

2014: Internet in the Media Garden: French Canada

The 2014 CMUST Report: Commissioned by IAB Canada

PURPOSE

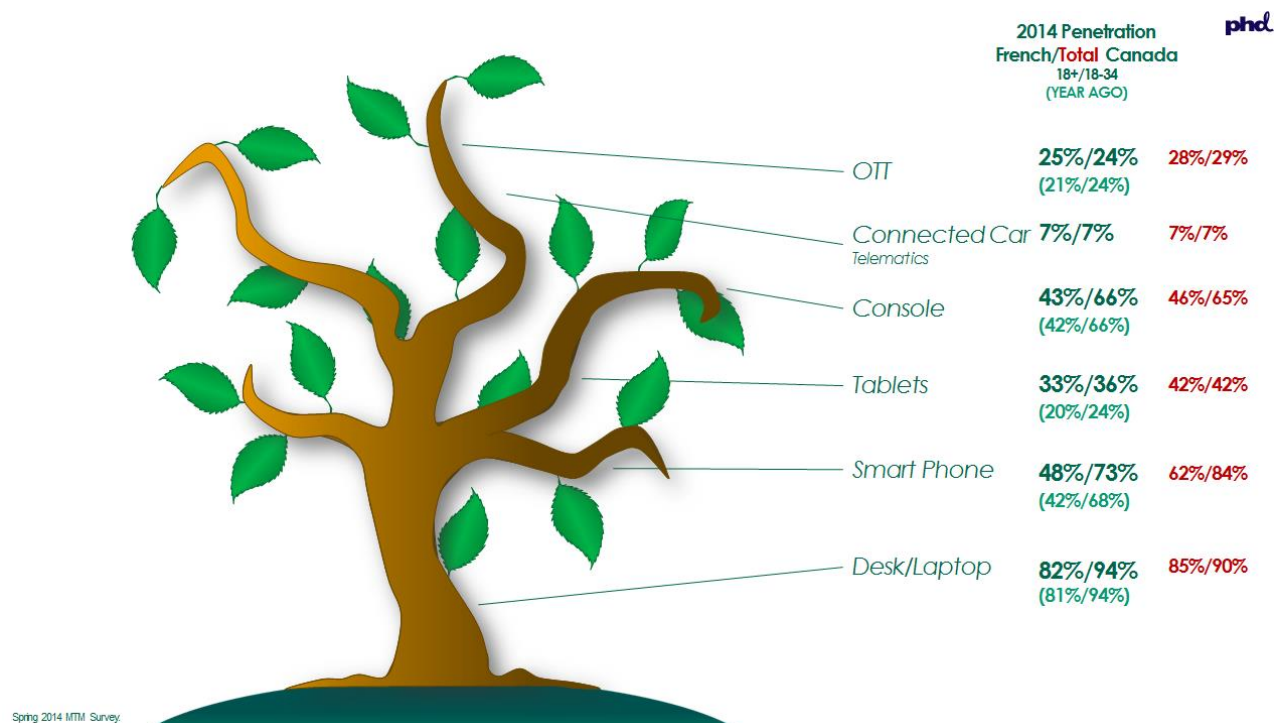
Originally commissioned by IAB Canada in 2004, the Canadian Media Usage Study (CMUST) was designed to quantify Canadians' consumption of the Internet medium relative to the legacy media; TV, Radio, Newspaper and Magazine. The Internet was in its infancy at the time and even a basic sense of weekly reach and time spent was helpful. But today the Internet medium is highly developed and accounts for a share of Canada's ad revenue that now exceeds Radio, Newspaper and TV (if TV and Newspaper Internet revenue is assigned to Internet) ad revenue levels and so the objective of CMUST has changed.

