

A dark, grayscale image of a city skyline, likely New York City, with numerous skyscrapers visible against a dark sky. The image is used as a background for the text.

# INSIDER INTELLIGENCE

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# What I Will Cover Today

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- Terminology
- eMarketer's Forecasts
  - TV Viewership and Ad Spending
  - Digital Video Viewership and Ad Spending
  - Subscription OTT Video Viewers
  - Time Spent with TV/Digital Video
- COVID-19 Impacts



# Tricky Terminology

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- **Addressable TV:** Targeted TV ads delivered on a home-by-home basis via cable, satellite and telco boxes. It includes both linear and video-on-demand (VOD) delivered in this way, but excludes connected TV, smart TV and OTT.
- **Ad-supported video-on-demand (AVOD):** These services include free platforms like YouTube as well as those, like Hulu, that charge a subscription fee in addition to serving ads.
- **Advanced TV:** Television paired with technology that allows for new features, components or uses. Addressable, programmatic, OTT and interactive are all subsets of advanced TV.
- **Connected TV:** A TV set connected to the internet through built-in internet capability or through another device such as a Blu-ray player, game console or set-top box (e.g., Apple TV, Google Chromecast, Roku).
- **Cord-cutter:** Someone who once had but then cancelled a pay TV service.
- **Cord-never:** Someone who never subscribed to pay TV in the first place.

# Tricky Terminology Continued...

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- **Cord-trimmer:** Someone who cut back on their pay TV service level but still subscribes.
- **Esports:** Organized gaming competitions among professional players and teams.
- **Linear OTT:** An OTT service that delivers content from multiple TV, cable or satellite channels in real time. Also referred to as a virtual multichannel video programming distributor (vMVPD) or skinny bundle.
- **Linear TV:** Television programming distributed through cable, satellite or broadcast networks; includes VOD.
- **Multichannel video programming distributor (MVPD):** A service provider that delivers programming over cable, satellite, or wireline or wireless networks.
- **Over-the-top (OTT):** Any app or website that provides streaming video content over the internet and bypasses traditional distribution; examples include HBO Now, Hulu, Netflix and YouTube. Traditional distribution includes internet protocol TV (IPTV), cable, satellite, wireless carriers and fiber operators, multiple system operators (MSOs), MVPDs, and major TV broadcast and cable networks.



# Tricky Terminology Continued...

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- **Pay TV:** A service that requires a subscription to a traditional pay TV provider; excludes IPTV and pure-play digital video services (e.g., Hulu, Netflix, YouTube, Sling TV, etc.). Traditional pay TV providers include cable, satellite, telco and fiber operators, MSOs, MVPDs, and major TV broadcast and cable networks.
- **Programmatic TV:** The use of software platforms to automate the buying or selling of TV advertising distributed through cable, satellite or broadcast networks
- **Smart TV:** A TV with built-in internet capability.
- **Subscription video-on-demand (SVOD):** Defined by Technopedia as “a service that gives users unlimited access to a wide range of programs for a monthly flat rate.”
- **TV Everywhere (TVE):** A streaming service operated by a TV, cable or satellite network—or by an MVPD—that requires users to authenticate their pay TV subscriptions in order to access the content.
- **Virtual multichannel video programming distributor (vMVPD):** An MVPD that delivers service via the internet; interchangeable with “linear OTT.”



