Diversity

Canadian Media Usage Study 2019

Executive Summary

Total Canada
Rob Young
PHD Canada, November 2019

WHAT'S CMUST?

Since its inception in 2004, PHD Canada's Canadian Media Usage Study (CMUST) has been the only in-depth examination of multi-media usage sourced from the multiple research audience currencies of record. PHD Canada has made the 2019 CMUST presentation available to IAB Canada.

The study documents consumers' changing media consumption across as digital technologies increasingly impact Canadians.

This year's study updates how new devices and new types of content are triggering ways consumers spend their ever growing time with the Internet. New insights relating to Podcast consumption were introduced in CMUST 2018 and have since been updated.

New to CMUST 2019 is the creation of Canada's "diversity blueprint" and an examination of how the racial minority segment of Canada's population consumes media.

DIVERSITY
DEVICES
MEDIA
AUDIO
VIDEO
UNEARTHED
MONEY
IMPLICATIONS

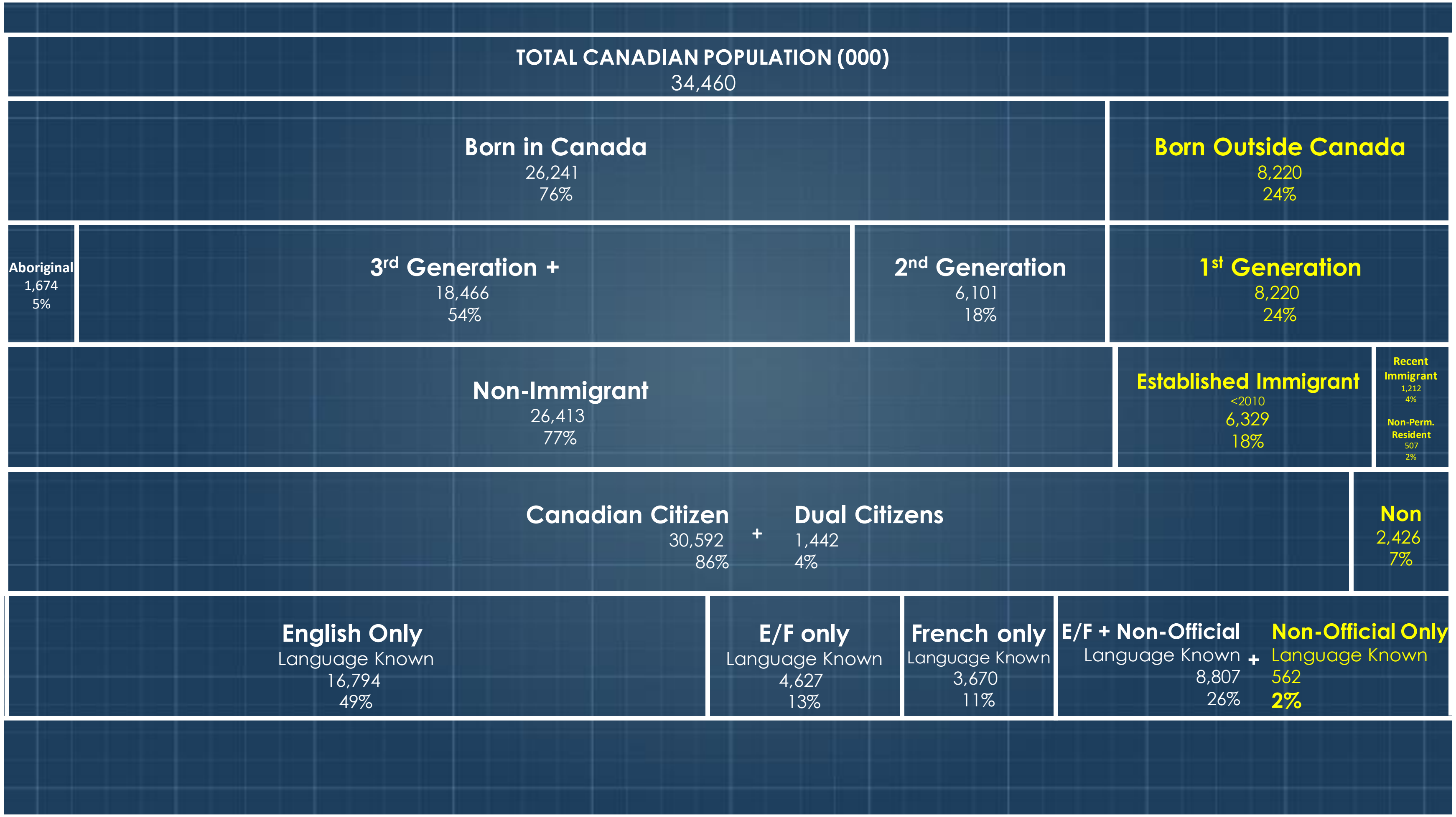
MEDIA STORIES

The big media story in 2019 was the "Raptors Story". It was a TV story, a social media story, a communal viewing story, and a pedestrian activation story. More importantly, it was a story that triggered a nationwide conversation about diversity. This story, and thousands of others are told by the media in order to attract consumer attention. Reach is the term we use to define individuals captured in the telling of media stories and time (minutes per capita) is the unit used to measure how well media stories hold people's attention. The two measures move in lockstep. Stories that produce bigger reach, produce bigger time counts (double jeopardy).

This year's CMUST presentation begins by quantifying Canadian's interest in the run up to the Raptors June 13th 2019 NBA Championship victory. Thanks to Bell Mobile Monitor data, we determined that the Raptor fan "diversity" being observed by media commentators, was not, in fact, Raptors diversity but rather, ordinary, day-to-day Toronto diversity.

