

**BLACK
BOX**

consumer
insight | business
foresight

Perception and Awareness Survey *Chief Executive Presentation*

The Competition Commission of Singapore



**Competition
Commission**
S I N G A P O R E

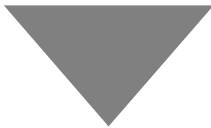
5 November 2009

Research Objectives

The study was undertaken to determine the extent of consumer, business and other stakeholder knowledge about the competitive environment in Singapore and the laws and regulations that govern business competition.

The study also measured the level of awareness of the Competition Act and familiarity with the Competition Commission of Singapore including its roles and responsibilities.

**Measure Perceptions
of CCS**



**Evaluate and Enhance
Communication Efforts**

Examine awareness of CCS and competition law in Singapore and examine how perceptions are being shaped amongst key stakeholder segments

Analyse current CCS communications efforts including resources, media management and channel effectiveness.

Qualitative Interviews

Sample Size		Description		
Government (n=4)	Media (n=4)	16 In-depth Interviews <ul style="list-style-type: none"> Each stakeholder sector represented a different perspective or voice for which the policies and enforcement of CCS will have an effect on. 		
Trade and professional associations (n=4)	Law firms (n=4)			
Multinational Companies (n= 4 pairs)				
General Public (n=8 per group)				
		4 Paired Interviews <ul style="list-style-type: none"> Interviewing both the legal and finance entities of MNCs gave us a complete picture of how CCS policy affects both legal and financial gatekeepers in their respective companies. 		
		2 Focus Group Discussions <ul style="list-style-type: none"> One group of lower income, non-tertiary educated respondents Another group of higher income, higher educated respondents 		
		2 Focus Group Discussions <ul style="list-style-type: none"> These 2 groups were made up of Mature Companies and Start-Ups. Decision makers and owners from various industries 		
SMEs (n=8 per group)		<table border="1"> <tr> <td> Mature Companies <ul style="list-style-type: none"> Established companies which are in business for more than 10 years. </td> <td> 'New Economy' Start-Ups <ul style="list-style-type: none"> Start-up companies which are in business for not more than 3 years. </td> </tr> </table>	Mature Companies <ul style="list-style-type: none"> Established companies which are in business for more than 10 years. 	'New Economy' Start-Ups <ul style="list-style-type: none"> Start-up companies which are in business for not more than 3 years.
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Quantitative Survey

Segment	Sample Size
1. Consumers (General Public)	n = 800
2. Business Survey	
SMEs	n = 200
Multi-National Corporations	n = 71
Large local enterprises	n = 59
GLCs	n = 20
Total Business Interviews	n = 350
Total Interviews	n = 1150

*** Stats: Margin of error**
 Consumer 3.5
 Business 5.2

Sample Descriptions

Consumer Survey

Respondents from the general public were recruited from our from our online panel. Currently, there are over 90,000 members in the panel. Quotas were set to ensure that we surveyed a representative cross section of the Singapore Community.

Business Survey

Respondents for the business survey were first recruited via telephone and asked to participate in the online survey. A link to the questionnaire was sent via email to those who agreed to participate. Respondents were drawn from the full range of Singapore business including large local companies, MNCs, GLCs and small business.

Survey Findings

1. *Business*

Business Perceptions of Competition in Singapore

Like consumers, Singapore businesses overwhelmingly believe that competition in Singapore is healthy:

- 82% believe that businesses in Singapore compete fiercely; and
- 80% believe Singaporeans have a wide range of choices with respect to products and services

Saying that, businesses don't view the business environment as being equal for all. Four in ten don't believe that Singapore businesses play by the rules and only 39% believe businesses operate on a level playing field.

Similarly, views vary on business practices. More than half (54%) don't believe Singaporean consumers are adequately protected from unfair business practices.

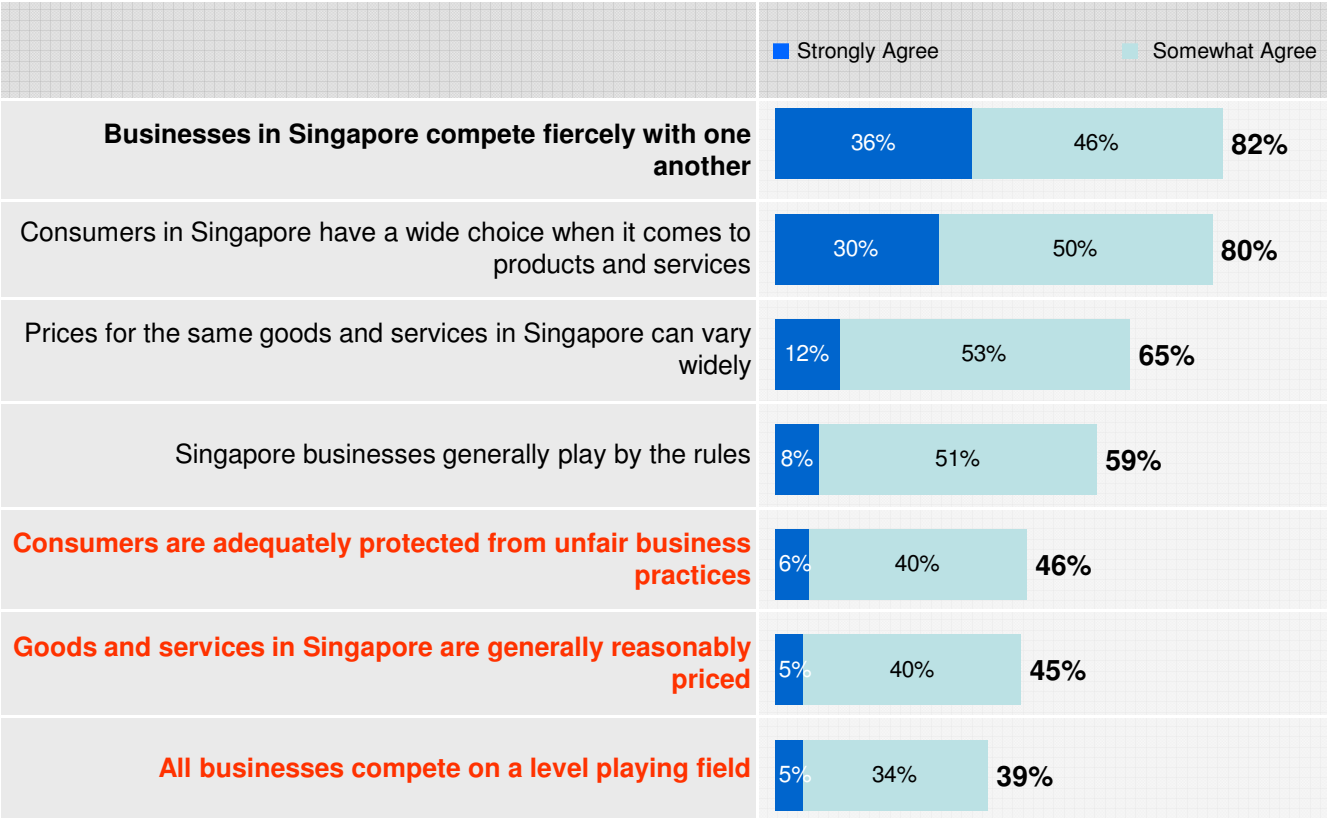
SMEs, in particular, have a more sanguine view of competition in Singapore and feel they are not always protected by regulation.

While the general business environment is very competitive, businesses don't necessarily believe all things are equal for all businesses.



Business Perceptions of Competition in Singapore

Businesses do feel that there is a strong competitive environment in Singapore. However, only about a third feel that they compete on a level playing field



Base: All Respondents (n = 350)

Q1 Here are some statements that people make about the local economy. Please indicate how much you agree or disagree with each statement.

Perceived Benefits of Competition

Singaporean businesses view the benefits of competition to be wide ranging. While the vast majority think that competition offers consumers both wide choices and better prices, competition also benefits:

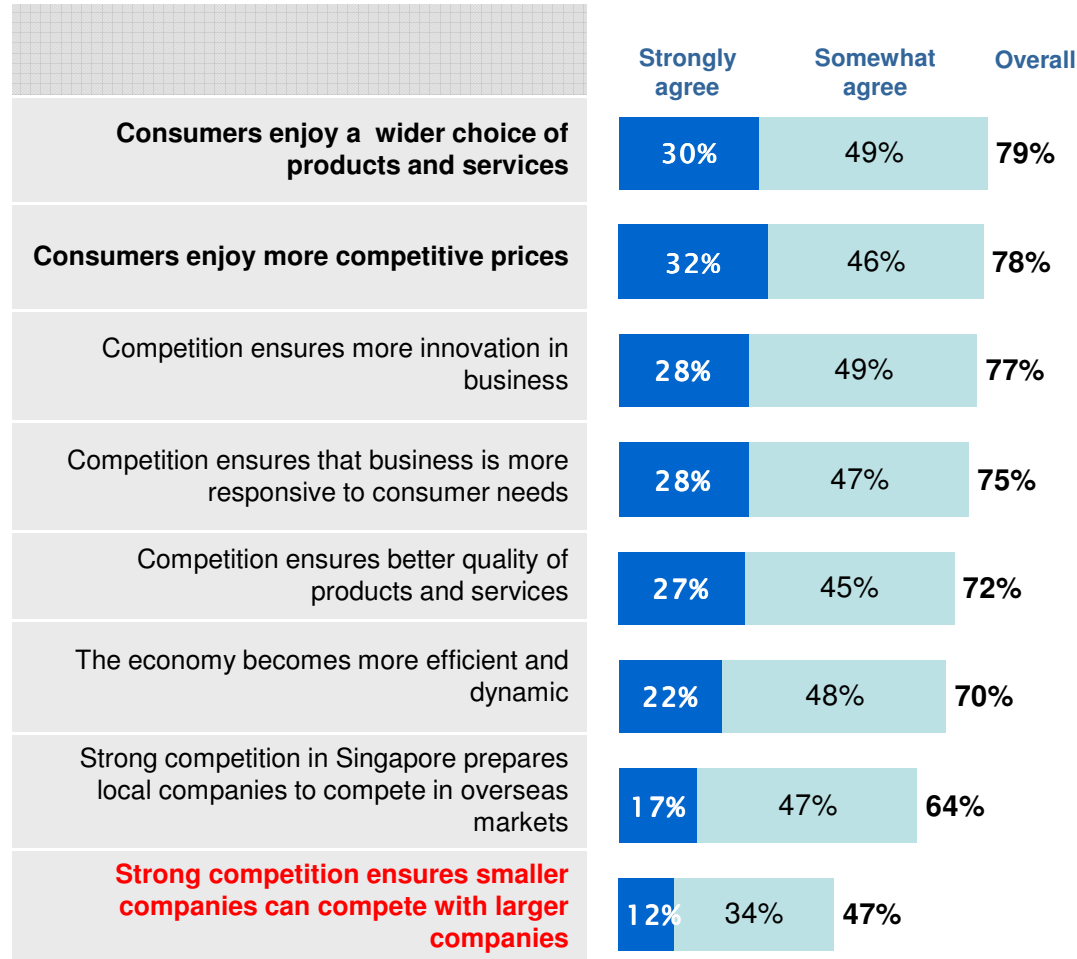
- **Innovation (77%)**
- **Responsiveness to consumers needs (75%)**
- **Product and service quality (72%)**

Nearly two thirds (64%) of businesses also believe competition prepares local companies to compete overseas.

As with consumers, CCS' major challenge is communicating the benefits of competition to SMEs. Less than half (47%) of businesses believe strong competition allows smaller companies to compete with larger businesses.



Perceived Benefits of Competition



Base: All Respondents (n = 350)

Q10 Here are some statements that people make about the benefits of business competition. Please indicate how much you agree or disagree with each statement

Importance and Effectiveness of Competition Regulation

Importance

In terms of regulatory importance, competition regulation rates on a par with consumer prices and consumer protection but below business conduct and community health and safety.

For businesses, anti-corruption laws and the prevention of company fraud are paramount in terms of regulatory oversight.

Effectiveness

Only 14% of businesses describe competition regulation in Singapore as very effective. Again, this is on a par with consumer prices and consumer protection but below environmental protection.

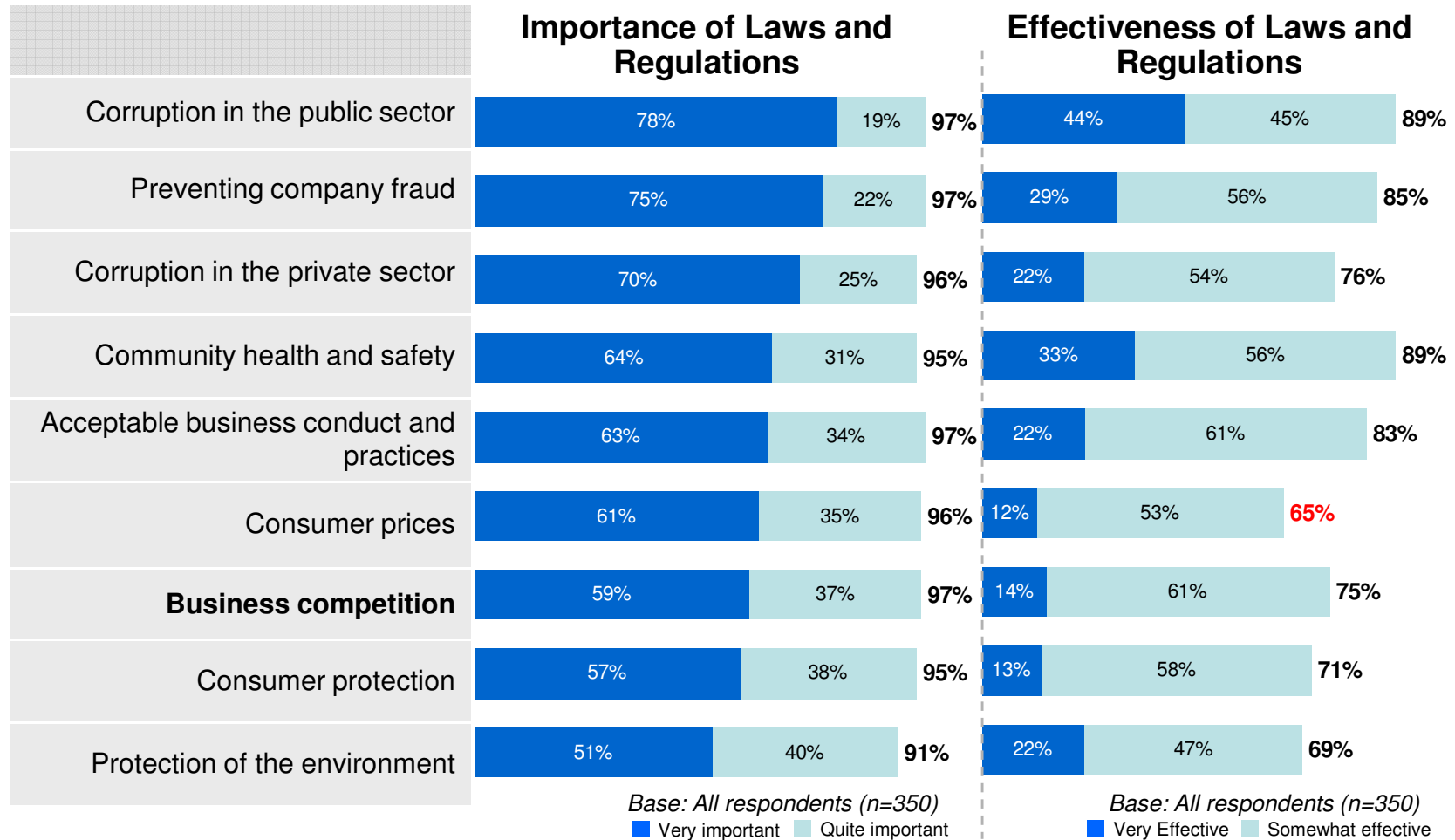
Public sector corruption is viewed as being more effectively policed than private sector corruption and business conduct.

Laws regulating consumer prices are viewed by business as being the least effective.



Importance and Effectiveness of Laws and Regulations

Only about a third of businesses consider business competition as a very important issue.
 Three in five feel that current laws and regulation adequately cover competition issues



Q2 How effective are the laws and regulations in Singapore which cover the following.
 Q3 In terms of how well Singapore's economy performs, how important are these issues

How Competitive Are Industry Sectors?

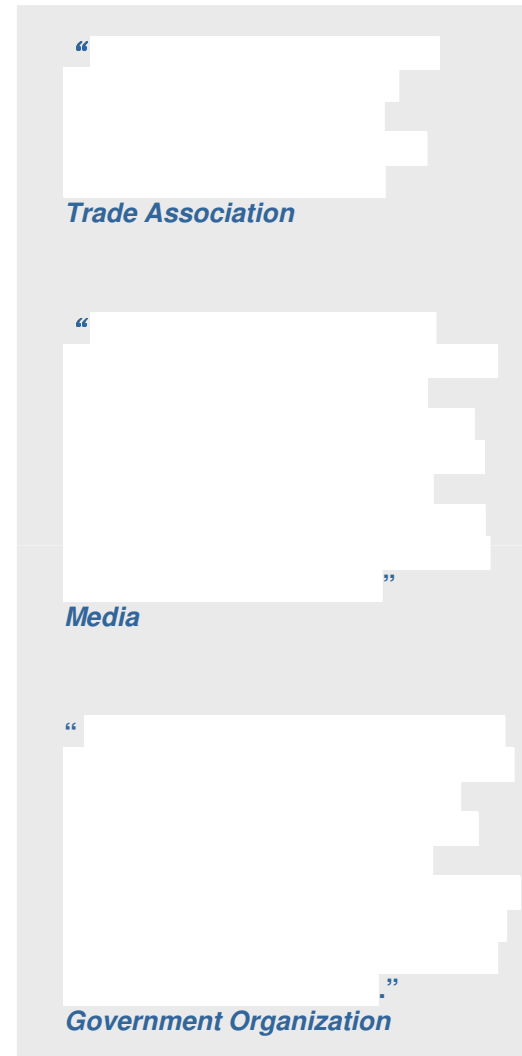
Consumer and business viewpoints don't differ to any great extent.