# Linear TV

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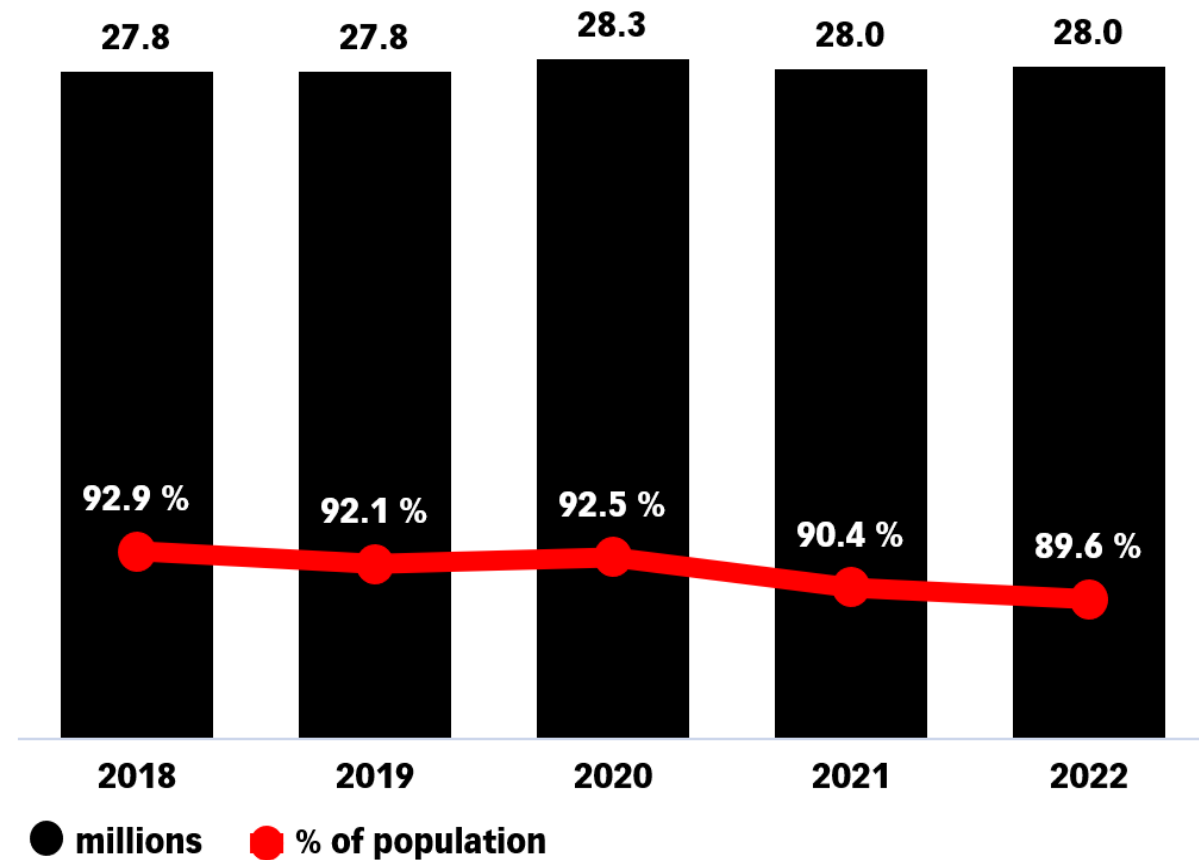
**Programming distributed through cable, satellite or broadcast networks; includes VOD.**

## TV Viewership Holding Steady

- Slight bump in 2020 after years of flat growth
- **Cord-cutting** a contributor to declines

### TV Viewers

Canada, 2018-2022



Source: eMarketer, April 2020

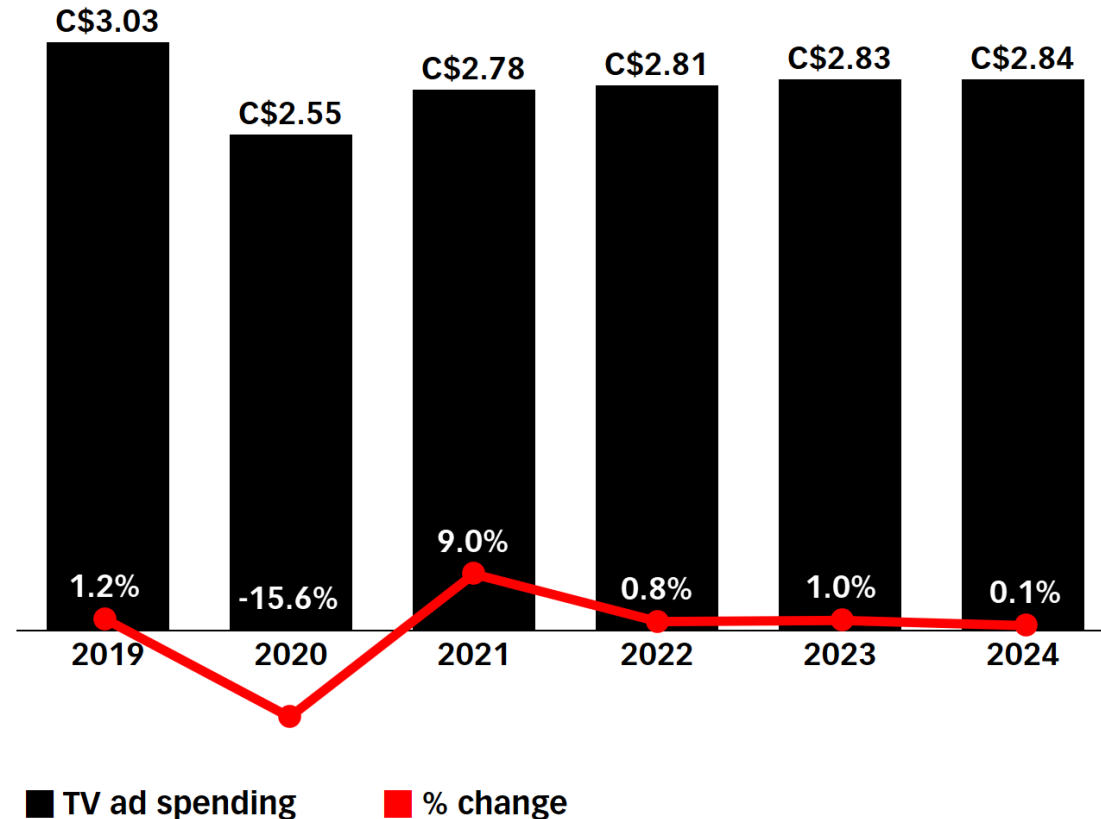
[www.eMarketer.com](http://www.eMarketer.com)