Even though advertisers have universally adopted, at least to some extent, the Internet medium, there is still a gap between consumer consumption of Internet and our industry's ability to measure that consumption. This CMUST study estimates that 30% of the time French consumers spend with the Internet medium remains buried (40% amongst total adults in Canada); beyond the capability of today's formal measure. Consumers spend time with the Internet medium by way of numerous devices such as smart phones, tablets, phablets, laptops and desktop computers, game consoles, smart TV's (Over-The-Top or OTT devices) and through car connectivity and yet only PC and non-video mobile accessing time can be measured in Canada. A portion of Mobile video time data will be released in August 2015 (May '15 comScore data). This study attempts to update the amount of "buried" time consumers spent with the Internet by trawling through various media usage data sources in Canada aggregating the learning and by making "intelligent" estimations.

The 2014 CMUST presentation contains five areas of examination; DEVICE, REACH, TIME, CORD CUTTING and CONTENT. This document provides some top line findings derived from the full 2014 full presentation which is only available to IAB Canada members.

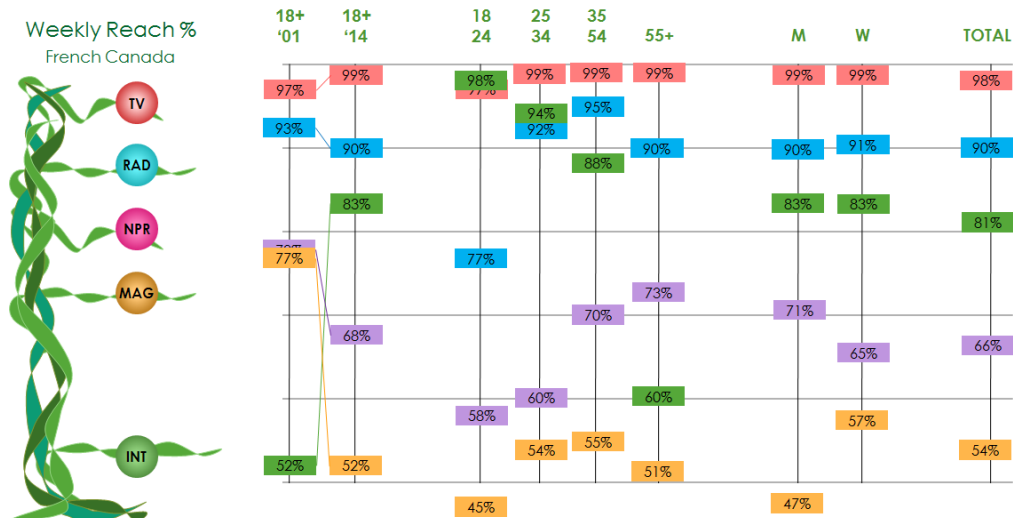
DEVICE

Devices drive consumption and today the Internet accessing devices are numerous. Some are ubiquitous. This chart provides current penetration levels for adults and younger adults 2014 vs 2013. The penetration data for French Canada is compared to comparable Total Canada levels. Device penetration levels are similar between French and Total Canada with the exception of Smart Phones and Tablets; French Canada SP/Tablet penetration is somewhat lower.