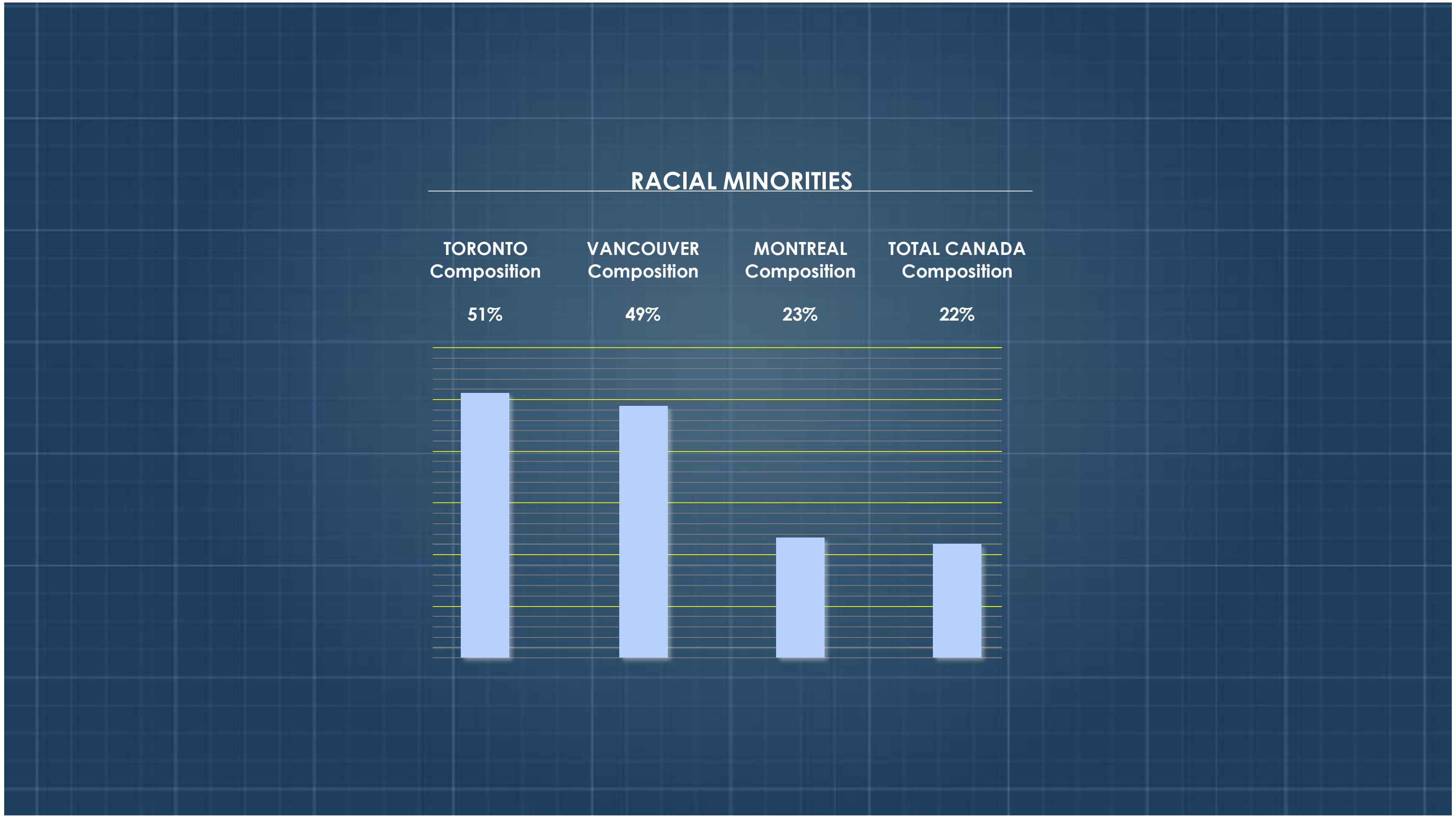
DIVERSITY

This is what diversity looks like in Canada (Stats Canada, 2016 Census). Those born outside Canada, the 1st Generation, the established and recent immigrants represent about a quarter of the country's population. Only 7% of the population are not citizens. And only 2% of the population don't know the two official languages.



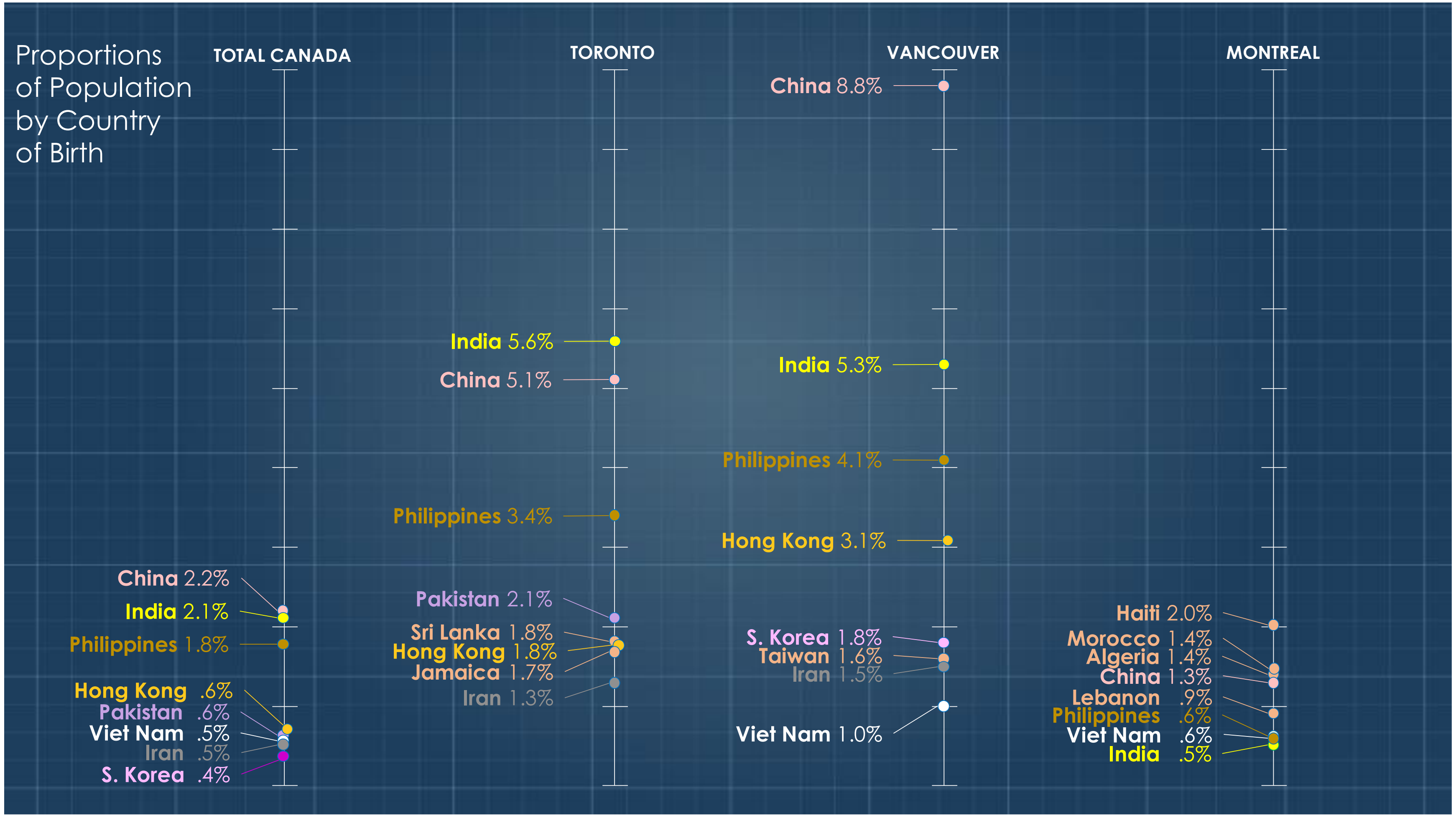
RACIAL MINORITIES

Stats Canada uses the term "visible minority" to describe the non-white segment of Canada's population. Sociologists prefer the term "racial minority. This segment represents 22% of the population but the compositions climb to an astounding 51% and 49% in Toronto and Vancouver respectively. Montreal's racial minority composition is similar to the country as a whole.



HYPER-DIVERSITY

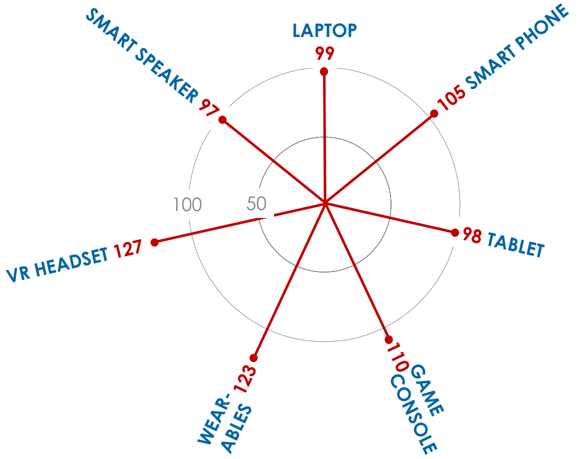
These are the top 8 countries of birth that make up the racial minority segment in Canada and in the top three markets in Canada. Yes… Canada is diverse but it is also "hyper" diverse. This is a term used to describe diversity in the form of migrants who have arrived from a wide array of different countries. Canada is the second most "hyper diverse" major country in the world.



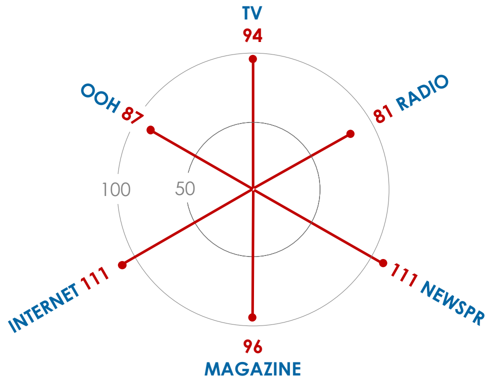
RACIAL MINORITY MEDIA HABITS

These “index circles” below graphically depict the media propensities exhibited by the racial minority segment relative to total adults in Canada. A 100 index means a match to normalcy. The racial minority, with some exceptions, closely mirrors overall adults media consumption patterns. The chart lower right estimates the proportion of ad expenditures captured by “ethnic” media vehicles - $279,000,000 in 2018.

