



The Canadian Marketing Research Industry: A Quarter Century of Stability and Change

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Background & Outline

- Part of an historical study of the Canadian marketing research and polling from 1900 to current: business, data processing, sampling, academia
- What are the characteristics of the Canadian marketing research industry and how has it changed over the past quarter century?
 - What is the size of the industry in terms of revenues, employment, and regional concentration?
 - Who are the major marketing research suppliers for the Canadian federal government? And what are their characteristic?
 - What changes have occurred in how surveys are now conducted in Canada?
 - Have these changes caused a decline in quality?

The Marketing Research Industry in Canada

Marketing Research in Canada

Statistics Canada defines the marketing research industry as comprising....

“Establishments primarily engaged in gathering, recording, tabulating, and presenting marketing and public opinion data.”

Source: Statistics Canada, “Summary – Canadian Industry Statistics: Marketing research and public opinion polling – 5491,” Modified 28 April 2022. Online: [Marketing research and public opinion polling - 54191 - Summary - Canadian Industry Statistics - Innovation, Science and Economic Development Canada.](#)



Early Growth of the Industry

- 1932: the first stand-alone marketing research firm in the country—Canadian Facts—opened its doors for business.
- By 1966, 85 marketing research firms
- In 1984, the Professional Marketing Research Society (PMRS) listed 91 stand-alone marketing research firms operating in Canada.
- In 2014, the Marketing Research and Intelligence Association (MRIA) listed a total of 133 firms in its *Research Buyer's Guide*.

Size of the Canadian MR Industry

- 2021 revenues for this sector totalled \$961 million. (Source: annual survey of the industry conducted by the Canadian Research Insights Council (CRIC))
 - An increase of over eighteen percent from the previous year, with the industry employing 8,500 people.
- \$406.5 million of this revenue came from a total of 1,486 small- or medium-sized firms (i.e., those with revenues of less than \$5 million). (Source: Statistics Canada.)
 - Of these small- and medium-sized firms, 60 percent were classified as “micro,” that is, employing fewer than five workers.

Regional Focus of Industry

Western Canada			Central Canada			Atlantic Canada			North	Canada	
MB	SK	AB	BC	QC	ON	Nfld	PEI	NS	NB	Terr	Total
17	6	62	122	102	420	1	3	12	10	0	755

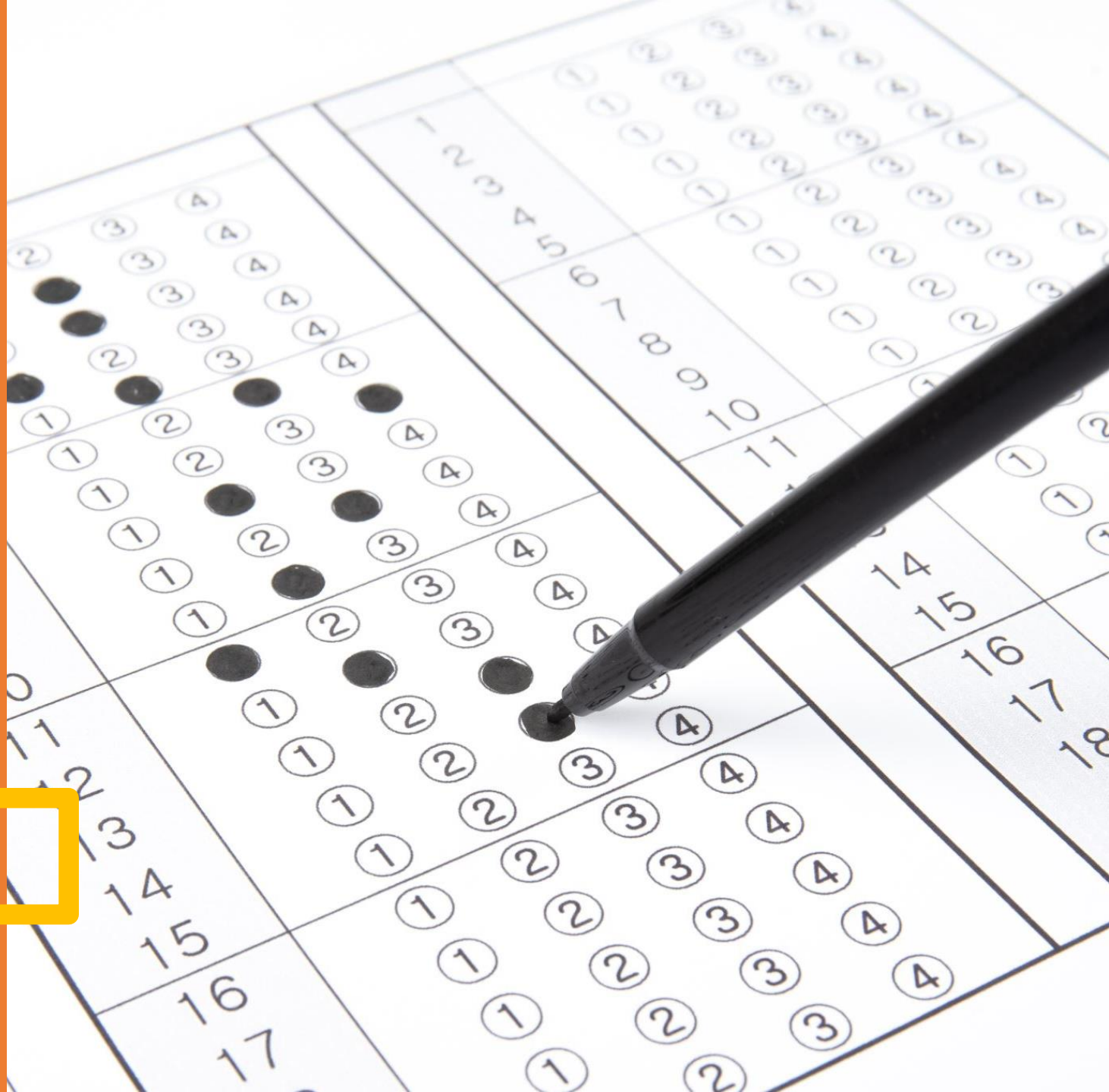
These figures are derived by entering NAICS 54191 in at the following site: Statistics Canada, "Canadian Business Counts, with employees, December 2021," Online: tinyurl.com/2fxevu97.