Supermarkets, electronics and travel agencies are viewed as being the most competitive industries in Singapore while private buses, cruises and movie theatres the least competitive.

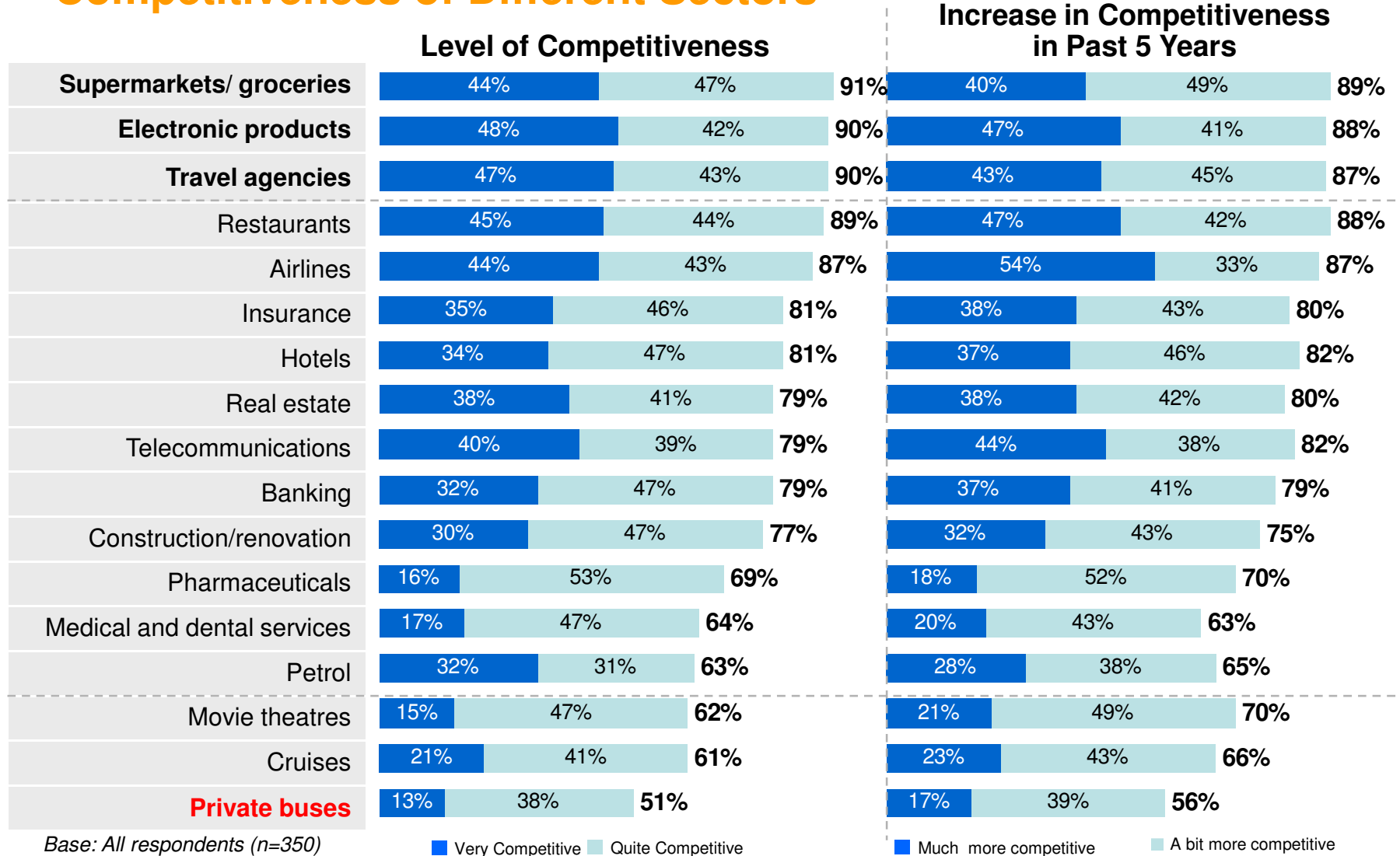
Over the last 5 years, airlines are seen as having advanced the most with respect to competitiveness while private buses, again, are seen to have progressed the smallest distance.

Average levels of competitiveness across all sectors are viewed almost identically by consumers and businesses alike.

Businesses believe that the majority of sectors in Singapore are competitive.



Competitiveness of Different Sectors



Base: All respondents (n=350)

Q4 Please indicate how competitive you think companies are within each of these sectors from 4 – very competitive, there are a lot of choices for the consumer; 1 – not competitive at all, there is little or no choice for the consumer

Q5 Thinking about these industries/sectors again, would you say they have become more or less competitive over the last five years?

Anti-Competitive Conduct: Collusion

Businesses view the incidence of collusion both broadly and in their own sector to be less common than potential abuses of dominance.

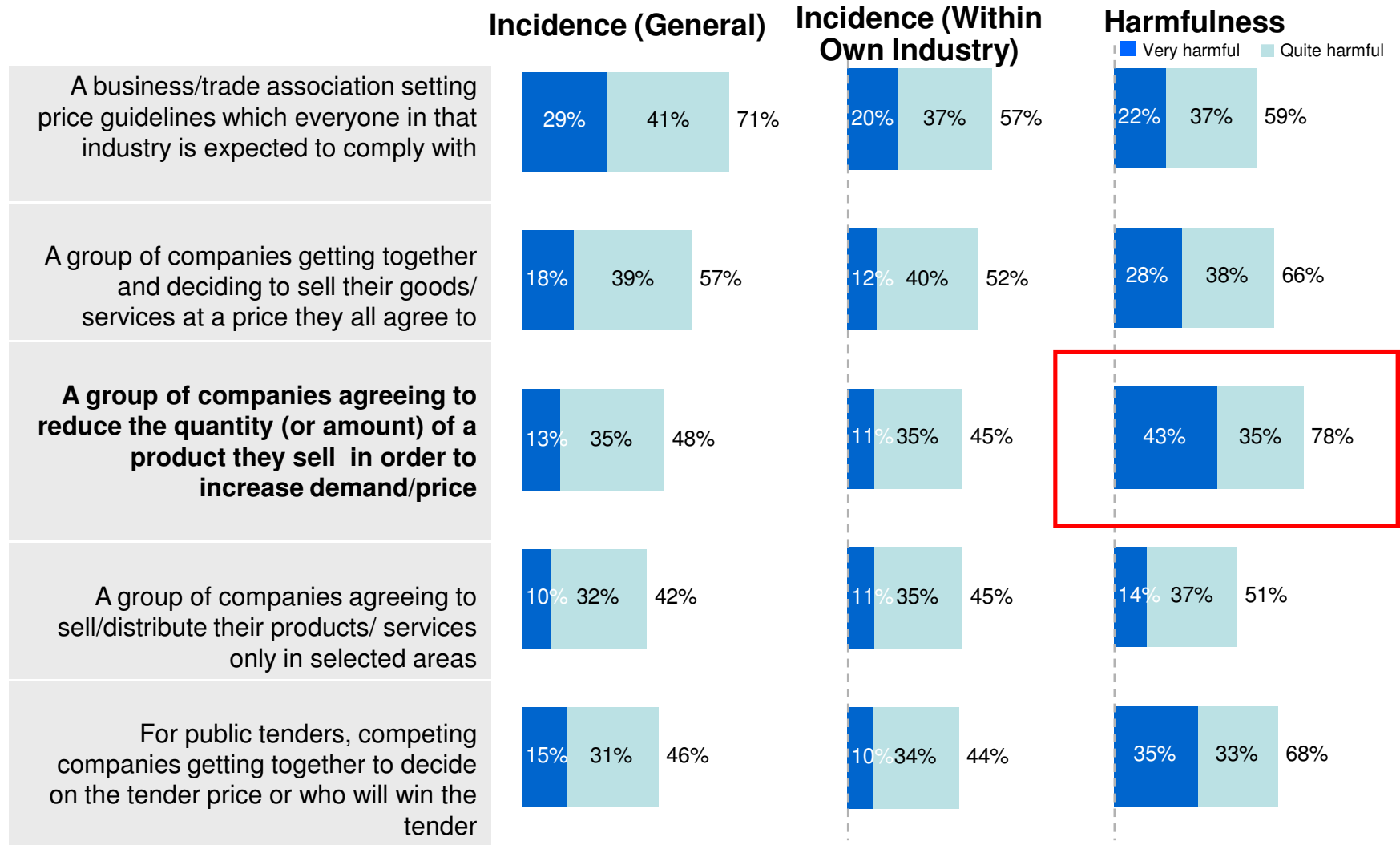
The most common form of collusion is believed to be the setting of price guidelines (71% think it's common) but only 57% think it happens in their sector.

Furthermore, less than three in five (59%) businesses view price guidelines as harmful while 80% believe a cartel agreeing to reduce supply as the most harmful form of collusion, although its incidence is seen as lower.

Collusion is not identified as a major problem by most Singapore businesses.



Incidence of Anti-Competitive Behavior - Collusion



Q6 How common do you think the following types of business practices are in Singapore

Q8 Thinking more specifically about the industry/sector you work in, how common would you say these types of practices are?

■ Happens all the time/frequently ■ Happens occasionally

Anti-Competitive Conduct: Dominance

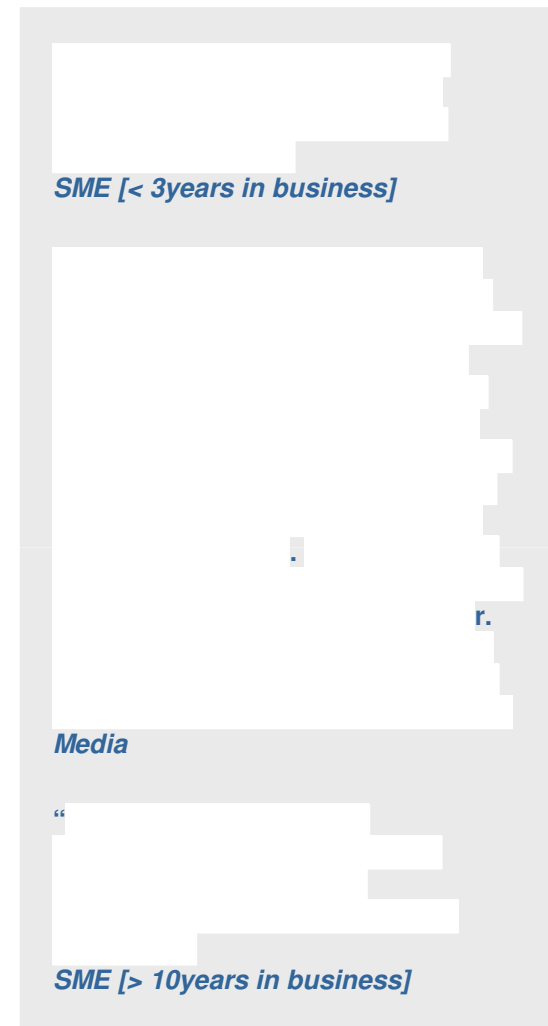
In contrast, abuse of dominance (or its potential) is viewed as more common in Singapore:

- 79% of businesses think the practice of big companies favoring subsidiaries is common; and
- 74% think that mergers which result in a lessening of competition are also common (although only 55% think this is harmful)

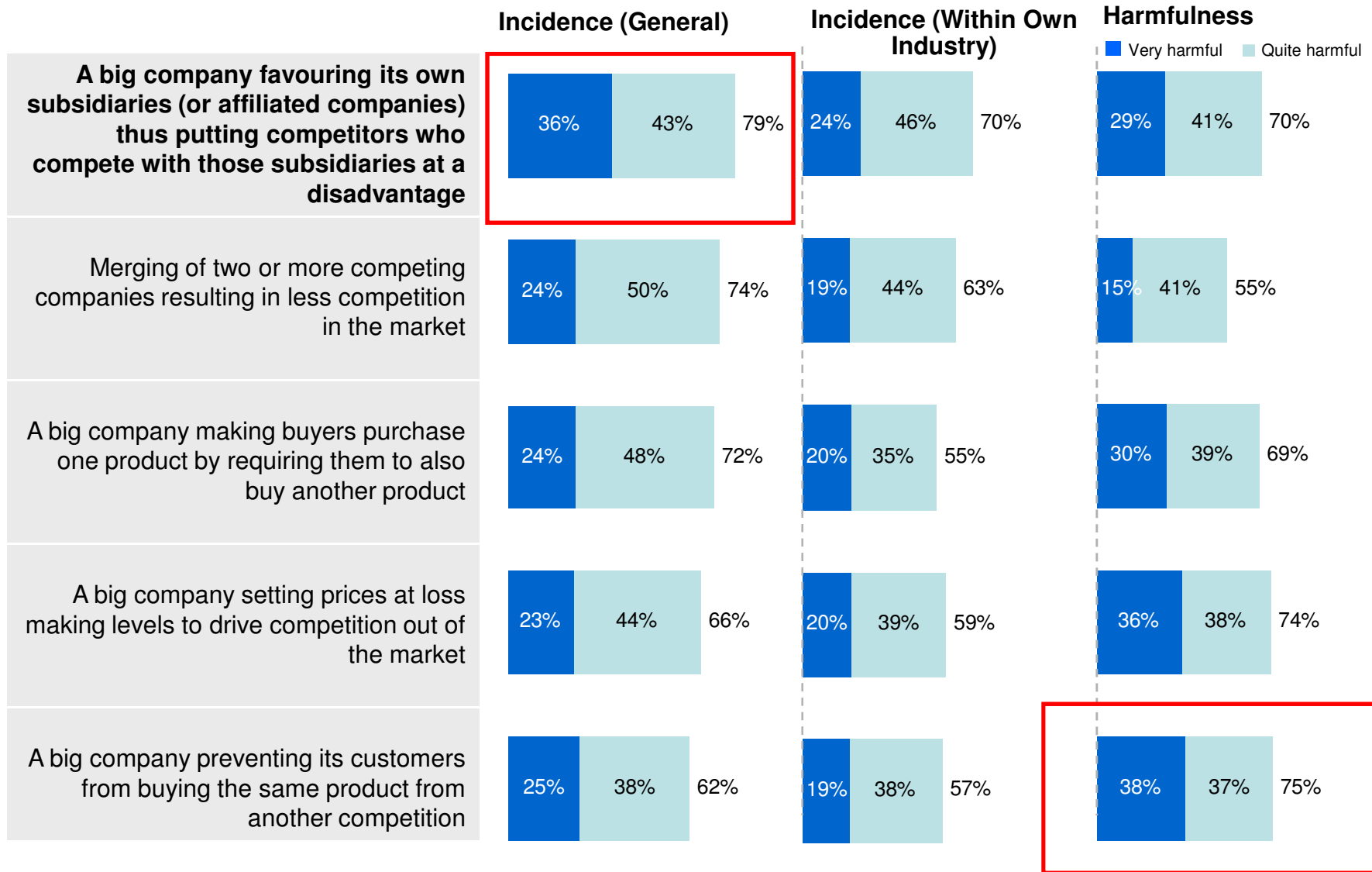
Product “bundling” is also identified as common by 72% of businesses.

While the general incidence of dominance is commonly viewed, businesses are less inclined to see it happening in their own industry. GLCs were the **least likely** business segment to see anti-competitive dominance in their own sectors.

Businesses believe abuse of dominance is a far more common practice in Singapore than collusion and generally see it as more harmful



Incidence of Anti-Competitive Behavior - Dominance



Q6 How common do you think the following types of business practices are in Singapore
 Q8 Thinking more specifically about the industry/sector you work in, how common would you say these types of practices are?

Familiarity with Competition Law

Singapore businesses are generally not familiar with Competition law. Only one in five (20%) of business respondents said they were familiar with the Competition Act while nearly three in ten (28%) say they are not at all familiar with it.

Awareness was lowest amongst SMEs (17%)

Amongst those familiar with the legislation, the vast majority (78%) believe it has had at least some positive impact. Only 17% say it has had no impact at all.

The two major benefits of the Act identified by those who feel it has had a positive affect are:

- Fewer incidents of price fixing; and
- More choice for consumers

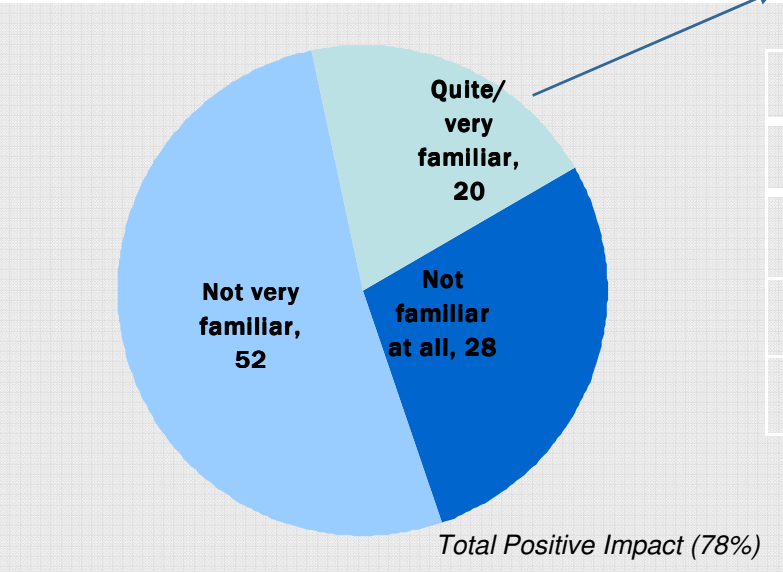
Like consumers, businesses are less likely to connect strong competition law with potential business growth.