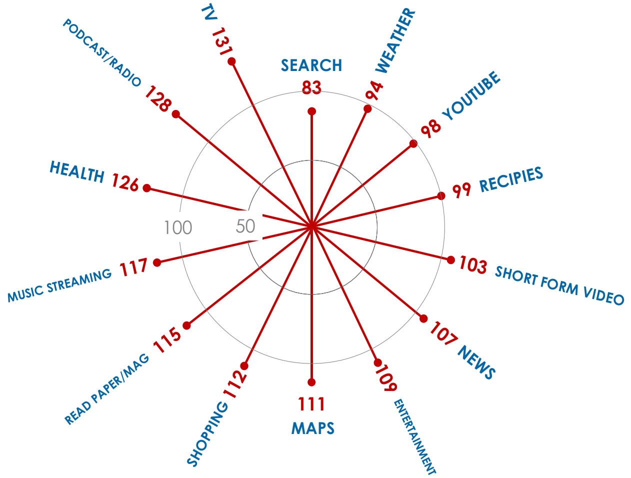
Devices
Narrow Range



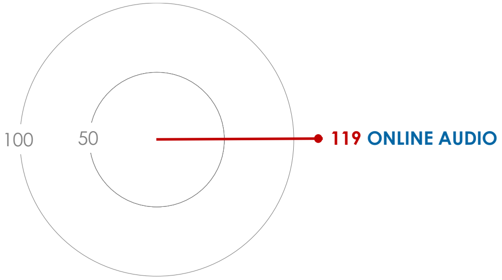
Media
Narrow Range



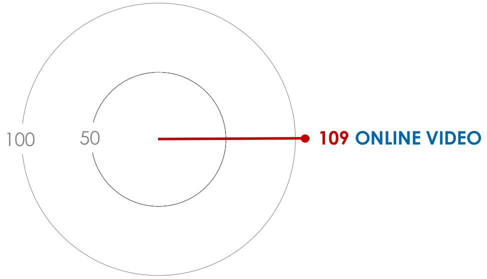
Unearthed
Wide Propensity



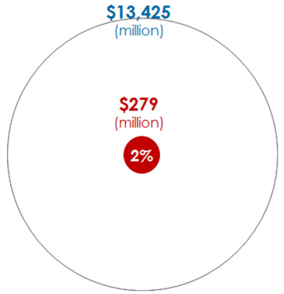
Online Audio
A Propensity



Online Video
Slight Propensity



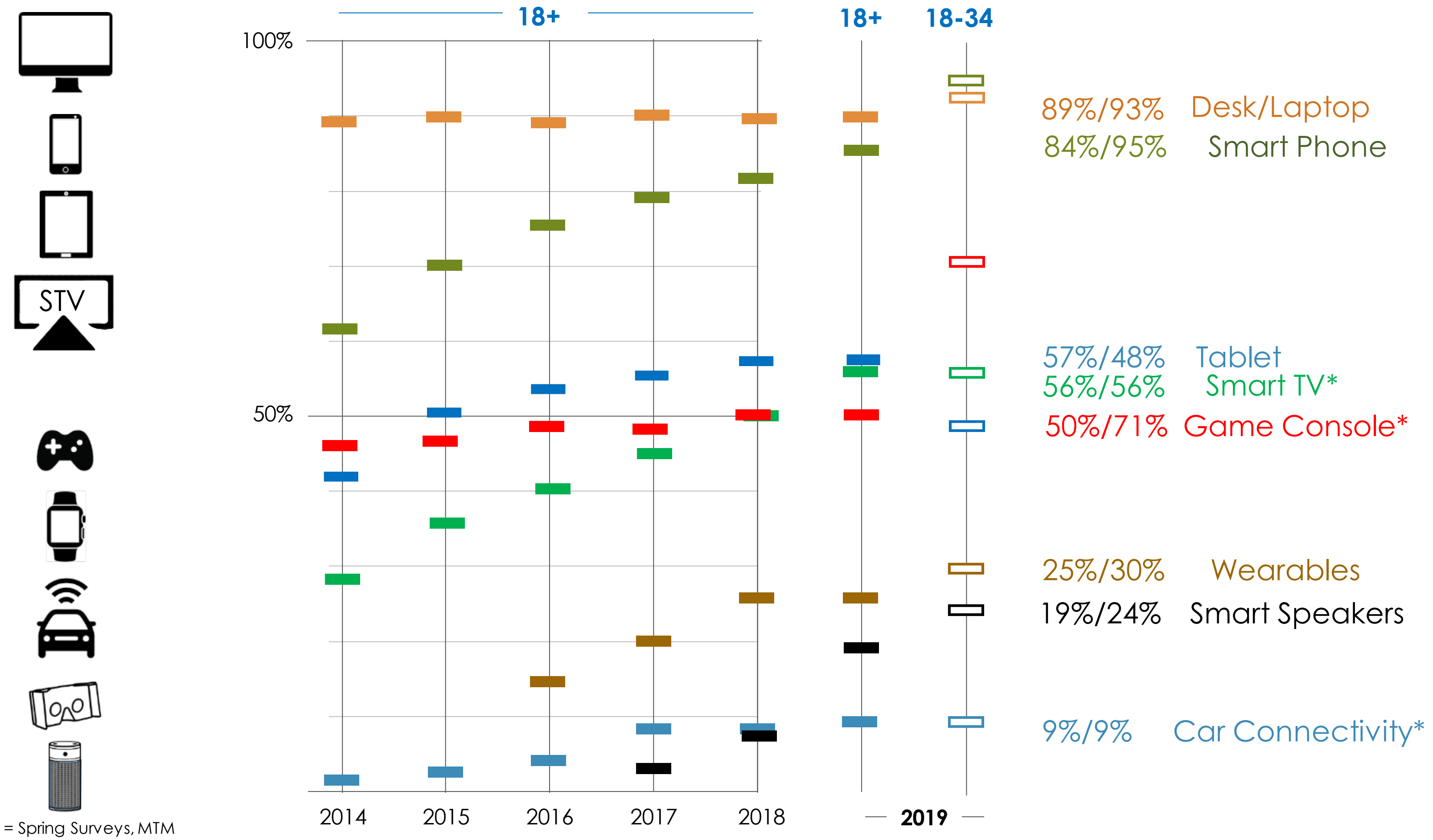
Money
Lacking knowledge of official languages = 2%



DEVICES

The chart below tracks device penetration over the last 6 years and provides an age skew dimension with the addition of adults 18-34 data, far right of the chart below. The devices that have the greatest growth trajectory are **Smart TVs and Smart Speakers**.

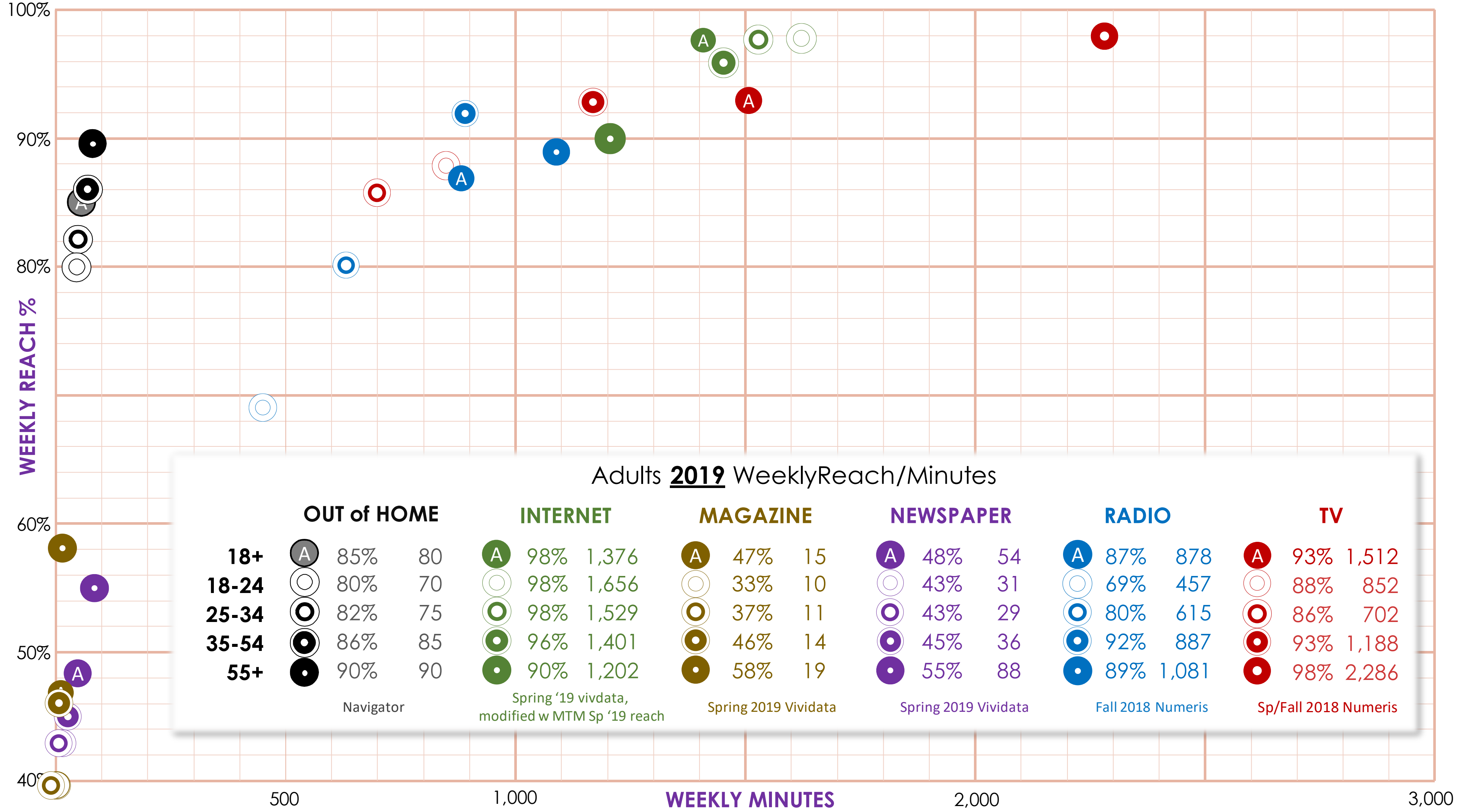
Internet Accessing Device Usage, amongst Adults



