

CCS Stakeholder Perception Survey 2017

Main Report

CCS Stakeholder Perception: Project Overview

(i) Design

Apr 2017

- **Scope and Design** of project
- This study employs **two elements of design** and methodology :
 - (1) a **mass on-line survey** to develop **top-line statistics**
 - (2) Cognitive Edge's methods of **narrative enquiry** with CCS's stakeholders, which will provide **richer and more context-based understanding**

(ii) Data Collection

May to Jun 2017

- **Multi-pronged approach:**
 - (1) a **mass online invitation to stakeholders** (contact list for select stakeholders provided by CCS; and additional recruitment conducted and coordinated by Blackbox Research)
 - (2) **Anecdote Circles** as a method of conducting **direct in-person capture of narrative entries**

(iii) Analysis & Report

Jun 2017

- **Mass online survey** : 200 consumers, 423 businesses, 35 government, 36 practitioners & 101 Students (Law, Business, & Econ)
- **Narrative capture** : 136 entries
- **Preliminary exploration** of data for **emergent patterns**
- **Final report**

Key Topics

Enlightened Legislation

The body of competition legislation is robust, relevant and in line with international best practices

Effective Enforcement

The enforcement regime is robust, credible and business-friendly. The process of detection, investigation, decision and enforcement of decision is thorough, objective and timely

Educated Stakeholders

Stakeholders are informed about the competition regime and correctly understand CCS' rules and responsibilities

Enhanced Compliance

General culture of competition compliance, and businesses voluntarily comply with competition legislation

CCS Schemes & Programmes

Awareness and knowledge levels of CCS Reward Scheme and Leniency Programme

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Study Objectives:

This study employs two elements of design and methodology : (1) a mass on-line survey to develop top-line statistics, and (2) Cognitive Edge's methods of narrative enquiry with CCS's stakeholders, which will provide richer and more context-based understanding.

This study has been designed to incorporate both elements (1) and (2) through:

(1) Part 1 of the study seeks to understand stakeholders' (i) perceptions of CCS's Enforcement (i.e. CCS's branding and reputation; Quality of Enforcement; Trust and Confidence in CCS), (ii) the practices and attitudes of stakeholders toward Voluntary Compliance (i.e. company's compliance programme; attention paid to competition matters etc.) and (iii) the knowledge stakeholders have about competition legislation (i.e. general awareness of CCS and its roles and responsibilities; understandings of do's and don'ts; quality of CCS's advocacy and outreach) and specific CCS programmes and schemes.

(2) Part 2 focuses on (i) the **relevance** of current competition legislation (i.e. the quality of legislation act, guidelines and procedures; economic effectiveness), (ii) **credibility** of the enforcement (i.e. quality of regime; soundness of legal and economic analysis employed) and (iii) the **culture** of compliance (i.e. knowledge of how to apply legislation; commitment to compliance; quality of engagement with CCS; reception to consultation and feedback).

The analysis of Part 1 of the study includes a section of this report which discusses top-line survey data incorporating basic quantitative information on the knowledge levels, perceptions and attitudes of stakeholders toward CCS and competition legislation (Appendix A). The analysis of Part 2 takes into account the results from the narrative enquiry (Appendix B) which provides deeper context and richer understanding. The key findings draw from, and make reference to both parts of the study.

Study Design

Methodology	<p>For the purposes of collecting and capturing entries, we used a multi-pronged approach incorporating two different collection methods - through (1) a mass online invitation to stakeholders (contact list for select stakeholders provided by CCS; and conducted by Blackbox Research), and (2) Anecdote Circles as a method of conducting direct in-person capture of narrative entries. The first part of the study was configured as a market research survey, and the second part as a conditional section for participants who have had experience or knowledge of CCS to share in a narrative enquiry.</p> <p>Significance testing was done on percentages of Rating 4 – 6 and Favourable (rating 5 – 6).</p>
Source of sample	CCS stakeholders which comprise the business community, consumers, government agencies, competition law practitioners, and university students from law and economics faculties
Achieved sample	<p>136 narrative entries;</p> <p>Mass online survey (Total of 795): 200 consumers, 423 businesses, 35 government staff, 36 practitioners & 101 Students (Law & Econ)</p>
Capture period	18 May - 16 June 2017

Executive Summary - Key Findings (i)

Overall

- CCS's efforts at building awareness of competition legislation among **businesses, practitioners, and government have largely been successful** - with greater awareness observed in 2017 than in 2014
- Despite an **increased level of awareness of competition legislation and/or CCS among businesses**, the business sample that was surveyed had fewer interactions or experiences with CCS to draw from as compared to 2014
- **Large players in the market are perceived not to be preventing their rivals from competing effectively**, and **all stakeholders generally agree that there is less collusion among businesses** and there is **sufficient competition**

Enlightened Legislation

- In general, **majority of all stakeholders** have a **high level of satisfaction toward CCS's competition legislation**, in terms of its **effectiveness in keeping markets competitive**
- Compared to 2014, perception of competition legislation has shifted toward a **combination of being robust, in line with international best practices, and meeting business needs**
- In general, stakeholders perceived **competition legislation to be beneficial to businesses**, but are split on the cost of compliance
- Compared to 2014, a **larger proportion of stakeholders** felt that competition legislation was **clear and effective in deterring anti-competitive behaviour**
- Competition legislation is seen as being generally **clear and effective** - but similar to 2014, **where stories are negative, the legislation is seen as clear but not necessarily effective, or is unclear and ineffective**. While the legislation may be clear, stakeholders feel it does not necessarily help to improve competition in the market nor benefit the consumers or smaller local businesses

Executive Summary - Key Findings (ii)

Effective Enforcement

- General perception among all stakeholder groups is that the quality of enforcement had improved from 2014. **CCS is seen as a professional organisation that embodies attributes like competence, commitment, integrity and excellence**
- Perception of CCS's quality of enforcement is that **CCS is generally effective, rigorous in its analysis and makes decisions that are sound and objective**
- Stakeholders generally perceive that **CCS's interventions are clear, well-explained, equitable, timely and backed by sufficient evidence**
- In instances where respondents felt that CCS's interventions were **not clear and well understood**, they also indicated there was a **lack of clear explanation for CCS's decisions** or **lack of clarity around CCS's decisions and investigation outcomes**
- Where narrative data are concerned, the **negative narrative entries** tended to reflect the perception that **competition legislation tends to favour MNCs and big players**

Quality of Outreach & Advocacy

- The **quality of outreach and advocacy has improved** since 2014 among all stakeholders. **Businesses**, however, find that the **CCS is less effective in helping stakeholders understand the Competition Act** and **less effective in engaging stakeholders to promote a strong competitive culture**
- **Print and broadcast media** are the main sources of information for **consumers, students and businesses**. On the other hand, the main sources of information for **Practitioners** are the **CCS corporate website, case-related activities, and roundtables**. **Online and other social media channels** were also a key source of information for businesses
- **Government agencies** generally find that **they can approach CCS for competition-related advice** and that the **advice provided is useful for decision making**

Executive Summary - Key Findings (iii)

Enhanced Compliance

- **Most respondents** are either **not aware or report that their companies do not have a competition compliance programme in place - only 8% of businesses** reported having such a programme in place, a significant decrease from 2014
- Of those **Businesses which indicated that they have a competition compliance programme in place**, a **high percentage of them also indicated the strong commitment of the company's leaders/management towards the programme**
- Of those **Businesses which indicated that they have a competition compliance programme in place**, a **lower percentage (compared to 2014) of them indicated that the company has a whistle-blowing programme for internal reporting of anti-competitive practices**
- Respondents in general felt that **competition legislation is taken seriously in Singapore**, although there are still some **people who do not fully understand the complexities of it**
- **Practitioners expressed concerns that competition legislation is complex and can be difficult for laypersons to understand**

CCS Schemes & Programmes

- There was an **overall increase** in the level of **awareness of the CCS Reward Scheme or Leniency Programme** among all stakeholder groups compared to 2014
- Among those who have heard of the **CCS Reward Scheme**, most display a **higher motivation to report anti-competitive practices** under the scheme, except for Businesses (slight decline since 2014)
- **Confidentiality of identity** and **Sense of righteousness** were the **main factors** identified as **motivations for reporting**, similar to 2014
- In general, all stakeholder groups find the **CCS Leniency Programme effective in encouraging cartel participants to report anti-competitive activities**, however, there was a **decrease in perceived effectiveness among businesses** compared to 2014
- They generally also understand that the **Leniency Programme applies to cartel participants**

Overall

CCS's efforts at building **awareness of competition legislation among businesses** have been successful
- with greater awareness observed in 2017 as compared to 2014

(Appendix A) Part 1:Q1 - **I have heard of the CCS or the Competition Act (Yes)**

	2014	2017	%tage change
Consumers	51% (99)	27% (54)	-24%
Business	59% (236)	98% (413)	39%
Practitioners	93% (26)	100% (36)	7%
Government	80% (24)	100% (35)	20%

significantly higher than 2014

significantly lower than 2014

Compared to 2014:

- **Businesses registered an overall higher level of awareness of CCS and competition legislation, while consumers showed an overall decrease**

Overall

Stakeholders found that i) **large players did not prevent their rivals from competing effectively**, and ii) **there was less collusion among businesses** and thus, **sufficient competition**. Note that the lower the mean, the better the perception of market competition

(Appendix A) Part 1:Q5-6 - **Perception of Market Competition**

	Consumers	Business	Practitioners	Government	Students
Q5. I find many industries in Singapore with large players that prevent their rivals from competing effectively	2.86	3.03	3.91	3.76	3.06
Q7. I find many businesses in Singapore colluding with one another and there is not enough competition	3.10	2.74	3.03	3.04	3.35