# TV Ad Spend Steady Except This Year

- Big decline in 2020 due to COVID-19
- Hit hard by the pause in **sports**

## TV Ad Spending in Canada, 2019-2024

billions of C\$ and % change



Note: includes broadcast and cable TV; excludes digital

Source: eMarketer, June 2020

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www.eMarketer.com

# Digital Video

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**Ad-supported video-on-demand (AVOD)**

**Subscription video-on-demand (SVOD)**

**Over-the-top (OTT)**

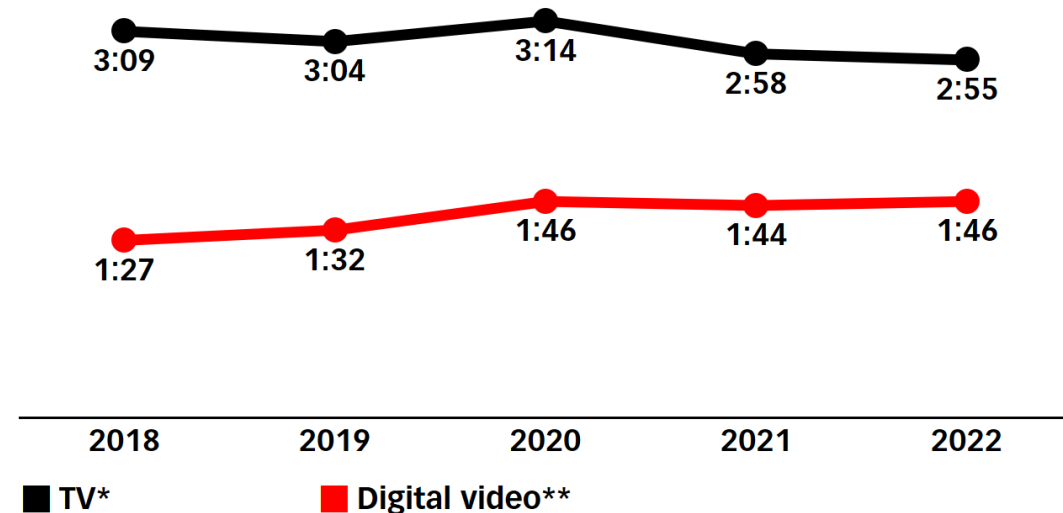


# TV Time Much Higher than Video Still

- TV time was **double** that of digital video pre-pandemic
- Gap is closing

## TV\* vs. Digital Video\*\*: Average Time Spent in Canada, 2018-2022

hrs:mins per day among population



Note: ages 18+; includes all time spent with each medium regardless of multitasking; \*includes live, DVR and other prerecorded video (such as video downloaded from the internet but saved locally); \*\*includes viewing via desktop/laptop computers, mobile (smartphones and tablets) and other connected devices (game consoles, connected TVs or OTT devices)

Source: eMarketer, April 2020

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## Live TV Still Tops

- For long-form content, more than **three-quarters** are viewers

### TV Viewers in Canada, by Method, H1 2019

*% of internet users*

Broadcast live on TV channel

78.1%

SVOD\*

69.3%

Recorded from TV

58.3%

TV channel's catch-up/on-demand service

52.7%

*Note: ages 16-64; combined responses for used in the past 7 days and past 30 days; respondents were asked, "Thinking about television, how often do you do the following?"; \*subscription services, e.g., Netflix*

