Canadian Digital Adoption Program, Business – Advertising Campaign Evaluation Tool (ACET)

Executive Summary

Prepared for Innovation, Science and Economic Development Canada

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MAY 2023

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A.　　Background and objectives

Innovation, Science and Economic Development Canada (ISED) works with Canadians in all areas of the economy and in all parts of the country to improve conditions for investment, enhance Canada's innovation performance, increase Canada's share of global trade, and build a fair, efficient and competitive marketplace. The impact of the COVID-19 pandemic on small and medium-sized enterprises (SMEs) has been significant and highlights the need for Canadian businesses to adopt digital technologies to meet customers' needs and stay competitive. To encourage SMEs across the country to adopt digital technologies, the Government of Canada announced in Budget 2021, the Canada Digital Adoption Program (CDAP). The CDAP program will consist of two streams - the '**Grow your business online'** stream designed to help smaller retail storefront "brick and mortar" businesses take advantage of e-commerce opportunities, and the **'Boost your business technology,'** which is designed for larger small and medium businesses that require more comprehensive support to adopt or expand new technologies.

This digital transformation of Canadian SMEs will fuel economic recovery from the COVID-19 pandemic. As per The Directive on the Management of Communications, advertising campaigns that have a media budget of over $1 million must be evaluated using the Advertising Campaign Evaluation Tool (ACET) issued by the Privy Council Communications and Consultations Secretariat.

This research project has two key research objectives:

- Pre- and post-campaign evaluation to assess and track campaign performance using the advertising campaign evaluation tool (ACET), customized for a small and medium-sized business audience. In accordance with the Communications Policy of the Government of Canada (GC), and mandatory for all advertising campaigns with a media component of $1 million or more.

- The pre-campaign ACET established a baseline for evaluating and reporting on the effectiveness of the campaign in meeting its stated outcomes. The research also evaluates the effectiveness of the campaign by measuring the lift in awareness and uptake created by the campaign using the post-campaign ACET tool, customized for a business audience.

- Get a reading on the business audience's outlook on the current business environment, including its current priorities and challenges with respect to digital adoption and transformation.

B.　　Methodology

Environics conducted two bilingual, national, online surveys of small and medium sized enterprises (SMEs): one as a baseline, in advance of the advertising campaign in Spring 2022, and one following the end of the campaign in Spring 2023 to measure change in awareness and intent to visit over time and to assess impact of the campaign. The pre-campaign survey had a sample size of 1,001 and the post-campaign survey had a sample size of 1,011. Survey respondents qualified by virtue of being the owner, partner, or senior management of a micro, small or medium sized enterprise (defined as any business with fewer than 500 employees). The ACET survey questions follow a template setup by the Government of Canada for use in testing recall before and after an ad campaign. Additional questions were included in both surveys that do not relate specifically to the advertising recall but that instead explore attitudes towards other issues of interest to ISED. The following table shows the regional distribution achieved for each survey.

Region	Pre-campaign ACET	Post-campaign ACET
Atlantic	60	67
Quebec	264	260
Ontario	366	379
Man/Sask	63	62
Alberta	113	113
B.C./Terr	135	130
TOTAL	**1,001**	**1,011**

The pre-campaign survey was conducted from February 22 to March 8, 2022, and the post-campaign survey was conducted from March 7 to March 30, 2023.

Because respondents are recruited from a panel, these are non-probability surveys, and no formal estimates of sampling error can be calculated. Although opt-in panels are not random probability samples, online surveys can be used for surveys provided they are well-designed and employ a large, well-maintained panel, as was the case here.

More information about the methodology for these surveys is included in Appendix A.

C.   Contract value

The contract value was $169,688.82 (including HST)

D.   Report

This report begins with an executive summary, outlining the key findings of the pre- and post-campaign surveys of SMEs, followed by a detailed analysis of the results and a methodology section covering both survey phases. Provided under separate cover are the detailed survey banner tables presenting the results of the surveys for all questions by population segments as defined by region and demographics. These tables are referenced by survey question in the detailed analysis. Note that the ACET questions relating specifically to recall of the advertising campaign are not reported on here. This report only reports on the additional questions asked of SMEs on related topics.

E.   Use of findings of the research

Results from ACET testing and the added business outlook questions will not only evaluate the effectiveness of the campaign, but also have a better understanding of SMEs' current business conditions, perceptions on the GC's programs and initiatives, and priorities and challenges regarding digital adoption ad transformation.

The findings from the pre-campaign baseline ACET will help to identify specific areas where the GC should focus its outreach activities and media tactics to maximize impact and benefits for businesses interested in initiating, accelerating, or expanding their digital adoption. The post-campaign awareness and recall testing will evaluate the campaign's success in meeting its objectives and in producing the intended outcomes. Additionally, the findings of the business outlook questions will be transferrable to program and policy areas serving SMEs, and can be used to support more effective and efficient promotion of similar programs, policies and services available to SMEs through the GC.

F.   Key findings

Business Conditions and Challenges

Overall health of business

When asked how they would describe the overall health of their business, six in ten (60%) rated it positively as "5" (22%) or "4" (38%). This represents a five-point increase since the previous survey conducted in February/March 2022 before the CDAP ad campaign. One in ten would describe the health of their business negatively as "2" or "1", down four percent from pre-campaign.