Four in five Singaporean companies are unaware of the Competition Act.



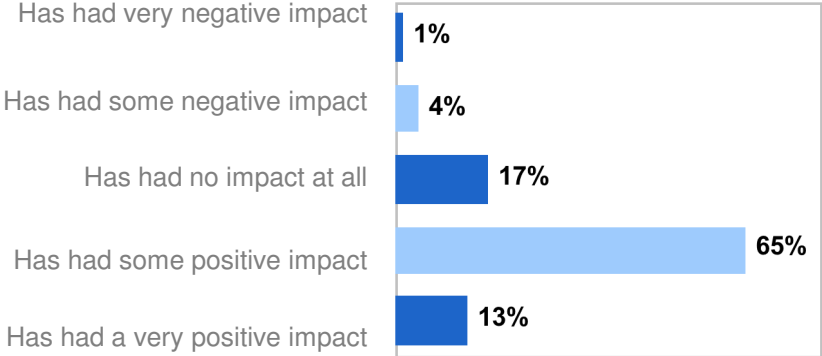
Awareness and Perceived Impact of the Competition Act

Familiarity with Competition Act



Only one in five are familiar

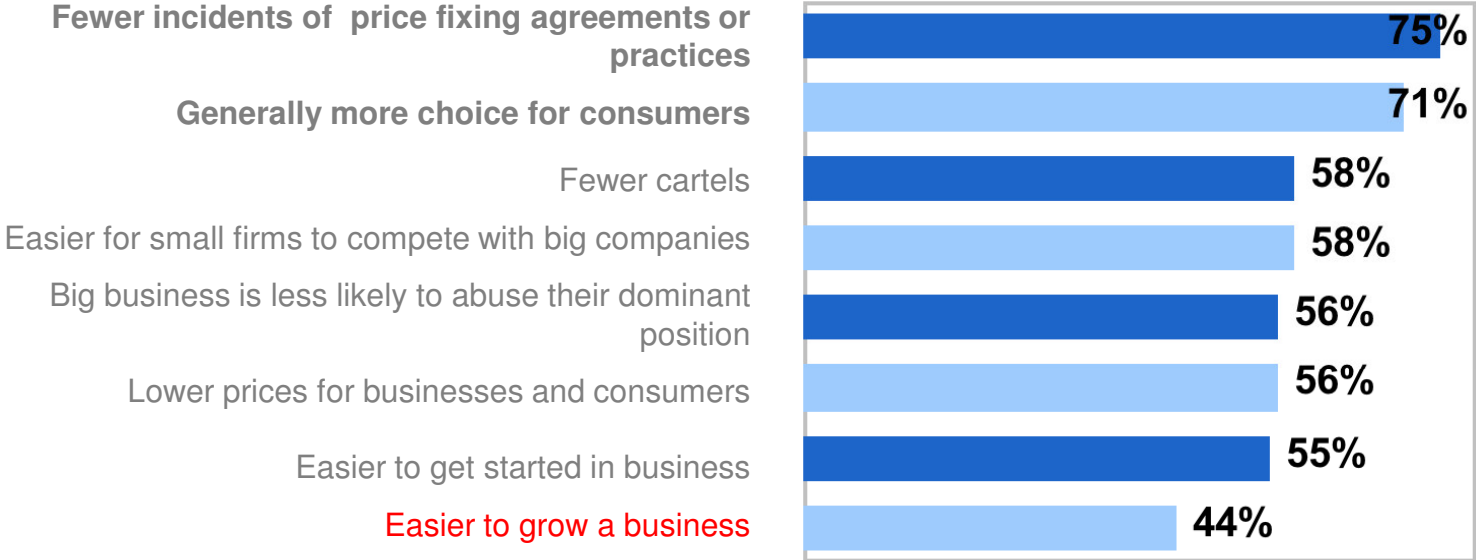
Impact of Competition Act



Base: Businesses familiar with the Act (n=71)

Q11. How familiar are you with the Competition Act of Singapore? Q.12 What impact do you think the Competition Act has had on the level of competition in Singapore?

Benefits of the Competition Act



Base: Businesses who say it has had a positive impact (55)

Q13. In what way do you think Singapore has benefited from the Competition Act?

Awareness of the Competition Commission

Nearly seven in ten business respondents have not heard of the Competition Commission.

Again, businesses (like consumers) are commonly mistaken that CASE oversees business competition. While 7% of business respondents correctly identified CCS as the competition regulator spontaneously, 17% named CASE.

Those who say they are aware of CCS believe its two main tasks are to:

- Investigate anti-competitive behaviour and practices (82%); and
- Handling complaints on competition issues (81%)

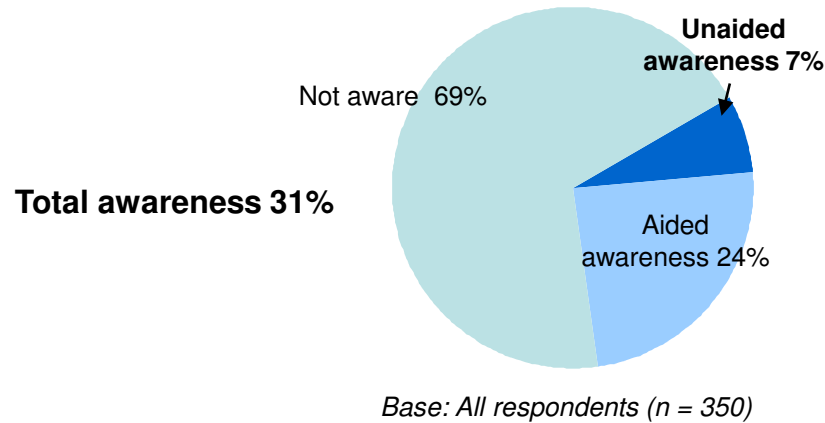
Nearly two thirds (65%) of businesses aware of CCS believe the Commission has the power to fine offenders while 42% think CCS sets prices (higher than it is amongst consumers)

Visibility of CCS amongst business is still very low.



Awareness of CCS is Low

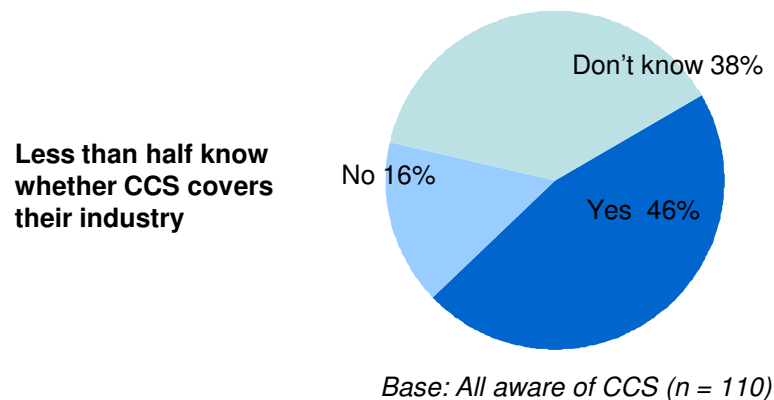
Awareness of CCS



Other organizations thought to be regulating business competition

	% Unaided Awareness	
Consumers Association of Singapore	17	→ Double of CCS

Does CCS cover your industry?



By industry

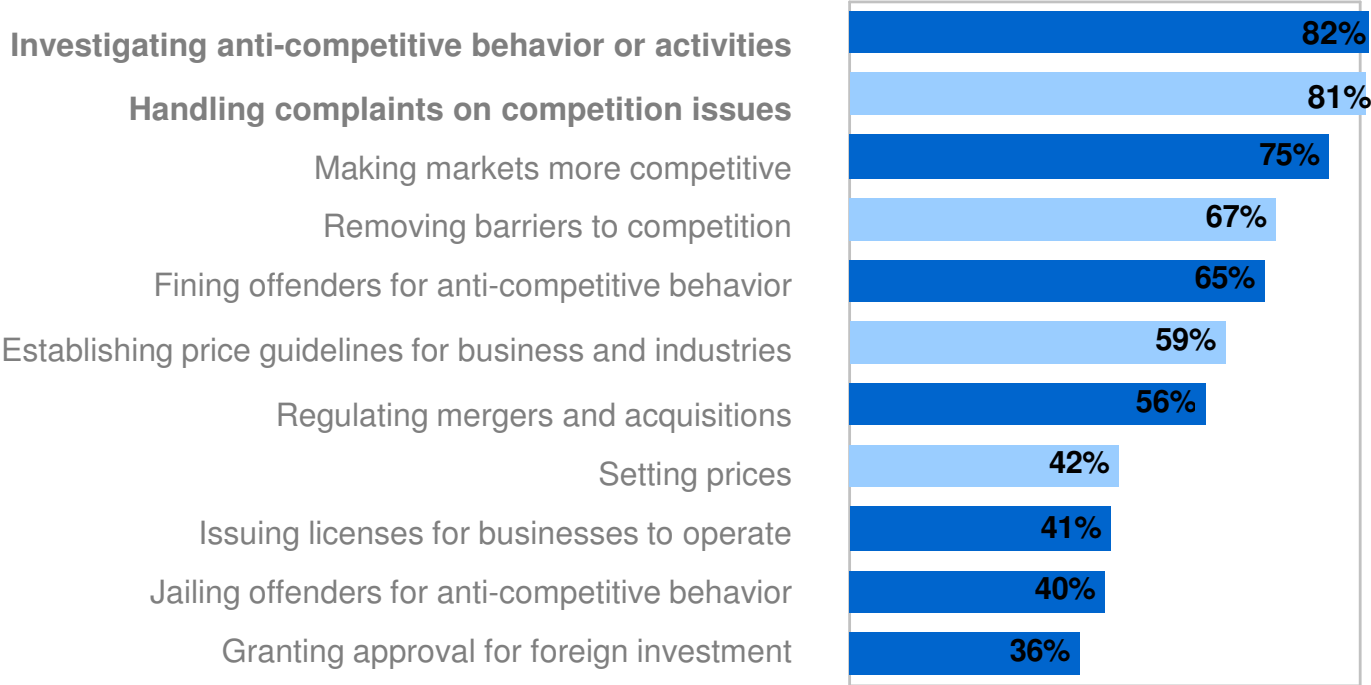
	Base	Yes	No	Don't know
Manufacturing	22	9	2	11
Wholesale and retail trade	27	10	7	10
Transport and storage services	10	5	1	4
Information and communications	8	5		3
Financial services	9	3	1	5
Real Estate and business services	19	10	3	6
Community, social and personal services	13	8	3	2

Q15. Do you know the names of any organizations in Singapore which are responsible for regulating business competition?

Q16 Please list down the names of the organizations you know of? Q17. Have you heard of the Competition Commission of Singapore?

Q20 As far as you are aware, does the CCS cover business activities in your industry?

Perceived Responsibilities of CCS



Base: Those aware of CCS (n = 110)

Q20 As a competition regulator, does the CCS have responsibility for any of the following

Importance and Effectiveness of CCS

Importance

By and large, 93% overall see the importance of the CCS. While businesses believe that Singapore needs a competition regulator – nearly four in ten (39%) think it is very important

Effectiveness

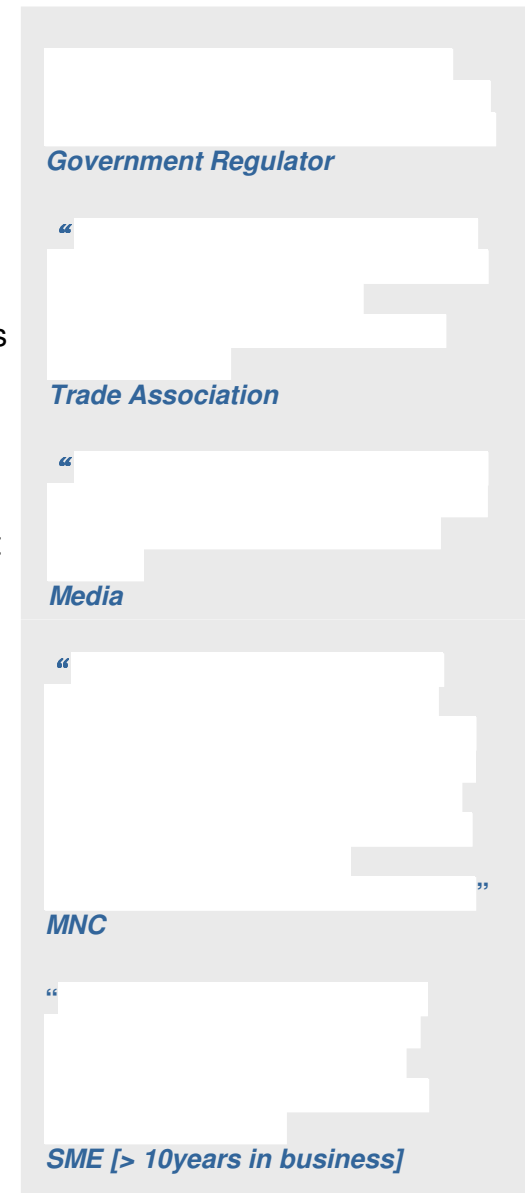
However, CCS is not viewed as having a visible track record. Amongst businesses aware of the CCS, only 8% believe it has been ‘very effective’ in carrying out its responsibilities, while 64% think it has been somewhat effective.

Informing Businesses

While 77% of businesses claim they would be interested in finding out more about what CCS does, interest is lukewarm with only 16% expressing strong interest . Interest levels amongst SMEs are lower.

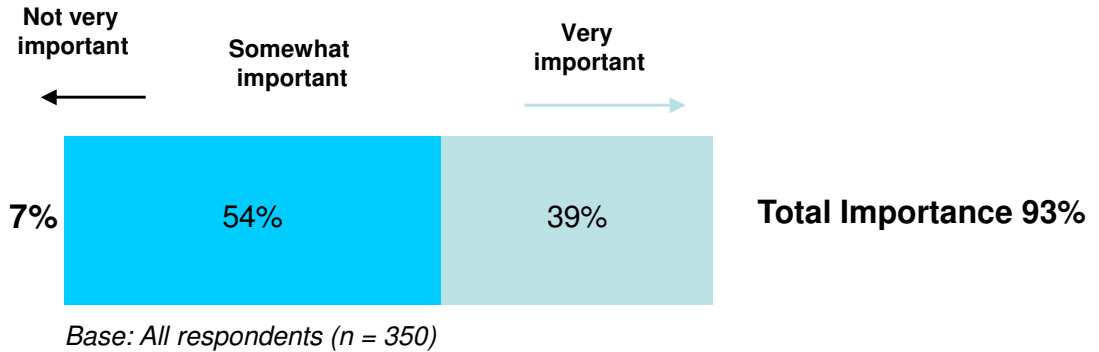
Other key findings include:

- *88% of business respondents would prefer to find out about competition issues in newspapers while only 34% want information about competition from their business/trade association.*
- *64% would like to know more about which types of business practice are anti-competitive.*
- *Businesses are far more interested in information about compliance than in general or advisory information*

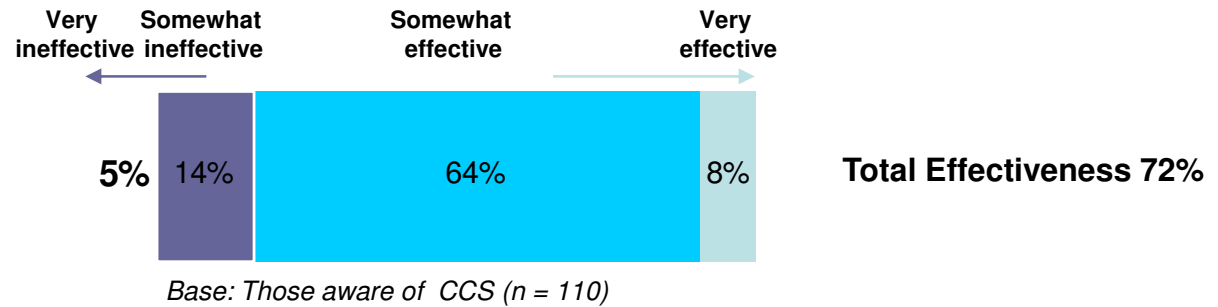


Importance and Effectiveness of CCS

Importance of CCS

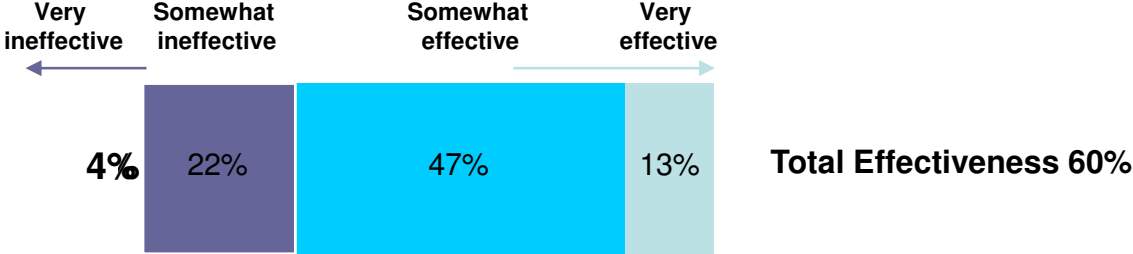


How effective is CCS? [Those Familiar]



Q22 From what you heard, how effective has the Competition Commission of Singapore been in carrying out its responsibilities as a competition regulator?
Q23 How important is it that Singapore has an organization such as this?

