week to (23%) to search the site for products. That said, approximately one in five (19%) said they log in at least once a day. In terms of how they use GCSurplus, most clients (88%) log in from time to time to see what is new and when they need something specific. Conversely, 12% log in only when they are looking for something specific.

Although clients tend to look for a wide variety of items on GCSurplus, the items most frequently mentioned include cars and light trucks (59%), hand tools, maintenance and repair equipment (54%), trailers (52%), vehicle equipment (50%), recreational vehicles (48%), and boats and ships (44%). Of the clients surveyed, more than one-third (36%) were awarded items in the last 12 months, with the majority of these clients (76%) having been awarded at least two items. At the other end of the spectrum, approximately one-quarter (23%) said they had been awarded one item only.

Assessments of GCSurplus

The majority (72%) of clients are satisfied with GCSurplus and an even larger majority (85%) would recommend GCSurplus to a friend or colleague. Strong overall satisfaction was underscored by the fact that many surveyed clients also expressed satisfaction with various aspects and features of GCSurplus and few (9%) had difficulties using GCSurplus in the last year.

Satisfaction is strong and widespread when it comes to the online payment process (79%), email notifications (75%), and Buyer's corner (74%). In addition, approximately seven in 10 are satisfied with the ability to search for items by keyword, location, posting or closing date, or type (72%), the length of the bidding period (71%), the photos (70%), and the pick-up of items awarded on GCSurplus (69%). Nearly two-thirds are satisfied with the lot details or



descriptions of items (65%) and the process of bidding (64%). Fewer, but still a majority of 59%, are satisfied with the frequency of new items becoming available in categories of interest. Exactly four in 10 (40%) are satisfied with the shipment of items and 19% are dissatisfied. The plurality (42%) placed themselves at the mid-point of the five-point scale, indicating indifference (i.e., they are neither satisfied nor dissatisfied) about the shipment of items.

Perceptions of Competitors and GCSurplus

Kijiji (89%) followed by eBay (73%) are the top online classifieds and auction sites used by clients to browse or buy items in the last two years. In contrast, exactly one-quarter (25%) said they used Craigslist to browse or buy items in the last two years. When asked what they like about these sites, four in five (81%) said the variety of goods available for sale. Following this, just over half (56%) mentioned that it is easy to find what they are looking for and 46% liked the search function.

Asked to compare these sites to GCSurplus, one in five (20%) rated GCSurplus as better than Kijiji, eBay and Craigslist and 28% said GCSurplus is worse. The majority (52%) rated GCSurplus as “about the same” as Kijiji, eBay and Craigslist. Clients who said GCSurplus is better than Kijiji, eBay or Craigslist were most likely to attribute this to their perception that GCSurplus is easier to navigate (20%), more trustworthy and reliable (20%), and provides better photos and item descriptions (18%). Those who said GCSurplus is worse than Kijiji, eBay or Craigslist were most likely to attribute this to the bidding process—specifically, that it is slow and blind (42%). Following this, over one-quarter (27%) said GCSurplus is worse than these other sites because it lacks variety in terms of the items for sale.

Enhancements and Suggestions

Clients who use online services, such as online banking, online purchasing, or online bill payment, were asked if these services have features that could be incorporated into GCSurplus. Nearly three in 10 (28%) thought these services have features that should be considered by GCSurplus. Specifically, one-quarter (25%) mentioned bidding visibility as a potential feature to incorporate into GCSurplus. Recall that blind bidding was the aspect of GCSurplus most frequently mentioned when respondents were asked why GCSurplus is worse than other sites. Following this, 18% of clients surveyed each suggested more shipping options, an improved bidding process like eBay, or inclusion of a PayPal payment option.

Non-Clients

Use of Online Sites

Among online panellists, Kijiji (80%) and eBay (62%) are the top sites used for online purchases. In contrast, relatively few (18%) browsed for or purchased goods on Craigslist in the last two years. Although a wide variety of items were sought on these websites, the most frequently mentioned goods include computer equipment (41%) as well as fashion and accessories (40%). Among interview participants, the types of goods bought include cars or trucks, tools, furniture, and household items.