* Based on mean score of Rating Scale from 1-Strongly Disagree to 6- Strongly Agree

significantly higher than 2014

significantly lower than 2014

Enlightened Legislation

The body of competition legislation is robust, relevant, and in line with international best practices

Enlightened Legislation

In general, all groups have a **high level of satisfaction toward CCS's competition legislation**, especially in terms of it being **robust, relevant, and business friendly**, however, **businesses tend not to find CCS's guidelines to be as useful, clear and easy to apply as in 2014**

(Appendix A) Part 1:Q36-39 - Perception of Competition Act & CCS Guidelines

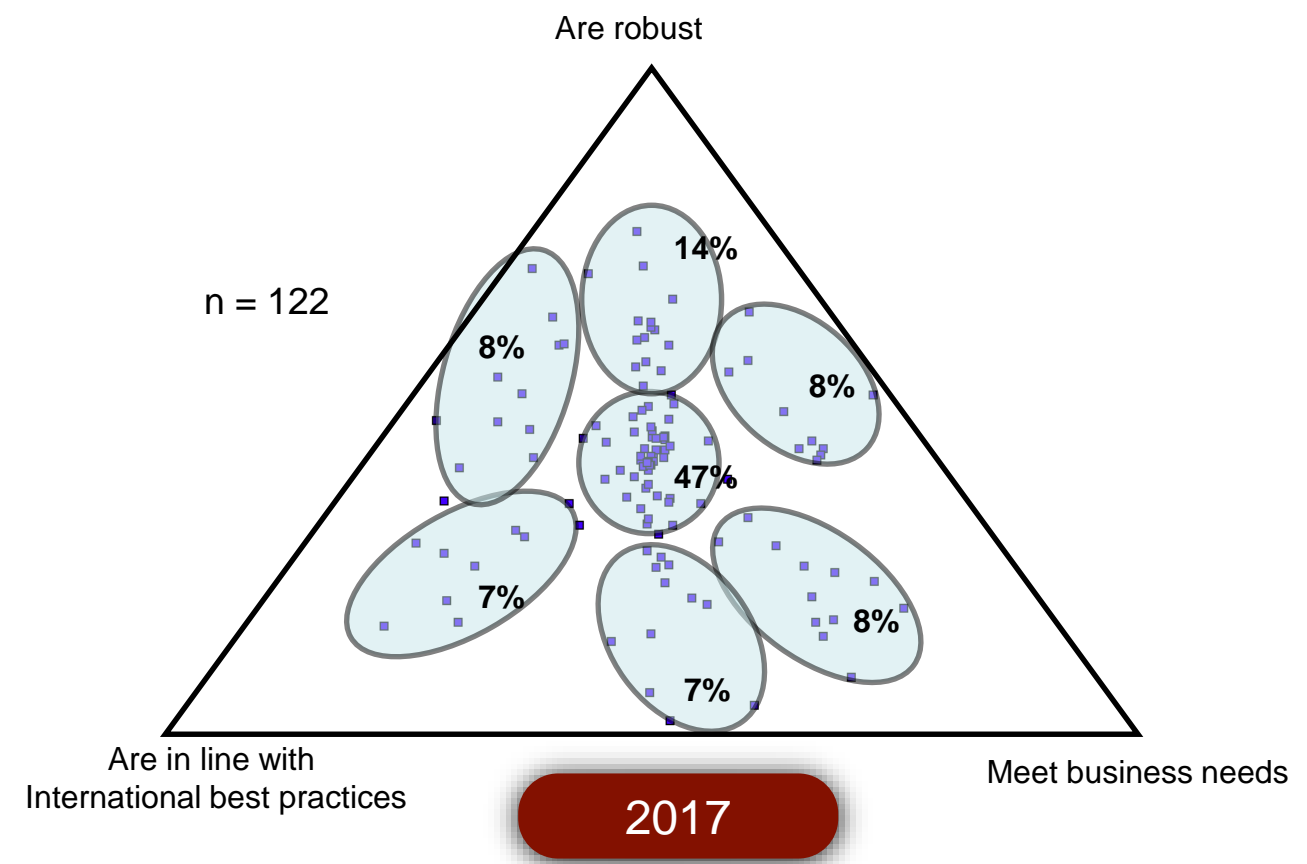
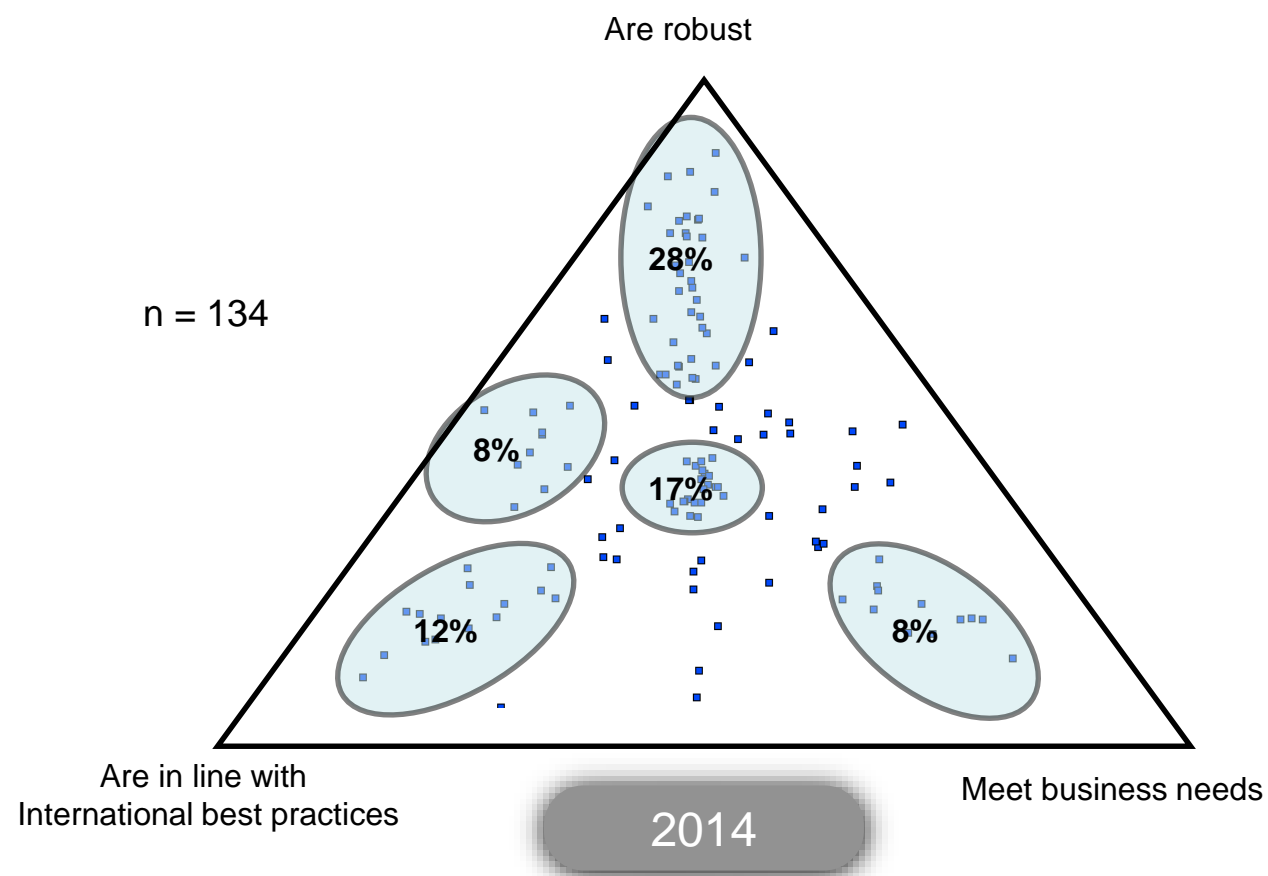
	Consumers	Business	Practitioners	Government	Students
Q36. I find the Competition Act effective in keeping markets competitive	4.10	4.23	4.61	4.57	3.95
Q37. I find the Competition Act provides certainty and minimises transaction costs	3.90	4.04	4.21	4.53	3.98
Q38. I find CCS' guidelines useful, clear and easy to apply	4.30	3.73	4.70	4.73	4.40
Q39. Overall, I think competition legislation is robust, relevant and business-friendly	4.43	4.34	4.70	4.70	4.36

* Based on mean score of Rating Scale from 1-Strongly Disagree to 6- Strongly Agree