*Source: GlobalWebIndex, Q1-Q2 2019, August 2019*

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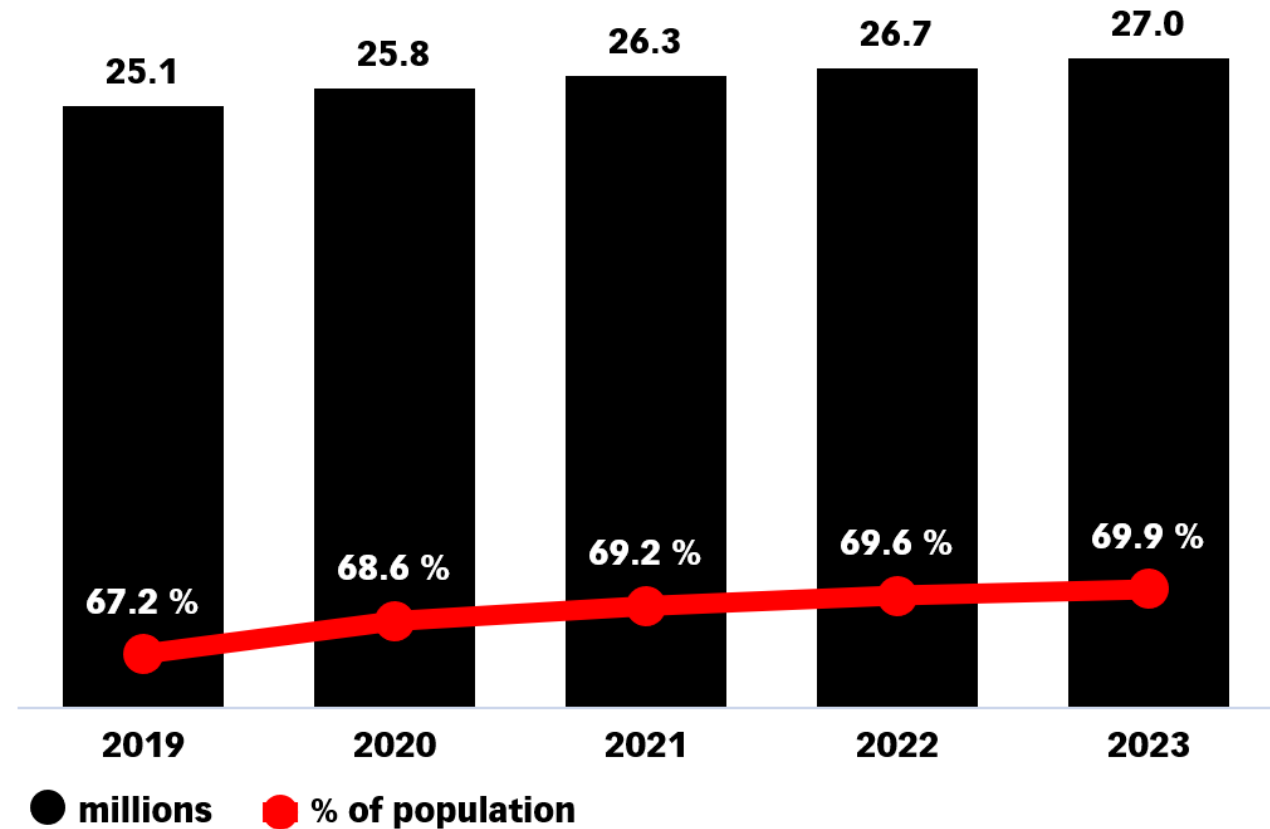
[www.eMarketer.com](http://www.eMarketer.com)

# Digital Video Viewers Climbing

- Now more than **two-thirds** of population

## Digital Video Viewers

Canada, 2019-2023



Source: eMarketer, August 2019

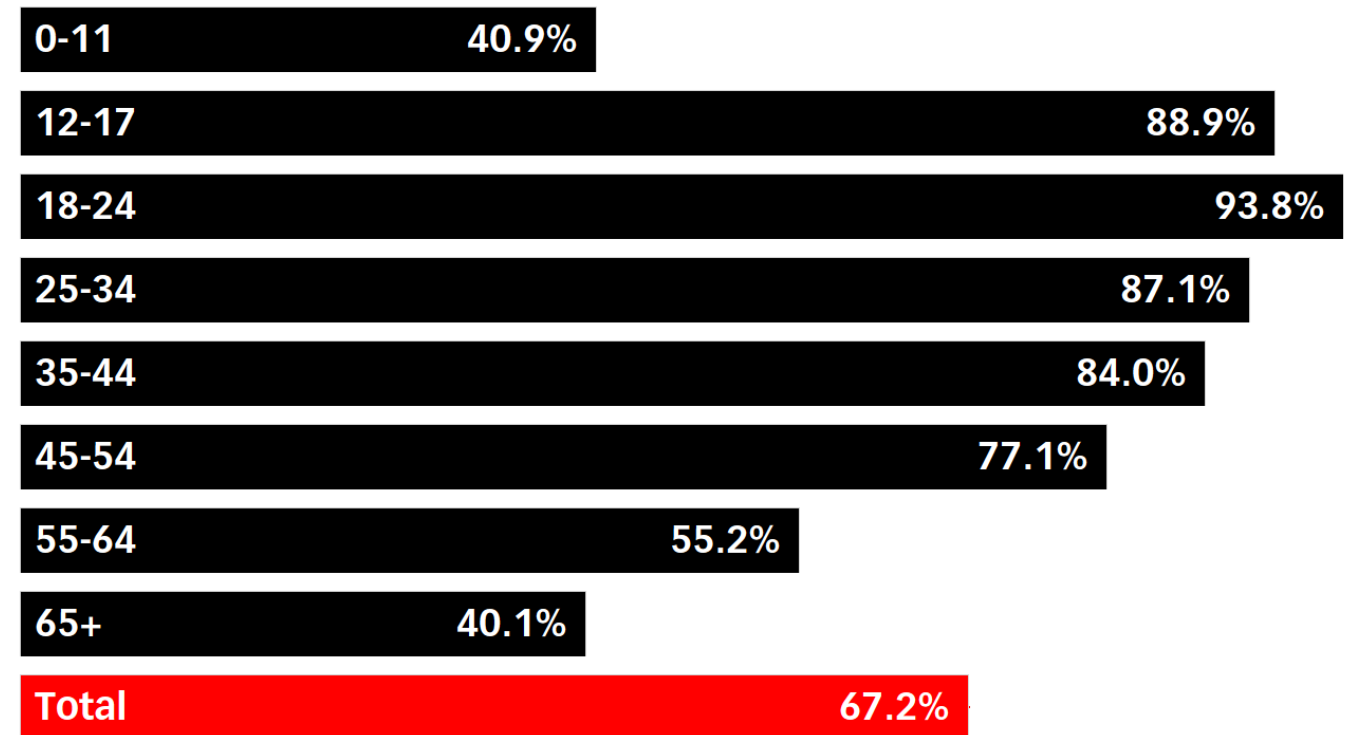
[www.eMarketer.com](http://www.eMarketer.com)