SP = Spring Surveys, MTM

MEDIA

Four age breaks are plotted on the chart below relative to the medium's adult 18+ reach/time position. Legacy media reach and time spent levels decline as the age breaks get younger; an age profile that has existed for at least two decades now. The Internet has a youth skew; younger age groups are heavy users of Internet content.

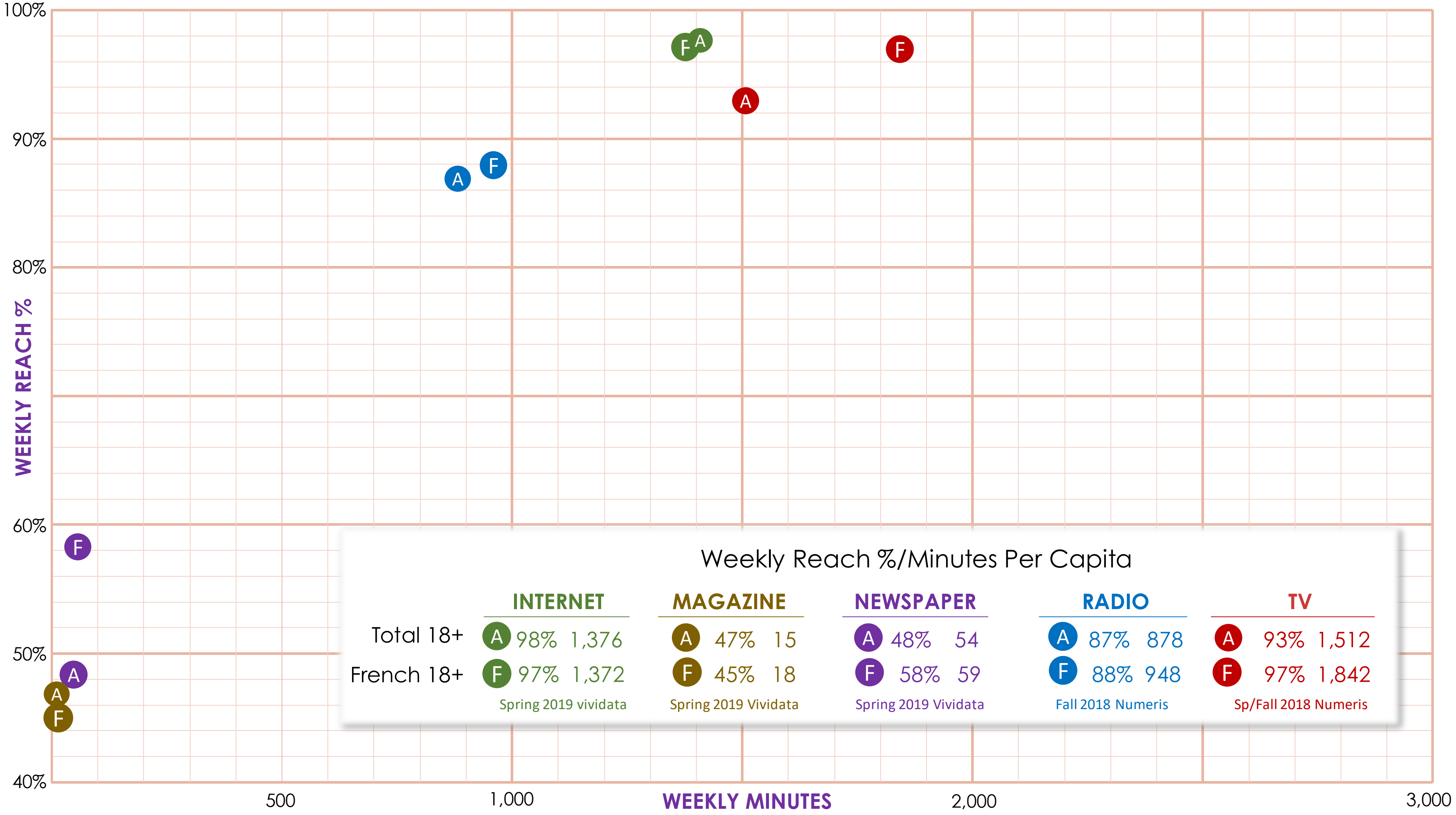


Adults **2019** WeeklyReach/Minutes

	OUT of HOME		INTERNET		MAGAZINE		NEWSPAPER		RADIO		TV	
18+	85%	80	98%	1,376	47%	15	48%	54	87%	878	93%	1,512
18-24	80%	70	98%	1,656	33%	10	43%	31	69%	457	88%	852
25-34	82%	75	98%	1,529	37%	11	43%	29	80%	615	86%	702
35-54	86%	85	96%	1,401	46%	14	45%	36	92%	887	93%	1,188
55+	90%	90	90%	1,202	58%	19	55%	88	89%	1,081	98%	2,286
	Navigator		Spring '19 vivdata, modified w MTM Sp '19 reach		Spring 2019 Vividata		Spring 2019 Vividata		Fall 2018 Numeris		Sp/Fall 2018 Numeris	

MEDIA

French Canadian adults are heavier users of media then adults generally in Canada. With the exception of Magazines, French Canadians are heavier users of legacy media and have very similar Internet consumption habits to total Canada adults. This French to Total Canada relationship is plotted on the reach/time grid below.

