

2013: Unearthing Internet Time

The 2013 CMUST Report: Commissioned by IAB Canada

PURPOSE

The Canadian Media Usage Study (CMUST for short) was originally commissioned by IAB Canada in 2004 to quantify Canadians' consumption of the Internet medium relative to the primary media of TV, Radio, Newspaper and Magazine. Weekly reach, time spent (per capita) data for a range of demographic groups was plotted using the primary syndicated media sources. In this way, our industry was able to place the Internet medium in the context of the entire Canadian media landscape.

This 2013 CMUST updates that tradition of measurement. But the Internet is no longer an emerging medium and accounts for a share of Canada's ad revenue that now well exceeds the Radio and Newspaper media and, at the time of the writing of this document, is fast approaching TV ad revenue levels.

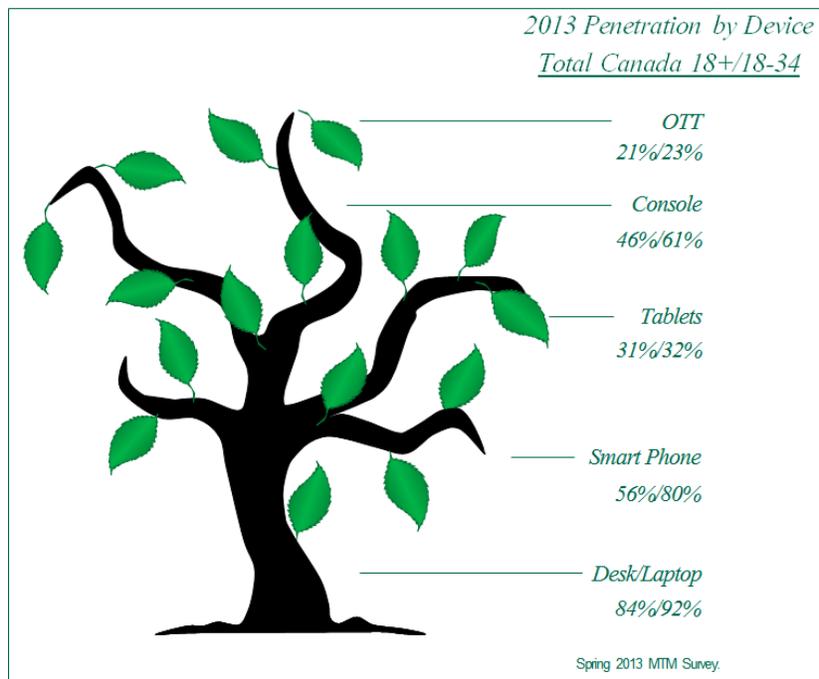
Even though the Internet medium has attracted considerable marketing attention and participation, the true "measure" of the medium remains vague. Consumers spend time with the Internet medium by way of numerous devices such as smart phones, tablets, phablets laptops and desktop computers, game consoles and smart TV's (Over-The-Top or OTT devices), yet only PC accessing of the Internet is formally measured in detail in Canada. This study attempts to rectify this situation by "unearthing" the amount of time consumers spend with the Internet medium by trawling through various media usage data sources in Canada and the USA, aggregating the learning and by making "intelligent" estimations.

This year's CMUST report contains three chapters entitled MEASUREMENT (comparing PC based Internet usage to the 4 main legacy media in Canada), THE TIME TREE (which pieces together estimates of Internet time by device) and CONTENT (which breaks estimates of Internet time into content types).

This document provides top line findings but the full presentation of the 2013 CMUST Report is now available to IAB Canada members. The complete report provides a full listing of sources, definitions and private and syndicated study descriptions. The syndicated studies involved in this report are listed at the end of this document.

MEASUREMENT

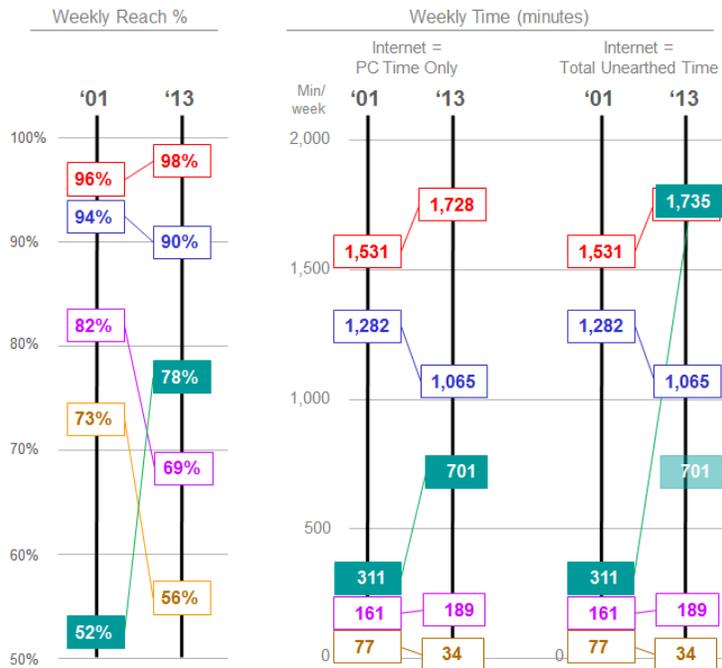
The versatility of the Internet medium is tied to the range of devices that enable access which in turn has driven growth in consumer time levels. Note the significant depths of penetration across these devices. Current patterns of consumer uptake suggest these penetration rates are climbing.



