



# ***Estimating Consumer Value of Canadian Data Portability***

## **Executive Summary**

**Prepared for Innovation, Science and Economic Development Canada**

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Prepared for Innovation, Science and Economic Development Canada by Environics Research

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## Executive summary

### Background and objectives

The Competition Bureau, part of Innovation, Science and Economic Development Canada's portfolio, is an independent law enforcement agency that ensures that Canadian businesses and consumers prosper in a competitive and innovative marketplace. Its mandate is to promote competition for the Canadian economy.

Data portability allows individuals to access and transfer their personal data from one organization to another for their own purposes. The "right to data portability" means that data owned by electronic businesses and services must be provided to its owners upon request. The ability for Canadian consumers to access and port their data can lead to reduced switching costs and increased competition within Canadian industries. This can benefit consumers through lower prices, greater product differentiation, and increased innovation.

The Bureau is conducting this research to support the following overarching policy objectives:

- Identify which aspects of data portability are important to Canadians.
- Estimate the monetary value that Canadians associate with data portability.

This research aims to determine and compare how different aspects of data portability impact consumer preferences by designing and implementing a survey of Canadian consumers. The primary intention is to understand what type of monetary value Canadian consumers place on data portability by establishing a sound statistical framework that can be used to identify individual valuations of policy interventions such as a consumer data right. Additional objectives of this research are to understand the benefits and public support for data portability legislation and regulations within Canada by answering questions such as:

- Amongst Canadian consumers, what are the perceptions and knowledge levels around data portability?
- How much do Canadian consumers value the ability to transfer data, without frictions, to other competitors within a given industry?

### Methodology

This research project involved an online survey with 3,046 Canadians between March 5 to May 20, 2024. The sampling method was designed with the goal of completing interviews with 3,600 Canadians aged 18 and over who pay for some form of insurance (e.g., home, auto, life, etc.). Quotas were set by age, gender, and region.

The survey included a Randomized Controlled Trial (RCT) section as well as some questions related to the respondents' awareness and perceptions of data portability. During an RCT, respondents are randomly assigned to different groups to test the effects of a specific variable on their responses. RCTs are used to establish causality in a relationship by controlling for specific variables so researchers can attribute changes in public opinion to the variables presented. RCTs can also reduce bias by using randomization, and they allow for replicability of a study.

The RCT simulated a real-life scenario in which respondents were asked to imagine they are researching and applying for home insurance quotes. Participants were then given information about a hypothetical service called Open Insurance. Open Insurance is described as a data portability service that gives individuals the right

and ability to share their data between service providers of their choosing. Participants were told when they join Open Insurance, they may use it to share their data held by their current insurance provider with a prospective insurance company or a third-party app to access a new service. Respondents were randomly assigned to groups that highlight one of the following features of data portability:

- **Savings:** low vs. high; the amount of hypothetical savings from joining Open Insurance based on the number of datapoints selected to share
  - Respondents saw either a 0.5% of 5% savings on insurance
- **Oversight:** public vs. private; whether the organization that oversees the data portability service is described to be managed and hosted
  - Respondents will either see that the data is overseen by the government or industry.
- **Framing:** Transaction vs. communication
  - Respondents will either be shown messaging highlights one-stop shopping (transaction frame), or that they can search and compare information in one place easily (communication frame).

The survey used innovative tools to support this simulation and the collection of personally identifiable information (PII): to preserve the anonymity of participants, all PII automatically disappeared from the survey tool when respondents moved to the next page and was not retained in any way during or after the simulation. This was done by applying a script to the survey programming that removed all information entered into the survey platform when the respondent navigated to the next page. The only data that was retained was whether or not the respondent provided a response to the question. Later in the survey, respondents were asked what data fields from the mock insurance application they would be willing to share with a hypothetical third party as part of an Open Insurance service.

