

Public Awareness of the Bank of Canada (Comparing the Telephone and Online Results)

December 2010 survey commissioned by the Bank of Canada



Background and methodology

- Ipsos Reid was commissioned to conduct a public awareness survey to gauge the general public's awareness and understanding of the Bank of Canada's mandate and policies as they relate to the economy.
- Several questions in this year's survey were designed to track the results of a similar survey conducted in 1999.
- The tracking research was conducted by telephone, via the Ipsos Reid Express Omnibus study, involving a telephone sample of n=1,000 Canadian adults.
- The same questions were asked online among a sample of n=1,006 in order to establish a new baseline using this methodology for future research.
- Both the online and telephone surveys were carried out from 6 to 9 December 2010.
- Both samples have been weighted in the same way to ensure that the characteristics match those of the general population by region, age and gender according to the 2006 Census.
- This report compares the 2010 results obtained online and by telephone.

Methodology

- In several places throughout the report, subtotals are provided. In some instances, due to rounding, these do not equal the sum of individual percentages listed. For example, the percentages for “Yes” and “Maybe” may add up to 38%, but the actual subtotal for both is 39% (accounting for rounding). These instances are noted with an *asterisk* where ever they occur.

Key differences between telephone and online research

- When reading this report, it is important to keep in mind several key differences between telephone and online research:
 - Telephone research involves social interaction between an interviewer and a respondent.
 - Online research involves a direct relationship between the respondent and the questionnaire, without the social mediation of a telephone interview.
 - Telephone research is oral.
 - Online research is visual and text based.

Key differences between telephone and online research

- As a result of these basic differences, telephone and online results will differ in the following ways:
 - Online research tends to generate higher "don't know" and "maybe" responses, since this response option is always provided/visible. During a telephone interview, the "don't know" response must be volunteered and respondents are encouraged to provide substantive answers before the "don't know" is accepted.
 - Telephone research can generate higher ratings of satisfaction or familiarity as a result of a social-desirability bias (in which respondents want to provide a positive answer or do not wish to seem uninformed).
 - Open-ended responses are provided in written form online as opposed to verbally by telephone.
 - In open-ended questions, where a list of possible responses has been provided ahead of time to the telephone interviewers (as in this research), the interviewer may clarify a response with a telephone respondent by, for example, asking a respondent who says newspaper whether they mean a local or national newspaper. This interaction is not possible online.
- Another key consideration, relevant to this research, is the ability of online respondents to reread a question and to take time to consider their response (without the social pressure to respond quickly in a telephone interview).

Key findings

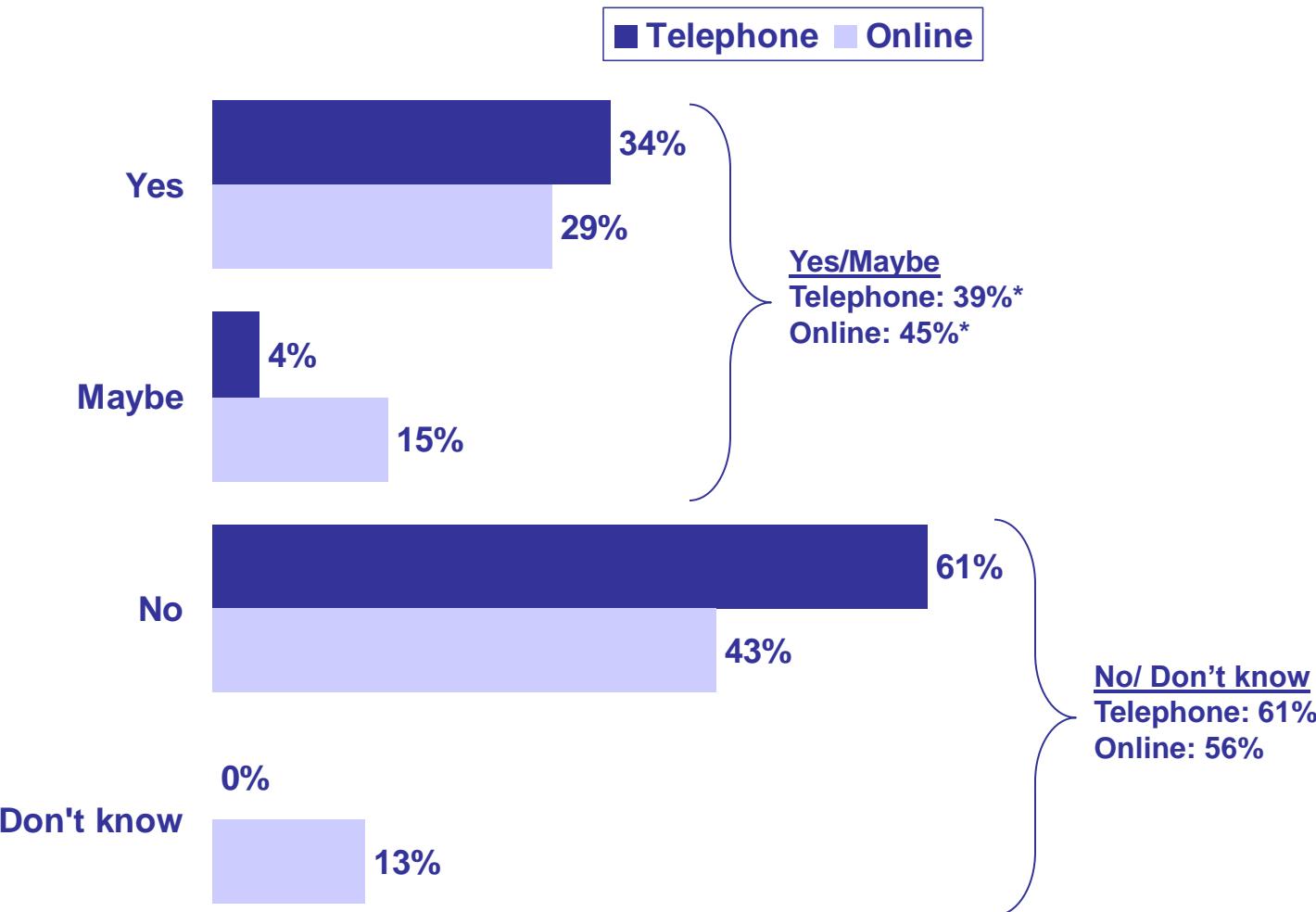
- While there are differences, in most respects the online and telephone results are consistent. In particular:
 - Similar proportions express awareness of and familiarity with the Bank;
 - When asked what they have heard about the Bank lately, the proportions mentioning something about interest rates is consistent;
 - With each method, the majority of respondents view the Bank as relevant and express confidence in it.
- The most interesting difference between the telephone and online research lies in the questions asking respondents to describe what the Bank does and why the Bank raises or lowers interest rates.
 - Fundamental differences in the way open-ended questions are asked and answered lead to different results with respect to these questions. (*See “Knowledge of the Bank of Canada” below for a full explanation.*)
 - The results show that online respondents are much more likely than telephone respondents to provide a correct answer when asked what the Bank does, but are somewhat less likely than telephone respondents to answer correctly when asked why the Bank raises or lowers interest rates.
 - These results suggest that knowledge of the Bank’s basic functions (particularly setting interest rates) may be higher among the general public than is suggested by the telephone research, while specific understanding of why the Bank lowers or raises interest rates may be lower (in the absence of a telephone interviewer on hand to clarify or interpret answers).

Awareness of and Familiarity with the Bank of Canada



Awareness of the Bank of Canada

Have you heard, seen or read anything about the Bank of Canada recently?