Virtually all surveyed panellists (99%) use online classifieds and auction sites for personal interest (multiple responses accepted). Few reported that they use these websites for business purposes (5%) as well as for other reasons (4%) such as renting properties or selling goods. In addition, all interview participants said they used Kijiji, eBay and Craigslist for personal interest. In terms of how they use these sites, two-thirds (67%) of the panellists surveyed indicated that they only log in when they are looking for something specific. The rest, 33%, log in from time to time to see what is new and when they need something specific. Many interview participants said they use these sites frequently, while some do so infrequently or only when they have a specific need. When using these sites, interview participants are doing so to check for or compare prices, to sell goods, or to look for deals.

Awareness and Impressions of GCSurplus

Few panellists (6%) said they had heard of GCSurplus. Conversely, the vast majority (94%) had not. Those aware of GCSurplus were most likely to have heard about it via word of mouth, with 42% mentioning a friend or colleague as their source. The majority of those aware of GCSurplus (62%) have not logged into site in the last year. Those who have logged in are most likely to have browsed for items only (37%) as opposed to bidding on (5%) or being awarded (2%) an item.

Panellists not aware of GCSurplus were presented with a brief description of the site and asked about their interest in GCSurplus and likelihood of using it in the next 12 months. In response, a majority expressed interest in GCSurplus (83%) and said they are likely to use the site in the next 12 months (74%). Among interview participants, most had positive impressions of GCSurplus. These impressions can be attributed to the perception that the site is straightforward. Almost everyone found GCSurplus easy to use and would likely use the site in the next 12 months.

Marketing and Communications

Nearly half (47%) of panellists said they would be most likely to rely on personal experience to determine whether to try a new product or service. Following this, more than one-third (37%) would rely on recommendations from friends, family or colleagues. When asked how they prefer to hear about new products or services, the majority (72%) selected advertising; approximately one-quarter (23%) prefer social media. The most preferred advertising channels include websites (65%), television (65%), and newspapers (52%). Among social media channels, a strong majority (82%) prefer Facebook, while significantly fewer prefer YouTube (22%) and Twitter (20%).

Interview participants suggested using online advertising to inform Canadians about GCSurplus. Use of social media channels such as Facebook, Twitter and Instagram were commonly mentioned as ways to promote the site. When asked what features should be used to promote GCSurplus, participants mentioned focusing on interesting and unique items or goods offered on GCSurplus. Most felt that communications for GCSurplus should promote the variety of items offered on the site and the range of categories available for users to browse and purchase from.

Conclusions and Implications



The findings suggest that GCSurplus users were largely satisfied with the service. Overall perceptions tended to be positive, with majorities expressing satisfaction with the online payment process, the email notifications, Buyer’s corner, the search feature, the length of the bidding period, the photos and descriptions of the items, as well as the pick-up of items. In addition, those exposed to GCSurplus as part of the research—non-clients—had generally positive impressions of the service. They felt that GCSurplus is straightforward and easy to use, and they expect to use the site to browse for or to purchase products in the next 12 months.

Despite these positive reviews, suggestions for improvement were identified by research participants. Looking ahead, to increase use of GCSurplus by current *and* potential clients, the findings suggest that PSPC might want to consider the following: making the bidding process more open and transparent by making the bids visible; setting the starting bid lower or having no minimum starting bid at all; providing a “buy now” option for some items; and providing less expensive options for shipping, as well as making shipping available for more items on GCSurplus.

Furthermore, GCSurplus could benefit from promotion. Almost half of current clients first heard about GCSurplus via word-of-mouth and several interview participants expressed surprise that a site like this is available. Regarding where and how to advertise GCSurplus, the research offers some direction. In terms of the *medium*, traditional and digital media will reach GCSurplus current and potential clients. That said, research participants tended to focus on online advertising and social media channels, including Facebook, Twitter and Instagram.

Turning to the *message*, focusing on the unique features or perceived strengths of GCSurplus may be a good starting point for PSPC. As identified through the research, these include the variety (and uniqueness) of items offered on the site, the simplicity of the website—that it is user-friendly, and the fact that it is a Government-owned site, among others. When competing in a marketplace in which not all online sellers are reputable, trustworthiness is a key strength of GCSurplus and one that separates it from other online classified and auction sites.

Statement of Political Neutrality:

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