CCS Communications Need to be More Effective

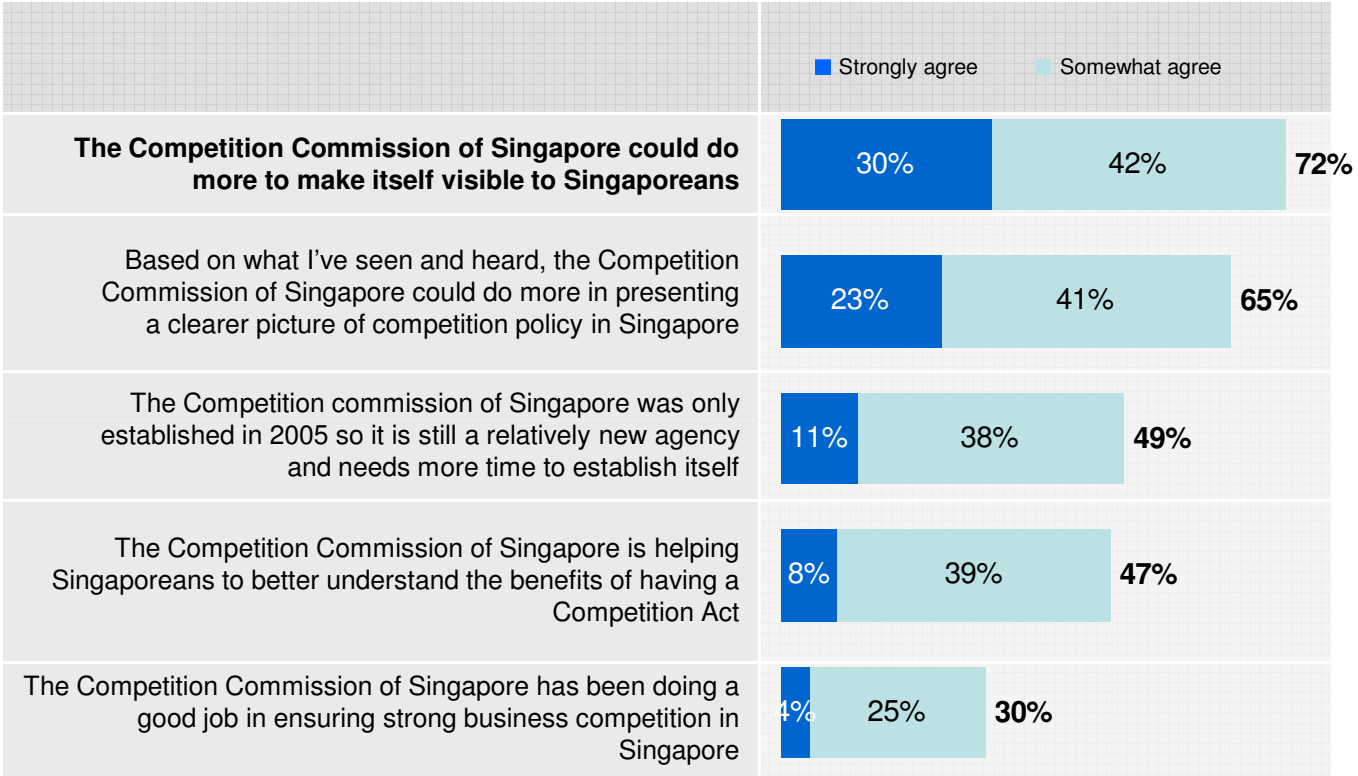


	Very effective	Somewhat effective	Overall
Publicizing major cases and decisions	17%	52%	70%
Punishing those who have breached the Competition Law	18%	50%	69%
Maintaining a good balance between enforcement and education	15%	47%	62%
Being a champion for business competition in Singapore	13%	49%	62%
Publishing information about how the Competition Act works	10%	47%	57%
Reaching out and talking to businesses about competition issues	14%	43%	57%

Base: Those aware of CCS (n = 110)

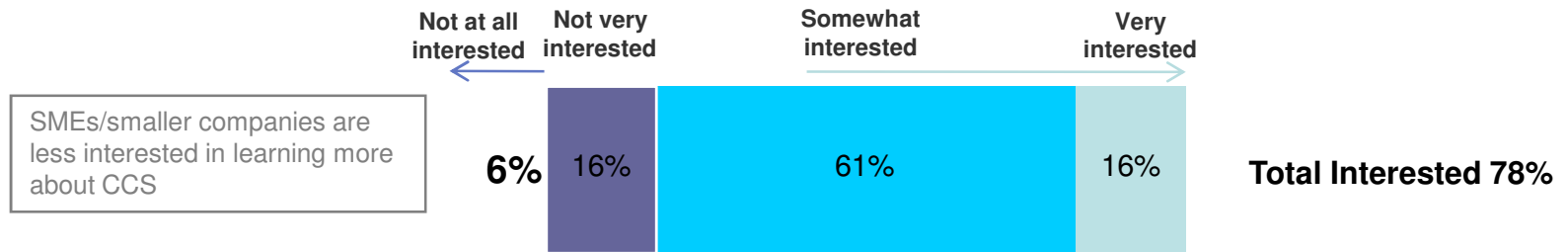
Q26 How effective has the CCS been in communicating its roles and functions to the business community?
 Q27 More specifically, how effective has the CCS been in the following areas?

Business to CCS: 'Improve Your Visibility'



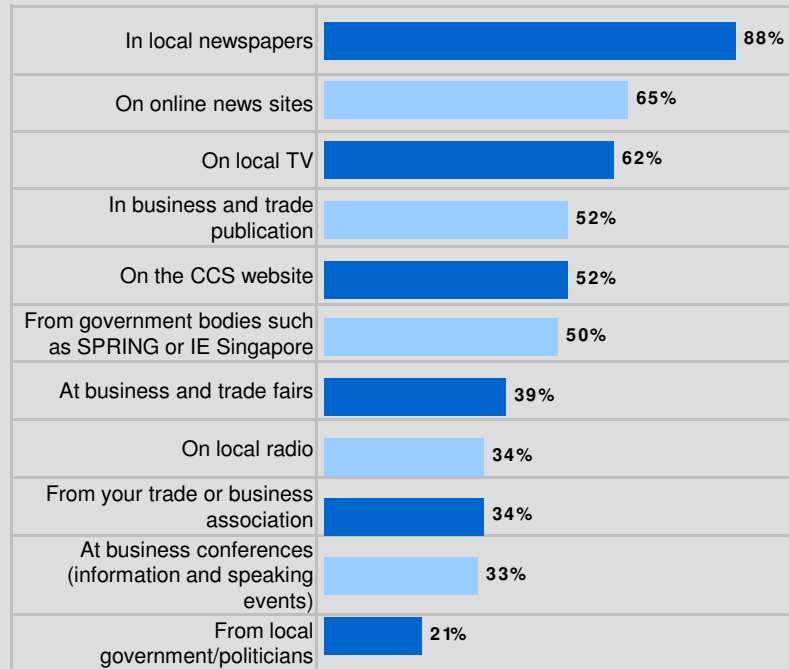
Q33 Thinking about the Competition Commission of Singapore and its role as a competition regulator and watchdog, please indicate whether you agree or disagree with the following statements.

Four in Five Want to Learn More About CCS



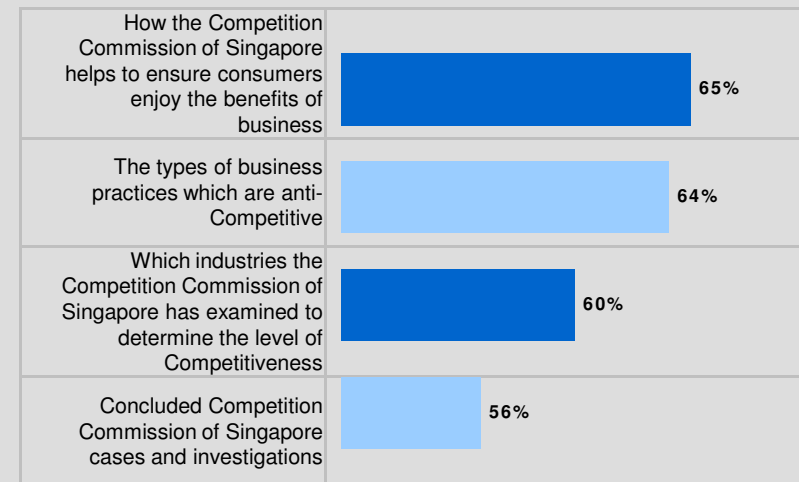
Base: All respondents (n = 350)

Preferred Source of Information



Base: Those interested in finding out more (n = 272)

What Business Would Like to Learn More About?



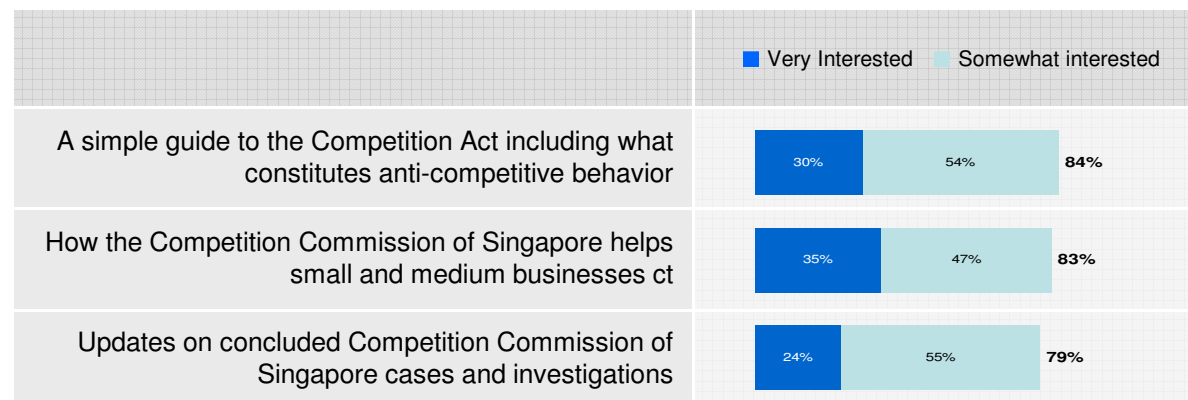
Base: Those interested in finding out more (n = 272)

Q28 How interested are you in hearing or reading more about what the Competition Commission of Singapore is doing? Q23 Where would you like to see or hear more about the Competition Commission of Singapore?

Q29 What topics would you like to hear more about?

Topics of Interest: More on Compliance

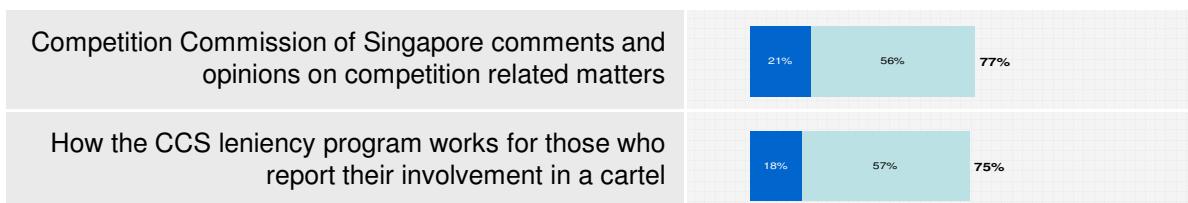
General Information



Compliance



CCS Advisory



Q31 How interested are you in finding out more about the following types of information produced by the Competition Commission of Singapore?
 Q32 What are the best ways for the CCS to get information to your business?

Dealing with CCS

Contact

Only 7% of business respondents could recall any form of dealings by their organization with CCS. Major contact points identified were: mail correspondence, CCS seminar, email and telephone.

Channels of Communication

For businesses, online communications are the most critical. In terms of preferred communication, 60% would prefer CCS to get information to their organisation by:

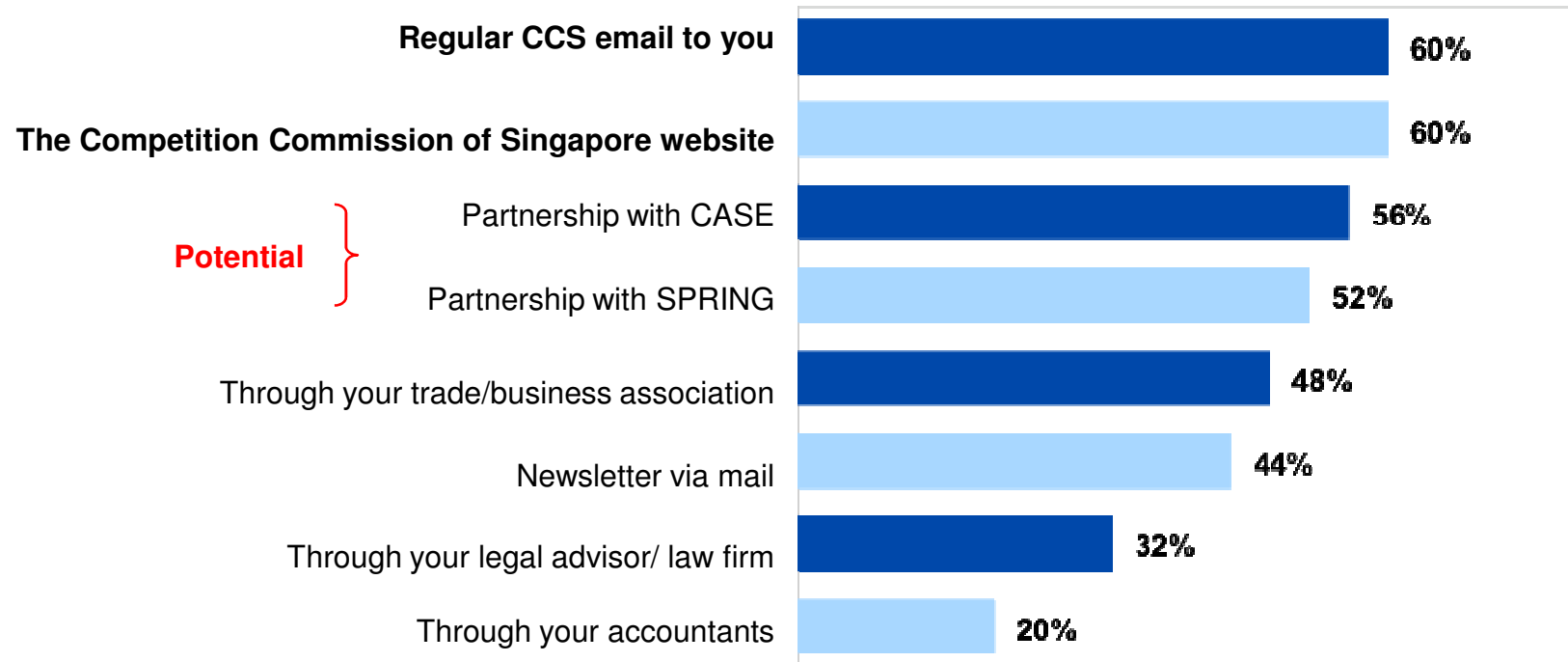
- *Email; or*
- *Via the CCS website*

Communication via trade associations (48%), lawyers (32%) and accountants (20%) are viewed as less effective channels.

There is some potential, however, for CCS to partner with other bodies: 56% would welcome CCS information via CASE while 52% identify SPRING as an effective information channel.



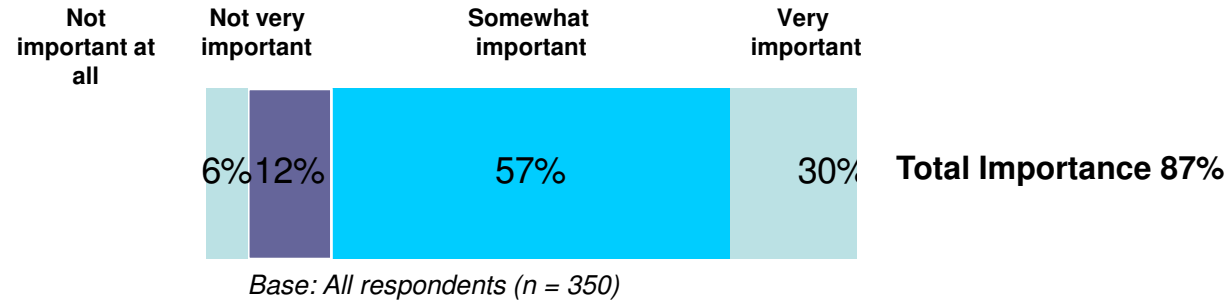
Online Critical For Business Dialogue



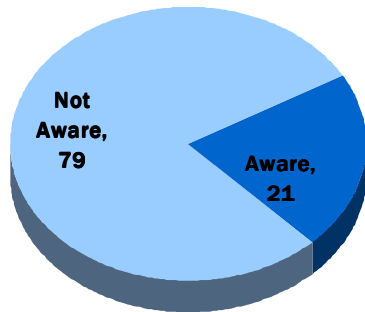
Q32 What are the best ways for the CCS to get information to your business?

Informing: Anonymity + Leniency

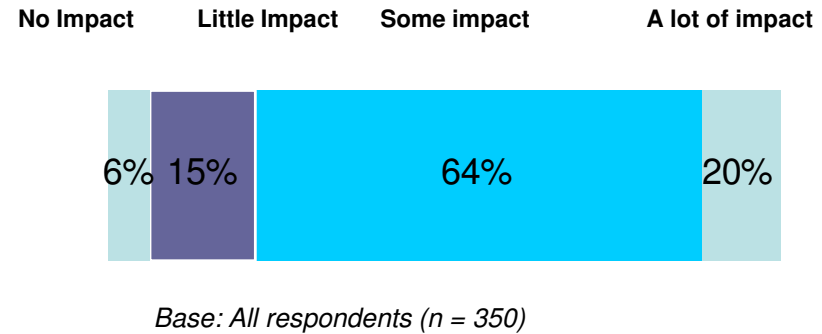
Importance of Anonymity when Making a Complaint to CCS



Awareness of Leniency Program



Leniency will help to encourage reporting



Q35 How important is it that a person or business be able to remain anonymous when making a complaint to CCS?
 Q36 Were you aware that the Competition Commission of Singapore has a leniency program for companies who are involved in cartels?
 Q37 How much of an impact do you think having a leniency program will have in encouraging companies to report cartels?