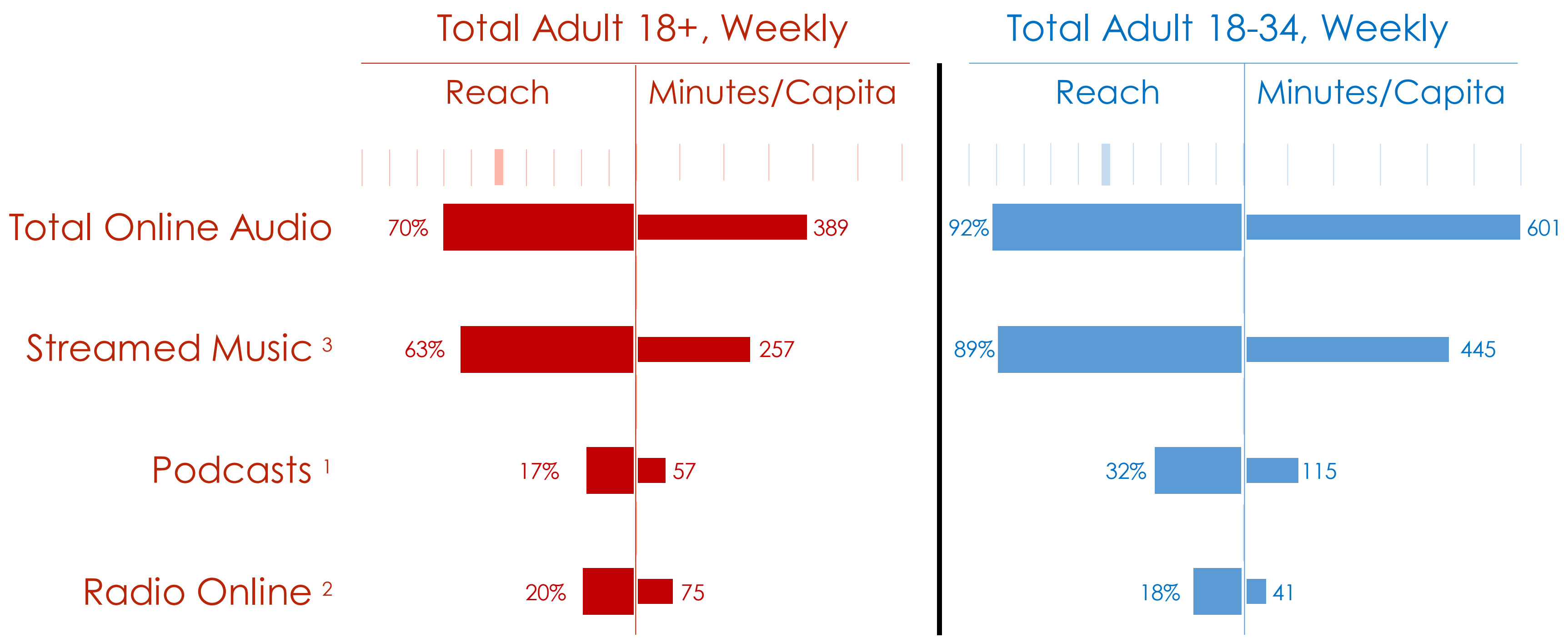


Weekly Reach %/Minutes Per Capita

	INTERNET	MAGAZINE	NEWSPAPER	RADIO	TV
Total 18+	A 98% 1,376	A 47% 15	A 48% 54	A 87% 878	A 93% 1,512
French 18+	F 97% 1,372	F 45% 18	F 58% 59	F 88% 948	F 97% 1,842
	Spring 2019 vividata	Spring 2019 Vividata	Spring 2019 Vividata	Fall 2018 Numeris	Sp/Fall 2018 Numeris

AUDIO

Online Audio is comprised of Music Streaming (paid and subscription), Podcasts and Online versions of legacy radio broadcasters (which we call Cobranded Audio). It continues to be difficult to measure these platforms and so the chart below reflects PHD Canada estimates of online audio weekly reach and minutes based upon MTM and Vividata sourced data. Last year, online audio hit the 50% weekly reach mark and this has since grown to 70% highlighting the main message for Online Audio in 2019 – accelerated growth. This is a media category ripe for marketer utilization. The second, 2019, edition of “The Canadian Podcast Listener”, has helped shed light on the fledgling podcasting audio channel and is the source of the Podcast reach and time data below.



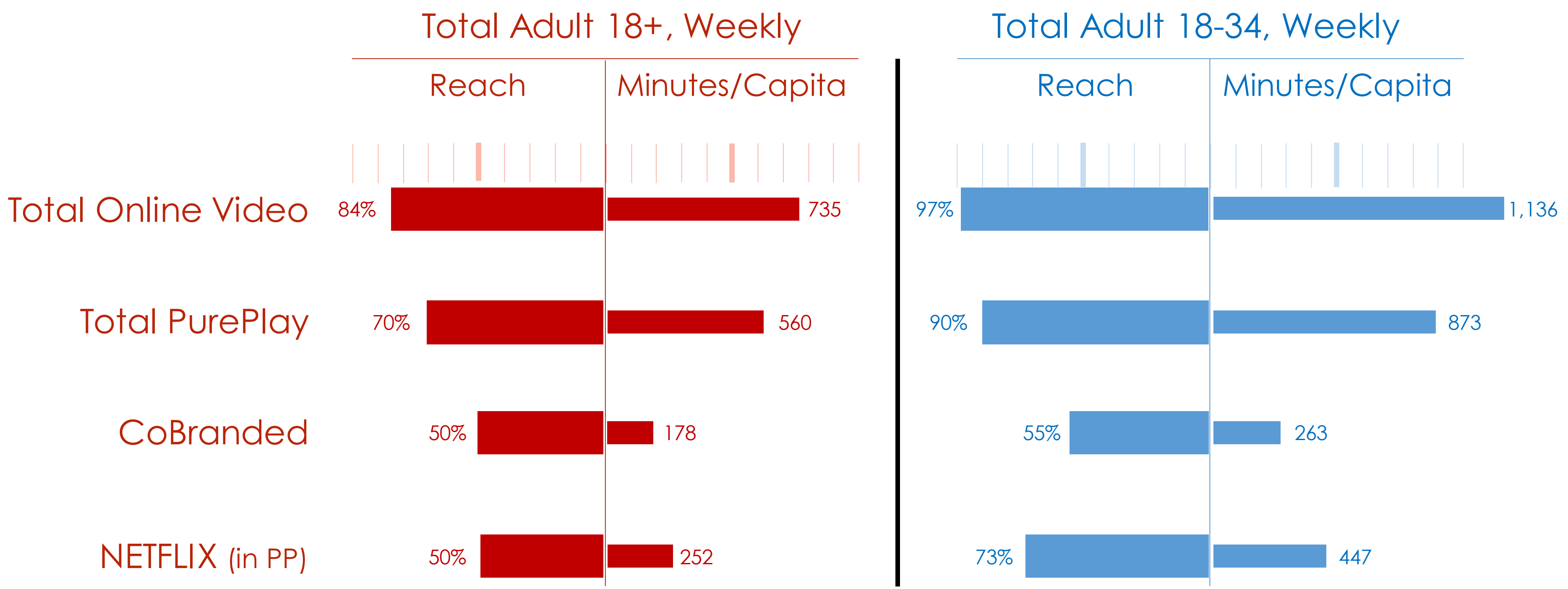
[1] The Canadian Podcast Listener 2019, Audience Insights Inc., Ulster Media (May/June/July 2019)

[2] Numeris PPM Radio Streaming Report, August 2019, 12+, 6 market average share of total radio tuning = 7% of 878 mpc = 60 mpc. Reach est’d at 20% based upon the time spent level.

[3] MTM MpC reduced by 25%.