Major POR Firms & The Federal Government

- For 2020-2021, the federal government commissioned a total of 151 marketing research studies at a cost of \$15.5 million (\$11.5mUSD).
- Firms placed on the standing offer are pre-qualified for contracts exceeding \$40,000 and <\$250,000.
- 133 of 151 studies were via the standing offer totalling \$13.1 million (\$9.7USD).
- 19 firms were placed on the current standing offer.
- 11 have offices in the Toronto region, 8 have an Ottawa office, 6 have a Vancouver location, 6 have offices in the Prairie provinces, 5 are in Montreal, and 2 have an office in Halifax.
- 15 out of the 19 firms are Canadian-owned, with one being American-owned, one Japanese, one British, and one French.

2. Changing Survey Methodologies



How Canadians Communicate

Since 2000, methodology changes are related to communications, especially with the declining prevalence of household landline telephones.

- In the 1970s, close to 100% of households had a landline telephone.
- By 2016, percentage of Canadians households with landlines declined to 66.8 percent, while 87.9 percent of Canadians were subscribing to a mobile device.
- Personal use of smartphones reached 84.4 percent in 2020, up from 80.3 percent in 2018.
- 37 million Canadians, and # mobile subscribers?
 - 24.6 million in 2010
 - 33.1 million by 2020

Response to Communications Reality

- In Canada, as of 2022, Ipsos ensures that 70% to 80% of sample involves mobiles for phone-based surveys.
- Compared to landline phone numbers, mobile phone numbers are more difficult and expensive to acquire.
- ASDE, an Ottawa-based sample provider which serves firms across North America, in 2019 was charging 22 cents (CDN) per active mobile phone number, more than twice the 8-cent rate for landline numbers.