Respondents were informed after the start of the simulation that the survey is being conducted on behalf of the Government of Canada (GoC). Advanced notice that their participation is voluntary and confidential, and that they can opt-out of the experiment at any time before or during the simulation were provided. Respondents were also notified at the end of the simulation that they were part of a simulation to determine the importance and value that Canadians assign to data portability in the market place, that no PII was shared, retained, or stored, that the hypothetical third party does not exist and therefore their responses will remain anonymous.

The target population of this study was Canadians participating in the insurance industry. The decision on which industry to select for this study was jointly made between the project team and economic experts at the Bureau. The aim was to choose an industry where data portability will be influential, impact competition and is suited to fielding randomized controlled trials (one where consumers are locked-in and barriers to switching exist).

Survey respondents were selected from registered members of an online panel. Since the samples used in online panel surveys are based on self-selection and are not a random probability sample, no formal estimates of sampling error can be calculated. The survey obtained the following regional distribution:

Target group	Respondents
Canada (Total)	3,046
Atlantic	198

Quebec	701
Ontario	1,173
MB/SK	204
Alberta	350
BC/Territories combined	420

More information about the methodology for this survey is included in Appendix A.

### Cost of Research

The contract value was \$95,586.70 (HST included).

### Report

This report begins with an executive summary outlining key findings and conclusions, followed by a detailed analysis of the survey data. Noteworthy subgroup differences are highlighted where relevant. Provided under a separate cover is a detailed set of “banner tables” presenting the results for all questions by population segments as defined by region and other demographics. These tables are referenced by the survey question in the detailed analysis.

In this report, quantitative results are expressed as percentages unless otherwise noted. Results may not add to 100% due to rounding or multiple responses. Net results cited in the text may not exactly match individual results shown in the tables due to rounding.

## Key findings

### Current insurance status and switching experience

- Over eight in ten individuals have auto and home insurance, whereas fewer have life and health insurance.
- The average annual expenditure on insurance across all categories is \$3,806.
- A small percentage have changed insurance providers in the past three years, with most reporting minimal difficulty during the process. Additionally, one-quarter have contemplated switching providers in the past 12 months.

### General concern for data privacy

- Two-thirds of Canadians indicated being concerned about data privacy in general, with four in ten stating they are 'very' concerned.
- The highest levels of concern about data privacy are observed in British Columbia, the Territories, Manitoba, and Saskatchewan, as well as among individuals aged 55 and over.

### Awareness and perception of data portability

- Knowledge of data portability is limited, with around half of respondents indicating they are not at all knowledgeable about the concept. Awareness is higher among men, younger Canadians, university graduates, and individuals from equity-deserving groups.
- Data portability is perceived to be relatively risky with about four in ten perceiving it as risky or very risky – this is higher among those who claim to know more about data portability. The perception of risk is more pronounced among those in British Columbia/Territories, those over the age of 55, and those who have a higher awareness of data portability.
- Another four in ten rate the level of riskiness as a '3' on a scale of 1 to 5, which could indicate uncertainty or lack of knowledge. A small proportion find it not very risky – just over one in ten.

### Attitudes toward Open Insurance

- Half indicate they would join Open Insurance, and about three in ten indicate a high likelihood of joining.
- The inclination to join is highest among men, young people, and those belonging to equity-deserving groups. Those with a knowledge of data portability and low concern for data privacy are also more likely to indicate they would join Open Insurance.

### Willingness to share personal data

- When asked if they would be willing to share data with a hypothetical third party, individuals are most inclined to share details such as whether they own or rent their home, the property type, and heating type. About one-quarter choose to share no information.

- The willingness to share data after learning about the structure of potential savings is slightly higher among the higher bonus group compared to the lower bonus group.
- Respondents were asked to disclose on a slider scale the minimum annual savings from joining Open Insurance they would need to see in order to share one piece of information. Nearly half say they would require \$10 or more savings annually from joining Open Insurance.

**Interest in newsletter to receive information about Open Insurance**

- Four in ten would be interested in signing up to receive more information about Open Insurance via email or text message.



**Political neutrality statement and contact information**

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