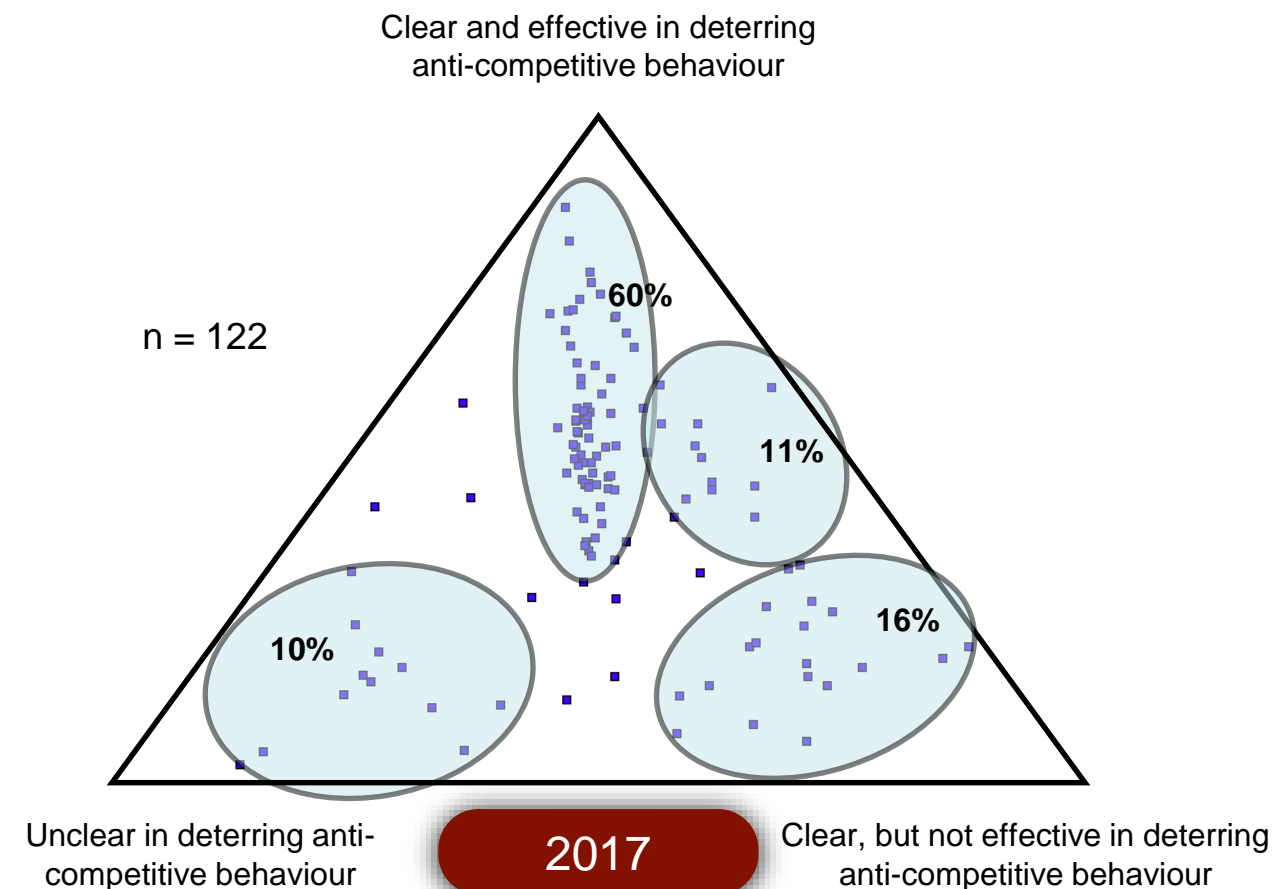
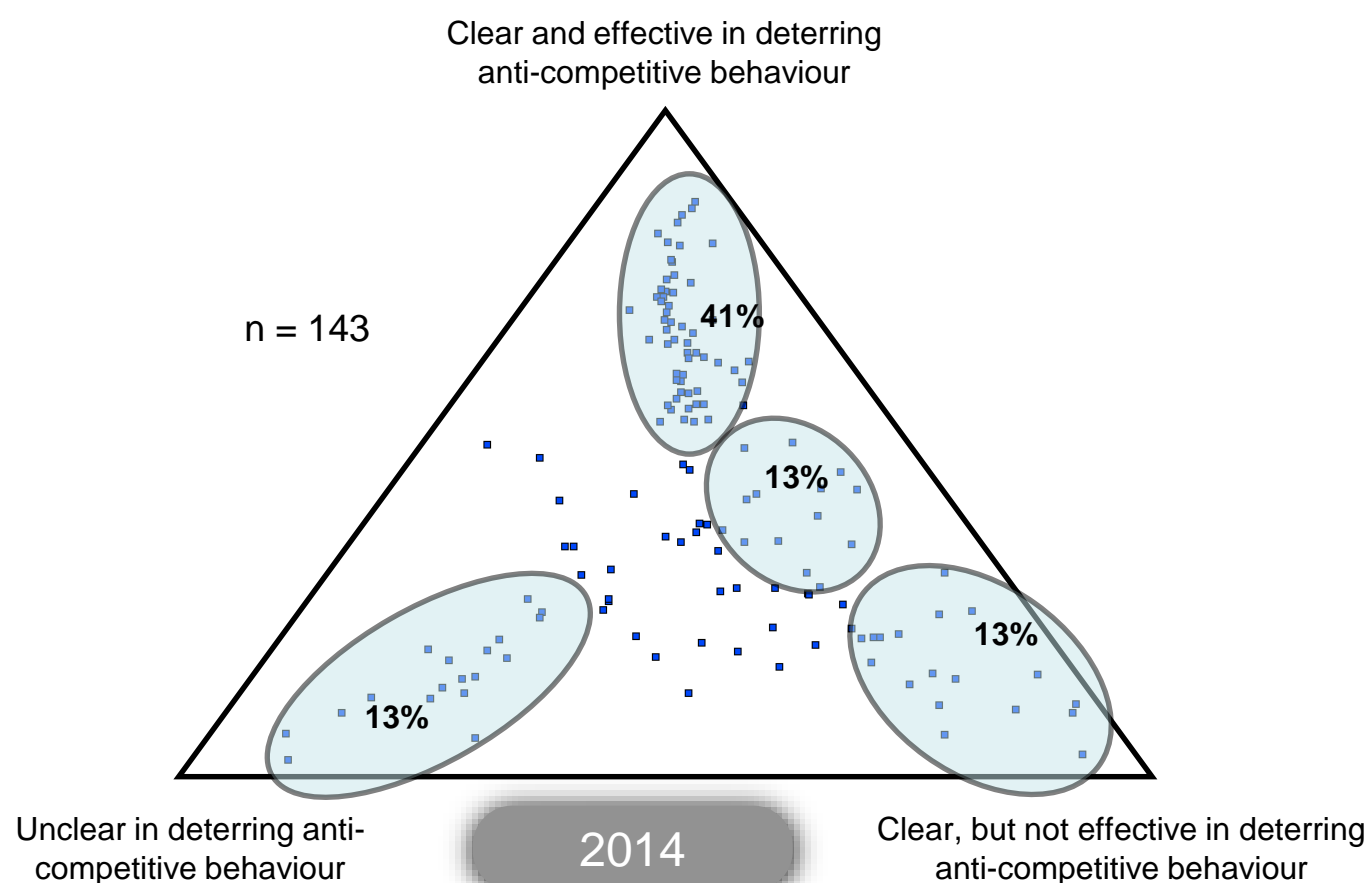
significantly higher than 2014

significantly lower than 2014

Compared to 2014, perception of competition legislation has shifted toward a combination of being robust, in line with international best practices, and meeting business needs



Compared to 2014, a larger proportion of stakeholders felt that competition legislation was clear and effective in deterring anti-competitive behaviour

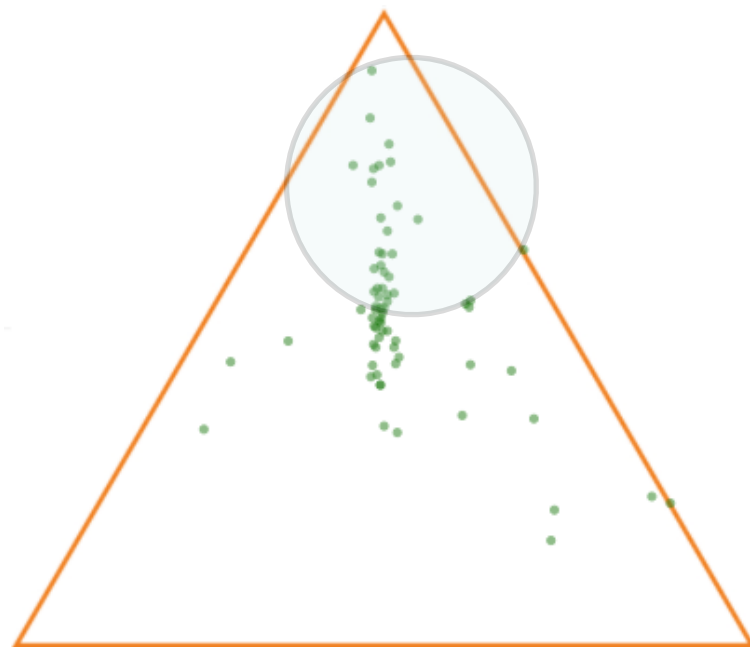


Enlightened Legislation

Some positive story examples around competition legislation being clear and effective in deterring anti-competitive behaviour where CCS's efforts to educate the public was highlighted

T2. In my story, the body of competition laws and regulations in Singapore are...