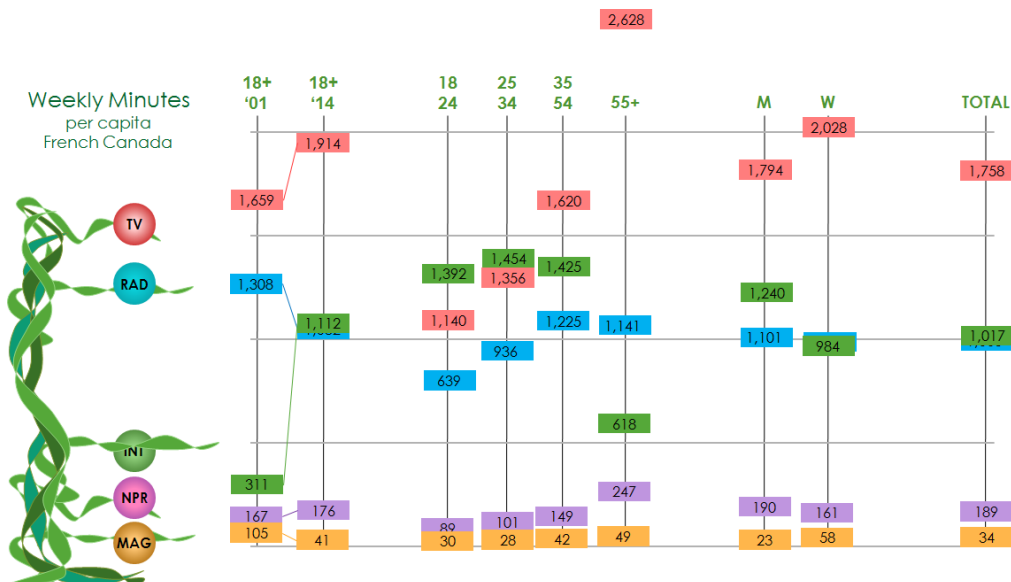
REACH

The chart below plots weekly reach for the four legacy media and the Internet medium against various demographic groups in French Canada. The reach data is sourced from each medium's respective syndicated survey of record. Today, 83% of French Canadian adults access the Internet over the course of a week and this weekly reach number builds to 98% amongst younger adults 18-24. These reach levels have grown dramatically since 2001 when the Internet's reached only 52% of the French Canadian population weekly. The French Canada reach levels are running a bit higher than Internet's reach of Total Adults in Canada.