The chart below plots weekly reach and time in the form of minutes per week per capita levels for Canada's five major media between 2001 and 2013 for adults 18+ in total Canada. The "time" chart appears twice. The middle time chart below plots PC-based Internet time (in green) in the multi-media comparison. The "time" chart on the right below, reflects the estimates of time spent with the Internet for all devices – total unearthed Internet time.

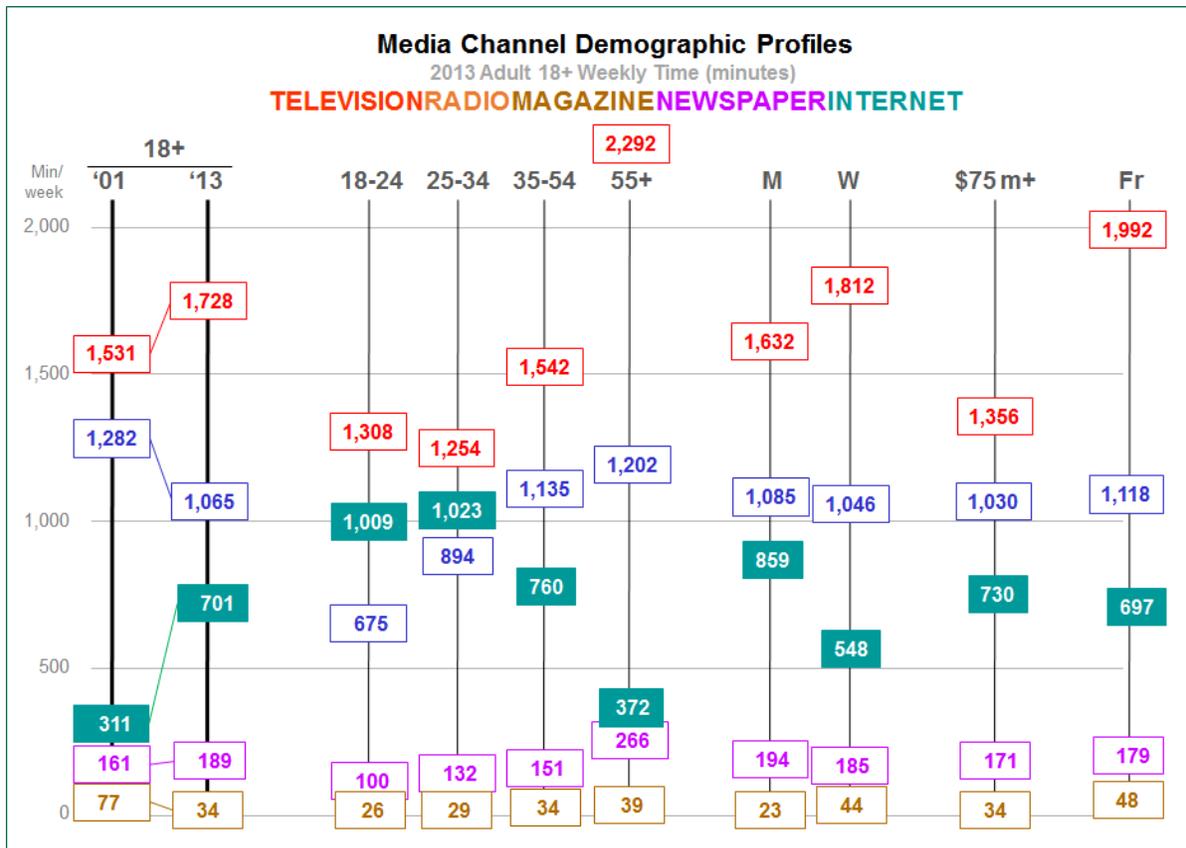
TELEVISION RADIO MAGAZINE NEWSPAPER INTERNET

Total Canada, 2013 Adults 18+



The Internet medium's PC weekly reach now stands at 78% of adults 18+ in Canada and has been the only medium to have registered any type of significant growth over the last decade. Adults spend 701 PC minutes with the Internet medium weekly. PHD estimates an additional 1,034 per capita minutes per week are spent by adults accessing the Internet via all access devices bringing the total time for the Internet to 1,735 minutes per week per capita. On this basis, Canadian adults now spend the same amount of time with the Internet medium as with the TV medium.