Other Key Stakeholders

Qualitative Insights

Advisors

Media

Trade Associations

Local Regulators

Overseas Regulators

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Advisors

Blackbox interviewed a selection of legal and economic experts in the field of competition.

Competition in Singapore

Advisors are definitely **more attuned** to CCS and its activities and there is a general feeling that the Commission provides strong evangelical support for competition regulation.

Saying that, there is some acknowledgement that stakeholder management is something that CCS has to nurture carefully and that interests don't always align. This is especially difficult in Singapore where promotion of a liberal business environment needs to be balanced against both active government involvement in the economy and broader international competition standards and regulation.

On the whole, most advisors feel **competition is healthy** in Singapore but competition regulation has had minimal direct impact on attitudes so far. 'Old school' business attitudes still carry weight and can be inconsistent with Competition Law.



Advisors

Competition Regulation

Most advisors see competition regulation as relatively new and therefore **still evolving** in terms of broader business understanding. There is general consensus that CCS plays a more behind the scenes role compared to some of the sectoral regulators (e.g. IDA)

Some also feel that CCS is maybe a little too closeted and is more comfortable expressing itself on technical points (and using competition terminology) rather than offering a more general perspective of competition law. Pragmatism on the part of CCS is not always obvious. With respect to advice and industry issues, CCS is seen as always playing things **strictly by the book**.

Most concern was expressed about the **absence of high profile cases**. A perceived lack of enforcement to date has created an impression amongst some advisors that the CCS is without teeth. This is of particular concern to legal advisors who need to convince some of their large corporate clients to take competition law more seriously.



Advisors

CCS Communications and Engagement

Advisors generally feel that while CCS has been making an effort to communicate with them as an audience, the overall level of **communications is broad in scope** and too often generic. By way of example, CCS seminars are characterized as not varied enough in terms of topic coverage.

Most also feel that CCS has not done a great job in getting itself portrayed in a more positive light in media coverage it has received. Even in the few instances where competition issues have received an airing in the local media, CCS has either come across as technocratic or failed to articulate the end benefits or rationale to the community at large (e.g. price guideline issues).

In terms of engagement, advisors are somewhat different insofar that they feel that one-on-one communications with CCS is both professional and personable. **CCS officers are viewed as both competent and technically knowledgeable.** However, higher level consultation could be formalized a little more. For example, the Advisory Round Table could meet more regularly.



Media

Competition in Singapore

Like other stakeholders, local journalists characterize Singapore as being pro-business and with relatively free and open markets. The caveat is GLCs. There is a prevailing view that the Government prefers to maintain a “hands off” policy with respect to these enterprises.

Those in the business media appear to have an **under-developed appreciation** of competition law and the regulatory regime in place. Most spoke in very general terms and it was apparent that their grasp of fundamental concepts was rudimentary at best and completely absent at worse.

Interest and coverage of CCS and competition issues is almost exclusively reactive and dependent on current cases and newsworthiness to readers (which varies by publication). General interest in competition issues is evident but journalists generally feel that some topic areas are off limits. This thwarts further exploration.



Media

Views of CCS

Seen as being a small organisation and **not especially visible**. CCS is, on the whole, co-operative with media but not pro-active in their media dealings.

Like advisors, journalists feel that CCS would benefit from some success in an action. This would bring their work more to the attention of the general public and help the community to better appreciate what is and is not permissible under competition law.

Journalists interviewed also believe **CCS could use the media** better to help communicate both policies and how companies can avoid anti-competitive practices.

Comparatively, **CASE are viewed as being more pro-active** in recent times in getting their message out.



Media

CCS Communications and Engagements

Journalists agree that CCS needs to do more to make itself visible to local media. The main difficulty is that journalists know and care little for many of the technical issues; they want to report on the facts and the implications.

Regular dialogue is important. Keeping key journalists up to date will both help to background them and serve as education on the issues.

Journalists would also like CCS to help shape their stories better by offering information in layman’s terms. This is especially important to mass media writers who need their content to cut through with heartlanders.

Business journalists also think that the head of CCS could make himself more visible and help promote the activities of the Commission. For them, a figurehead is important.

Some journalists are also open to attending workshops with CCS in order to better understand issues and assist their reporting.



Trade Associations

Competition in Singapore

Trade and business associations generally characterize Singapore as enjoying a healthy level of competition. But **competition matters including regulation and compliance** are not top of mind matters.

Trade associations are currently more focused on how their members are being affected by the **economic downturn** so their work agenda is being driven by more fundamental day to day matters critical to business members.

Competition related topics generally focused around two areas: firstly, clarity of the law and terminology used by CCS and, secondly, the extent to which Competition Law is enforceable against GLCs. As with other stakeholder groups, Trade Associations are sometimes dubious as to the preparedness to act against GLCs and this undermines the Commission's credibility to some extent



Trade Associations

Competition Regulation Understanding of the Law

While there is familiarity, **understanding of competition law varies**. CCS' perceived lack of visibility is partially responsible for this but also some associations feel that competition law tends to be communicated in a more technical manner and this often goes over the heads of their members.

Other Associations also raised questions about how CCS has expressed its opinions on industry price guidelines.

CCS

Again, most the associations perceive CCS to be very **low key** and as not having gone to any lengths to make itself visible. When it does, there are additional problems communicating with businesses which more traditionally transact in Chinese. CCS is very much seen as an 'English language' organisation and therefore does not feel so close to many smaller local businesses.



Trade Associations

Communications and Engagement

At the most basic level, Trade Associations commonly share the view that CCS must make itself more visible to businesses. Written materials and not enough. CCS needs to spend more face time with association members so it can showcase itself and explain what it does more clearly. Furthermore, CCS needs to converse in a way which businesses understand and use **examples or scenarios** wherever possible to explain critical issues such as compliance.

Trade Associations also believe that CCS needs to be more cognizant of **commercial realities**. In particular, it needs to ensure that queries and investigations are carried out in a timely manner.

For specific industry groups, it is also important that CCS is able to demonstrate some depth of understanding of the industry. Some feel this has not always been evident based on past experiences.



Other Local Regulators

Blackbox spoke to other competition regulators in Singapore:
MDA, MAS, IDA and LTA

Views on Competition in Singapore

Needless to say, other regulators were more than aware of the role of CCS and the everyday challenges faced by the organization.

Relationships between CCS and other regulators on competition matters were generally characterized as good. Most feel that there is a good working relationship between agencies, particularly at a personal/informal level.

Although other local competition regulators appear to be **more focused on their own areas of coverage**, they feel that the broader framework for competition regulation in Singapore is both comprehensive and consistent. CCS is viewed as a newer entrant and most feel that while it understands and covers its jurisdiction soundly, it is still evolving as an organisation and finding its way.

There were no real criticisms of CCS interaction with other regulators, although timeliness was raised once or twice as an issue.



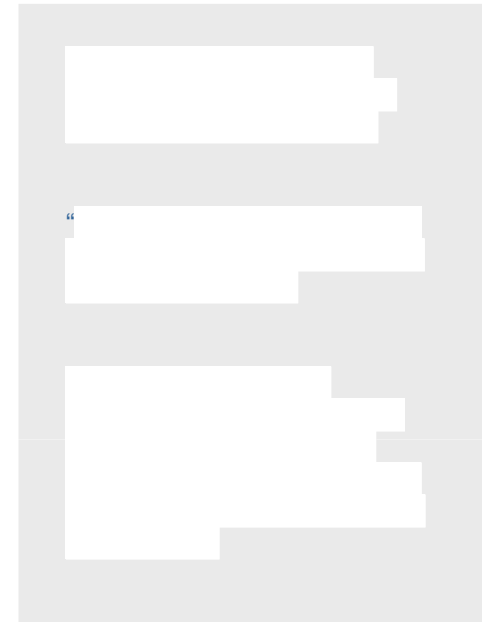
Other Local Regulators

Perceptions of the Regulatory Framework for Competition

Other regulators we spoke to were more likely to characterize CCS as ‘filling the cracks’ more than acting as an umbrella regulator or a competition seer. Some feel that there can sometimes be an overlap but this is generally sorted out both quickly and satisfactorily.

Importantly, we picked up little to suggest CCS possess any unique capabilities or expertise that other competition regulators can rely on. Most feel that their issues are specific to the sectors they cover. **CCS, while co-operative, are not viewed in any special light.**

Interestingly, none of the other regulators we spoke to was able to articulate any sense of the regulatory fabric for competition in Singapore. The impression we got was that **everyone sticks to their own turf** and rarely dwell on the ‘bigger picture’ to any great extent.



Other Local Regulators

CCS Communications and Engagement

Views vary as to how well CCS has fared with respect to communicating its position in the media. Some feel it works quietly ‘behind the scenes’ while others believe CCS needs to take more of an issues based approach when backgrounding the media. Some think the media serve a more useful role if well nurtured. Others are less inclined to look at this.

Similarly, views varied as to how a regulator can make its presence felt. Some feel (like advisors) that securing a ‘big scalp’ generates attention and help bring your efforts into focus. Others feel that ongoing dialogue with stakeholders helps to build a better understanding, rather than appearing over zealous by adopting a more aggressive stance.

In terms of materials and information, CCS resources are viewed as adequate and easily accessible. However, CCS advice was sometimes characterized as overly-cautious and not always quick to get. Turnaround times can be improved in some instances.



Overseas Competition Regulators

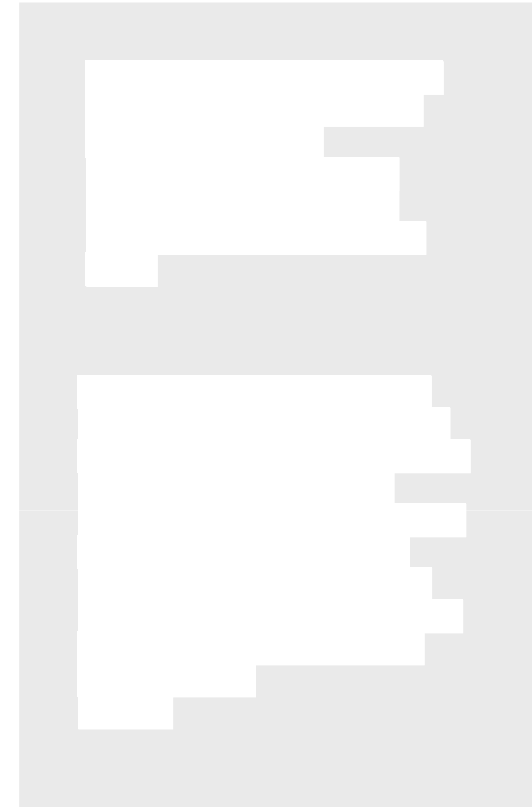
Blackbox interviewed representatives from the OFT (UK) and ACCC (Australia)

Overview

It is apparent that **many of the criticisms we received about CCS from local stakeholders are not dissimilar** to those fed back to competition regulators in the UK and Australia.

Importantly, both the OFT and ACCC have gone to **considerable lengths to engage various stakeholders** in ways which are seen as a 'good fit' for that group. Furthermore, the media strategies they both employ are both intensive and increasingly sophisticated.

A second factor shared by both organizations is the **commitment to effective communications from the top down**. Both use various personnel to engage with different audiences in a variety of ways to ensure that the regulator appears both responsive and flexible towards stakeholder needs.



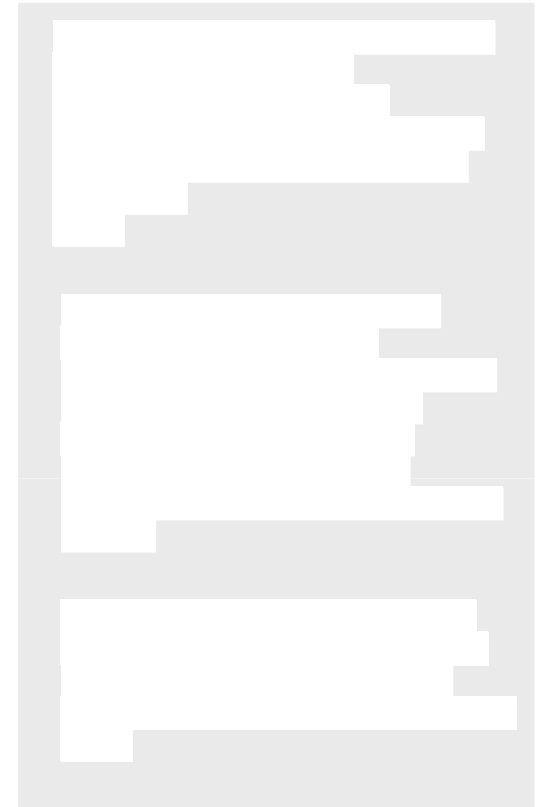
Overseas Competition Regulators

1. Getting Outreach to Work

- Both organizations concede to having had **difficulties** in getting people interested in competition issues
- Both have looked at more active solutions and **tailored** their approaches for different stakeholder audiences

2. Demonstrating a Public Face

- Both see this as critical. Top management needs to be visible and committed to engaging with key stakeholders
- Public and private (informal) meetings both seen as important
- But both bodies feel **wholly independent** and not constrained in their stakeholder and media communications



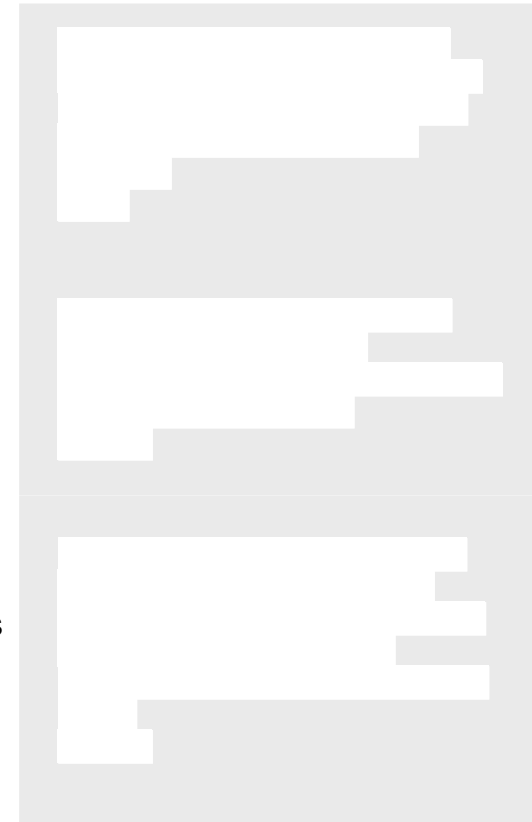
Overseas Competition Regulators

3. Becoming More Approachable

- Much more of an **open door policy** offered to business and trade associations
- But need to balance against available resources. Never seen as 100% optimal

4. Understanding Business

- Both regulators indicated that 'lack of industry understanding' is a **common complaint** made, even if unwarranted
- Market assessment is usually carried out at an **early stage** and both regulators make an effort to better understand each industry it is investigating



Overseas Competition Regulators

5. Demystifying Competition Issues

- Again, both organizations have previously received feedback on the over use of **competition 'jargon'**
- Go to great lengths to both develop **audience specific** materials and use everyday language

6. Segmentation of Communication Efforts

- Both regulators adopt a **segmented** approach to communicating with stakeholder groupings
- Internally, different personnel are responsible for **separate** stakeholder segments, depending on seniority, expertise and coverage
- Both work closely with media to ensure materials are in a suitable and comprehensive form and to make sure deadlines are met



Other Stakeholders: Summary

- General consensus that CCS needs to do more to raise its visibility
- Need to build closer ties with local media and educate them more on competition matters. The recent *Coach* case may be a break through.
- Need a more segmented approach to stakeholder management. Different audiences require different strategies
- Successful enforcement seen as a key plank to communicating importance of competition law
- Work with other regulators to develop best practice protocols for communicating competition issues

Survey Findings

2. Consumers

Consumer Perceptions of Competition in Singapore

Singaporeans, by and large, believe they enjoy wide choices when it comes to goods and services. They also believe that business is fiercely competitive.

But Singaporeans are not TOTALLY convinced that businesses always play by the rules; less than half believe they are adequately protected from unfair business practices.