Clear and effective in deterring anti-competitive behaviour



Unclear in deterring anti-competitive behaviour

Clear, but not effective in deterring anti-competitive behaviour

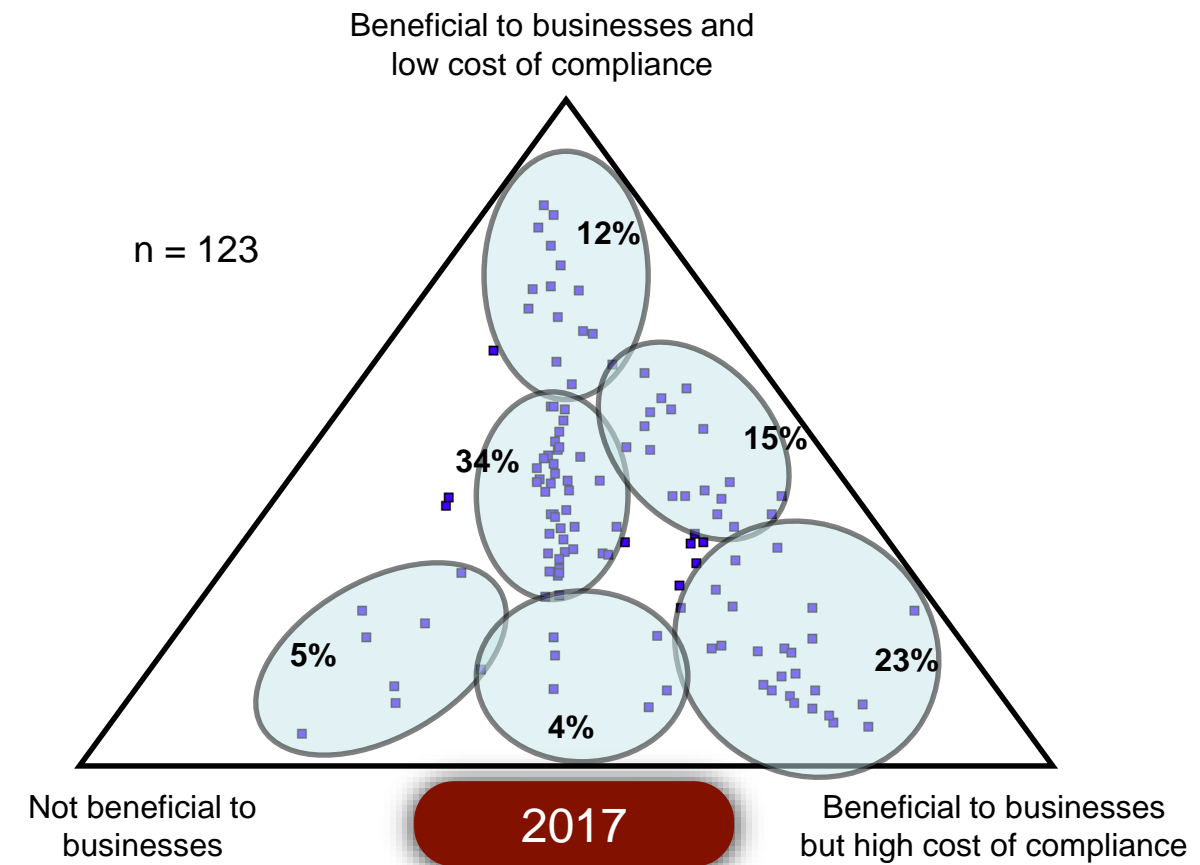
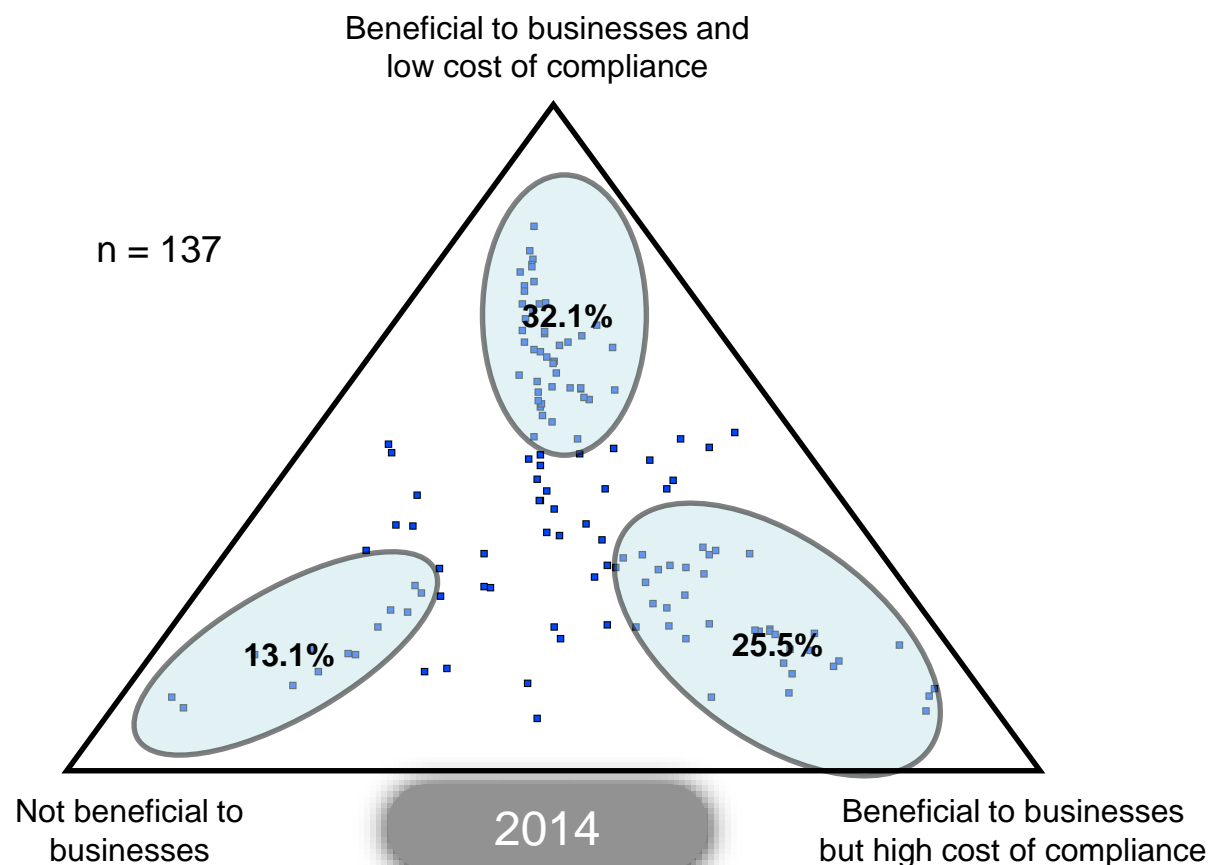
Infant care milk powder



Education and public awareness

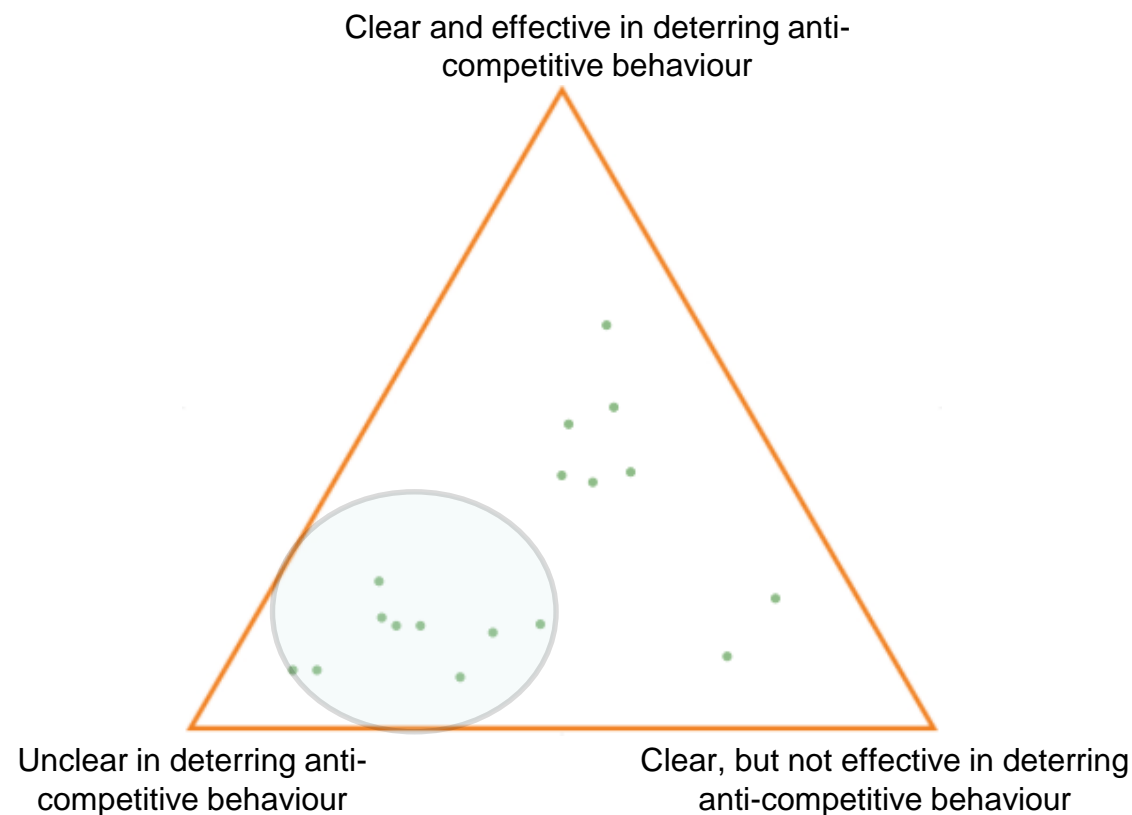


Competition legislation is generally perceived as beneficial to businesses but appear to come at a greater cost in 2017



Negative stories around competition legislation being unclear in deterring anti-competitive behaviour centre around industries where companies adjust prices in tandem

T2. In my story, the body of competition laws and regulations in Singapore are...