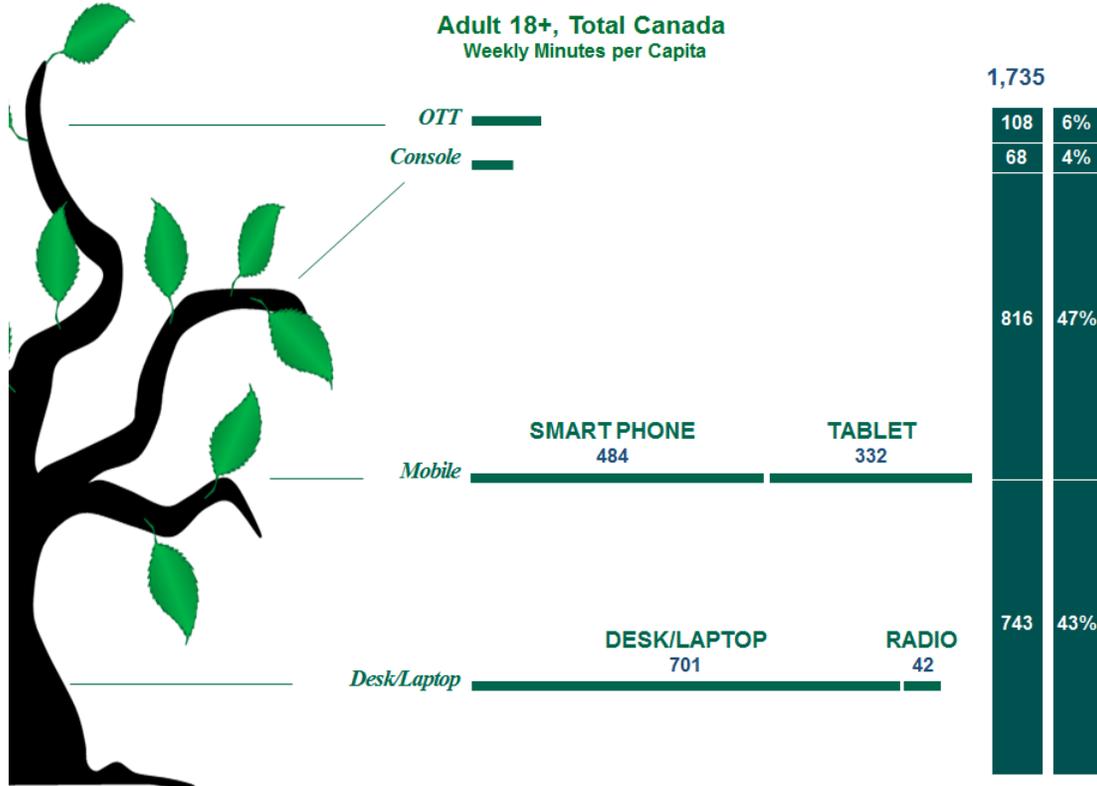
This chart plots each medium's weekly time on age, male/female, \$75m+ Hhld income and French (Quebec in the case of Internet) continuums. Internet time is limited to PC access only. Each medium's demographic minutes per week count can be compared to the adult 18+ minutes rank position in order to determine demographic propensity. The Internet medium is unique, exhibiting a youthful, higher income profile. Internet time in Quebec is now comparable to Total Canada levels.



THE TIME TREE

This chart demonstrates the device source for the 1,735 minutes that adults 18+ spend with the Internet medium referenced on the previous page. It is estimated that Mobile accounts for 47% and OTT plus Game Consoles accounts for 10% of the estimated total unearthed internet time. There is evidence that increases, year over year, in Mobile device penetration and weekly time spent with the Internet medium, is resulting in reductions in time spent accessing the Internet via PC devices.

Time spent online with Radio (streamed Radio) has been isolated below. comScore's edit rules shut down time tracking after 2 minutes on non-activity. Therefore radio streaming is severely under-reported in comScore. The 42 minutes below is an estimate of online Radio streaming activity based upon BBM PPM test results in Toronto.