Only two in five believe:

- *There is a level playing field for businesses; and*
- *That goods and services are reasonably priced*

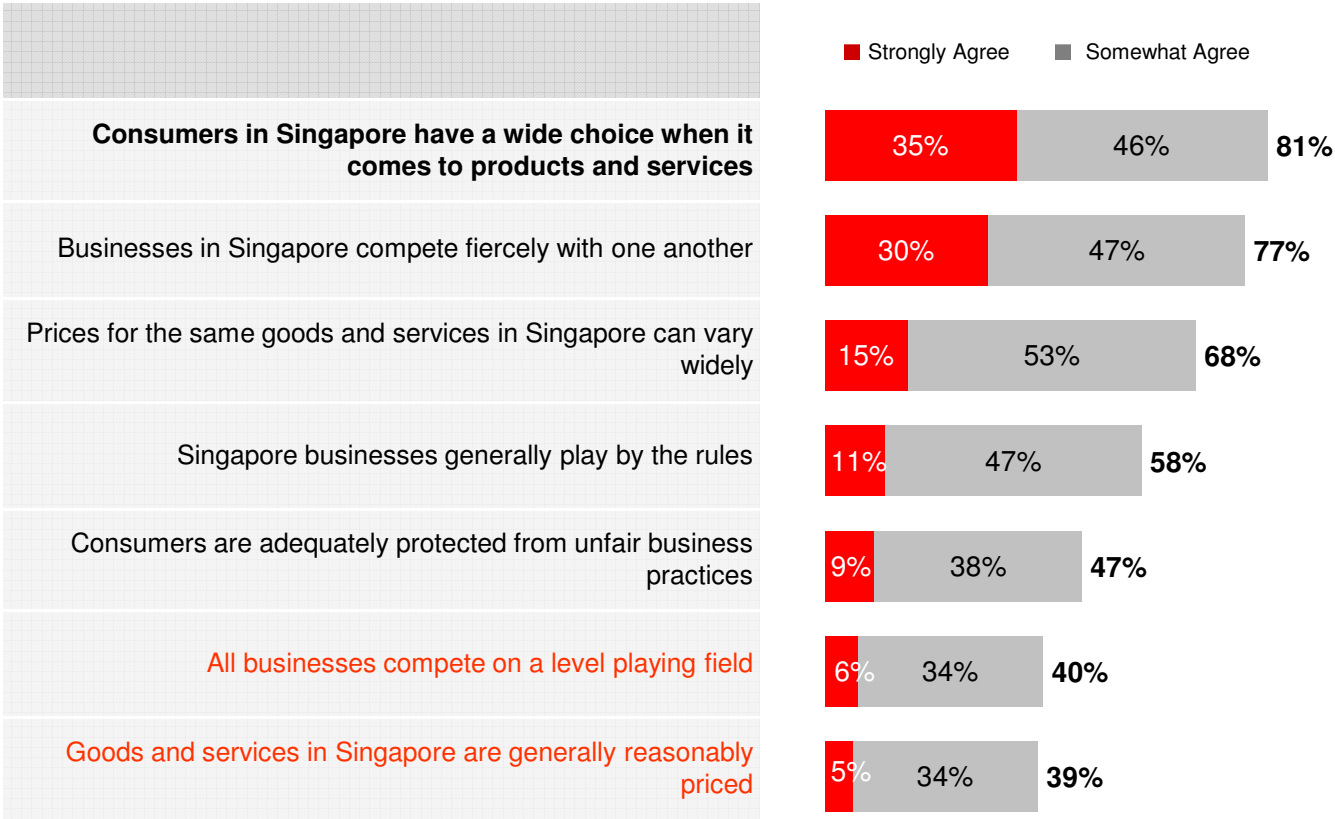
The rising cost of living is more likely to be contributing to the latter point of view more than concerns about competition

Singapore is generally competitive but consumers don't necessarily believe in the level playing field



Consumers: Wide Choices but Prices Worry

Consumers do feel they have a lot of choice and that there is competition among businesses. However, they are less certain they are getting goods and services at a reasonable price



Base: All Respondents (n = 800)

Q1 Here are some statements that people make about the local economy. Please indicate how much you agree or disagree with each statement.

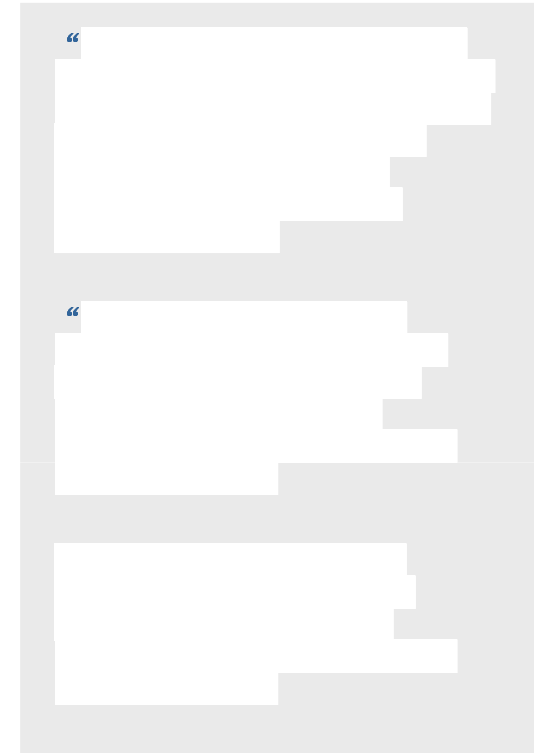
Perceived Benefits of Competition

Consumers generally appreciate the benefits of competition, although the broader gains are more easily processed and understood by the better educated.

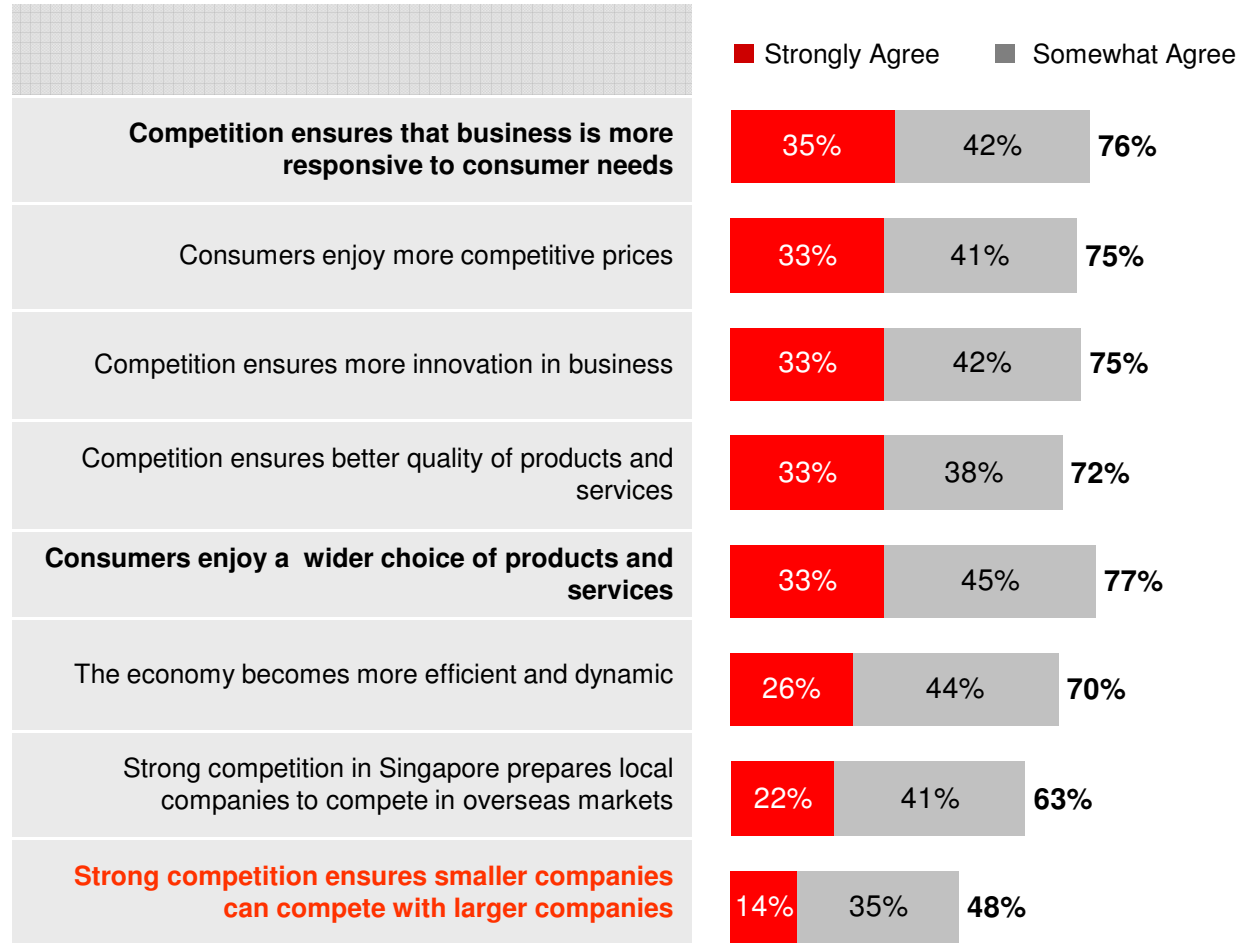
Competition is seen to produce better quality products and services and ensures responsiveness to consumer needs

In contrast, more than a third of consumers are still to be convinced that strong local competition prepares local companies for success overseas and less than half (48%) think that fair competition allows smaller companies to compete more easily with large companies

Sound understanding of basic competition benefits but payoff of competition law for SMEs is less well understood



Consumers Don't See Benefits for SMEs



Base: All Respondents (n = 800)

Q9 Here are some statements that people make about the benefits of business competition. Please indicate how much you agree or disagree with each statement

Importance and Effectiveness of Business Competition Regulation

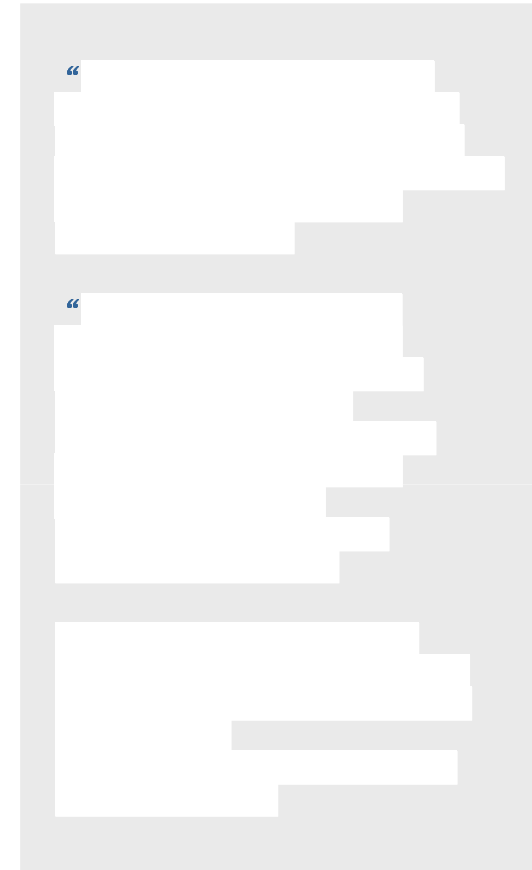
The comparative importance of effective business competition laws is somewhat low when compared to other types of laws and regulation.

The importance of business competition falls below that of environmental and consumer protection laws and well behind community health and safety and anti-corruption laws.

Example: 57% of Singaporeans view business competition regulation as 'very important' vs 69% who rate consumer price regulation as 'very important'.

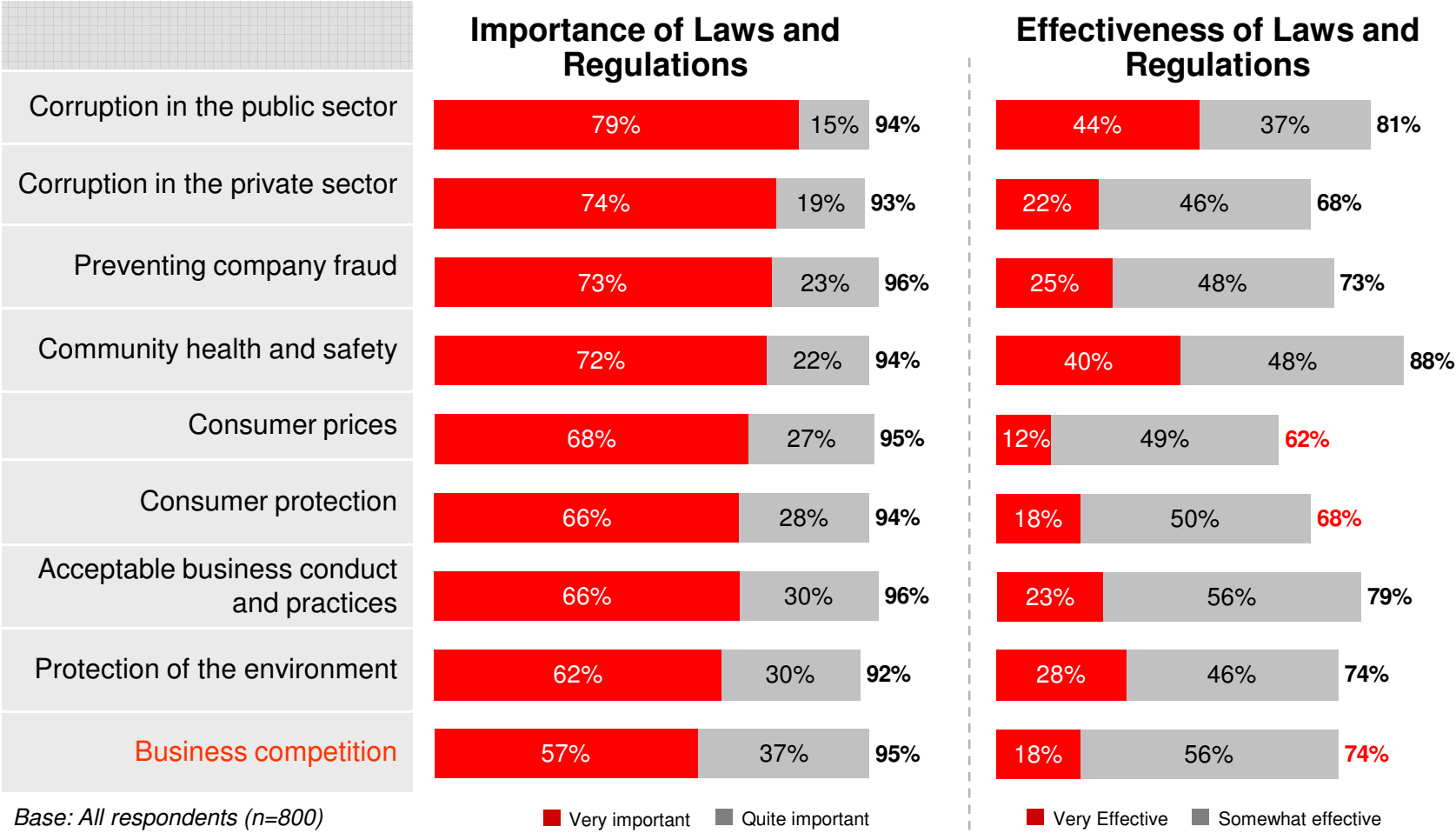
Interestingly, regulation with respect to any consumer related matters, (prices, consumer protection, competition) are generally seen as less effective than other forms of regulation.

On the list of critical regulation, competition law sits well down the order



Competition Laws Important But not Critical

Business competition is seen as less important than other community and consumer concerns.
 Most do feel that the laws and regulations dealing with competition are effective



Q2 How effective are the laws and regulations in Singapore which cover the following.
 Q3 In terms of how well Singapore's economy performs, how important are these issues

How Competitive Are Industry Sectors?

Most consumer product and service sectors in Singapore are perceived to be reasonably competitive.

Electronics, supermarkets and restaurants rank highest in competitiveness while medical and dental services, cruise ships and private bus services rank lowest.

Cross sectoral competitiveness is generally perceived to be greater amongst lower income consumers. Higher income consumers are more circumspect.

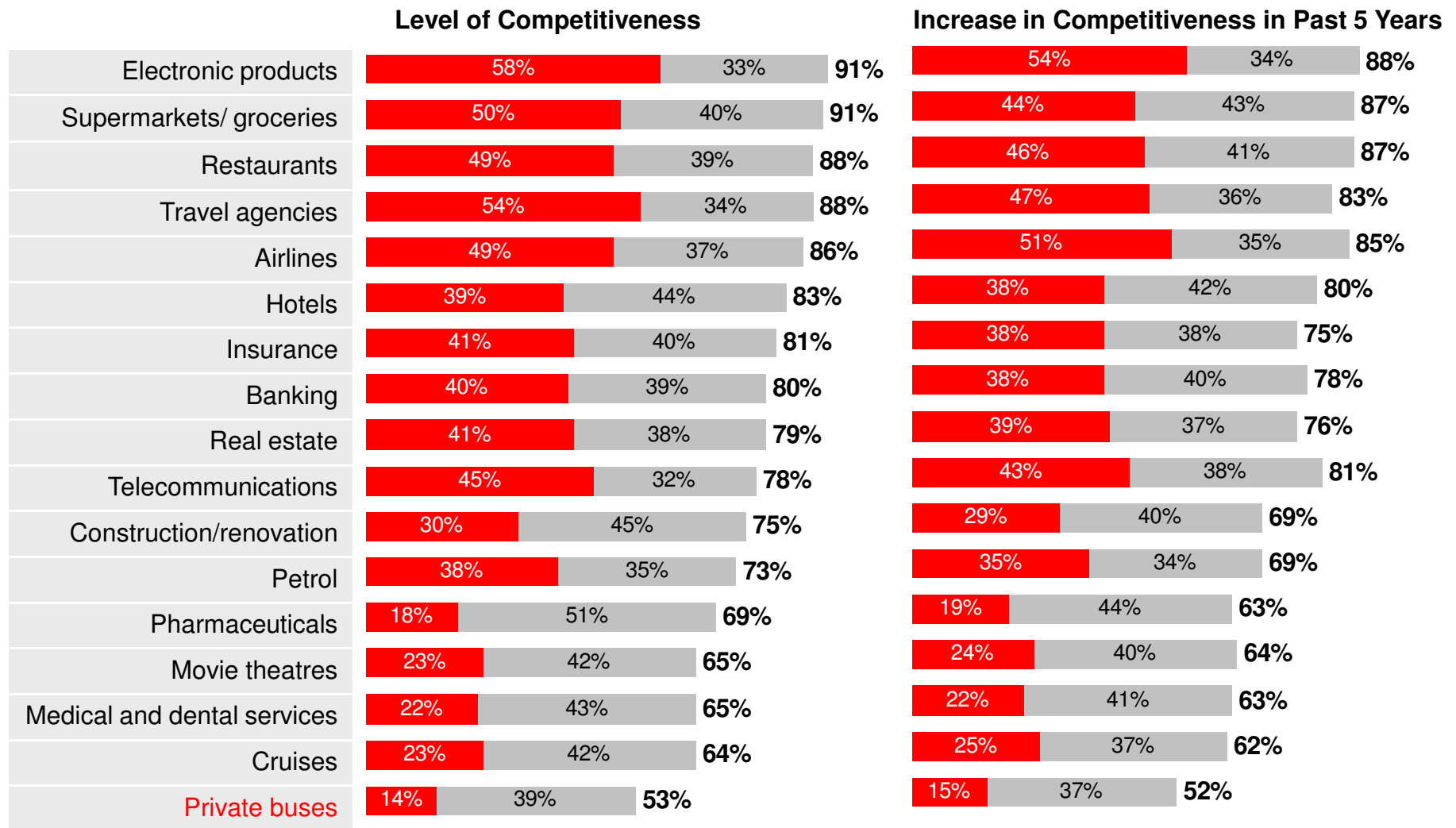
Sectors which have shown the biggest increases in competitiveness in the last five years are (in order): electronics, airlines, travel agencies, restaurants and supermarkets.