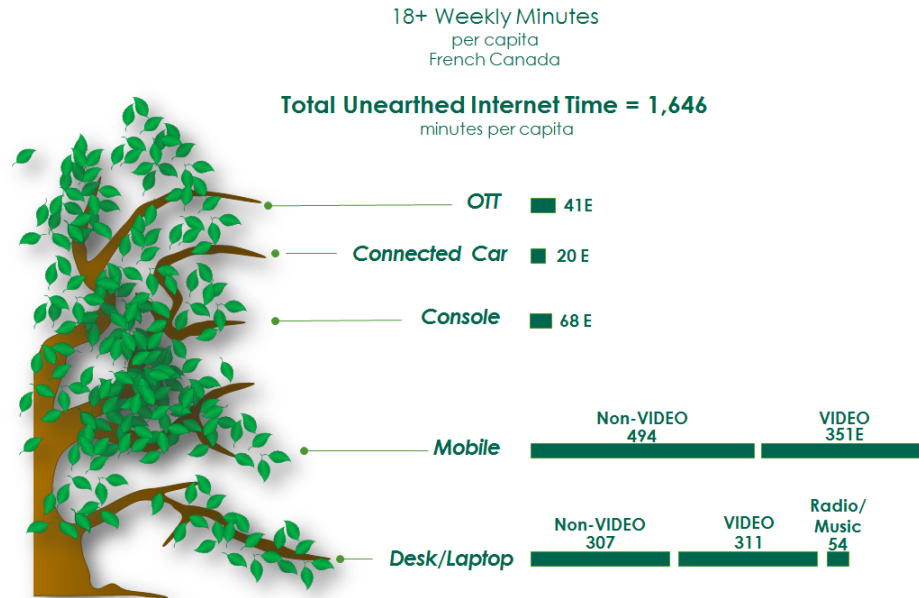


TIME

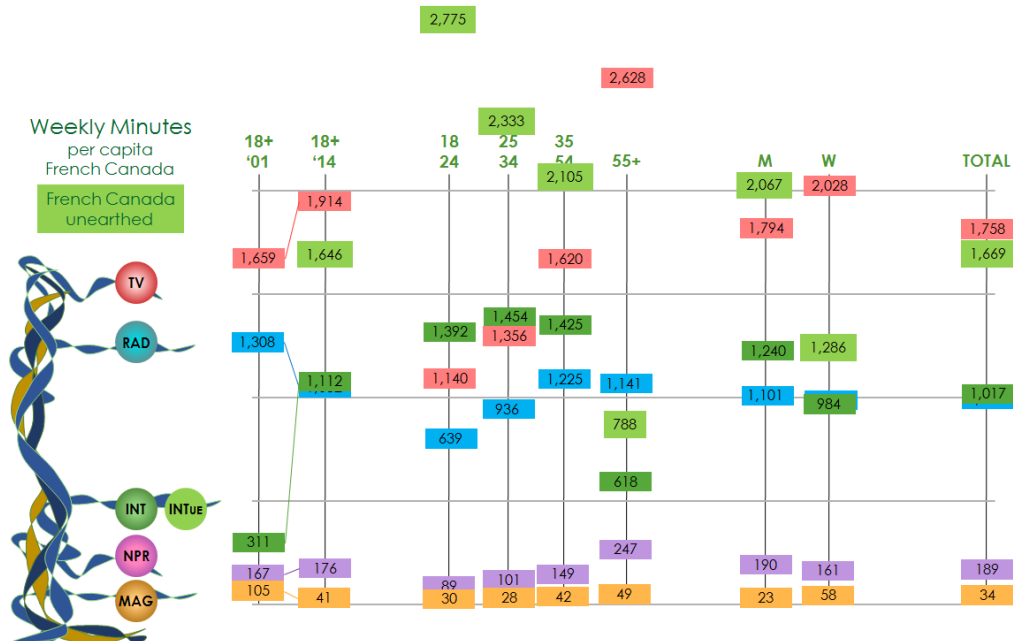
This chart plots time in the form of minutes per week per capita. Internet time is sourced from comScore's March 2015 Multiplatform survey; the first Multiplatform survey to contain French language data. The Multiplatform survey and does not yet include mobile video or time from devices other than PC and mobile. Even so, the Internet generates bigger minute counts than the TV medium amongst 18-24 and 25-34 year old adults (1,392 and 1,454) minutes per week per capita respectively). The French adult 18+ minutes per week count is now slightly higher than the Total adult's minute count. Over the years we've seen internet time amongst French Canada adults approach and finally surpass the total Canada adult internet levels of consumption.



In an attempt to “unearth” the totality of Internet time, minutes per week per capita for French Canadians by device are estimated below. Some of this data (PC and Mobile non-video) is comScore based while the balance of the time spend data comes from various non-comScore sources. It all adds up to 1,646 minutes of total “unearthed” time. This level comparable to 18+ adults in Total Canada – 1,669 minutes per capita weekly. This “unearthed” minute count for Internet, when added to the minutes adults spend with “legacy” media, produces an astonishingly large block of time (10 hours a day). “Simulmedia” is the explanation - the act of consuming multiple media channels simultaneously. MTM survey data suggests this is most commonly occurs between the TV and Internet media.

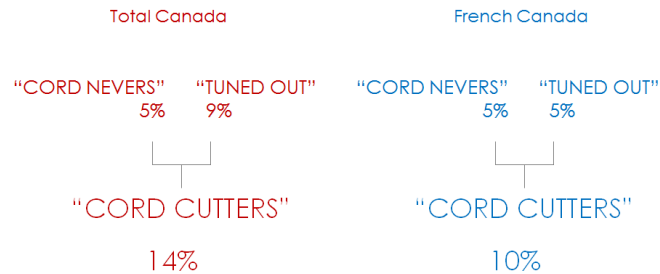


This chart compares comScore based Internet minutes to PHD “unearthed” Internet minutes. Most of the difference between the official and “unearthed” minute counts below lies with mobile video. Mobile video is estimated to represent a very significant part of the 18-24 and 25-34 year olds total Internet time consumption habits.