IN SUMMARY

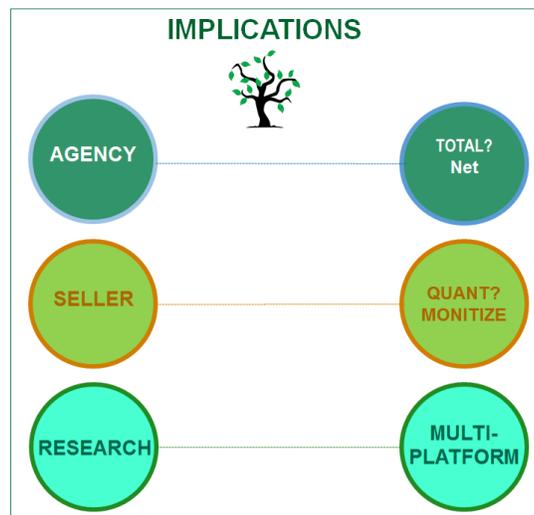
- 1) The Internet medium, unlike the traditional offline media, has been growing both in terms of reach and time spent.
- 2) ComScore, the measurement body of record for the Internet medium, currently provides minutes based data for PC device only (Media and Video Metrix). On this basis, Adults 18+ spend 701 minutes per week per capita with the Internet medium, well below the Radio medium's time spent level. Internet time is overdeveloped against 18-34 year olds and those with above average household income levels. Quebec now matches total Canada's Internet time per capita.
- 3) A PHD review of Canadian and US data sources produces a total, all device estimate of 1,735 minutes per week of time generated by Adults 18+ within the Internet medium – the “unearthed Internet time. This time level slightly exceeds total legacy TV time.
- 4) The rapid growth and large weekly minutes per week counts are driven by ever increasing penetrations of OTT, Mobile and Game Console Internet access devices.
- 5) A very large proportion of the “unearthed” Internet time (47%) is generated through mobile devices.
- 6) Co-branded Internet time represents a small proportion of total Internet time spent by adults but PurePlay makes up almost 50% of Internet time. PurePlay time could be considered a “consumer media marketplace” that represents a source of growth for co-branded media vehicles down the road.
- 7) Video is the primary content genre within the Pure Play category and Adult 18-34 year old consumers are particularly attracted to online digital video. This demographic group represents the “engine” for the Internet's future rates of growth.

IMPLIC@TIONS

For the AGENCY: Quantifying the Internet medium has been an elusive challenge for the media agency community in Canada. There is no definitive answer yet to the question – “How much time do consumers spend with the Internet medium in TOTAL? There are bits and pieces of “siloed” Canadian data and clues available from USA data sources which suggest Adults 18+ spend 1,735 minutes per capita per week. Also missing from our understanding of the Internet landscape is the NET reach of all devices. How much of the total media time in a week overlaps with other media time – the measure of SIMULMEDIA. The gap in knowledge between the reality of Canadians' consumption of the Internet medium and the research providers/media agencies measurement of that reality is a barrier to optimal channel planning.

For the SELLER: Quantification of the Internet medium is a challenge for the seller community as well. It is important for sites to understand where they reside within the online ecosystem. Are they big or small or niche. How do these sites compare to competitive legacy vehicles? Are there justifications behind sales claims? If sellers can't measure macro consumer attention (minutes per week), then sellers can't manage their properties. Gaps exist between consumer attention garnered by Internet content forms and ad revenues captured by those forms. Online Video and Mobile capture massive amounts of consumer time and yet online video/mobile ad revenue is, by comparison, relatively small. The measurement gaps in Canada are a barrier to appropriate monetization of the Internet medium.

For the MEDIA RESEARCHER: Help is on the way. By late summer 2014, comScore and their new multi-platform measurement system should be able to provide multi-device, total Internet time and net reach counts for the Internet medium. Canadian sellers and buyers will have formal Internet quantification that will likely aggregate up roughly 90% of the time consumers actually spend online. This quantification will continue to spur Internet ad revenue growth rates.



Media Landscape Sources

TV		<p>2002 BBM Calendar year 2002, Picture Matching and Mark II Meters, 2+ Sample 5,006.</p> <p>2013 BBM Broadcast year 2012/'13, PPM, 2+ Sample 8,991.</p>
RADIO		<p>2000 BBM Fall 2000, Diary, 12+ Sample 85,464.</p> <p>2013 BBM Fall 2012, Diary, 12+ Sample 88,838.</p>
NEWSPAPER		<p>2001 NADbank Fieldwork 2000, telephone and LB questionnaire, 18+ Sample, 29,584.</p> <p>2013 NADbank Fieldwork 2012, telephone and LB questionnaire, 18+ Sample, 38,983.</p>
MAGAZINE		<p>2001 PMB Rolling 2 year 1999-'01, In Home Interviews/LB questionnaire, 12+ Sample, 26,608.</p> <p>2013 Spring PMB Rolling 2 year 2011-'12, In Home Interviews/LB questionnaire, 12+ Sample, 22,743.</p>
ONLINE	 	<p>2001 NADbank Fieldwork 2000, telephone and LB questionnaire, 18+ Sample, 29,584.</p> <p>2013 comScore September 2013, panel, 2+ Sample 40,000, used 7day reach UVs expressed as a % against PMB Spring'13 population bases. Media/Video Metrix. See following page for reach calculation.</p>

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