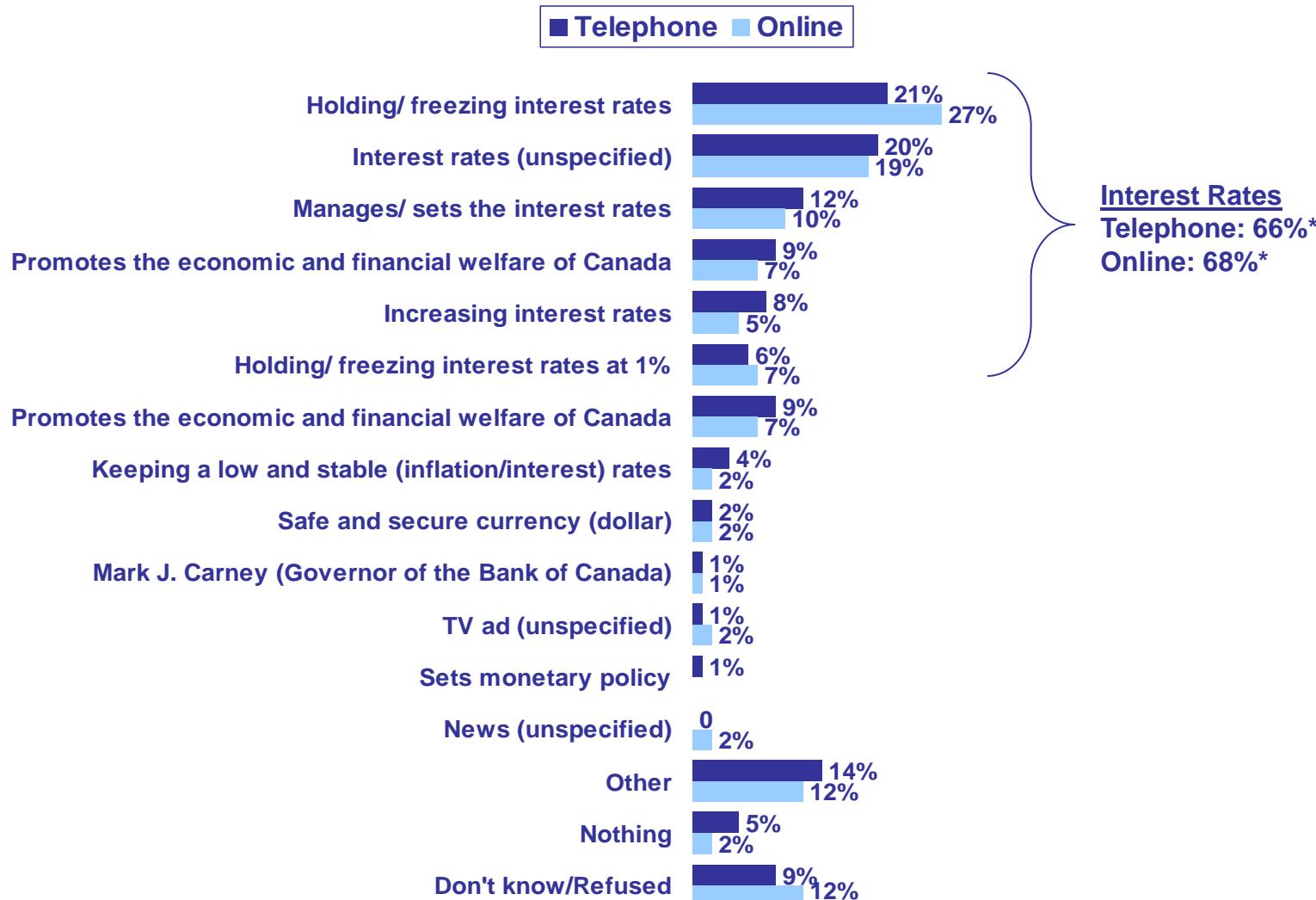
Base Telephone: All respondents n=1,000

Base Online: All respondents n=1,006

* See methodology note

Specific recall about the Bank of Canada

What have you heard, seen or read about the Bank of Canada?



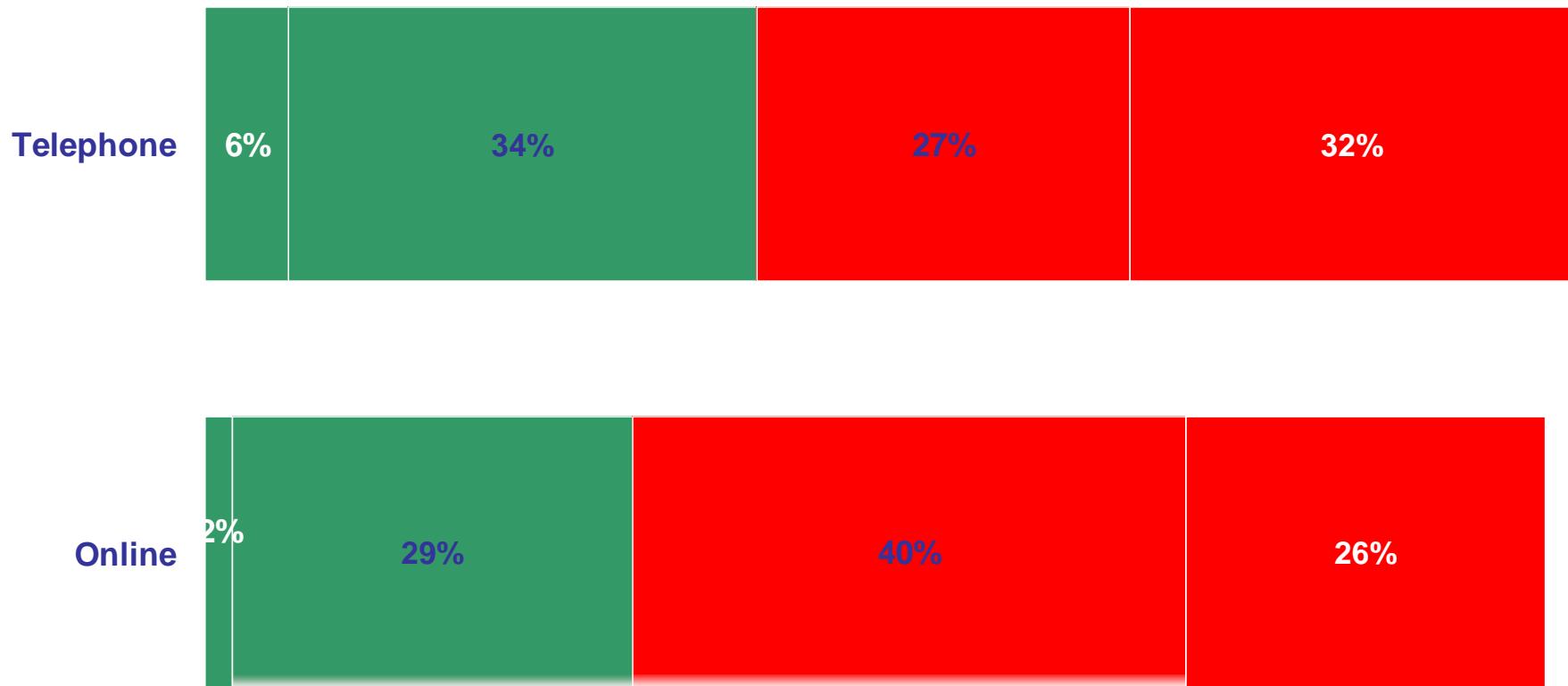
Base Telephone: Heard about the Bank of Canada recently n=466

Base Online : Heard about the Bank of Canada recently n=491

Familiarity with the Bank of Canada

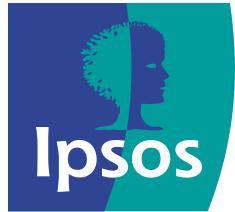
Would you say that you are very familiar with the Bank of Canada, somewhat familiar, not too familiar or not at all familiar with the Bank of Canada and its operations?