Taxi companies



Petrol pricing disconnect

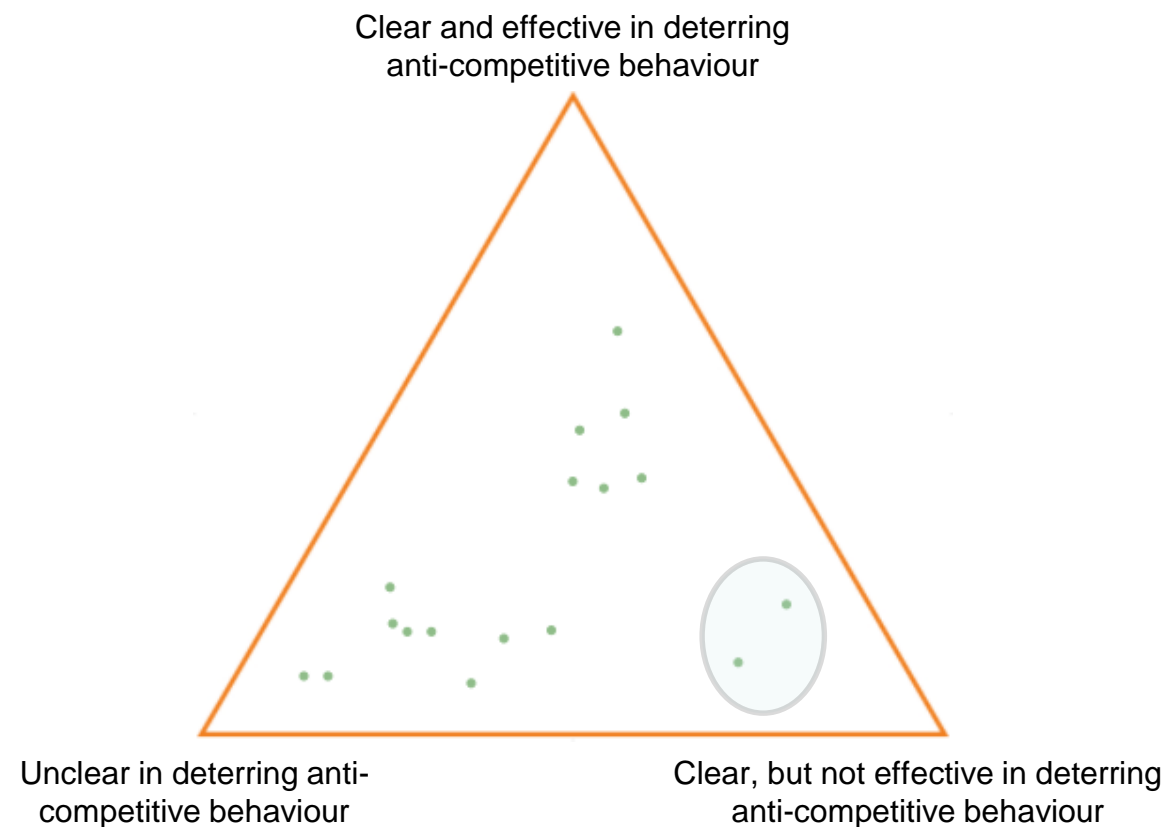


Competition legislation is seen as being generally **clear and effective** - but similar to 2014, where **stories are negative**, the legislation is seen as **clear but not necessarily effective or unclear and ineffective**. While the legislation may in fact be clear, **stakeholders feel that investigations by CCS lack grit and clarity around how it actually helps to improve competition in the market or benefit the consumers or smaller local businesses**

Enlightened Legislation

Negative stories around competition legislation being clear but ineffective in deterring anti-competitive behavior, as respondents share examples where competitive pricing was not achieved in spite of clear legislation

T2. In my story, the body of competition laws and regulations in Singapore...



small shoe shop businesses



Medical pricing guidelines

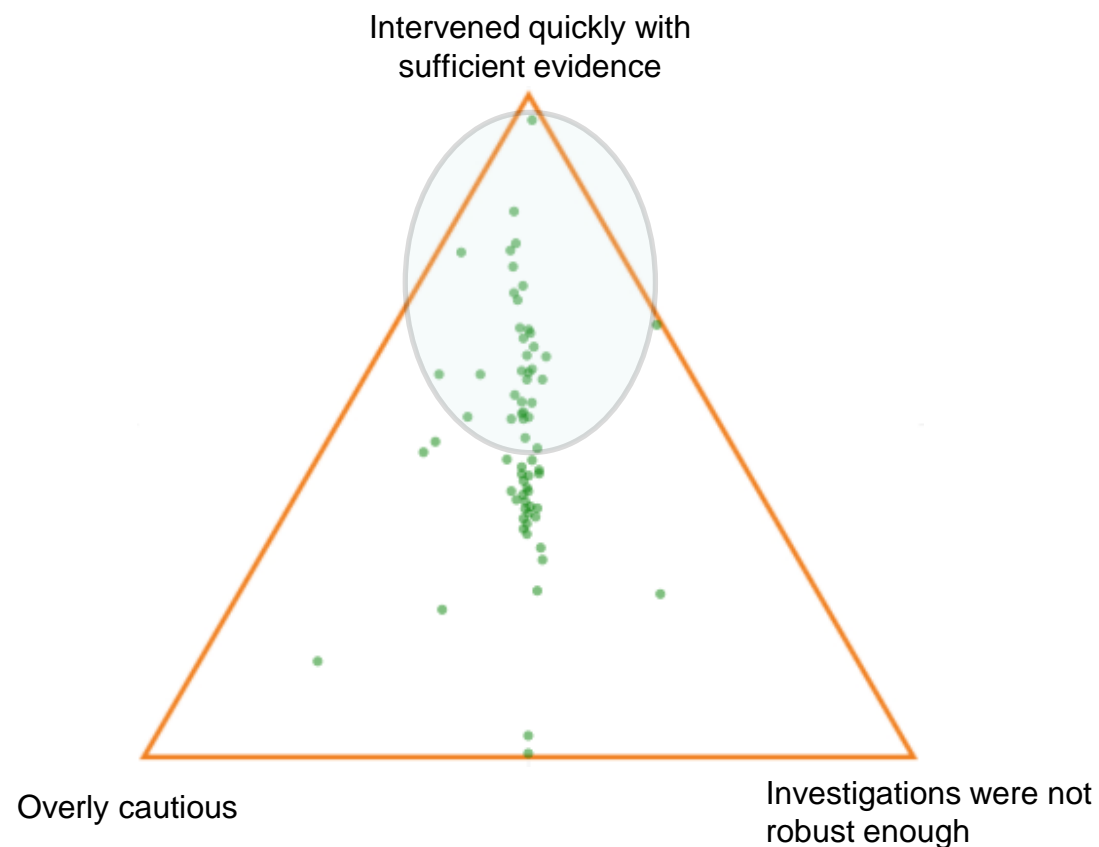


Effective Enforcement

The enforcement regime is robust, credible and business-friendly. The process of detection, investigation, decision and enforcement of decision is thorough, objective and timely

The general perception is that CCS's interventions are swift and backed by sufficient evidence

T4. The perception of CCS' actions in my story was that it was...