## Video Viewers By Age

- **Gen Z** and **Millennials** are the heaviest viewers

### Digital Video Viewer Penetration in Canada, by Age, 2019 *% of population*



*Note: internet users of any age who watch streaming or downloaded video content via any device at least once per month*

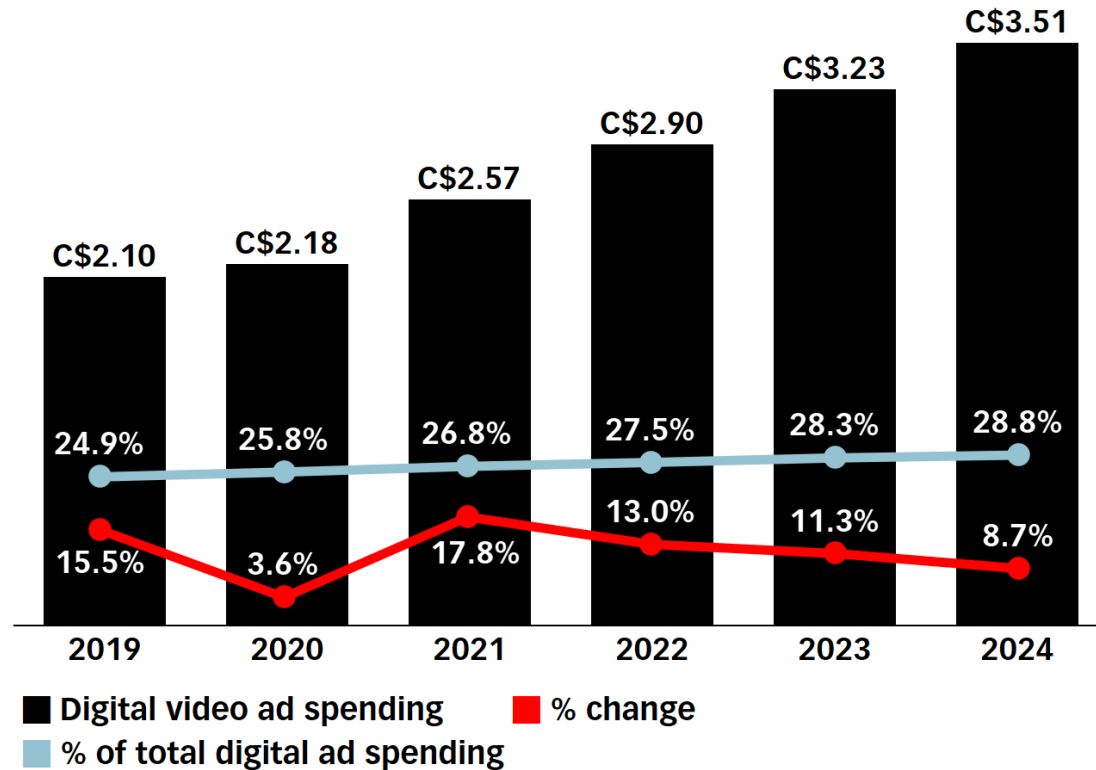
*Source: eMarketer, September 2019*

# Video Spend Will Grow This Year!

- Only ad format to grow in 2020
- **Social** ad units a big driver

## Digital Video Ad Spending in Canada, 2019-2024

billions of C\$, % change and % of total digital ad spending



Note: includes in-banner, in-stream and in-text; includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets

Source: eMarketer, June 2020

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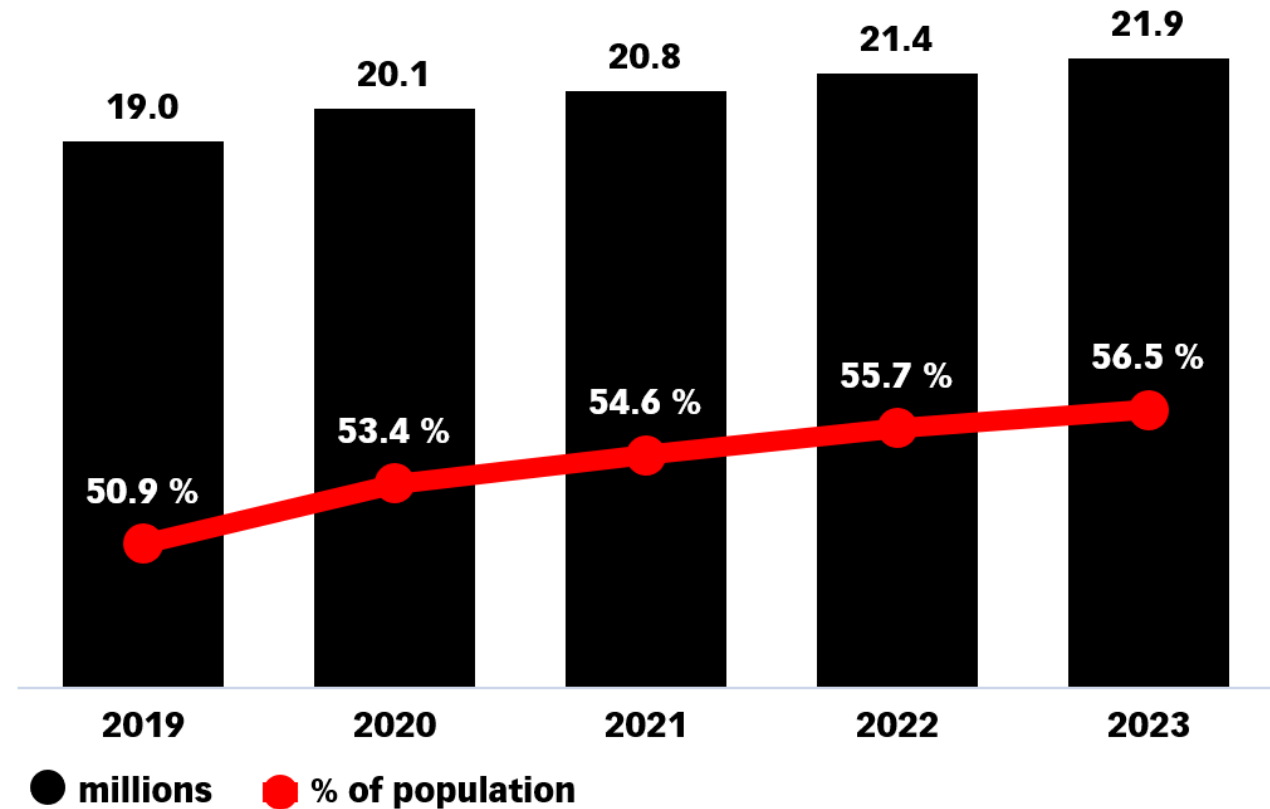
www.eMarketer.com

# OTT The Bulk of Video Viewers

- Services include Netflix, Prime Video, Crave, Disney+, Club Illico

## Subscription OTT Video Viewers

Canada, 2019-2023



Source: eMarketer, August 2019

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# Digital Video User Counts

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Service	# of Canadian Users
YouTube	24.3 M
Netflix	15.0 M
Amazon Prime Video	6.1 M

We don't forecast for services like Crave, Club Illico, Disney+ - yet

# **Connected TV (CTV) Users and Ad Spending**

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**Canada Data Coming Fall 2020!**

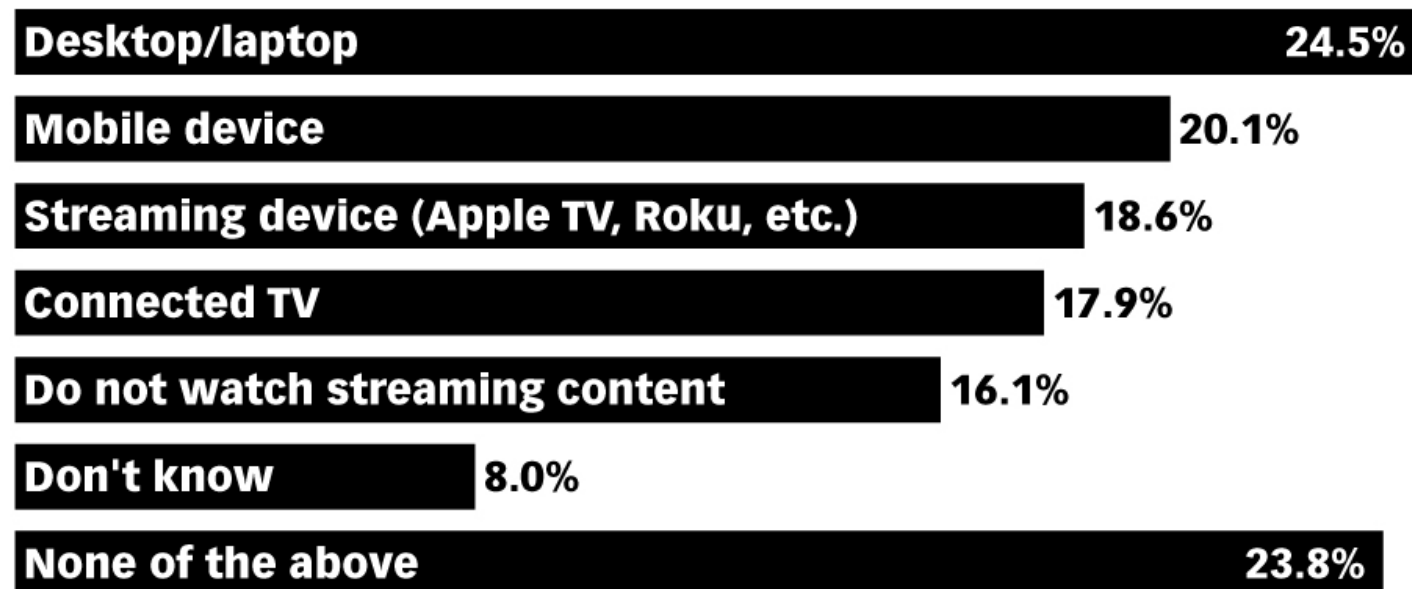
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## A Variety of Streaming Options