Private buses again ranks lowest in terms of perceived increases in competitiveness.

Singaporeans think most industries are competitive



Consumers Think Most Sectors Are Competitive



Base: All respondents (n=800)

Very Competitive Quite Competitive

Much more competitive A bit more competitive

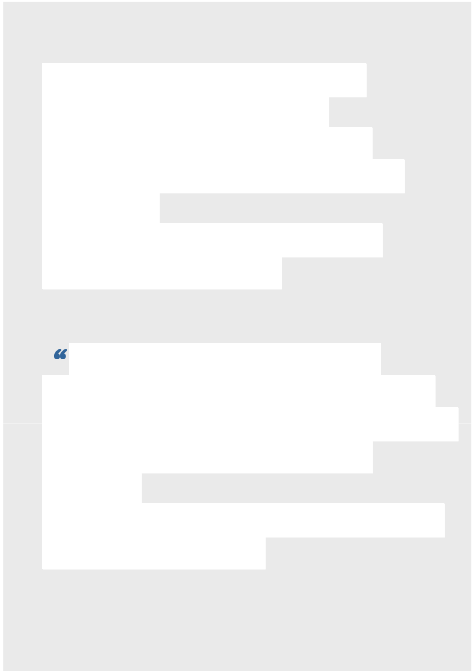
Views on Collusion

Perceptions surrounding the incidence of collusion by businesses varies. On the whole, collusion is seen to be both less common and less harmful than abuse of dominance.

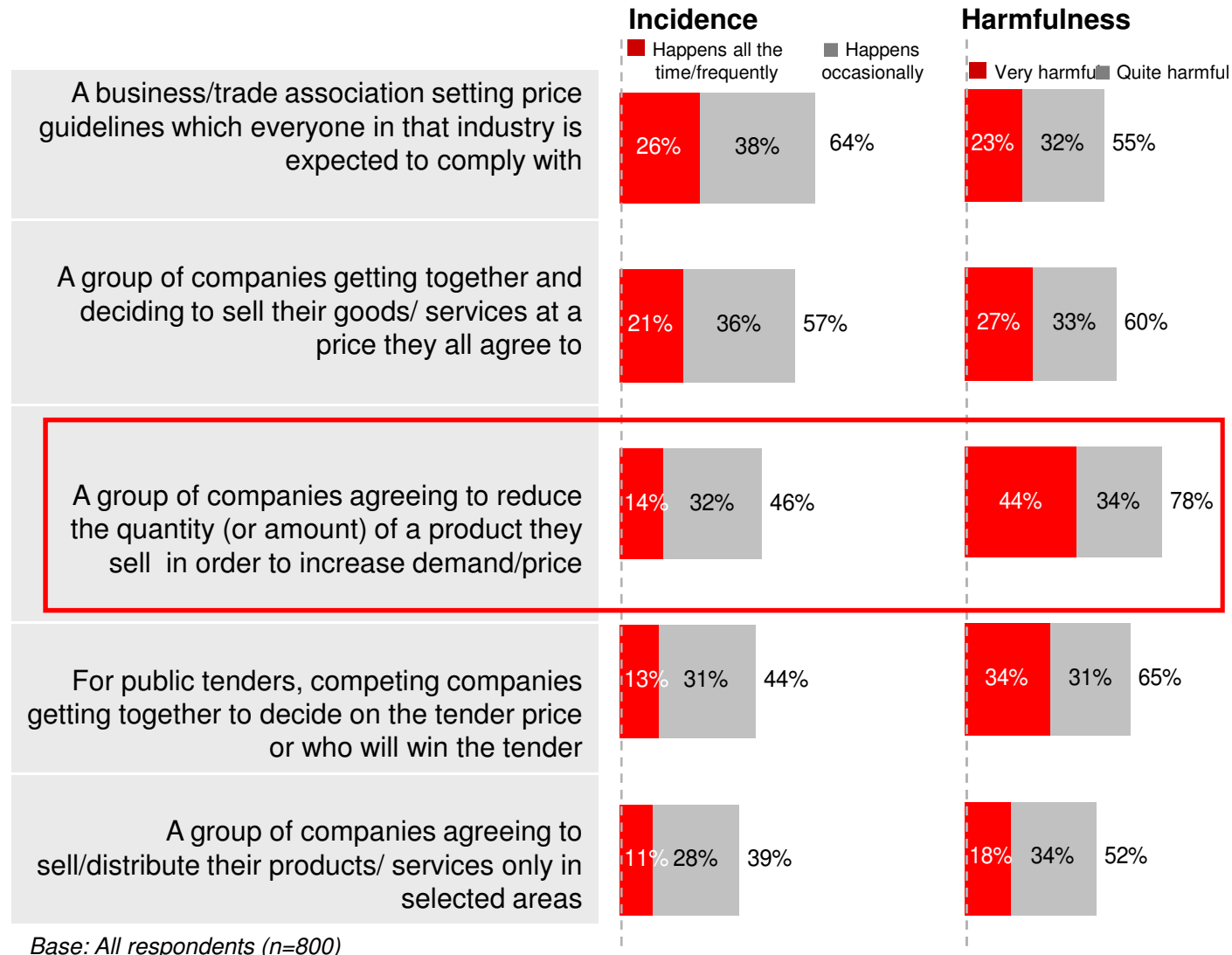
Nearly two in three (64%) Singaporeans believe that agreements to set price guidelines occurs at least occasionally while agreements to restrict the availability of products/services geographically is seen as less common (39%).

The potential harm caused by industry price guidelines is viewed far less negatively (55% think it is harmful) as compared to companies agreeing to limit supply in order to drive up prices (78% view this conduct as harmful).

Collusion viewed to be less harmful than dominance



Incidence of Anti-Competitive Behavior: Collusion



High income (HHI > 8k) and older (35-54) consumers are more likely to feel that these anti-competitive behavior are harmful for the Singaporean economy

Q6 How common do you think the following types of business practices are in Singapore
 Q7 Thinking about these same issues, how harmful are these practices for the Singapore economy as a whole?

Views on Dominance

Singaporeans generally see abuse of dominant market position in different industries as being more commonplace than collusion.

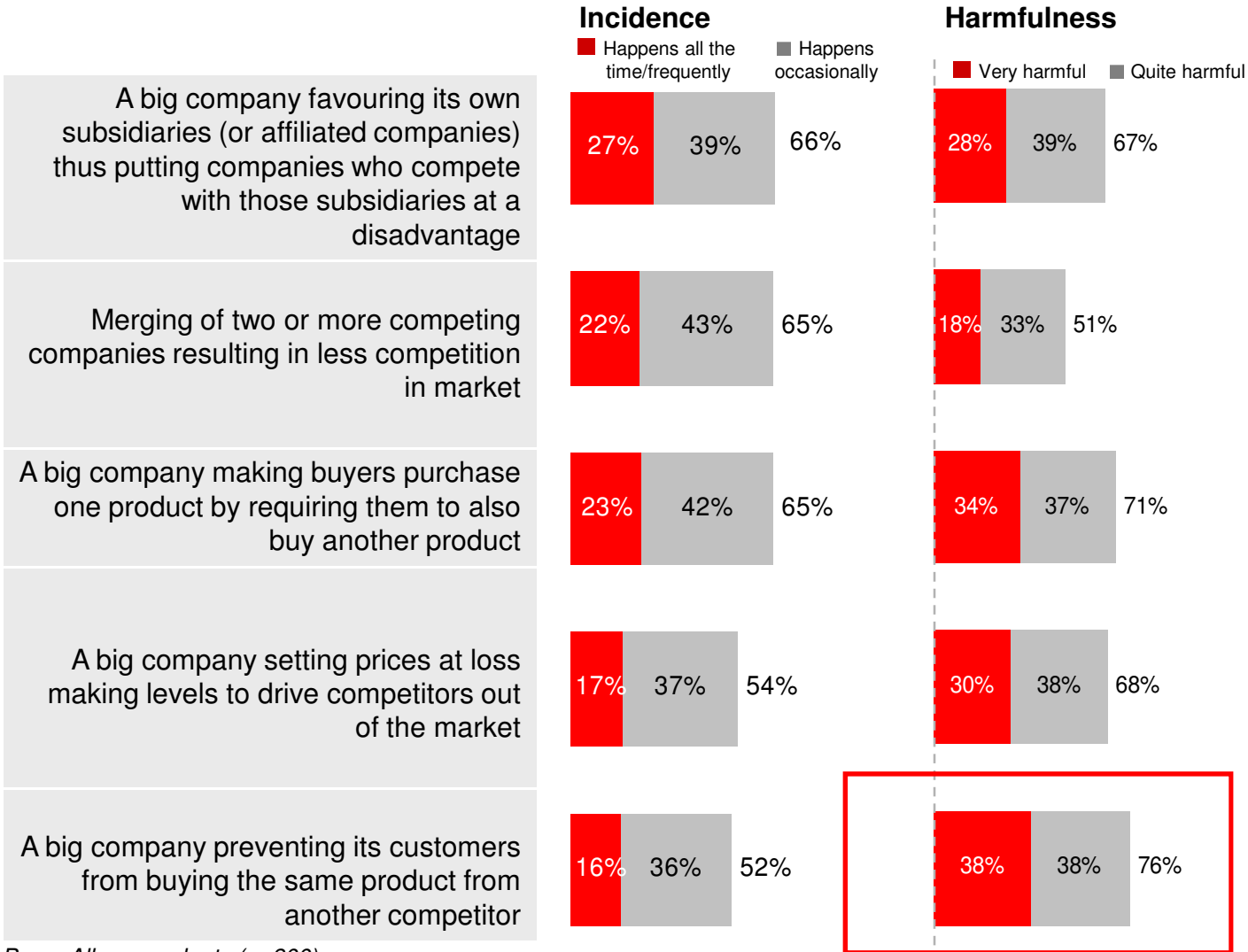
A company giving favourable treatment to subsidiaries is seen as most common (66% say it happens at least occasionally) while the incidence of a company preventing its customer from buying a product from a competitor is less common (52%). However, the latter is seen as potentially being the most harmful when it happens.

Consumers are generally split as to the potential harm of anti-competitive mergers with only half viewing such mergers as detrimental for the economy.

Dominance seen as more widespread but Singaporeans less concerned about major company mergers.



Dominant Behaviour Seen to Be More Common



Base: All respondents (n=800)

Q6 How common do you think the following types of business practices are in Singapore
 Q7 Thinking about these same issues, how harmful are these practices for the Singapore economy as a whole?

Familiarity with Competition Law

Less than one in five (16%) of Singaporeans is familiar with the Competition Act. Amongst these, 80% believe it had a positive impact while 20% feel it has had no impact at all.

Focus group findings also highlighted the frequent confusion between competition and consumer protection regulation amongst consumers which, in turn, is reflected in who they think is responsible for overseeing competition law, with CASE often cited.

Amongst those who feel the Act has had some positive impact, the two major benefits are seen as being reduced price fixing and increased consumer choice.

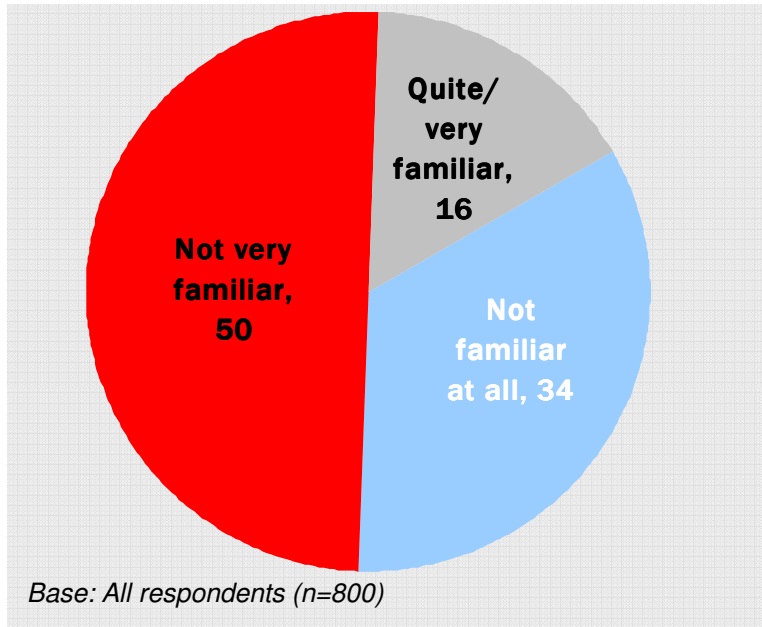
Amongst this same segment, however, less than half believe the Act has helped businesses get started or to grow.

**Low awareness
of the Competition
Act**



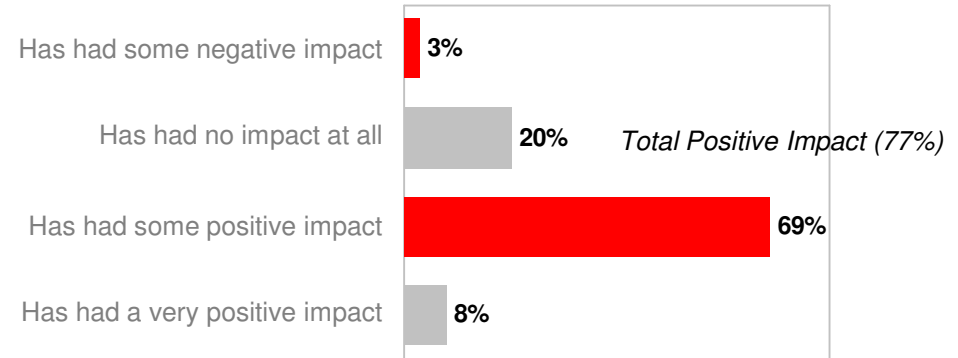
Awareness and Impact of the Competition Act

Familiarity with Competition Act



Very low familiarity

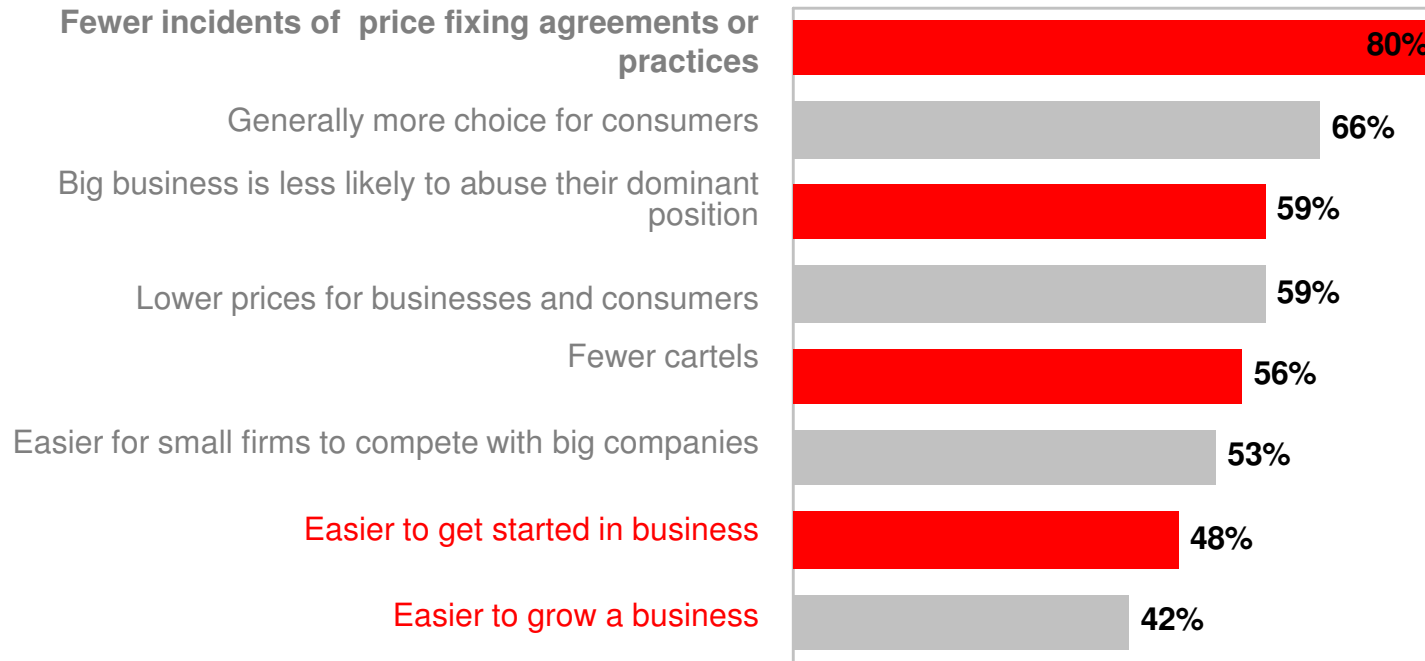
Impact of Competition Act



Base: Those familiar with the Competition Act (n=130)

Q10. How familiar are you with the Competition Act of Singapore?
Q.11 What impact do you think the Competition Act has had on the level of competition in Singapore?

Benefits of the Competition Act



Base: Those who say it has had a positive impact (n = 100)

Q12. In what way do you think Singapore has benefited from the Competition Act?