■ Very familiar ■ Somewhat familiar ■ Not very familiar ■ Not at all familiar



Base Telephone: All respondents n=1,000

Base Online: All respondents n= 1,006



Ipsos Reid

Knowledge of the Bank of Canada



Nobody's Unpredictable

Knowledge of the Bank of Canada – on the methodological differences between telephone and online surveys

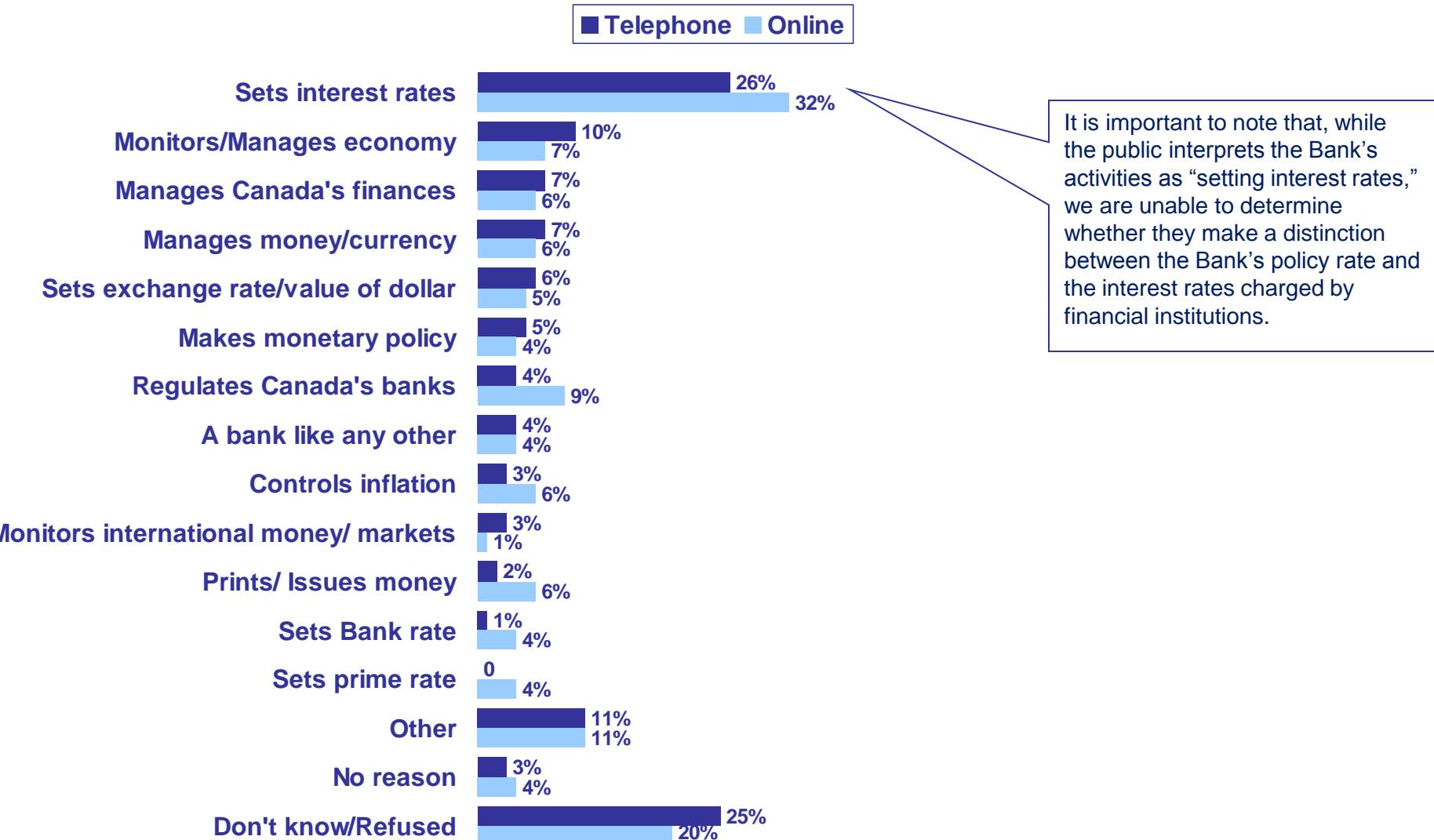
- This section involves three open-ended questions asking respondents to describe what the Bank of Canada does and why the Bank raises and lowers interest rates.
- Respondents were not provided a list of response options, but were asked to volunteer answers.
- The telephone questions were designed to match the 1999 survey exactly in order to track the results.
 - The question asking respondents to describe what the Bank does was a *fully* open question (providing no list of possible responses for interviewers to choose from).
 - The questions asking why the Bank raises and lowers interest rates was asked as an open-ended question with a list of possible responses for the telephone interviewers to choose from.
 - When asking open-ended questions with a list of possible responses, telephone interviewers may clarify or interpret a given response (so, if a respondent says “keeping inflation in check,” an interviewer may clarify or interpret this answer to mean “controlling inflation,” selected from the pre-coded list of possible responses).

Knowledge of the Bank of Canada – on the methodological differences between telephone and online surveys

- Online, each question was each asked as a fully open question with no list of possible answers available, since no interviewer was present during the interview to code the answers.
 - The key difference when answering open-ended questions online is that online respondents, unlike telephone respondents, are under no social pressure to provide a quick answer and could provide as lengthy an answer as they desired.
- The results show that online respondents are much more likely than telephone respondents to provide a correct answer when asked what the Bank does, but are somewhat less likely than telephone respondents to answer correctly when asked why the Bank raises or lowers interest rates.
- These results suggest that knowledge of the Bank's basic functions (particularly setting interest rates) may be higher among the general public than is suggested by the telephone research, while active understanding of why the Bank lowers and raises interest rates may be lower (in the absence of a telephone interviewer on hand to clarify or interpret answers).