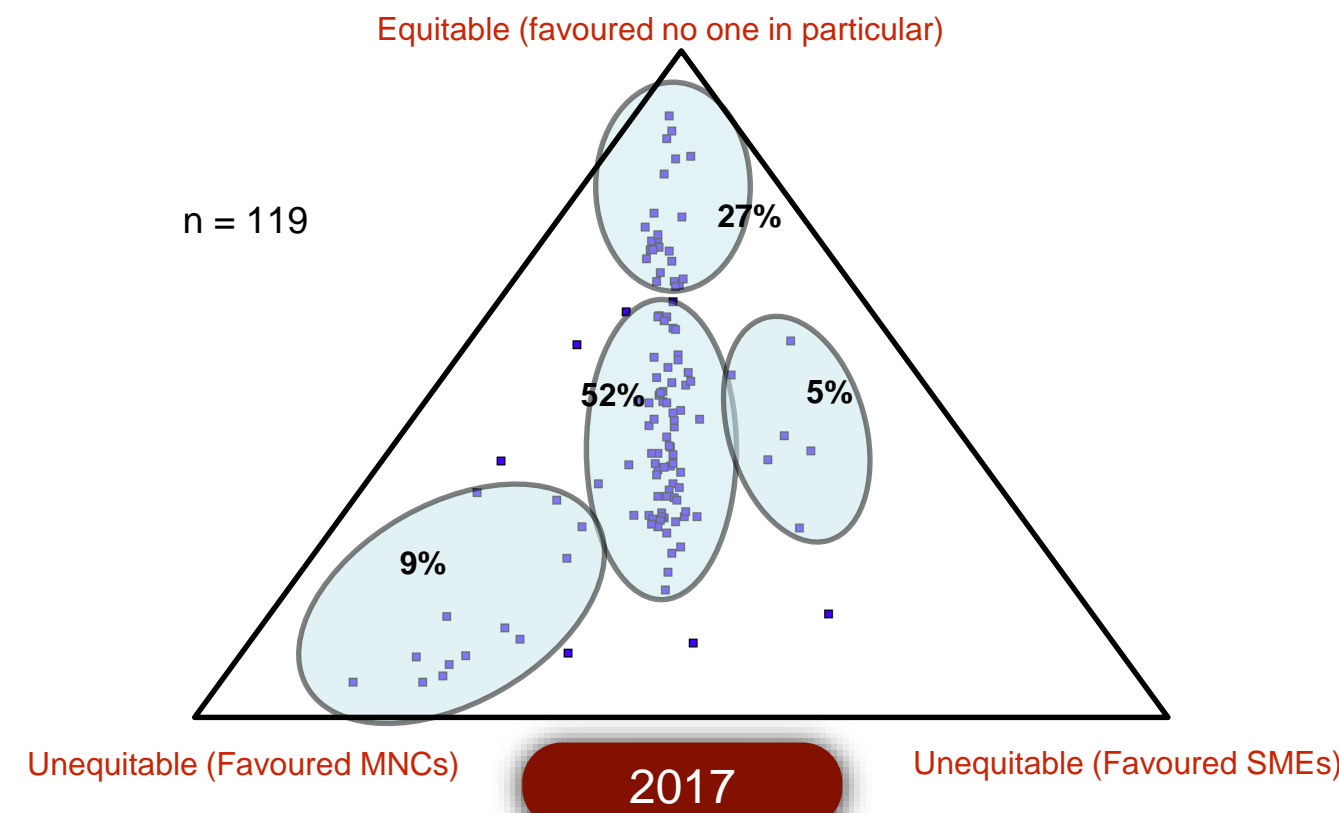
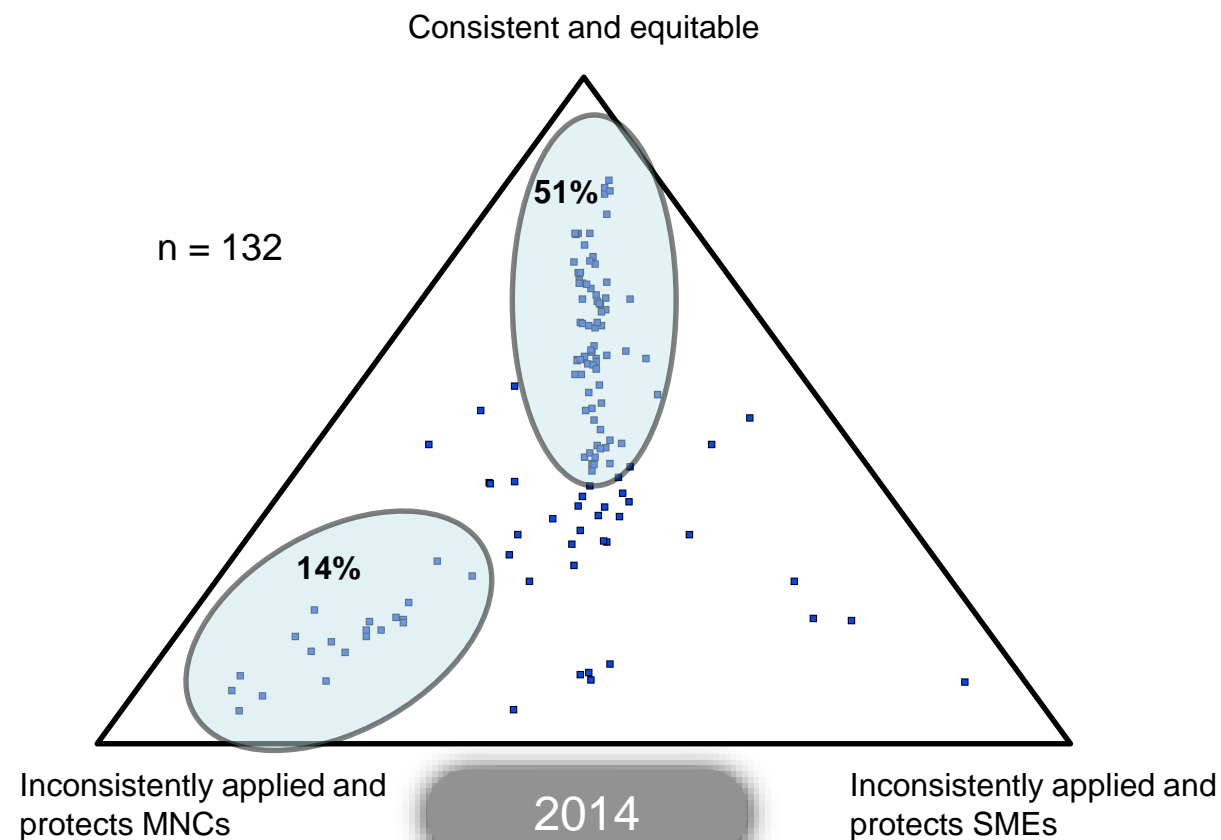
Professionalism



Pest Collusion

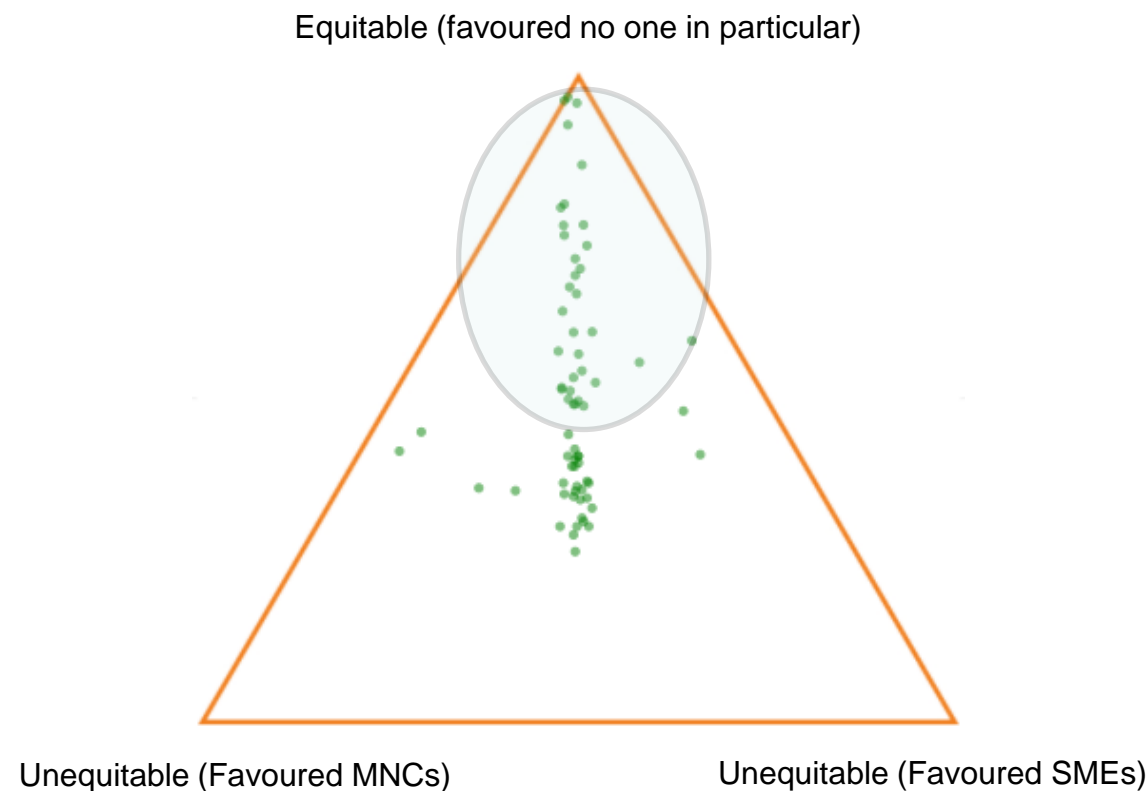


The data from 2014 and 2017 seem to indicate that CCS's interventions are somewhat equitable, but less so in 2017



Positive story example on CCS's interventions being equitable, where CCS was praised for being mindful of leniency applicant's concerns with regard to information-sharing, confidentiality, etc.

T5. In my story, CCS' interventions were...