IVR in Canada

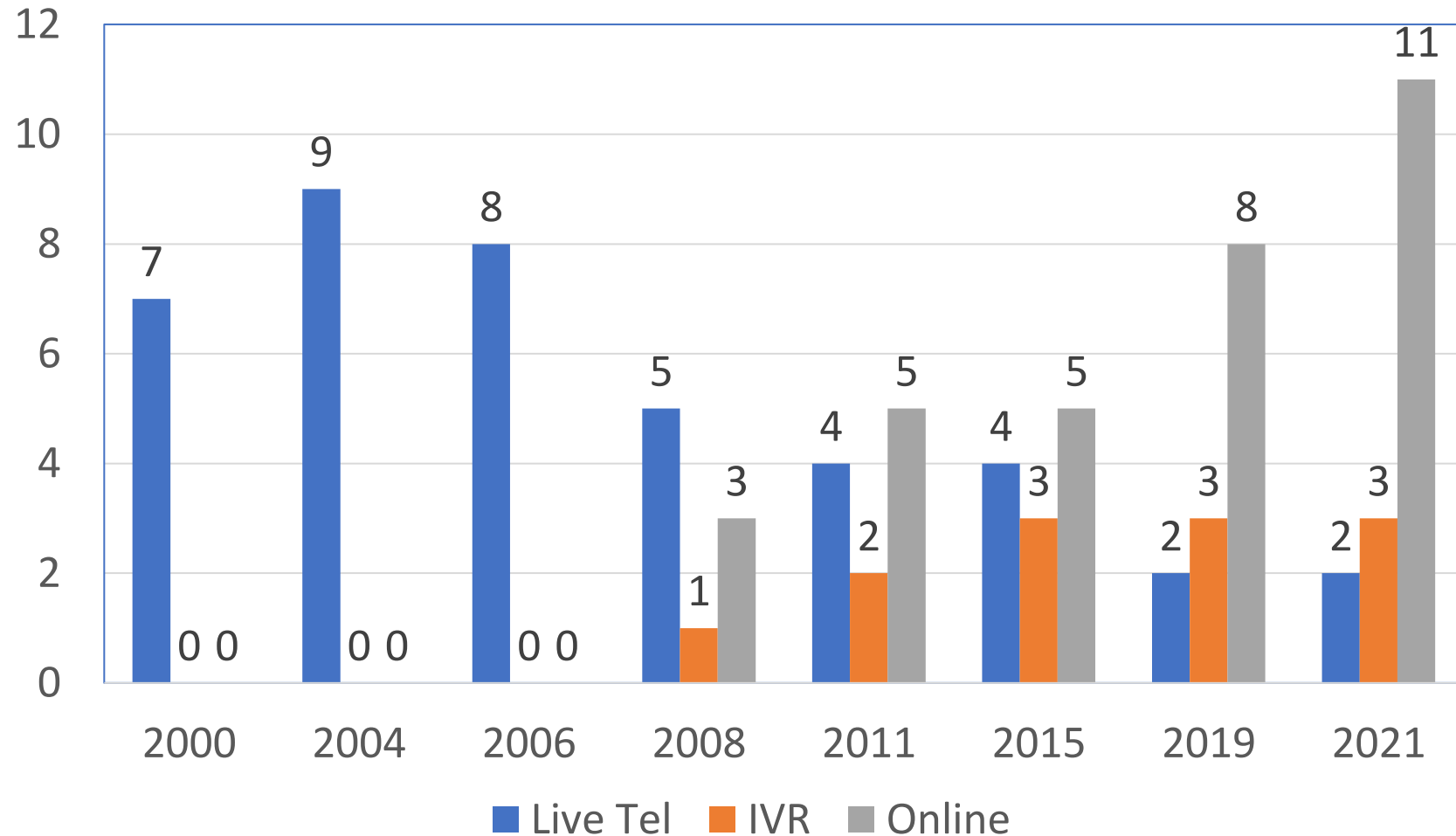
- IVR is more commonly used in Canada than the United States where federal law prohibits using auto-dialing technology for contacting those with mobile devices.
- EKOS was the first time major Canadian firm to use IVR for a national election poll. EKOS conducted 1,000 interviews per night during the 2008 federal election.
- Of 92 publicly released polls that appeared in the final five days of each provincial and federal general election held from 2015 to 2021:
 - Only 4 were fully based on live telephone interviews
 - 48 of the 92 used IVR.
 - 40 were fully online or hybrid of online and phone-based interviews

Canada Goes Online

- During the past 25 years, Canadians have increasingly turned to the Internet to communicate.
- In 2000, 58 percent of Canadian households had access to the Internet (Ipsos)
- By 2018 Internet access in Canadian households had reached “near-saturation levels,” with more than 90 percent of Canadians having online access (Statistics Canada).
- In 2020 when only one in five quantitative research studies were conducted by telephone or mobile (CRIC).
 - 70 percent incorporated online methodologies, including online panels (CRIC).

Canadian Elections – Shift in Polling Modes

Firms Using Specific Modes
Final 5 Days Federal Elections 2000 to 2021





Has Reliability Declined?

Canadian Federal Election
Final 5 Days Publicly Released Polls
2000-2021

	2000	2004	2006	2008	2011	2015	2019	2021
Winning Party Poll averages	41.9	33.1	37.1	35.0	37.4	37.7	31.9	31.5
Winning Party %	40.9	36.7	36.3	37.6	39.6	39.5	33.1	32.6
Difference – All polls	+1.0 N=7	-3.6 N=9	+0.8 N=8	-2.6 N=8	-2.2 N=9	-1.8 N=7	-1.2 N=12	-0.9 N=10
Difference – Live Tel	+1.0 N=7	-3.6 N=9	+0.8 N=8	-3.6 N=4*	-0.3 N=4	-0.4 N=1*	-1.4 N=1*	-0.2 N=1
Difference – IVR	-	-	-	-2.8 N=1	-4.7 N=2	-0.6 N=2*	-0.6 N=3	-0.8 N=3*
Difference – Online	-	-	-	-0.1 N=2*	-2.9 N=3	-3.0 N=2*	-1.3 N=3*	-1.4 N=5*

* Excludes polls that blend modes.



Conclusion

- The Canadian marketing research industry continues to be robust both in size and revenues, despite recent challenges arising from the COVID-19 pandemic.
- As with many other industries within Canada, this sector is largely based in the Toronto region, with secondary concentrations in British Columbia and Quebec.
- Firms conducting research for the federal government are mostly Canadian owned, with many in Toronto, but also operating across different parts of Canada.
- There has been a major shift in how marketing research firms are conducting their surveys. Most firms no longer use live interviewers, turning to IVR and online surveys instead.
- The shift to IVR and Online election polling has not caused a decline in polling reliability.



Thank You

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