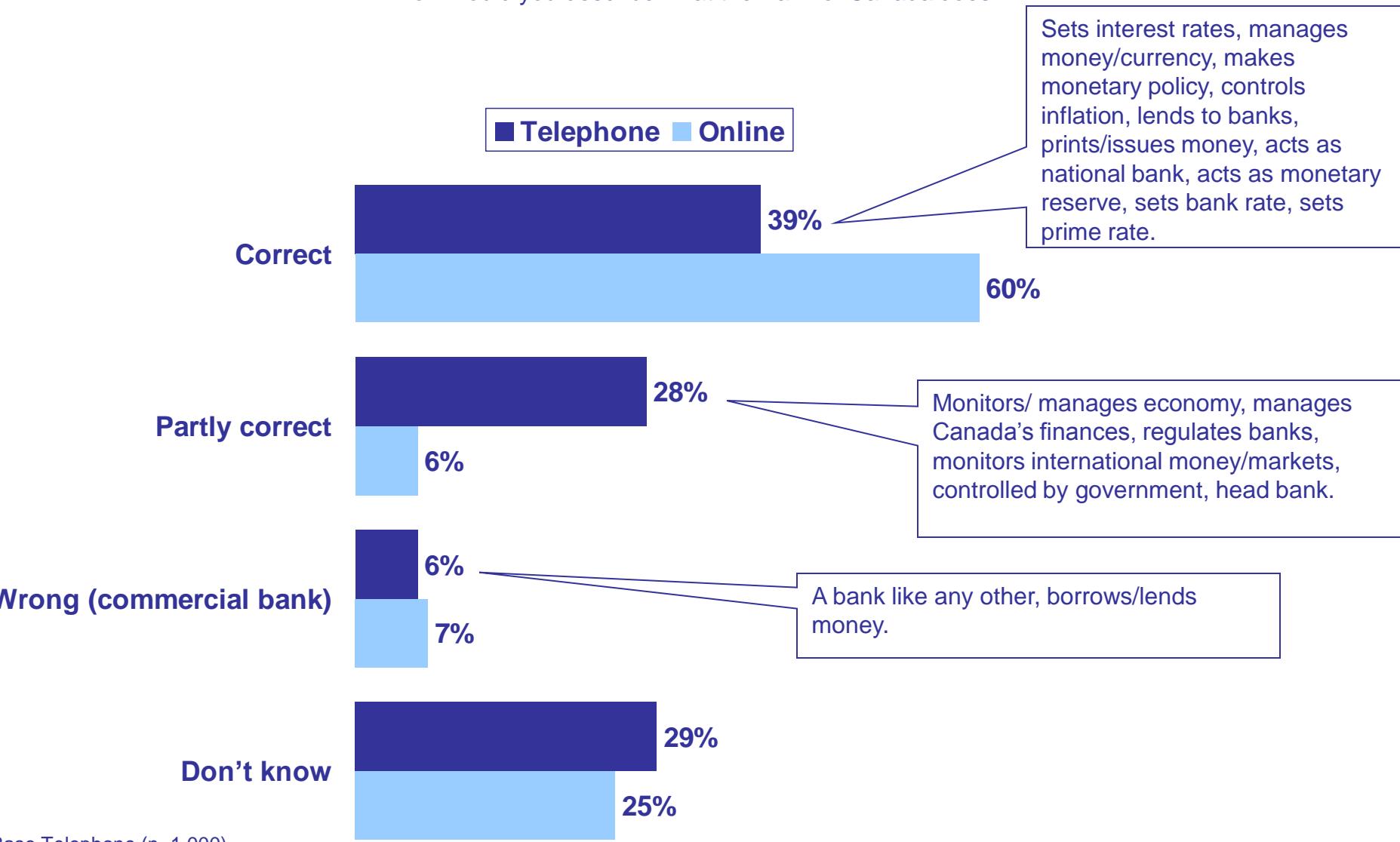
Knowledge of the Bank's activities

How would you describe what the Bank of Canada does?



Accuracy about Bank's purpose and activities

How would you describe what the Bank of Canada does?

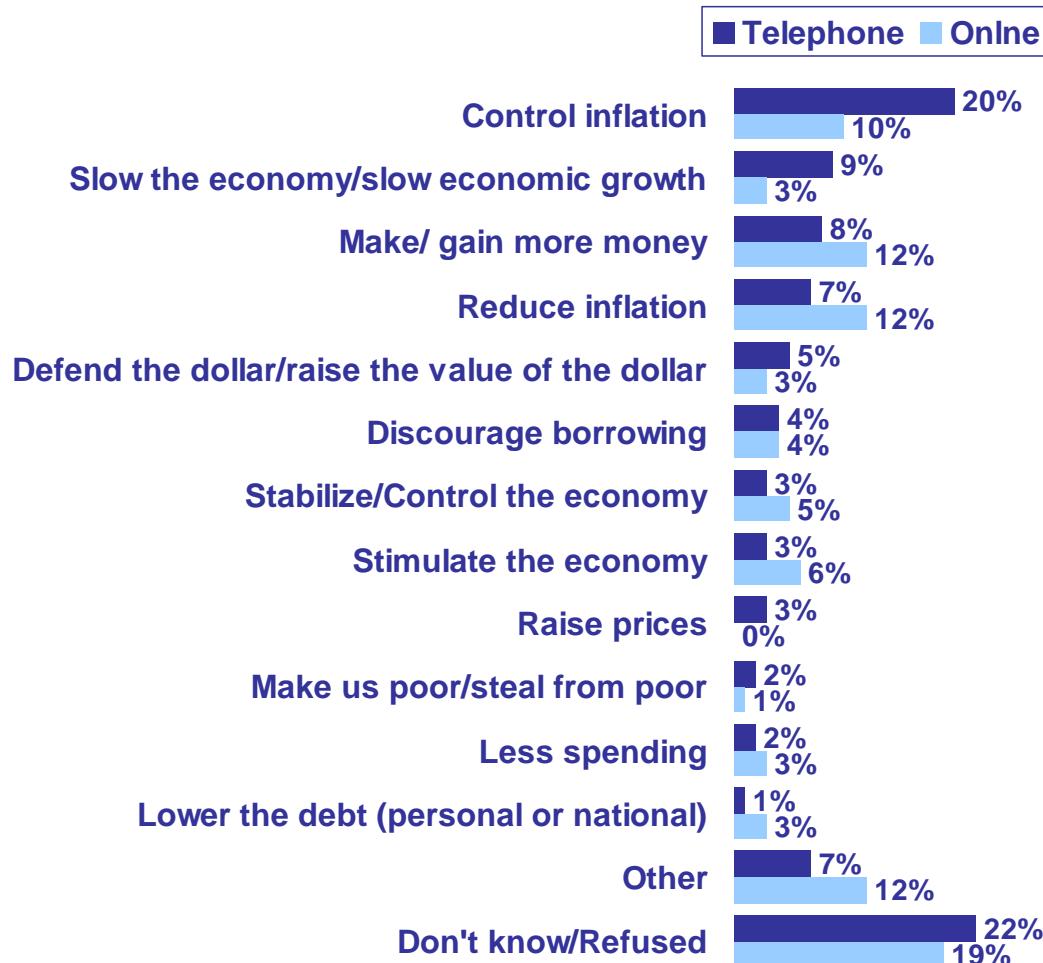


Base Telephone (n=1,000)

Base Online (n= 1,006)

Reasons for raising interest rates

As you may know, the Bank of Canada strongly influences the setting of short-term interest rates in Canada. At times, the Bank of Canada raises the Bank rate, which usually leads to increases in the interest rates charged on short-term loans by the major commercial banks in Canada. What do you think the Bank of Canada is trying to accomplish when it raises short-term interest rates?