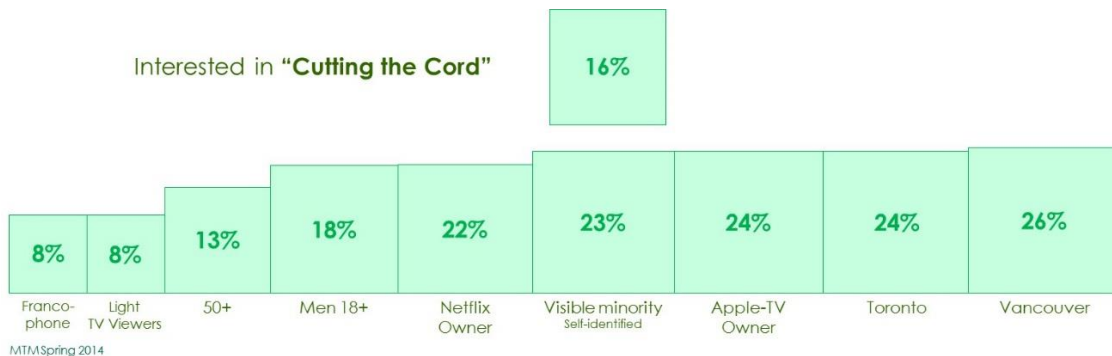
CORD CUTTING

This is a new area of examination within the CMUST study. This topic was included because there is growing interest in the intersection between legacy TV viewing and Internet Video consumption. The majority of data in this section of the report is sourced from the 2014 MTM Survey which defines “Cord Cutters” as a combination of “Cord Nevers” (those who do not access live TV via cable or DTH) and “Tuned Out” (those who do not access live TV at all). The addition of these two mutually exclusive groups of Canadian adults totals to 14% for total Canada but only 10% in French Canada. Cord Cutting activity is lower in French Canada due to the availability of Pick and Pay options in most cable systems in Quebec. The Cord Cutter segment size will likely increase in lockstep with declining cable subscription levels.



According to the Spring '14 MTM survey, 16% of Canadian adults indicated that they were interested in “cutting the cable cord” in the near future which suggests there is a significant and growing segment of the population searching for access to video entertainment a more cost effective way than cable, DTH or IPTV.

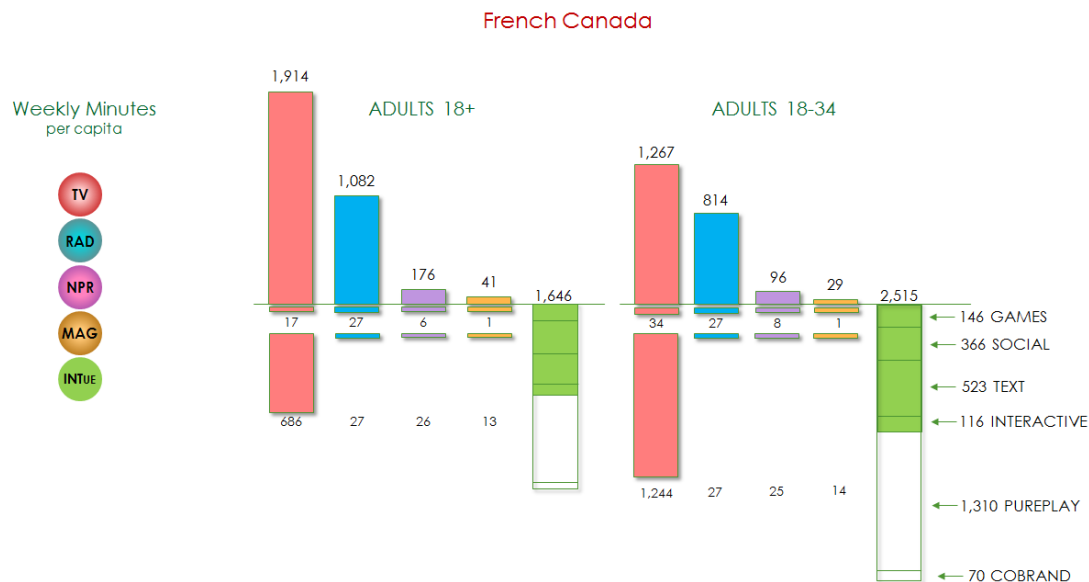
Compared to all adults in Canada, 8% of Francophone Canadians indicated they were interested in “cutting the cord” again a function of the availability of consumer friendly pick and pay offerings in Quebec.