Biggest challenges facing business

When asked about the three biggest challenges currently facing their business, the most common responses include the cost of goods and services (41%, up six percent from pre-campaign), increasing profitability (30%, unchanged), hiring and employee retention (27%, up seven percent) and marketing/building a customer base (22%, down five percent). Smaller proportions mention a wide variety of other concerns, and these are largely unchanged from pre-campaign. Twelve percent mention cybersecurity as a major concern and this was not offered as an option in the pre-campaign survey.

Having a website and the ability to take online orders

In both the pre- and post-campaign surveys, 65 percent of SMEs report that their company has a website. Among those with a website, 65 percent (down one point) say their website can take online orders.

Business digital priorities in coming years

The top priorities for SMEs in the next one to three years are increasing online presence (77%, up four percent from pre-campaign) and sales (73%, up five percent), and increasing digital technology in the areas of marketing (70%, up four percent) and cybersecurity (70%, up three percent). About two-thirds also rate the rest of the areas high or medium priority, and these in average have a two to four percentage point increase from pre-campaign.

Challenges in growing online sales and business

About one-third say that getting available funds is challenging (34%, up six percent from pre-campaign). About one-fourth say that they face challenges such as hiring and retaining qualified talent (26%, up three percent) and the lack of knowledge of digital marketing (22%, down two percent). Just under two in ten mention the lack of knowledge of internet technologies, issues with data protection and online security and logistics issues as challenging, which are largely unchanged pre-campaign. About less than 15 percent of the respondents continue to face the other challenges.

Government Programs for Business

Government programs and supports for business

Half agree that the Government of Canada (GC) offers a wide variety of programs to support SMEs (50%, down four percent from pre-campaign). Just under five in ten agree that the GC has programs to support SMEs to increase the use of digital technology into business operations, develop an online presence, and grow online

sales (48%, 47% and 46%, largely unchanged). In addition, 45 percent continue to agree that the GC understands the challenges facing SMEs.

Importance of government priorities to support business

Over seven in ten continue to agree that helping businesses access financing (74%, up two percent from pre-campaign) and improving access to high-speed internet for all Canadians (74%, up three percent) are the two most important GC support activities for SMEs. Other top important activities include supporting regional economic development, promoting, and maintaining fair competition in the market and having competitive business tax regime (73%, 71% and 71%, essentially unchanged). The rest of the activities are rated important by just under seven in ten, and these are largely unchanged from pre-campaign. In addition, over one-third continue to rate all activities as very important, especially for improving access to high-speed internet for all Canadians where 45 percent say very important.

Rating government performance in support of businesses

About half think that the GC does a good job at encouraging Canadian businesses to innovate, helping businesses adopt digital technologies and improving access to high-speed internet for all Canadians (48%, 47% and 46%, mainly unchanged from pre-campaign). Other top GC performance areas include encouraging businesses to invest in green technology, supporting regional economic development and helping businesses access financing (45% each, largely unchanged). Helping businesses to scale up receives the lowest score at 39 percent, down three percent from pre-campaign.

Familiarity with programs for Canadian business

Top programs for SMEs that the respondents are familiar with include Canada Small Business Financing (39%, down seven percent from pre-campaign), CyberSecure Canada (35%, largely unchanged), Canada Business App (35%, largely unchanged), and GC Business Insights Newsletter/COVID-19 and Your Business Newsletter (35%, down eight percent). The rest of the programs are rated familiar by about three in ten, and these are mainly unchanged from pre-campaign. In addition, about one-third are familiar with Canada Innovation Corporation (32%) and Canada Digital Adoption Program (31%), which were not offered as options pre-campaign.

Usefulness of types of information for business

Over seven in ten think the top four useful types of information for SMEs are tax information (80%, not available as an option pre-campaign), GC and financing support programs (78%, up three percent from pre-campaign), cyber security (75%, up two percent) and a directory of GC programs (75%, not available pre-campaign). About seven in ten also find these types to be useful: digital adoption (70%, unavailable pre-campaign), updates on business conditions/outlooks (70%, down one percent), mental health (68%, unavailable pre-campaign) and workplace safety tips and tools (67%, up one percent).

Reaction to CDAP

Likelihood to seek out information about CDAP

After reading the full description of CDAP, almost six in ten SMEs (58%) say they are very (14%) or somewhat (44%) likely to seek out information about CDAP. About one-fourth are not very likely to seek out information about CDAP. Just under two in ten say they are not likely at all to seek out information or that information about CDAP is not applicable to their business.

Definition of "digital adoption"

About half think that digital presence such as website/e-commerce platforms (52%) and digital marketing/advertising (45%) best describe "digital adoption." Just under four in ten think that digital payment systems (38%) and mobile apps (36%) describe "digital adoption" the best. About three in ten describe "digital adoption" as cloud computing (30%) and AI (28%). Collaborative/Project management tools appears on the bottom of the list at 20 percent.

Value of specific aspects of CDAP

The most valuable aspects of CDAP remain the same post-campaign, which are grants supporting technology adoption (74%, up four percent from pre-campaign), training and advisory services for increasing online presence (73%, up four percent) and zero interest loans for implementing technology into operations (73%, up two percent). Just under seven in ten think the rest of the four aspects are valuable as well and these are mainly unchanged from pre-campaign.

G.   Political neutrality statement and contact information

I hereby certify as senior officer of Environics that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada, and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leaders.

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