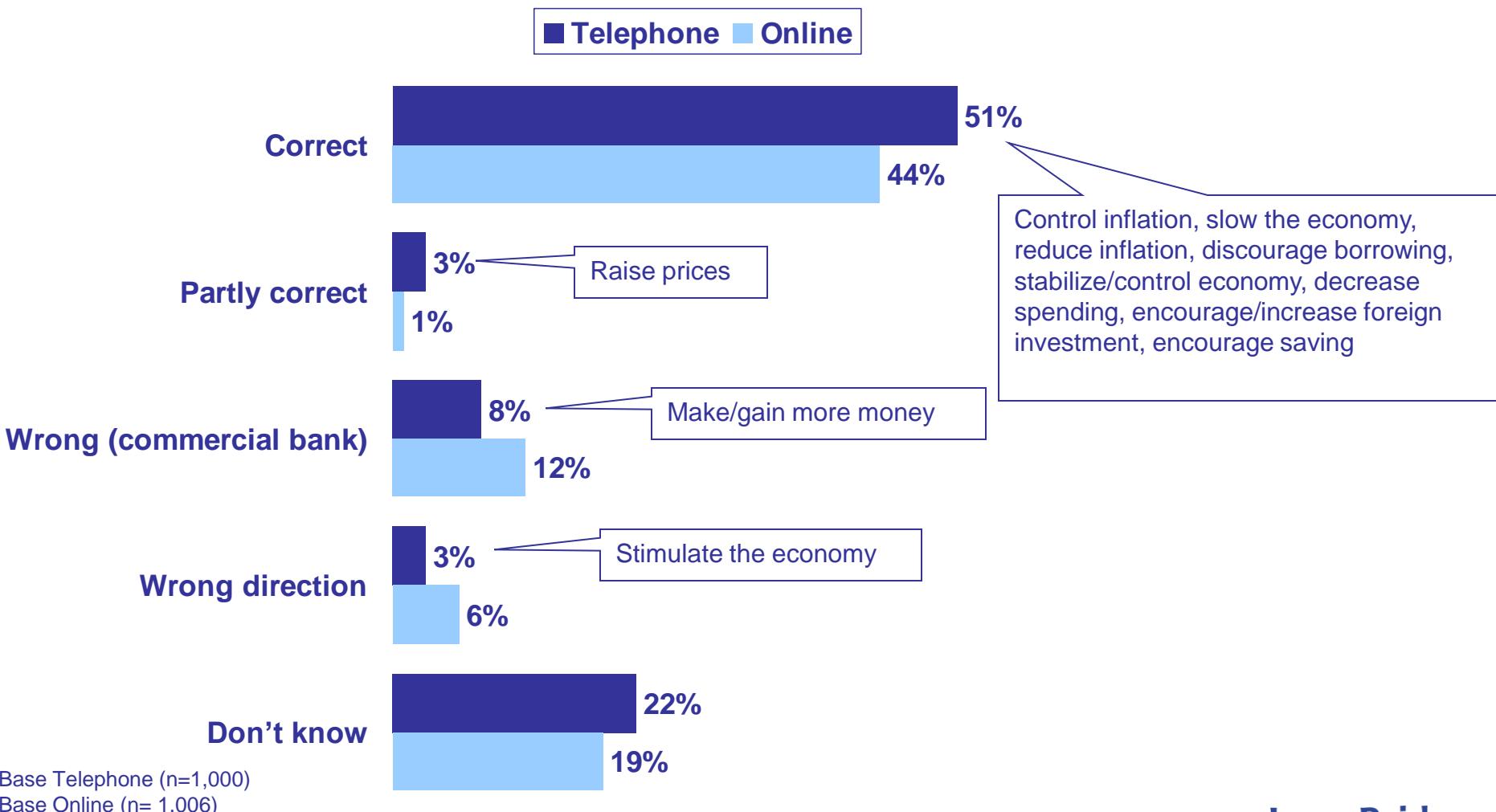


Base Telephone: All respondents n=1,000

Base Online: All respondents n= 1,006

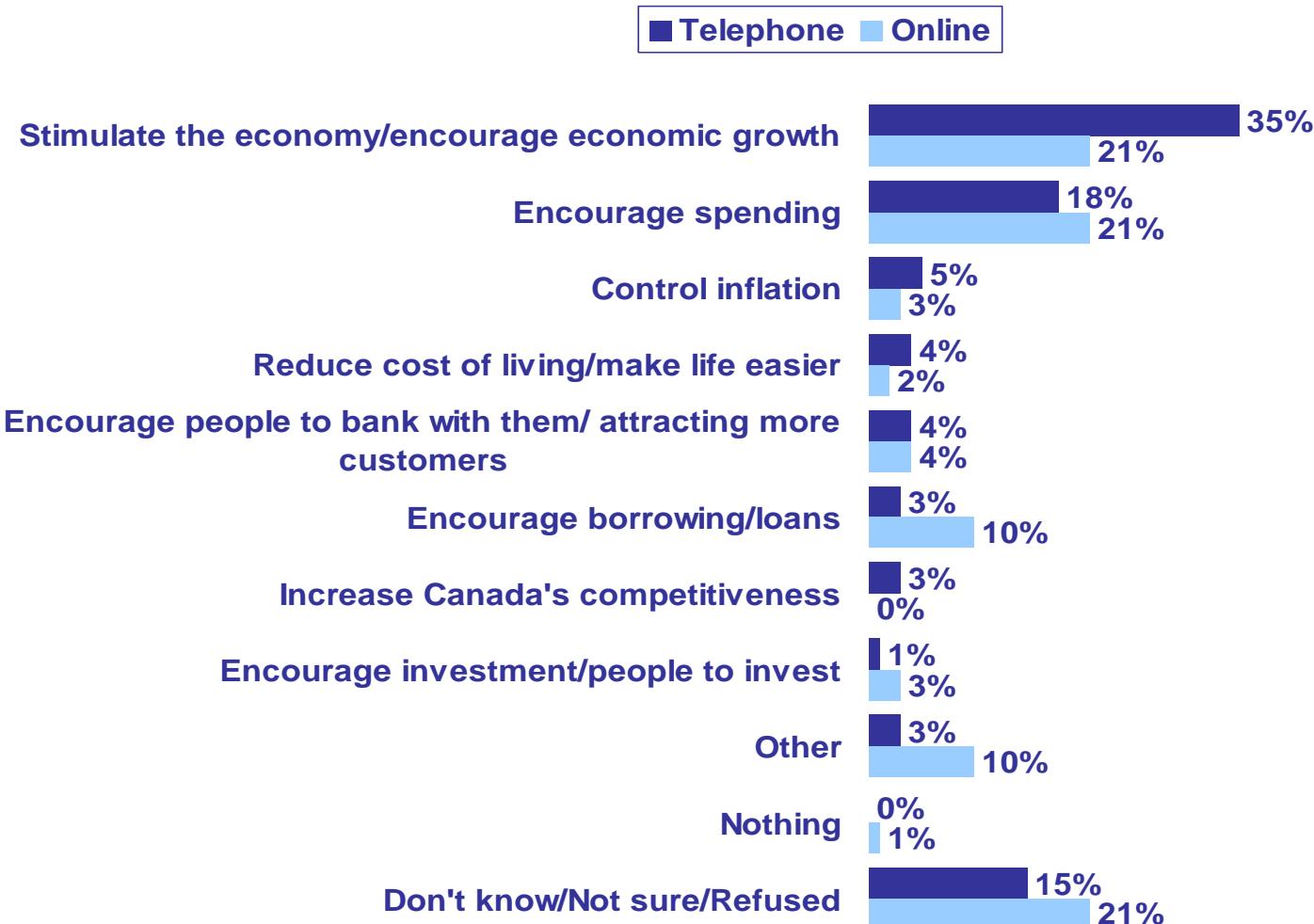
Accuracy of reasons for raising interest rates

As you may know, the Bank of Canada strongly influences the setting of short-term interest rates in Canada. At times, the Bank of Canada raises the Bank rate, which usually leads to increases in the interest rates charged on short-term loans by the major commercial banks in Canada. What do you think the Bank of Canada is trying to accomplish when it raises short-term interest rates?



Reasons for lowering interest rates

At other times, the Bank of Canada lowers the Bank rate, which usually leads to decreases in the interest rates charged on short-term loans by the major commercial banks in Canada. What do you think the Bank of Canada is trying to accomplish when it lowers short-term interest rates?