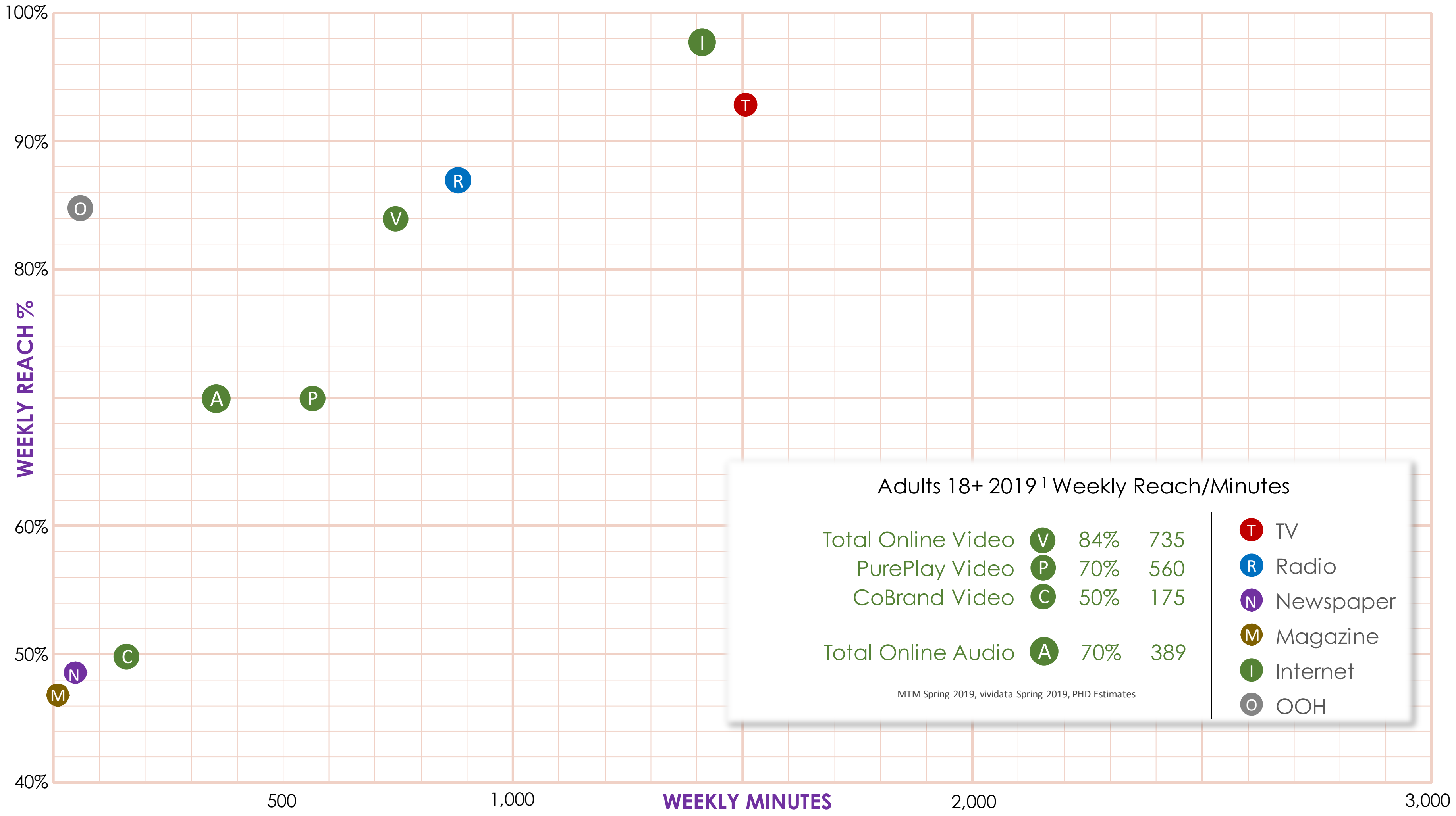
VIDEO

Online Video is made up of Pureplay (like Netflix, Amazon Prime, YouTube Movies) and Cobranded Video (broadcaster online video) sub-channels. Estimates of weekly reach and minutes per capita for each of these channels are displayed below. Some degree of estimation is required to fill in the Online Video data gaps. Pureplay represents a significant portion of total Video minutes per week. Online Video is big - big reach - big time counts and CoBranded reach and time levels appear to be growing quickly and this represents an important development for Canada's legacy broadcast industry.



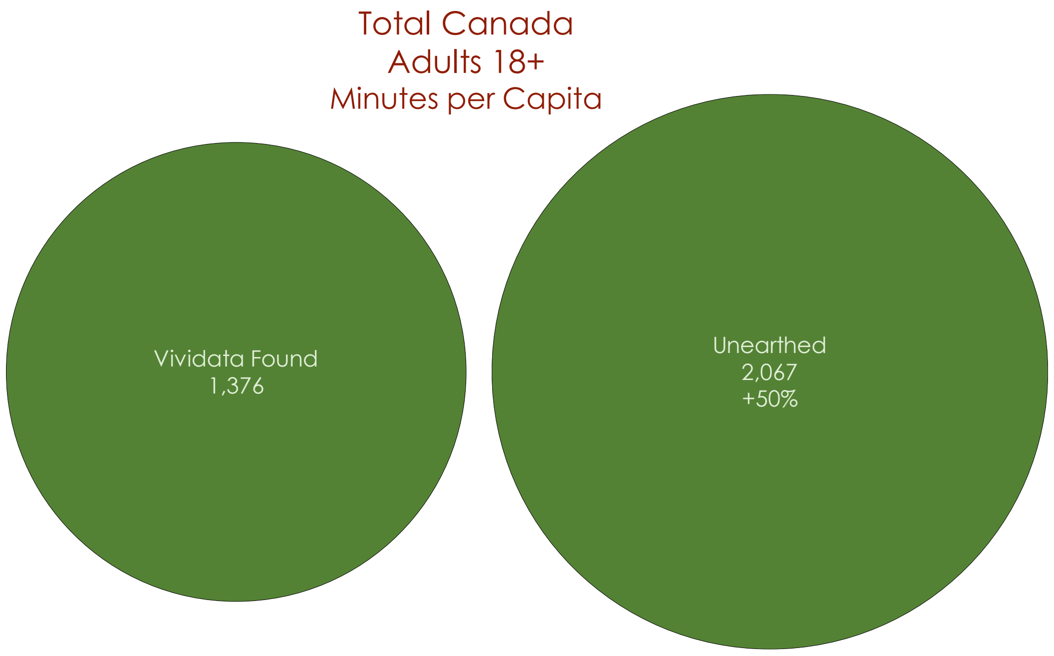
ONLINE AUDIO/VIDEO

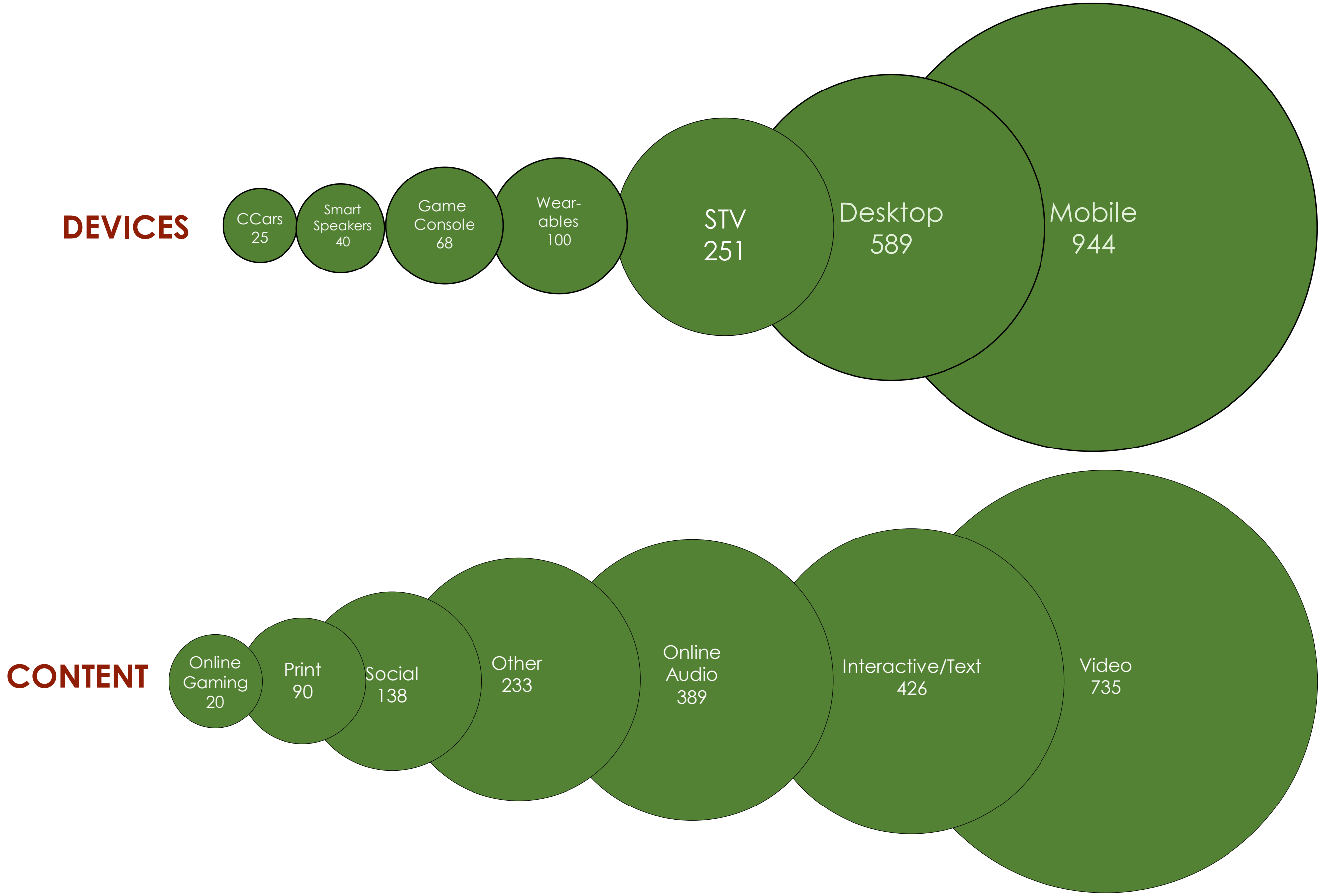
The Online Audio and Video reach/time platforms are plotted here relative to the mainstream media and you can see that they sit squarely on the reach/time curve.



