



Appendix A Research Methodology

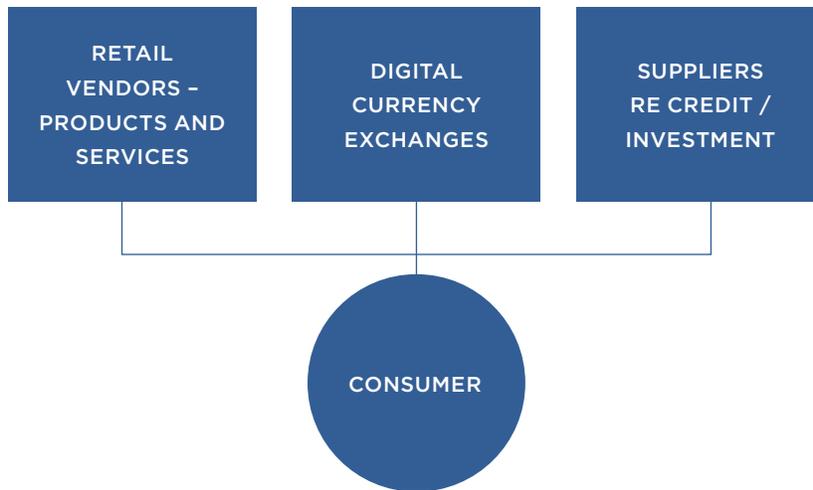
The *'Bitcoin Sentiment Tracker'* has been conducted by means of an “integrative evaluation” approach to assessment. This is an interdisciplinary tactic based on combining and interpreting knowledge from diverse measurement and audience sources in such a way that the merchant viewpoint can be evaluated and communicated based on converging or diverging findings.

We have gathered and compared data from three core Canadian-based stakeholders in the evolution of cryptocurrency, each who directly impact existing or potential usage by consumers. This includes the following:

1. General retail vendors who offer a wide range of products or services, including the following:
 - Vendors who currently accept (and are setup to transact) Bitcoin as a payment option
 - Vendors who previously accepted Bitcoin as a payment option from customers and, for whatever reason(s), have chosen not to anymore,
 - and Vendors in businesses similar to the above who have never accepted this form of payment

Specific contact was made with those individuals responsible for choosing / maintaining payment options accepted from customers in their business.

2. Retail exchanges who make cryptocurrency accessible to the consumer, with a focus on contacts within the business who hold managerial responsibility for client relations
3. Suppliers to retail consumers / vendors / exchanges of credit or investment products that utilize cryptocurrency – including a focus on those contacts within the business who hold managerial responsibility for client relations



Feedback from the above-noted audiences was assessed through the combination of qualitative and quantitative measurement techniques. Data from all measurement tactics was assessed individually and in combination with other tactics, as well as compared to results from previous consumer and merchant studies.

The methods of assessment used in this study include the following:

A. EXECUTIVE ONE-ON-ONE INTERVIEWS WITH PARTICIPANTS IN EACH STAKEHOLDER GROUP

Sixteen one-on-one telephone interviews were conducted with executive managers of Canadian businesses, with coverage of all three target sub-groups in the study. Incentives for participation were provided in the form of a paid honorarium, or a contribution to the Innovation Foundation, a Canadian-based charity that supports innovations in science and the arts.

Interview participant names have been kept anonymous, but included the following:

- President of a cryptocurrency-based investment provider
- Leader of blockchain solutions for a big-6 bank
- President of a payment processor
- Director of Business Development for a cryptocurrency exchange
- CEO of a cryptocurrency exchange
- Head of Customer Relations for a cryptocurrency exchange
- CEO of a cryptocurrency trading platform
- CFO for a retail technology vendor
- Owner of a digital wallet company



- Blockchain consultant (and previous cryptocurrency developer)
- Former Director of cryptocurrency association
- CEO of a technology project management company
- Project executive at a securities exchange
- CEO of a cryptocurrency consulting firm
- Compliance Officer for a financial consulting firm
- Senior educator on financial matters

All interviews were conducted by a trained executive interviewer using a prepared discussion guide – see Appendix B, rather than a fixed script. The guide was designed to assess the following topics:

Retail vendors:

- Type(s) of cryptocurrency accepted and why
- Reason(s) for offering
- Other business uses
- Frequency of use
- Educational sources
- Advantages / Disadvantages v. other methods
- Satisfaction with experience
- Improvements / Enhancements
- Intended use moving forward
- Other intended uses
- Forecasted growth of cryptocurrency in Canada

Cryptocurrency exchanges:

- Type(s) of cryptocurrency transacted by consumers
- Frequency of consumer trading
- Most common consumer perceptions / issues
- Core obstacles to growth
- Improvements / Enhancements requested by consumers
- Educational initiatives offered
- Awareness / expectations re: emerging cryptocurrency
- Forecasted use in Canada



Credit / Investment institutions:

- Investment / Credit options offered with cryptocurrency
- Why or why not offered
- Products / services anticipated with cryptocurrency
- Perceived benefits / obstacles
- Most common consumer perceptions / issues
- Improvements / Enhancements requested
- Educational initiatives offered
- Awareness / expectations re: emerging cryptocurrency
- Forecasted use in Canada

B. FOCUS GROUP WITH INSIGHT LEADERS

A video conference focus group was conducted with individuals with extensive cryptocurrency experience, delivering lively opinions on where the industry currently stands and where it's heading. Incentives for participation were provided in the form of a paid honorarium, or a contribution to the Innovation Foundation.

The discussion followed a topic guide to direct the conversation, but respondents were encouraged to raise relevant issues and pursue other dimensions of the topics discussed. The main topics addressed included the following:

- Positives / Negatives with processing a Bitcoin transaction
- Loyalty to Bitcoin vs other cryptocurrency
- Motivations / Obstacles to expanding use for other purposes
- Significance of / Solving the chicken vs. egg dilemma between merchants and customers
- Specific solutions to expand the knowledge base
- Dealing with cryptocurrency from a tax perspective
- Actual implications of price volatility
- Bank support vs. obstacles
- Suggested improvements or enhancements

Appendix C includes the Moderator Guide used in the focus group discussion.



C. ONLINE SURVEY OF RETAIL VENDORS

An online survey was conducted with retail Canadian businesses, and more specifically to those employed by the business who have primary decision-making responsibility for payment methods accepted from customers. Eighty-three (83) interviews were carried out under the direction of CorbinPartners, including 32 from a very limited number of Canadian businesses currently or previously accepting cryptocurrency as a payment option, and 51 Canadian businesses (of similar profile) who to date have not. Respondent recruitment employed the field services of Market Pulse Inc., a reputable data collection provider, wholly-owned and operated in Canada. The survey was completed between October 16, 2019 and January 28, 2020.

SURVEY ADMINISTRATION

To obtain feedback from a wide variety of vendors who serve the retail market, online interviewing was chosen. This approach allowed for access to a national sample of respondents, and permitted those respondents to complete the survey when time allowed in their schedule. Consistency of administration and correct implementation of the survey were guaranteed by having the survey sequencing controlled by a beta-tested computer program for participants as they completed their interviews.

In all aspects of the online study, CorbinPartners added quality controls to strengthen reliability and enhance validity, allowing for the capture of genuine participant views. This included an initial “pilot test” with a smaller sample to check for any unanticipated issues prior to an expanded launch.

Throughout the fieldwork, the data records were continuously reviewed by CorbinPartners to verify consistency and completeness, and to ensure effective administration of the study.

PARTICIPANT RECRUITING

Potential respondents were recruited by representatives from Market Pulse, trained and monitored by CorbinPartners. This included an initial training session held between CorbinPartners and the Market Pulse team, whereby field requirements were thoroughly reviewed. Subsequent meetings were held with the project management team to ensure accuracy in the provision of the survey through all recruitment channels. Continuous monitoring was conducted to ensure effective administration of the study.

The sampling frame was generated using available listings of retail businesses who accept (or previously accepted) digital currency as a payment option, and the development of a matching list of similar businesses in the same general locality who do not accept cryptocurrency payments. Recruitment was supplemented with businesses from other publically available business listings. Incentives for participation were provided in the form of a paid honorarium, or a contribution to the Innovation Foundation.