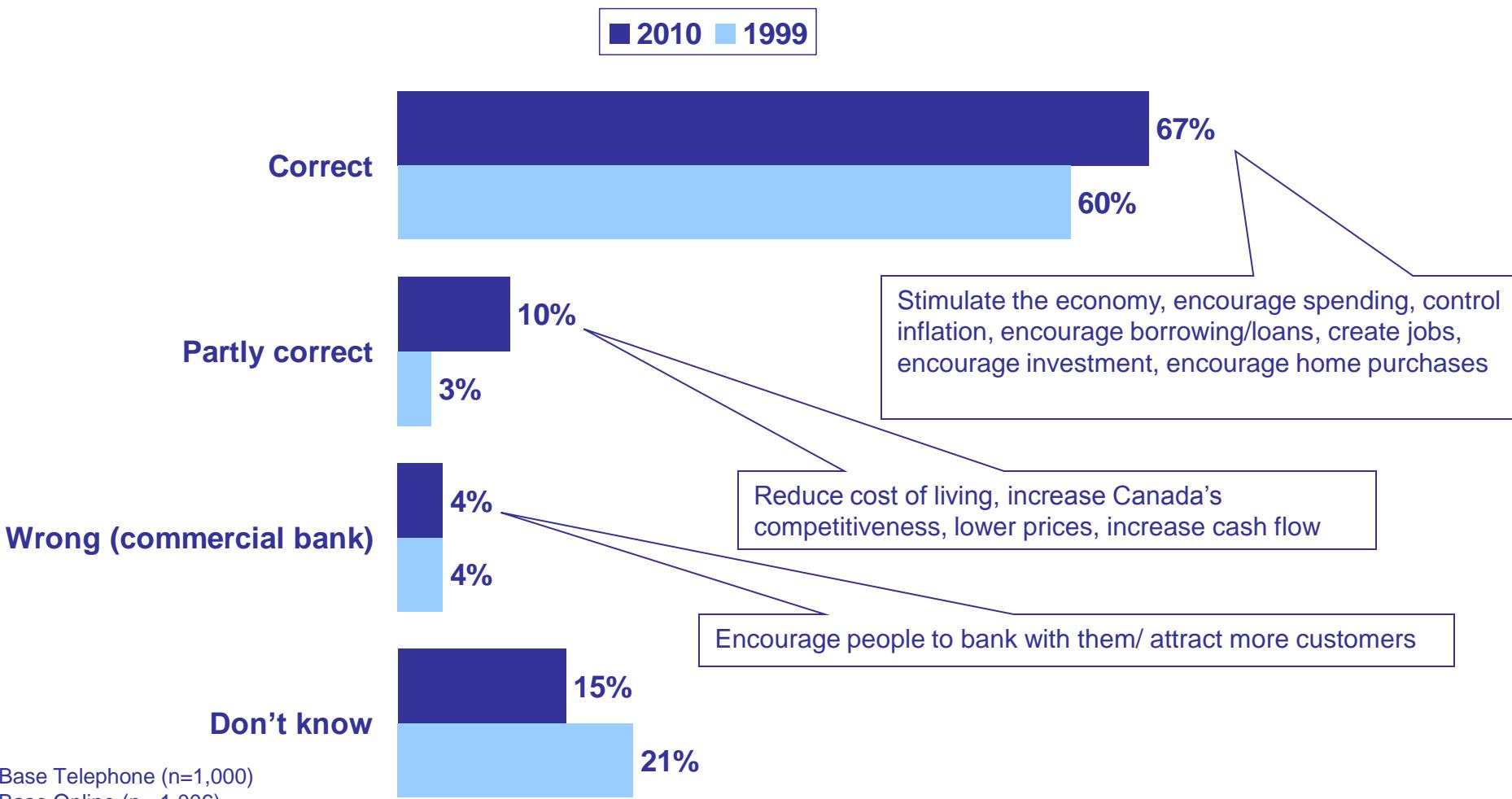


Base Telephone (n=1,000)

Base Online (n= 1,006)

Accuracy of reasons for lowering interest rates

At other times, the Bank of Canada lowers the Bank rate, which usually leads to decreases in the interest rates charged on short-term loans by the major commercial banks in Canada. What do you think the Bank of Canada is trying to accomplish when it lowers short-term interest rates?





Ipsos Reid

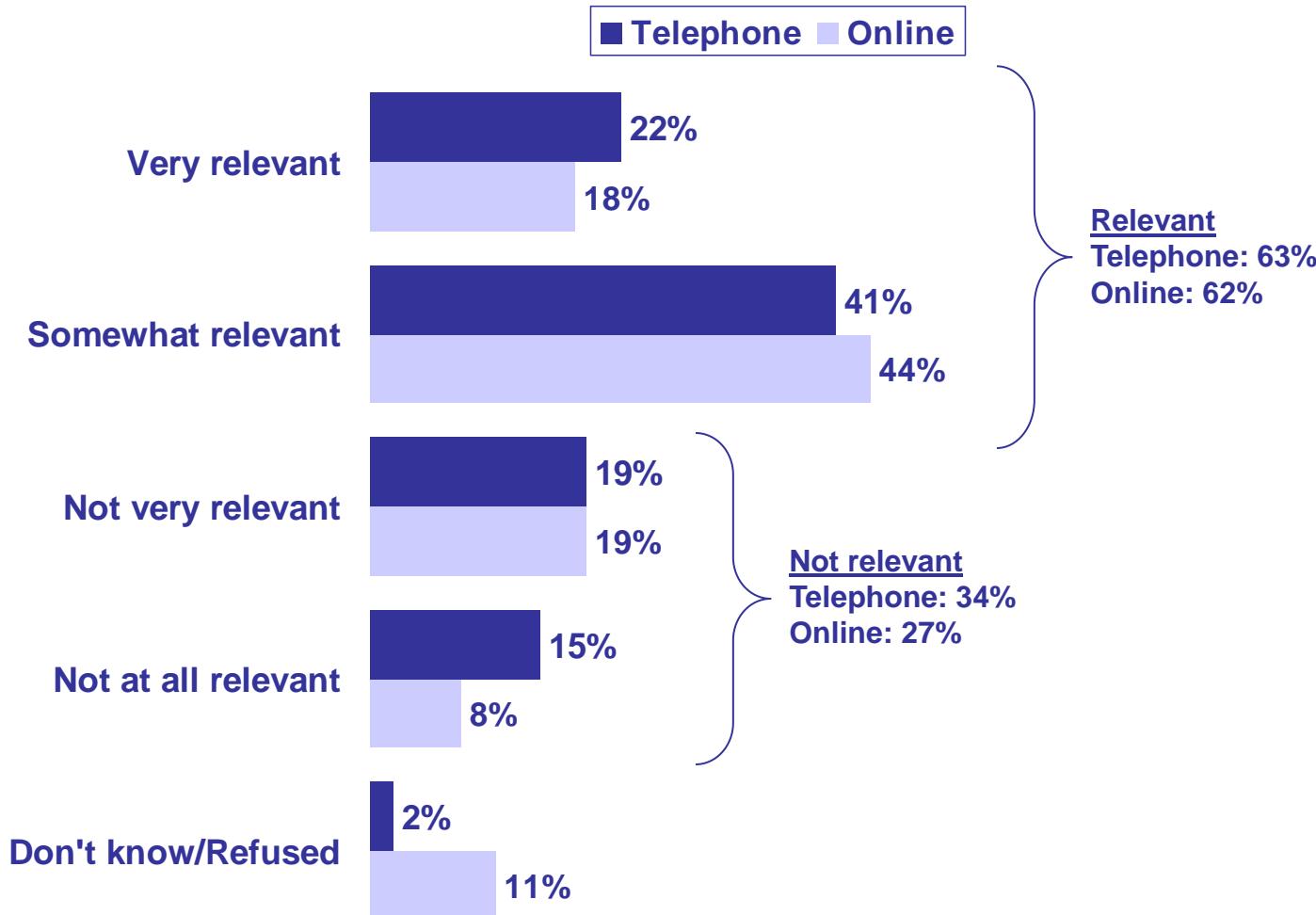
Relevance and Impact of the Bank of Canada