CONTENT

In the chart below, bars rising above “the line” reflect legacy time and bars falling below the line reflect online time. Minutes per week per capita for French Adults 18+ (left) and French Adults 18-34 (right) appear for five media “types”. Internet media minutes reflect the PHD unearthed estimates.

Some terminology clarification is in order, relating to the chart below. Legacy refers to traditional media that existed before the advent of the Internet medium. CO-BRANDED time refers to online extensions of Legacy media. PUREPLAY media refers to media available only online. Other content terms include GAMING which refers to time consumers spend playing games online time on PCs or gaming consoles. SOCIAL, relates specifically to time spent with online Social networks. INTERACTIVE represents time spent online with sites such as banking, trading and maps. TEXT minutes reflect time on corporate and family (automotive is a good example of a text site).



The predominant take away from this data display is the immense size of PurePlay time, the relatively small size of Cobranded time and magnitude of I-Video time in the media “garden”.

IN SUMMARY

Here are 11 points which summarize the findings from this year's 2014 CMUST study.

- Only the Internet is growing
- Internet has become ubiquitous
- As devices multiply, Internet time expands
- Car Connectivity being the newest device
- Offline older; Online younger
- Total media time expands due to Simulmedia
- Online measurement trying to catchup
- 30% of Internet time is buried
- TV/Video time 18+ = 18-34
- PP/Cord Cutting driven by cost issues
- PurePlay>Text>Social>Games>CoBrand

IMPLIC@TIONS

This year's CMUST report highlights the size (16% chart below) of IVideo's share of total media consumption. In stark contrast, IVideo captures only 1% of total media revenue (TV, Radio, Newspaper, Magazine and Internet). One might argue that the IVideo ad share should be larger; so make it 2% - and that the IVideo time share includes non-commercial sites; so reduce the share to 10%. Nevertheless a significant time/revenue gap exists for IVideo. There are barrier and opportunity implications concerning IVideo for Buyers, Sellers and Researchers.









BARRIERS

IVideo and legacy TV planning, buying and selling operations have evolved within procedural "silos". The two media forms are more often planned and executed by different staffing groups, following different procedures (programmatic vs conjunction), using different metrics (clicks, completes, grp's). The work flows are different. The labour costs per dollar of media expenditure are different. The rates of remuneration are usually different.

OPPORTUNITY

IVideo is an underutilized media segment and as such has the potential to provide high of 'share of voice' levels to participating advertisers. IVideo also can provide heightened reach delivery in conjunction with legacy TV over a brand's purchase cycle. Therefore there is benefit that can accrue to a marketer by treating IVideo and TV as one integrated VIDEO form rather than two separate, siloed media forms that currently exist today. There is evidence that the Video "de-siloing" effort has begun in earnest at Canada's largest media agencies.

Media Landscape Sources

TV		2002 BBM Calendar year 2002, Picture Matching and Mark II Meters, 2+ Sample 5,006. 2013 BBM Fall '13 – Spring '14, PPM, 2+ Sample 4,470 hhlds (= 11,000 persons 2+).
RADIO		2000 BBM Fall 2000, Diary, 12+ Sample 85,464. 2013 BBM Fall 2013, Diary, 12+ Sample 88,568.
NEWSPAPER		2001 NADbank Fieldwork 2000, telephone and LB questionnaire, 18+ Sample, 29,584. 2013 NADbank Fieldwork 2013, telephone and LB questionnaire, 18+ Sample, 38,903.
MAGAZINE		2001 PMB Rolling 2 year 1999-'01, In Home Interviews/LB questionnaire, 12+ Sample, 26,608. 2014 Spring PMB Rolling 2 year 2012 – '13, In Home Interviews/LB questionnaire, 12+ Sample, 21,701.
ONLINE	 	2001 NADbank Fieldwork 2000, telephone and LB questionnaire, 18+ Sample, 29,584. 2014 comScore March 2015 panel, 25,000, used 7day reach UVs expressed as a % against PMB Spring '14 population bases. MultiPlatformVideo Metrix. See following page for reach calculation.

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