Awareness of CCS

Unaided awareness of CCS is only 3%. This is five times less (15%) than attribution to CASE as the body responsible for regulating business competition.

Aided awareness of CCS (prompted name recognition) is 22%.

The main responsibilities of CCS are viewed as being: handling competition complaints (81%) and investigating anti-competitive behaviour and activity.

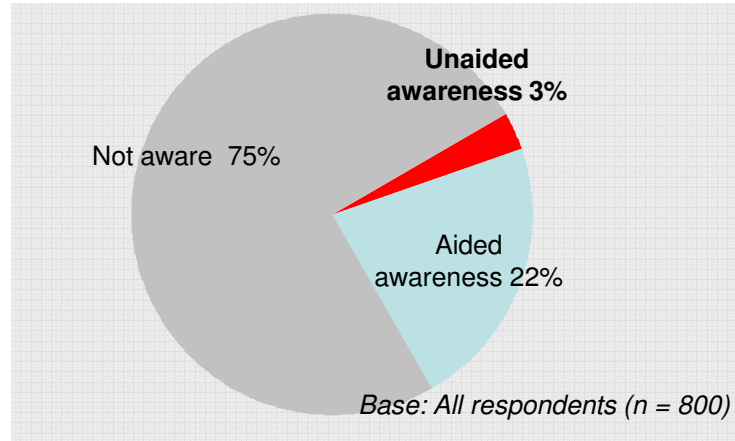
Other notable findings:

- 72% believe the CCS possesses powers to fine offenders while 45% believe it has powers to jail offenders.
- 30% of Singaporeans think the CCS has powers to set prices.



Awareness of CCS

Awareness of CCS



Total awareness 25%

Other organizations thought to be regulating business competition

	% Unaided Awareness
Consumers Association of Singapore	15
ACRA/Accounting and Corporate Regulatory Authority	2

→ 5 times higher than CCS

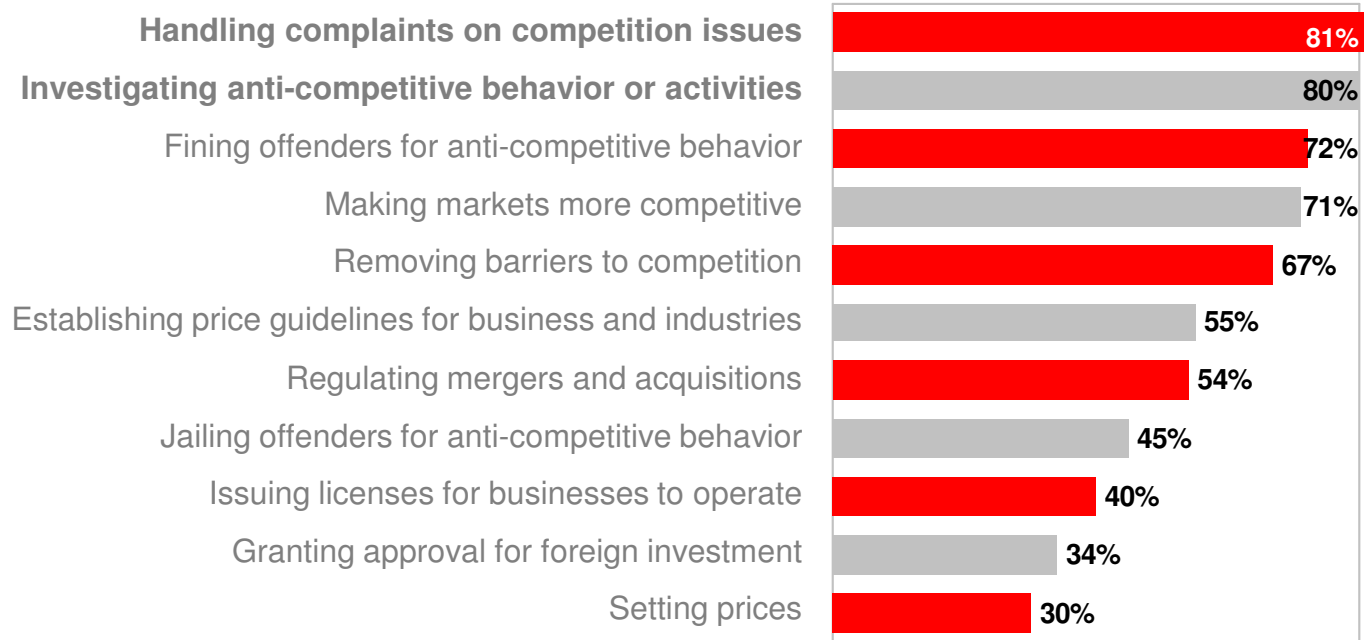
Base: All respondents (n = 800)

Q14. Do you know the name(s) of any organizations in Singapore which are responsible for regulating business competition?

Q15 Please list down the names of the organizations you know of

Q16. Have you heard of the Competition Commission of Singapore?

Perceived Responsibilities of CCS



Base: Those aware of CCS (n = 201)

Q19 As a competition regulator, does the CCS have responsibility for any of the following

Importance and Effectiveness of CCS

Despite suffering from low awareness, nearly all Singaporeans believe that a competition watchdog is important for regulating competition, with half believing it is very important.

Amongst those who are aware of CCS, 70% believe it has been effective, although only 14% would characterize its performance as being very effective.

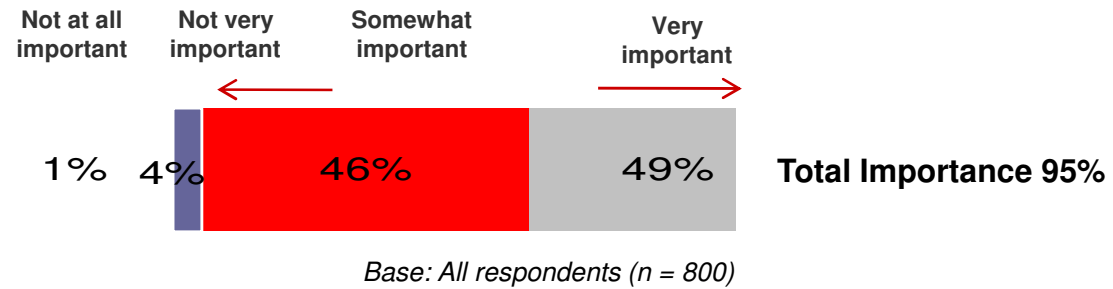
Nearly 4 in 5 (78%) would be interested in finding out more about CCS with local newspapers and TV being the most helpful media. Only 1 in 5 are interested in finding out more about CCS from politicians.

Consumers are most interested in finding out about how CCS helps consumers to enjoy the fruits of a competitive business environment.

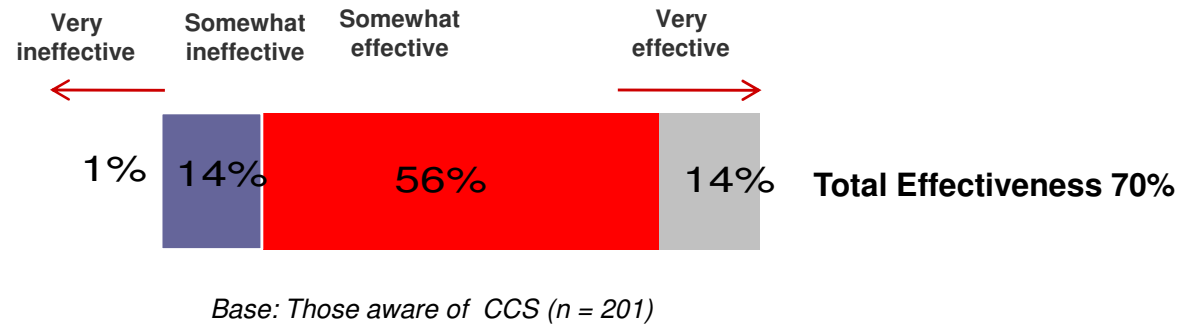


Importance and Effectiveness of CCS

Importance of CCS



Effectiveness of CCS [Those Familiar]



Q21 How important is it that Singapore has an organization such as this?

Q20 From what you heard, how effective has the Competition Commission of Singapore been in carrying out its responsibilities as a competition regulator?

Community Engagement

Undoubtedly the Competition Commission could be doing far more to engage consumers about competition issues:

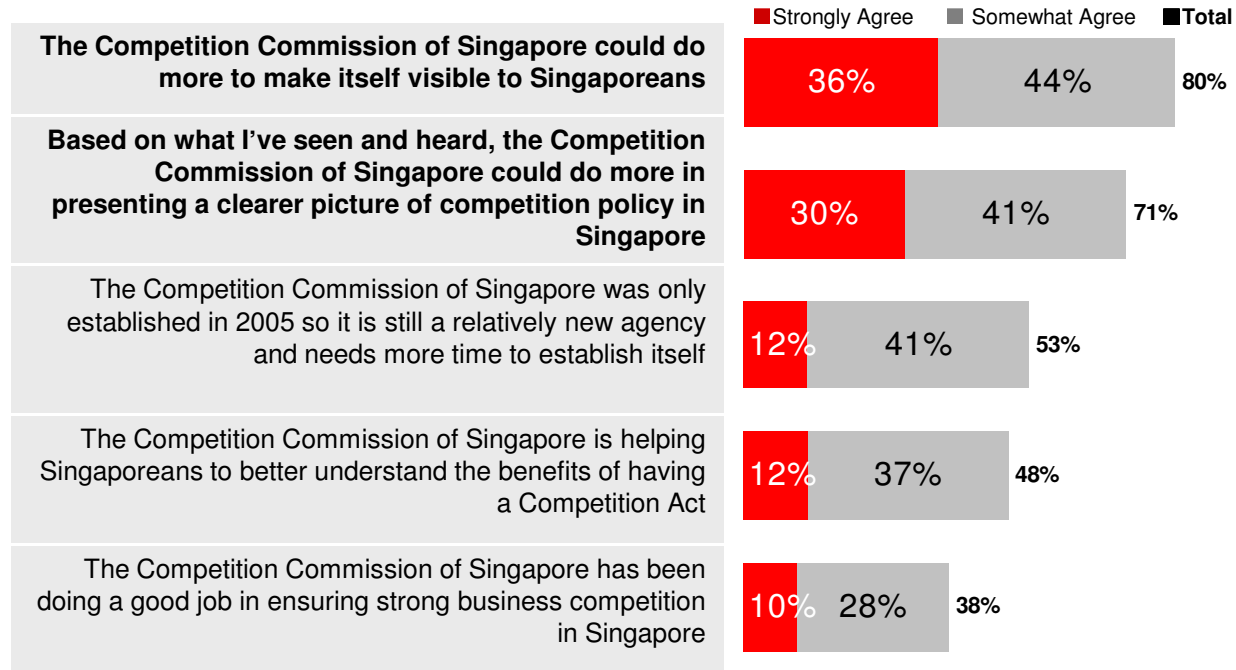
- Only 38% feel that CCS has been doing a good job in ensuring strong business competition; while
- 80% believe CCS could do more to make itself more visible to Singaporeans

Singaporeans are divided in their opinion as to whether CCS needs more time to establish itself, with 53% agreeing that as the agency is relatively new, it needs more time.

Less than half (48%), however, feel that CCS is helping Singaporeans to better understand the benefits of the Competition Act.

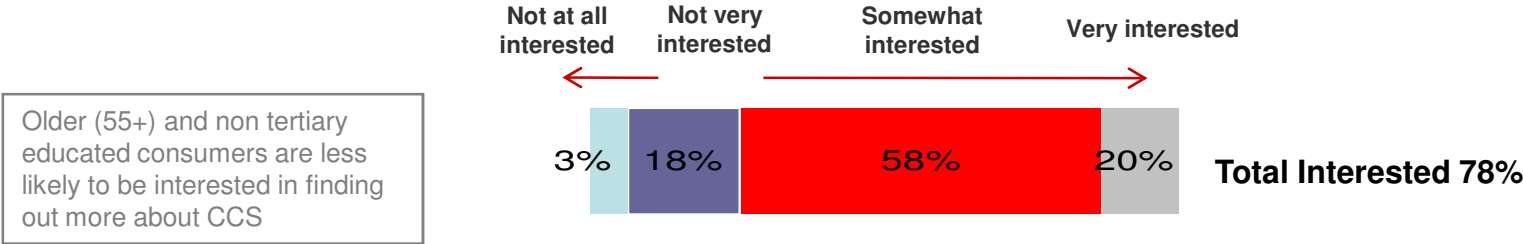


More Visibility and Clarity of Role Required

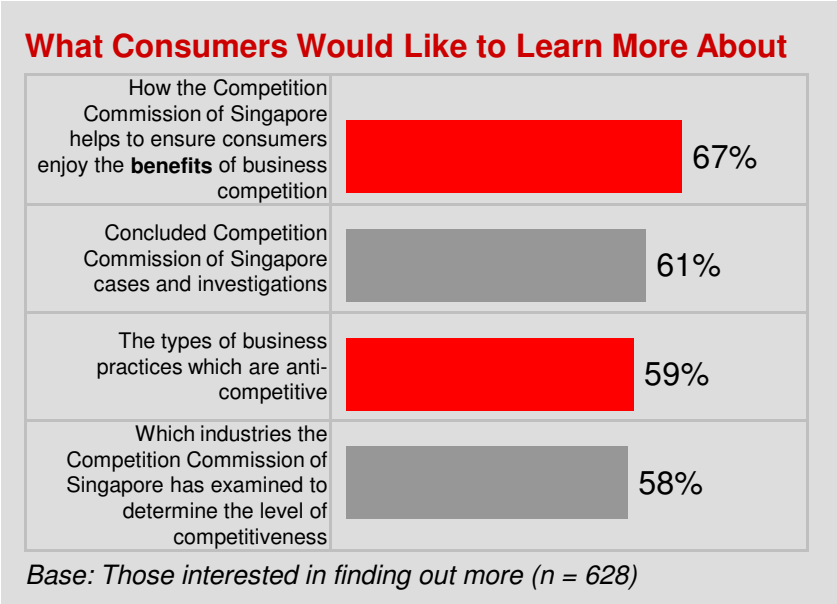
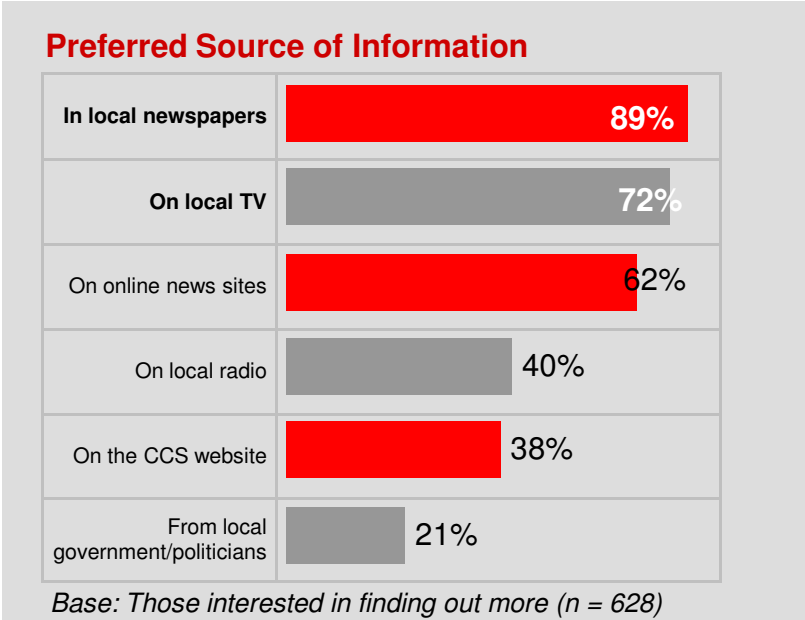


Q26 Thinking about the Competition Commission of Singapore and its role as a competition regulator and watchdog, please indicate whether you agree or disagree with the following statements

Mainstream Media Critical for Consumers



Base: All respondents (n = 800)



Q22 How interested are you in hearing or reading more about what the Competition Commission of Singapore is doing?
 Q23 Where would you like to see or hear more about the Competition Commission of Singapore?
 Q24 What topics would you like to hear more about?

Conclusions

**BLACK
BOX**

consumer | business
insight | foresight

Conclusions

CCS Needs to Increase Its Visibility

- Low awareness of competition law
- CCS outreach viewed as very low key
- Clarify role of CCS vs. CASE
- Promote benefits of effective regulation
- Inform by example

Conclusions

CCS: Educator and Enforcer

- Stakeholders seek both information and clear demonstrations of intent
- Strong enforcement raises awareness and drives interest
- CCS needs to draw attention to consequences of unlawful behaviour

Conclusions

CCS Needs to Move Faster in Building its Profile

- Agency now had time to establish itself – needs to establish milestones and targets
- Metrics need improvement if CCS is to be seen to be making a difference
- Concentrate on anti-competitive behaviour among high impact & high probability businesses
- Business paying little attention to competition matters and doubt sincerity
- Consumers keen to know more and need reassurance that price rises are not driven by anti-competitive behaviour

Conclusions

Need to Improve Messaging

- Consequences of collusion/cartels not widely appreciated – not co-operation, it is conspiracy
- Dramatise the harm caused by anti-competitive behaviour; whole community pays
- Reduce general messaging to business and concentrate on compliance – CCS is on the case
- Competition drives innovation – strong stakeholder argument

Conclusions

Communications Need to be More Multi-faceted

- Segmented communications strategy required
- All CCS personnel have a communications role
- Develop partnerships to progress messages e.g. Spring
- CCS needs a public face to promote competition cause and focus attention on issues

Conclusions

Improve media and channel management

- Media outlets need to be treated differently according to their audience needs
- More attentive handling of key journalists and build ongoing dialogue
- Mainstream print and TV media most effective for consumers – contextualise stories
- Enhance online communications with business – cost efficient and can do more direct targeting