Nobody's Unpredictable

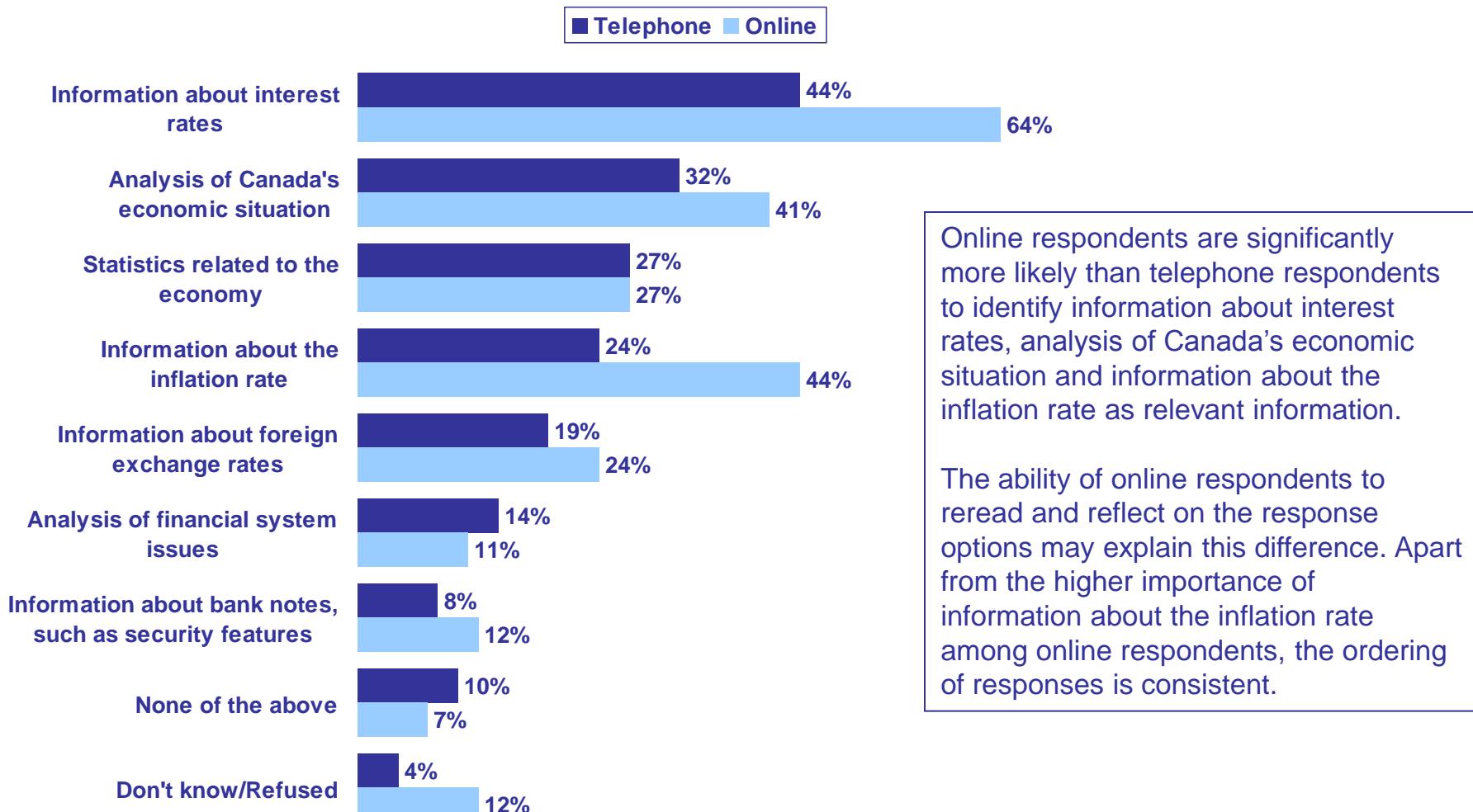
Relevance of the Bank to personal finances and economic well-being

How relevant are the activities of the Bank of Canada to your own finances and to your overall economic well-being?



Relevance of information provided by the Bank

Which three of the following types of information provided by the Bank of Canada would you consider to be most relevant to you?



Online respondents are significantly more likely than telephone respondents to identify information about interest rates, analysis of Canada's economic situation and information about the inflation rate as relevant information.

The ability of online respondents to reread and reflect on the response options may explain this difference. Apart from the higher importance of information about the inflation rate among online respondents, the ordering of responses is consistent.

Base Telephone: All respondents n=1,000

Base Online: All respondents n= 1,006

Views on the ways the Bank affects the economy

Do you think that the actions of the Bank of Canada have a great deal of effect, some effect or not much of an effect on...

■ Great deal of effect ■ Some effect ■ Not much of an effect

The cost of borrowing money



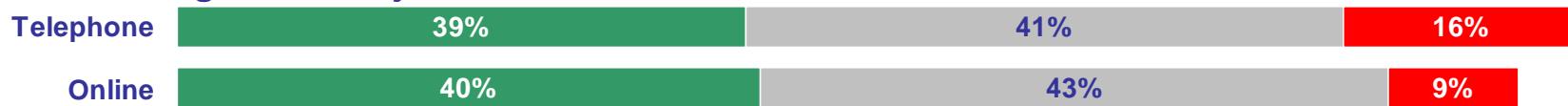
The value of the Canadian dollar



Canada's ability to compete economically with other countries



Economic growth and job creation in Canada



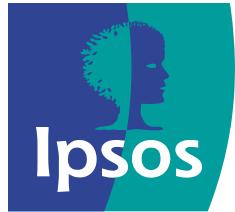
The prices you pay for goods and services



Base Telephone: All respondents n=1,000

Base Online: All respondents n= 1,006

"Don't know" responses not included.



Ipsos Reid

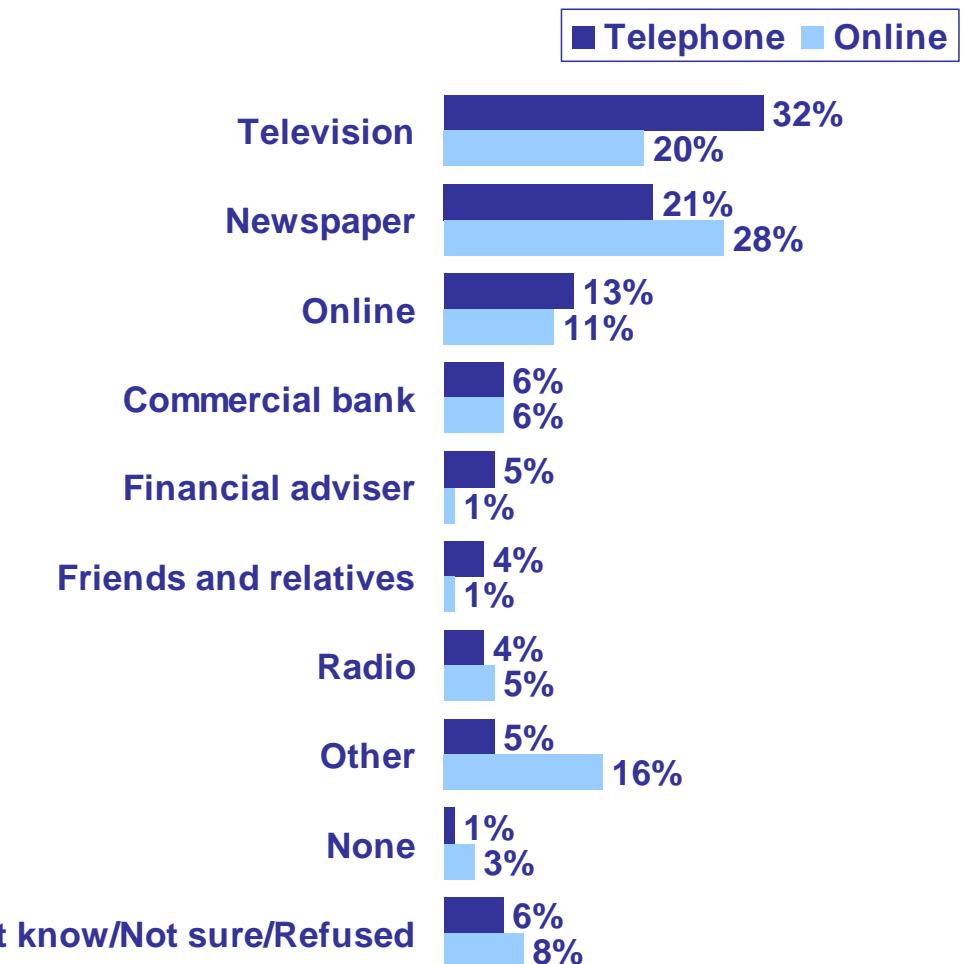
Sources of Economic Information



Nobody's Unpredictable

Sources of information about interest rates and other economic news

Where do you get most of your information concerning interest rates and other economic news?