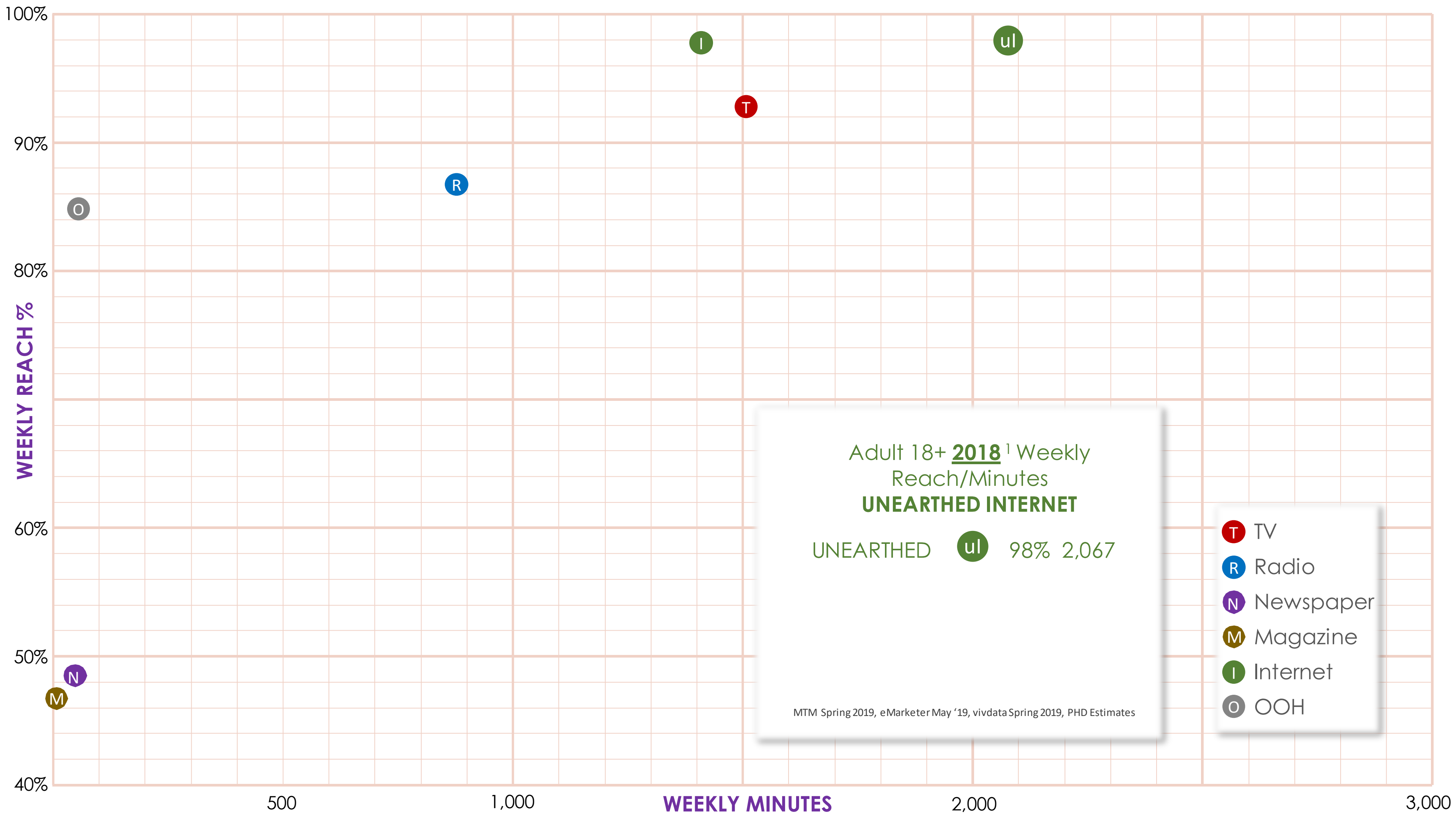
UNEARTHED INTERNET

The Internet is bigger than we think because large swaths of Internet time are either not measured or under reported by respondents. Consumer time spent with mobile video is generally recognized to be under self-reported by survey respondents as is time spent accessing the Internet via Smart TV sets, Wearables, Connected Cars, IOT, Smart Speakers, and Game Consoles. When these additional, estimated time spent counts are added to the results from surveys, minutes per capita time jumps from 1,376 to 2,067 minutes per capita for total adults 18+ in Canada - a 50% increase (chart lower left). The chart to the lower right breaks down the total unearth minutes of Internet time by device and content type. Note the magnitude of time spent with mobile devices and video content.