Those interested in participating were either directed to a secure website for completion on their own, or (when requested) were given the survey questions by phone with a professional interviewer.

SURVEY DESIGN

Care in survey design was diligently exercised to produce a valid, objective measurement instrument. Online survey standards were considered for survey length, question wording, flow and layout. The survey was made available in both English and French language. Questions were posed to respondents in a combination of closed-ended format (with “don’t know / can’t say” options to avoid forced opinions where one didn’t exist) and open-ended format allowing for participants to answer in their own words and encouraged to answer as much as they had to say. Systematic rotation was used in certain question phrases and/or answer options, where appropriate, to avoid the risk of order bias.

The survey began by confirming the participant worked for a Canadian business and was a primary decision maker with regards to payment methods accepted from customers. Participants were then informed the survey pertained to business use of digital currency and asked whether the business currently accepts at least one form of cryptocurrency as payment from customers for products or services offered.

Participants at a business that currently accepts cryptocurrency as a payment option were then asked a set of questions about the following topics:

- Type(s) of cryptocurrency accepted
- Reason(s) for offering
- Other business uses for cryptocurrency
- Length of time offered
- Frequency of use
- Processing partnerships
- Educational sources
- Advantages / Disadvantages v. other payment methods
- Satisfaction with experience
- Improvements / Enhancements
- Willingness to recommend to other vendors

Participants at a business that does not currently accept cryptocurrency as a payment option were instead asked about the following topics:

- Past usage / acceptance of cryptocurrency
- Reason(s) for not offering

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- Motivations to begin offering
 - Perceived advantages / disadvantages

All participants were then asked questions about the future state of cryptocurrency, including questions pertaining to the following:

- Intended use moving forward
- Types of cryptocurrency to be considered for acceptance
- Primary reason(s) for intended acceptance or non-acceptance
- Other intended uses
- Forecasted growth of cryptocurrency in Canada
- Reason(s) for forecast

To conclude the survey, all participants were given the opportunity to provide any further comments about business use of Bitcoin or other cryptocurrency, and then answered some final questions about the business they work for to categorize their cumulative responses.

DATA ANALYSIS

Responses to all questions were entered in a statistical program, and each participant's set of data assigned a unique ID number. Participants' identification details were stored in a separate file, consistent with privacy regulations.

For analyzing answers to open-ended questions, CorbinPartners implemented coding procedures consistent with scientific standards in the field of survey science known as "content analysis." This allowed qualitative data from verbatim answers to be quantified.

As noted earlier, data analysis was based on an "integrative evaluation" approach, which assessed the data in total, in applicable segments, and in comparison to previous consumer and merchant surveys, as well as other research methodologies.

***Note:** While the universe of cryptocurrency-accepting vendors in Canada is a relatively small audience, the survey achieved a statistical sample that can be a reliable predictor of an overall population. Regardless of sample size, the research successfully garnered a set of valid opinions to illustrate vendor sentiment following actual experience transacting with Bitcoin. The results are further strengthened through a comparative analysis with perceptions of non-Bitcoin acceptors, and results of a previous study obtaining sentiments from Canadian merchants who accepted Bitcoin as a payment option.*

A copy of the recruitment script is shown in Appendix D to this report. Appendix E contains the full survey administered to participants (both in English and French), including online programming instructions.



D. MARKET RECONNAISSANCE

Primary research in this study was supplemented with a wide range of market reconnaissance, including investigation of secondary source research, news articles on the evolution of cryptocurrency globally and in Canada, and direct comparisons with results of previous CorbinPartners studies, including

1. Bitcoin Sentiment Tracker – Consumer Study, June 2018/2019 <https://www.payments.ca/industry-info/our-research/payments-perspectives/introducing-bitcoin-sentiment-tracker>
2. The Bitcoin Revolution – Merchant Study, January 2016 <https://corbinpartners.com/news/view/corbinpartners-wins-mria-award-of-excellence-for-bitcoin-study>