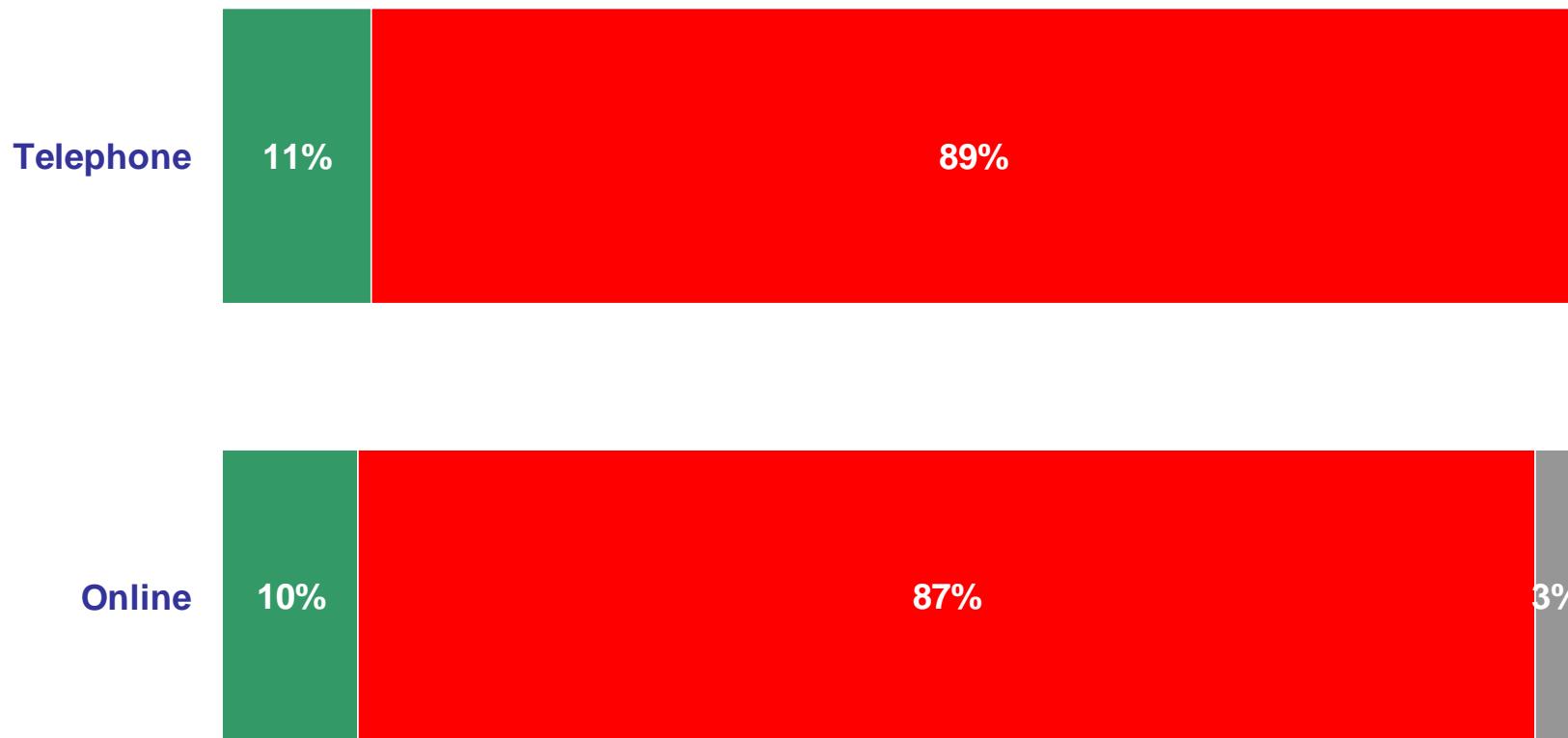
Base Telephone: All respondents n=1,000

Base Online: All respondents n= 1,006

Experience visiting the Bank's website

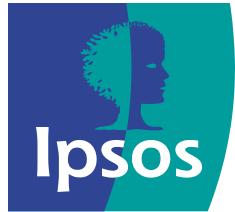
Have you ever visited the Bank of Canada's website?

■ Yes ■ No ■ Don't know



Base Telephone: All respondents n=1,000

Base Online: All respondents n= 1,006



Ipsos Reid

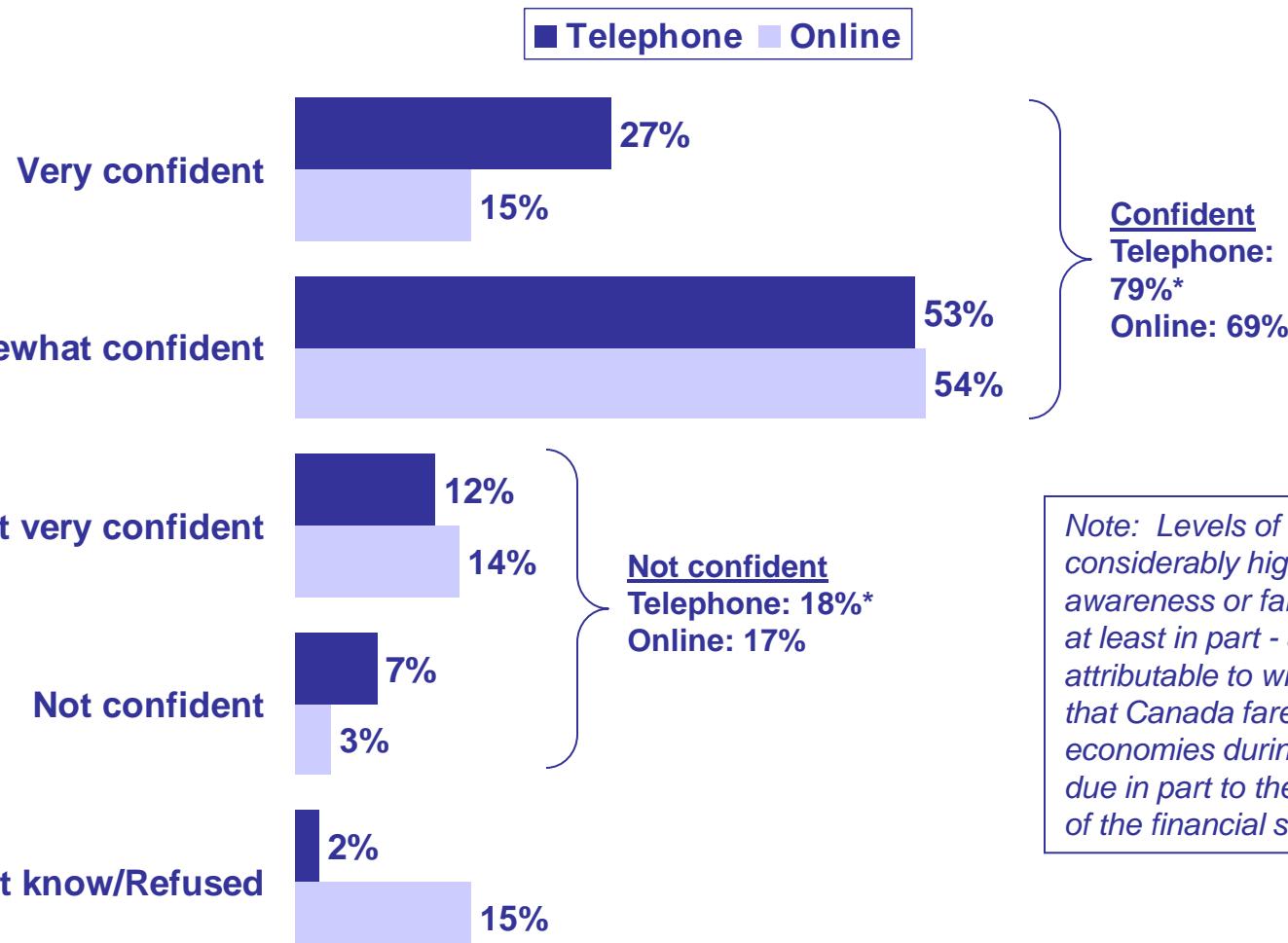
Confidence in the Bank of Canada



Nobody's Unpredictable

Confidence in the Bank of Canada

How confident are you in the Bank of Canada's ability to fulfill its mandate, which is to promote the economic and financial welfare of Canada?



Note: Levels of confidence are considerably higher than are levels of awareness or familiarity. This is likely - at least in part - a 'halo' effect, attributable to widespread recognition that Canada fared better than other economies during the global recession, due in part to the strength and stability of the financial sector.