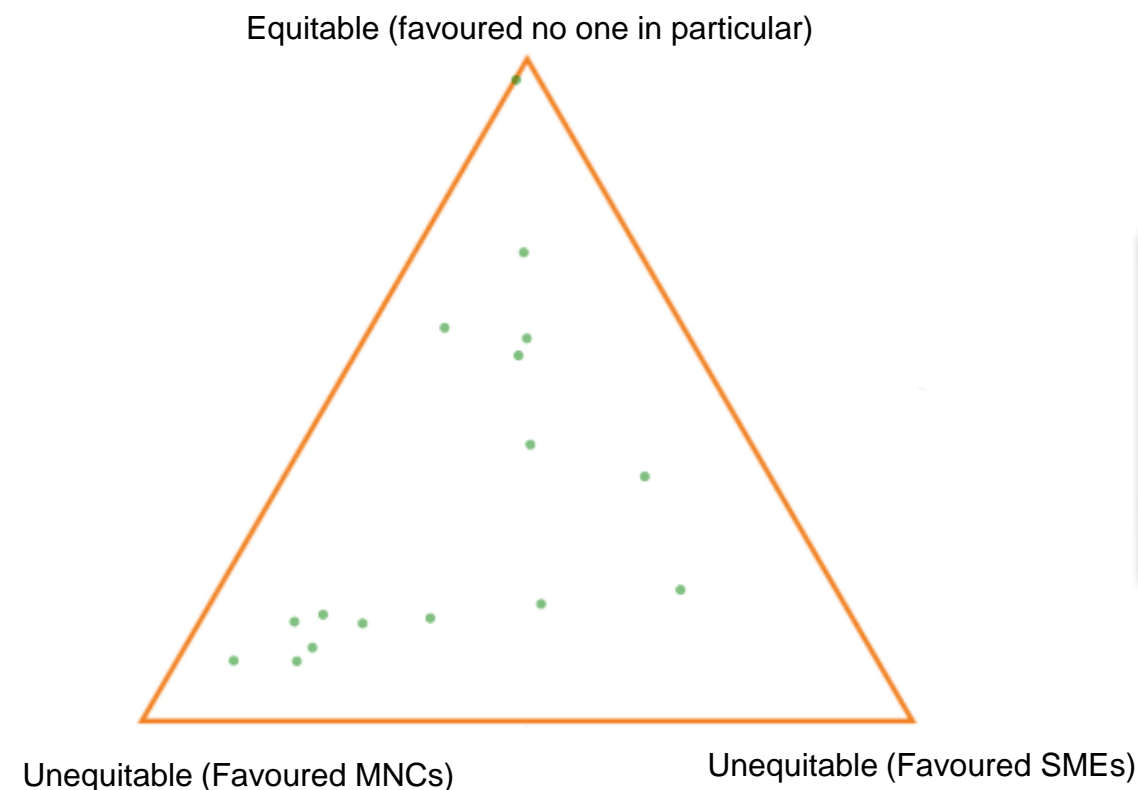


Leniency application



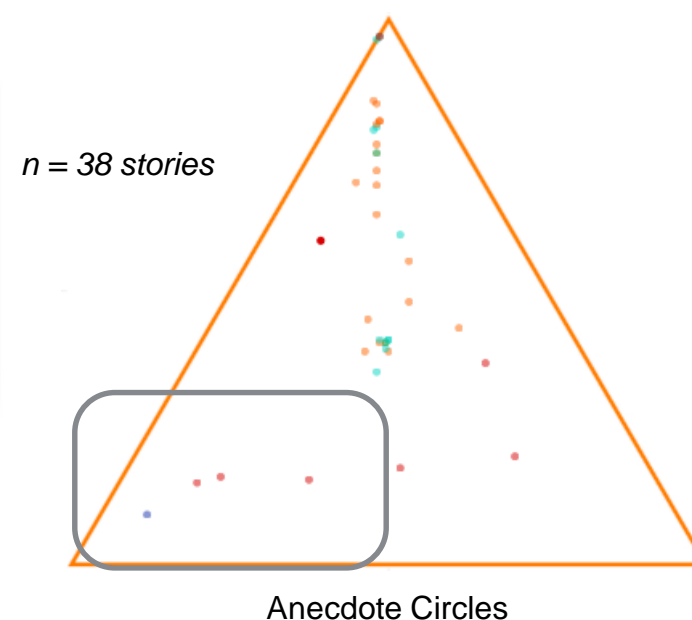
Effective Enforcement

Similar to the 2014 data, negative stories were indexed toward unequitable (favouring MNCs) and tended to come from the anecdote circle and business entries

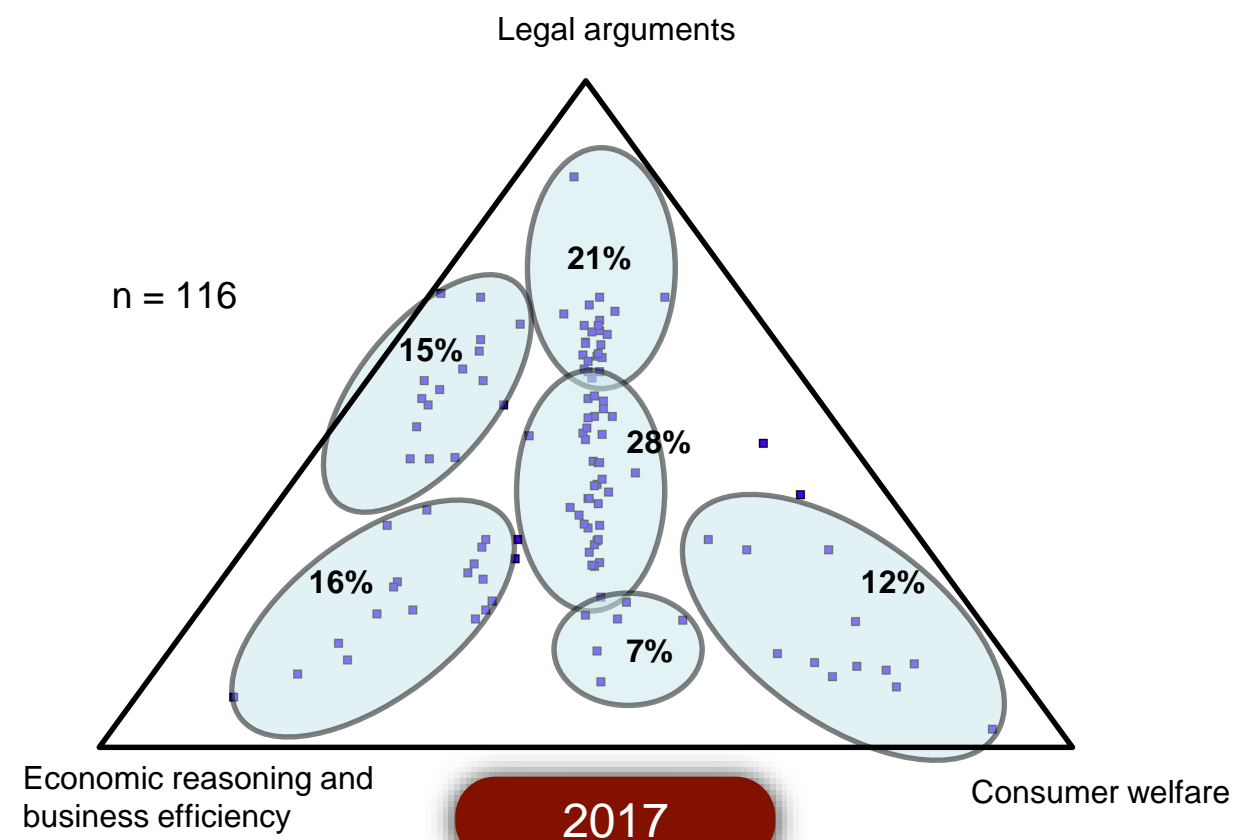
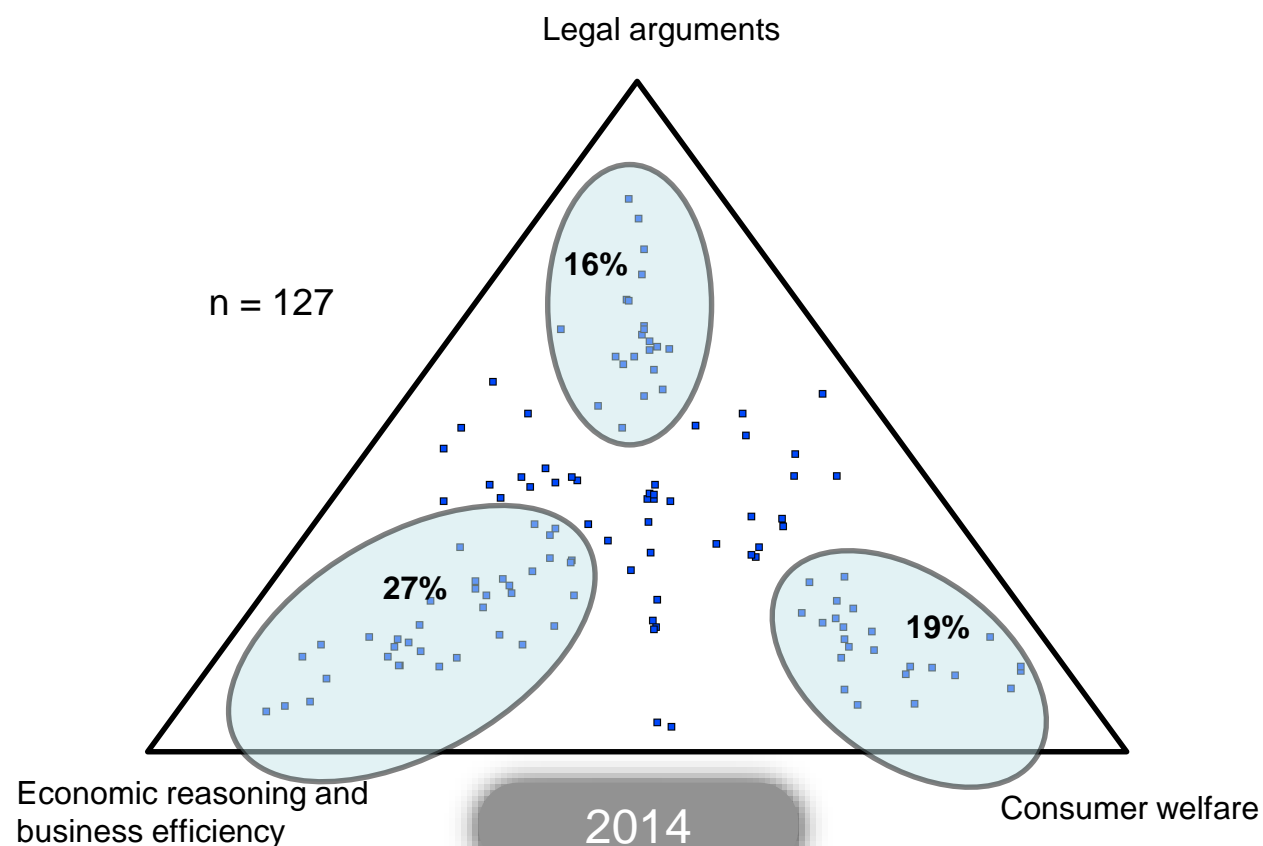


Patterns of indexing are similar across all groups - with CCS largely being seen as Equitable. However, Anecdote Circle and Business entries display clustering toward Favour MNCs

Where stories are negative in tone, they also tend to be indexed toward unequitable and favouring MNCs



The 2017 data indicate that legal arguments and economic reasoning were perceived to be the main guiding principles in CCS's decisions, less so, consumer welfare



Quality of Advocacy & Outreach

General effectiveness in reaching out to and engaging stakeholders, level of professionalism and rigour in analysis, objectivity in decisions, and impact of market interventions

Quality of Advocacy & Outreach

Businesses find that the **CCS** is **less effective** in reaching out to stakeholders in 2017 as compared to 2014, and that **CCS** does not provide sufficient public information

(Appendix A) Part 1:Q14-18 - **Perception of CCS's Quality of Outreach & Advocacy**