- Desktop/laptop leads the way
- But **streaming devices** are also popular

### What Devices Do Internet Users in Canada Use for Streaming Video Content?

*% of respondents, Sep 2019*



*Note: n=1,524 ages 18+; multiple responses allowed*

*Source: ESET and National Cybersecurity Alliance (NCSA), Oct 8, 2019*

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# Smart TV Owners

- More than a third households have **Smart TVs**
- Big driver in adoption is **household income**

## Smart TV Owners in Canada, H1 2018 & H1 2019

% of internet users, by demographic

	H1 2018	H1 2019
<b>Gender</b>		
Female	34.1%	39.4%
Male	35.0%	39.1%
<b>Age</b>		
16-24	32.1%	31.6%
25-34	35.2%	38.8%
35-44	37.0%	44.6%
45-54	35.5%	42.7%
55-64	32.8%	38.2%
<b>Annual household income group</b>		
Top 25%	42.8%	49.9%
Mid 50%	35.5%	40.8%
Bottom 25%	24.3%	29.7%
<b>Household location</b>		
Urban	32.8%	37.9%
Suburban	38.5%	41.0%
Rural	32.1%	39.9%
<b>Total</b>	<b>34.6%</b>	<b>39.3%</b>

*Note: respondents were asked, "Which of the following devices do you own?"*

*Source: GlobalWebIndex, Q1-Q2 2018 & Q1-Q2 2019, August 2019*

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# Quebec Device Ownership

- Smart TV ownership exceeded **one-third of households** last year

## Entertainment Device Ownership Among Consumers in Quebec, 2016-2019

% of respondents

### Video game consoles



### Smart TV



### Streaming media player\*



■ 2016 ■ 2017 ■ 2018 ■ 2019

Note: 2016 n=1,002; 2017 n=1,003; 2018 n=1,001; 2019 n=1,004; ages 18+; owned in household; \*e.g., Google Chromecast

Source: Cefrio, "Portrait numérique des foyers québécois," Jan 29, 2020

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# COVID-19 Impacts

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# Trusted Media During the Pandemic