	Consumers	Business	Practitioners	Government	Students
Q14. CCS is effective in reaching out to stakeholders	3.81	3.70	4.88	4.36	4.02
Q15. CCS provides sufficient public information	4.00	3.26	4.74	4.04	3.70
Q16. CCS makes information on its decisions easily accessible	4.09	3.62	5.12	4.35	4.00
Q17. CCS conveys its competition messages publicly in an adequate, consistent and clear manner	4.14	3.79	4.76	4.48	3.91
Q18. CCS is effective in engaging stakeholders to promote a strong competitive culture in Singapore.	4.66	3.64	4.71	4.55	4.41

* Based on mean score of Rating Scale from 1-Strongly Disagree to 6- Strongly Agree

significantly higher than 2014

significantly lower than 2014

Quality of Advocacy & Outreach

Print and broadcast media are the main sources of information for **consumers, students, and businesses**. On the other hand, the main sources of information for **Practitioners** are the **CCS corporate website, case-related activities, and roundtables**

(Appendix A) Part 1:Q14-18 - **Perception of CCS's Quality of Outreach & Advocacy**

	Consumers	Business	Practitioners	Government	Students
Print and Broadcast (e.g. TV, Radio, Newspaper)	85%	45%	28%	37%	65%
CCS Corporate Website	27%	6%	64%	40%	29%
Case-related activities (e.g. investigations/ interviews/ raids)	0%	3%	53%	26%	0%
CCS Competition Events (e.g. conferences, Distinguished Speaker Series)	0%	0%	39%	17%	4%
Practitioners' Roundtables	0%	2%	50%	14%	2%
Others	0%	5%	11%	3%	10%

significantly higher than 2014
significantly lower than 2014

Quality of Advocacy & Outreach

General perception is that **CCS is a professional organisation that embodies attributes like competence, commitment, integrity and excellence**

Perception of CCS's quality of enforcement is that **CCS is generally effective, rigorous in its analysis, makes decisions that are sound and objective, and creates positive market impacts through its interventions** - ratings have significantly improved among business and consumers

(Appendix A) Part 1:Q8-13 - **Perception of CCS' Quality of Enforcement**

	Consumers	Business	Practitioners	Government	Students
Q9. CCS is professional (competent, commitment, integrity, excellence)	4.75	4.49	5.24	4.96	4.82
Q10. CCS is effective in taking action	4.08	4.19	4.72	4.61	4.48
Q11. CCS is rigorous in its analysis and makes sound decisions	3.96	4.29	4.79	5.09	4.30
Q12. CCS sufficiently considers feedback and are objective	4.12	4.42	4.84	4.95	4.23
Q13. CCS actions have made markets work better	4.51	4.32	4.84	4.71	4.56
Q8. CCS contributes meaningfully towards development objectives of Singapore	4.10	4.54	4.91	4.68	4.09

new question

* Based on mean score of Rating Scale from 1-Strongly Disagree to 6- Strongly Agree

significantly higher than 2014

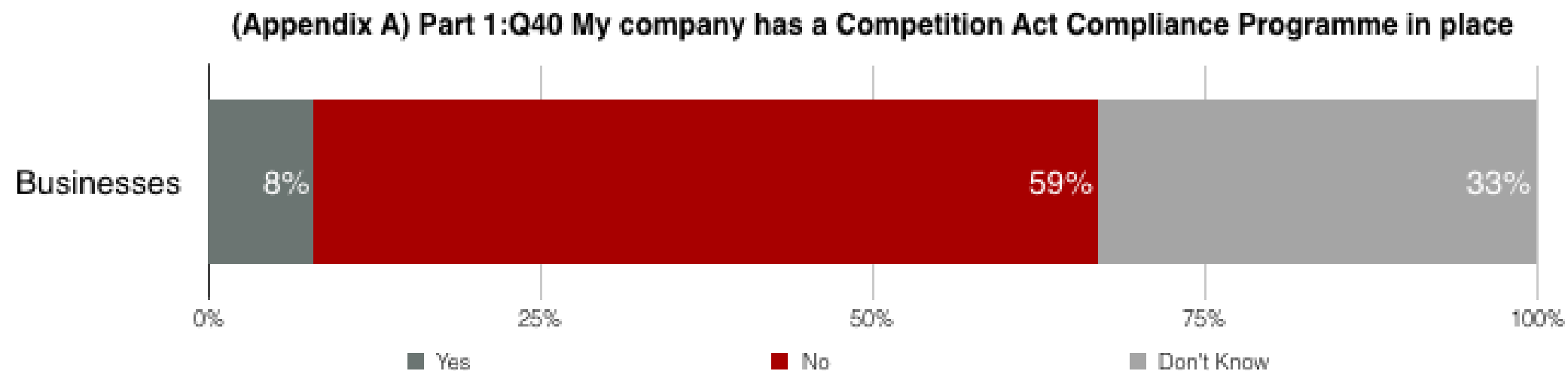
significantly lower than 2014

Enhanced Compliance

General culture of competition compliance, and businesses voluntarily comply with competition legislation

Enhanced Compliance

Most respondents either do not have a competition compliance programme in place or are not aware of it - only 8% of businesses, that is, 32 businesses, reported having such a programme in place



Enhanced Compliance

Of those businesses which indicated that they have a competition compliance programme in place, a high percentage of them also indicated the **strong commitment of the company's leaders/management** towards the programme. Similarly, a high percentage of businesses **constantly review their compliance programmes** to ensure effectiveness.

Similarly, a high percentage (although lower than in 2014) of them also indicated that the company has a whistle-blowing programme for internal reporting of anti-competitive practices.

(Appendix A) Part 1:Q42-44 - **Company Practices and Attitudes on Compliance to Competition Act**
(Only for those who answered "True" to above)

	Business
Q42. The company's leaders/management is strongly committed to compliance	4.61
Q43. My company regularly reviews its compliance programme to ensure its effective	4.39
Q44 My company has an effective whistle-blowing programme	4.61

* Based on mean score of Rating Scale from 1-Strongly Disagree to 6- Strongly Agree

significantly higher than 2014

significantly lower than 2014

CCS Schemes & Programmes

Awareness and knowledge levels of CCS Reward Scheme and Leniency Programme

CCS Schemes & Programmes

Overall, **levels of awareness of CCS Schemes improved across all groups** from 2014 to 2017.

Practitioners, displayed the highest level of **awareness of CCS Schemes and Programmes**, **similar to 2014**

(Appendix A) Part 1:Q23,28 - **Awareness of CCS Reward Scheme and Leniency Programme**

	Consumers	Business	Practitioners	Government	Students
Q23. I have heard of the CCS Reward Scheme	30%	12%	86%	31%	41%
Q28. I have heard of the CCS Leniency Programme	28%	16%	91%	35%	27%

significantly higher than 2014

significantly lower than 2014

CCS Schemes & Programmes : CCS Reward Scheme

Among those who have heard of the **CCS Reward Scheme**, all stakeholder groups except businesses and consumers display a **high motivation to report anti-competitive practices** under the scheme. However, similar to 2014, there is a **comparatively lower tendency to actually act on it** (*However, sample sizes are small for these sub-groups*).

(Appendix A) Part 1:Q26-27 - If you have heard of the CCS Reward Scheme

	Consumers	Business	Practitioners	Government	Students
Q26. With this scheme, I am more likely to report any possible anti-competitive practices	3.00	3.93	4.96	4.88	3.57
Q27. With this scheme, I will report any possible anti-competitive practices in my company	3.25	3.91	4.44	4.43	3.43

Base: (Those who have heard of the CCS Reward Scheme)

* Based on mean score of Rating Scale from 1-Strongly Disagree to 6- Strongly Agree

significantly higher than 2014

significantly lower than 2014

CCS Schemes & Programmes : CCS Reward Scheme

Confidentiality of identity and **sense of righteousness** were the **main factors** identified as **motivations for reporting**, similar to 2014.

(Appendix A) Part 1:Q27a - **Ranking of factors that affect willingness to report anti competitive business practices**

	Consumers	Business	Practitioners	Government	Students
Confidentiality of identity	75%	100%	69%	89%	54%
Sense of righteousness	75%	92%	38%	63%	92%
Certainty in the amount of time commitment	38%	92%	38%	50%	69%
Certainty of receiving the award	38%	40%	52%	50%	46%
Amount of financial reward	25%	32%	62%	50%	23%
Certainty in the amount of reward	50%	32%	41%	38%	15%

Base: (Those who have heard of the CCS Reward Scheme)

CCS Schemes & Programmes : CCS Leniency Programme

In general, **businesses, practitioners and government** find the CCS Leniency Programme effective in encouraging cartel participants to report anti-competitive activities. They also generally understand that the **Leniency Programme applies to cartel participants**. However, there is a decline in the perceived effectiveness of the Leniency Programme among businesses in 2017 as compared to 2014.

(Appendix A) Part 1:Q29-31 - If you have heard of the CCS Leniency Programme

	Business	Practitioners	Government
Q29. The CCS Leniency programme applies to cartel participants	89%	100%	89%
Q30. A cartel participant can be immune from financial penalties if it is the first to provide relevant evidence before CCS commences investigations	30%	100%	100%
Q31. An applicant cannot enjoy reduced penalties once another party has successfully applied for leniency	15%	13%	44%

(Appendix A) Part 1:Q32 - If you have heard of the CCS Leniency Programme (Based on mean score of Rating Scale from 1-Strongly Disagree to 6- Strongly Agree)

	Business	Practitioners	Government
Q32. I find the CCS Leniency Programme effective in encouraging cartel participants to report such activities	3.98	4.97	4.38

significantly higher than 2014

significantly lower than 2014

End