- **Broadcast media**

trusted most  
in the initial  
days of  
COVID-19

## Where Are Adults in Canada Getting Information About the Coronavirus?

% of respondents, Feb 2020

### Broadcast media/TV/radio

59%

### Canadian-based online news sources

51%

### International-based online news sources

33%

### Social media

32%

### Newspapers/print media

29%

### US-based online news sources

16%

### Word-of-mouth/family and friends

16%

### Other

3%

### None of the above

2%

Note: ages 18+; <2% selected don't know/prefer not to answer

Source: Leger Marketing, Feb 14, 2020

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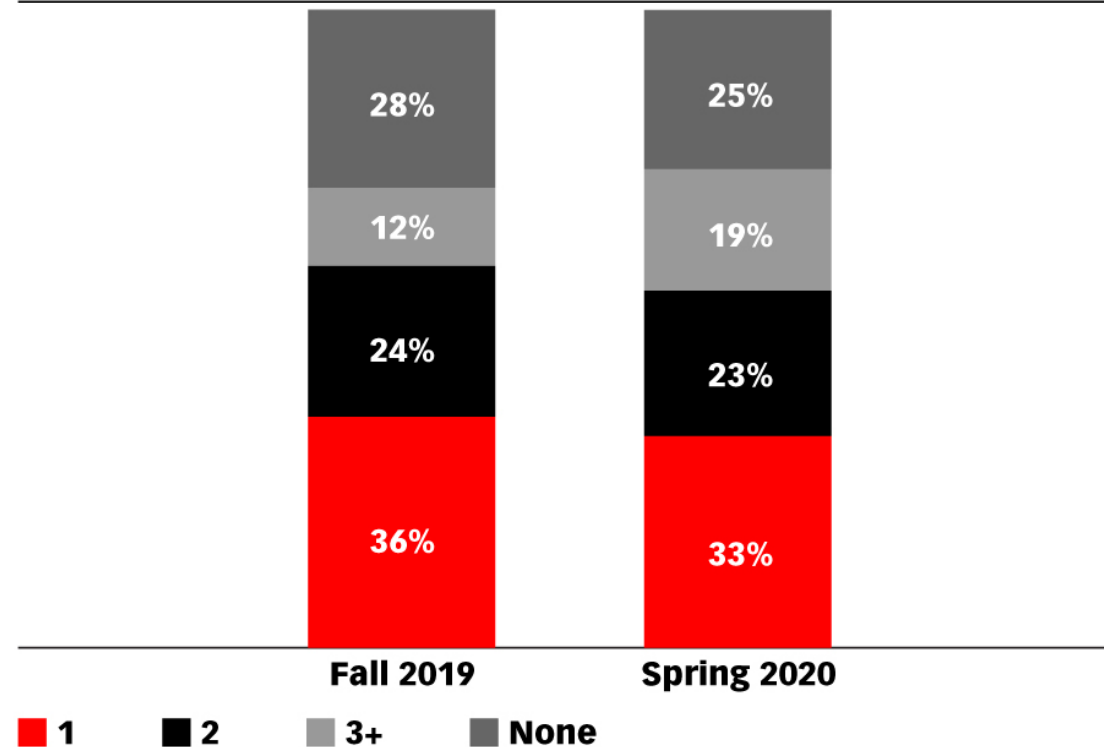
www.eMarketer.com

## Slight Uptick In OTT Usage

- During **quarantine**, consumers subscribed to more services on average

### Coronavirus Impact: Number of Over-the-Top Subscriptions per Household Among Adults in Canada, Fall 2019 & Spring 2020

% of respondents



Note: ages 18+

Source: Media Technology Monitor and CBC/Radio Canada, "Sneak Peek Spring 2020" conducted by Ad Hoc Research, May 28, 2020

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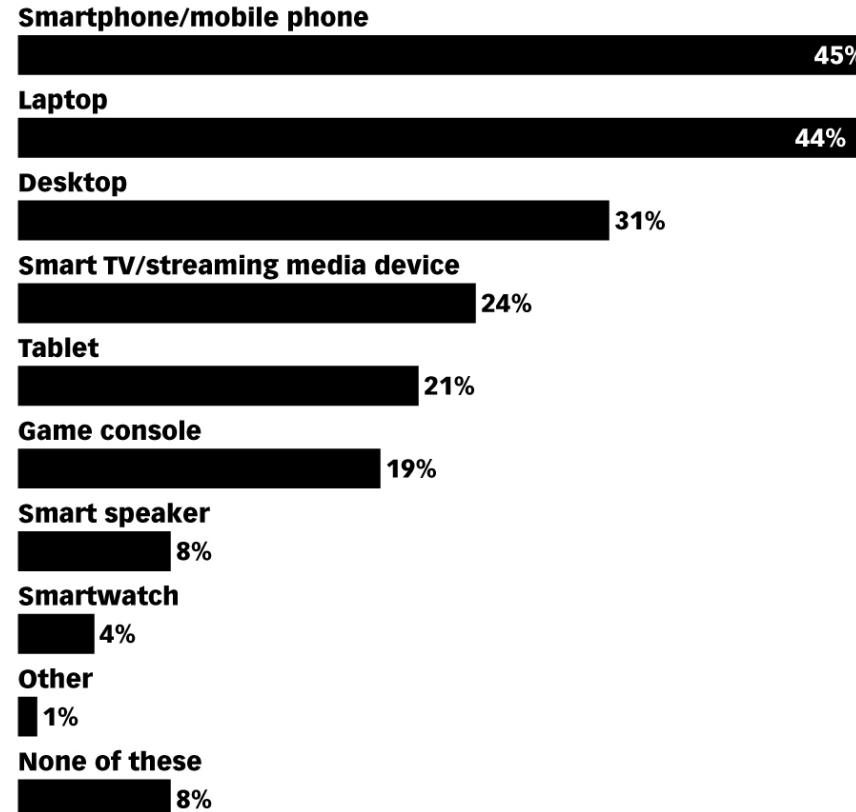
www.eMarketer.com

# Device Usage is Up Across the Board

- Smart TV  
and  
streaming  
device usage  
up by 24% of  
users during  
lockdown

## Devices Internet Users in Canada Have Been Spending More Time Using Since the Coronavirus Pandemic, April 2020

% of respondents



Note: ages 16-64

Source: GlobalWebIndex, "Coronavirus Research: Multi-Market Research Wave 3," April 29, 2020

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# Some Takeaways To Consider

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- Connected/Advanced TV is providing an opportunity to **expand monetization** of growing consumption across TV and video, capitalizing on viewers who use smart TVs, connected devices and gaming consoles to access content
- There is a **drive from broadcasters** to make sure that all of their content is being properly monetized and captured for measurement
- More advanced **set-top boxes** have the promise of providing return path data creating a foundation for targeting
- Still a need for data quantifying TV and video consumption **across screens**, an ongoing effort in Canada

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