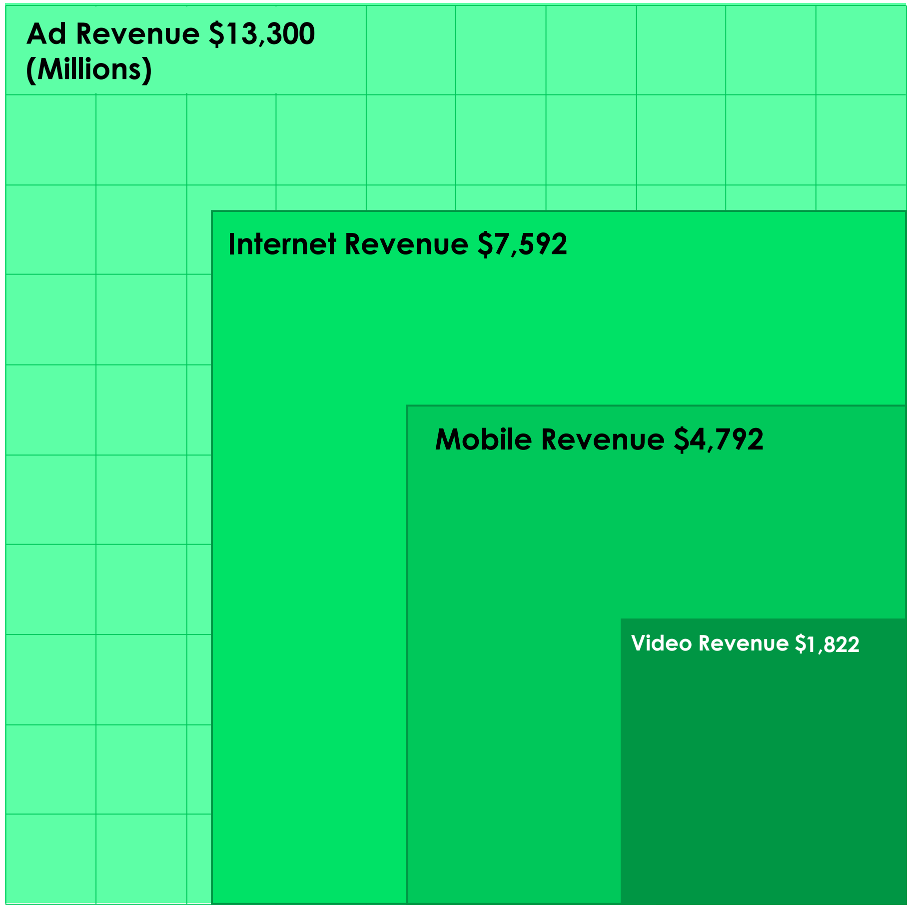


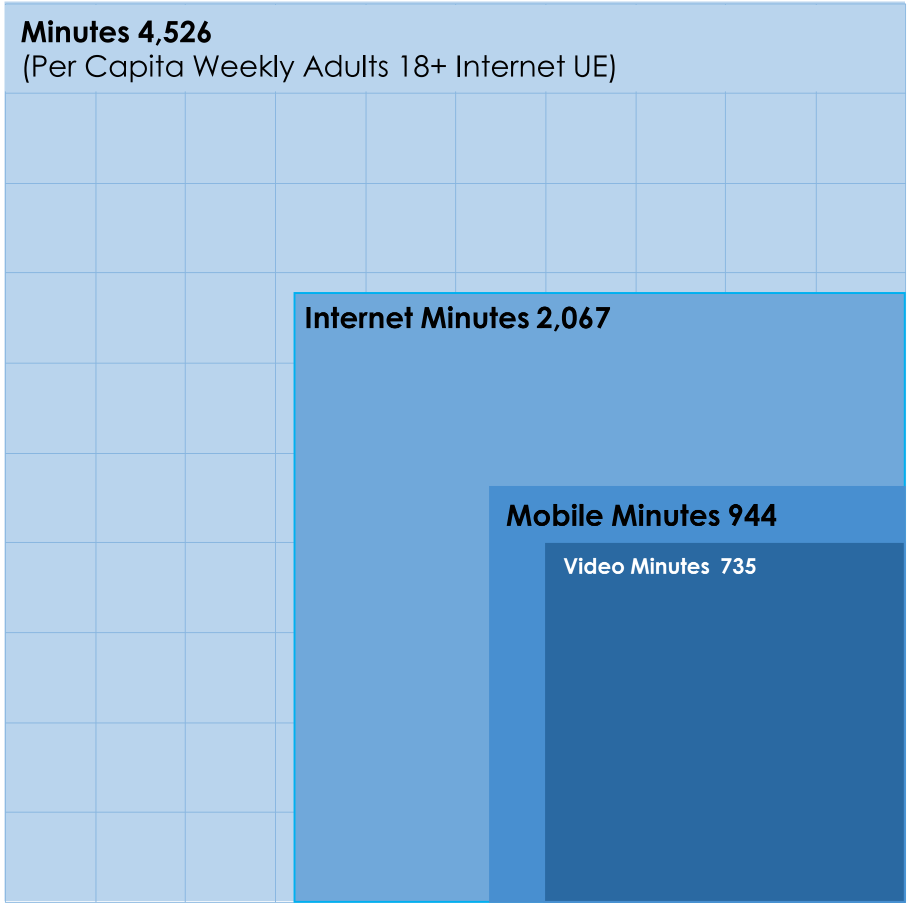
The Unearthed Internet estimates are plotted on the reach/time chart below and compared to the positions of the legacy media. This estimate of full Internet consumption now stands far to the right (more time spent) of the TV medium. The Internet medium now clearly occupies the largest share of the Canadian consumer's total media time spent counts.



MONEY

The share of the ad revenue captured by the Internet was 57% in 2018 (most recent data). Internet's share of media time was 46% (2019). The Internet's share of spend has exceeded the share of consumer time captured by the Internet for three years in a row. Shares of total ad revenue and time captured by mobile internet, 36% and 21% respectively, is evidence of Mobile's revenue overdevelopment. But the ad revenue fortunes of Online Video remain behind the shares of time consumers spend with Video. Video share of revenue is 14% compared to its share of time of 16%. Online Video's share of revenue is approaching its share of time in spite of the fact that significant proportions of online video are unmonetizable (OTTs like Netflix).





Total excludes OOH/Com Newspaper. Revenue from 2018 Ad Revenue Summary est'd PHD Canada, MpC from 2019 CMUST, Total Canada using Internet Unearthed.

5 IMPLICATIONS

1

Immerse in Diverse

Canada is one of the worlds most "hyper-diverse" countries in the world; a term referring to the wide array of different home country sources of immigration. This is a large, growing, complex, fragmented and important consumer segment calling for the attention of marketers. The book "Migration Nation" (Environics Research Group, Brown and Cheng) provides important recommendations to help guide today's marketers who wish to immerse in the diverse. Here are three "nuggets" selected from the book's long list of marketing "nuggets".

Ethnic/Mainstream no longer.
Today think Cultural Cross-Pollination.

Match the offer to the target's
Settlement Stage.

In-language.
Use it to build Appreciation
As well as Comprehension.

2

New audio marketing frontier is unfolding.

The list below represents evidence of the emergence and accelerating growth of consumer interest in Online Audio platforms. For decades now, marketers have focused their creative and marketing efforts on digital and video media but the time has come to revisit and rebuild expertise in the field of audio marketing communication. These new online platforms and technology, coupled with legacy Radio, produce formidable reach and time spent levels and open new opportunities for audio-based brand building.

Streamed Music
Podcasting
Radio Online
Audio books
Ear Pods
Smart Speakers

3

Three measurement battles being waged.

The future of media measurement, the basis for media planning, buying and selling, will be driven by the outcomes of three measurement battles being waged in Canada today. Census vs Panel battle lines are roughly drawn between Legacy and data-based Internet media measurement. Legacy media also tend to measure content (TV programs for example) as opposed to the digital commercial/ad impression metric employed by the digital side of our media business. A third battle line has been drawn between proprietary metrics from large walled garden outfits and industry co-op measurement approaches employed by Numeris, Vividata and MRC audits. The buyer side of our business generally hope that Census, Commercial and Industry emerge victorious.

1 Census (clickstream) vs Panel (sample)
2 Content vs Commercial
3 Industry vs Proprietary

4

Internet Revenue is overdeveloping quickly.

Over-Activation. Over-Short-termism. Under-Branding. These are the concerns being expressed by ad effectiveness researchers today. Almost 50% of Internet ad revenue is made up of search marketing and this activity is the ultimate example of "bottom of the funnel", short term activation. Much of the balance of Internet activity is also in support of short term sales. Therefore, the 60% of Canada's ad revenue, captured by the Internet medium, is, on the whole, short term sales oriented. This means that only 40% of Canadian marketer's budgets, on the whole, is employed in support of brand building. The research literature below, suggests 40% brand building is too low a proportion and should be closer to 60% of com budgets. Generally, it is our contention that advertisers are spending too much of their budget with the Internet medium.

How Brands Grow Part 2	Romaniuk/Sharp
Lemon	Wood
Effectiveness in Context	Binet/Field
The Crisis in Creative Effectiveness	Field, 2019
Factors Driving Ad Effectiveness	Ritson

5

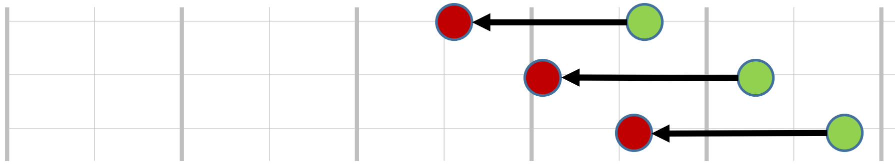
A re-evaluation of TV is in play.

The last decade of media management new business pitches has been dominated by Global advertisers employing their procurement departments to drive down media cost. In many cases, successful new business acquisition requires the media agency to guarantee TV cost-per-rating-points that are well below market averages – in effect cprp's that are too low. Very low cprp's produce TV schedules that concentrate commercial activity and ratings in a narrow band of low profile TV programming. The result – low weekly reach and, as the chart below shows, declining TV commercial recall scores in Canada. But over the last year and a half, a new "breed" of TV advertiser has emerged, prepared to accept higher cprp's in order to reap the benefits from higher weekly reach levels and improved commercial recall scores. Our prediction – TV revenue in 2019 will grow from 2018 levels for the fist time in several years as marketers demonstrate a willingness to re-evaluate the worth of the TV medium.

Low Value	High Value
Procurement Driven	Market Sensitive
Globally Driven	Canadian Driven
Low CPRP	Higher CPRP
Low Reach	High Reach

Average Level of Branded TV Commercial Recognition [1]

CURRENT EARLY 2010's



250 GRP FROM **36%** to **26%**

500 GRP FROM **42%** to **31%**

1,000 GRP FROM **47%** to **36%**

[1] IPSOS Global Tracking Data Base.

SOURCES CMUST'19

Popularity of stories	Google Trends
Raptors and comparative TV audiences	Numeris TV PPM Anglo Canada, Toronto EM and Montreal EM.
Raptor Game 6 Twitter volumes	Twitter Canada, Alyson Gausby,
Toronto geo-fenced pedestrian traffic data	MicroMarkets, Bell Media, Karen Pettingill.
Diversity data	Stats Canada Census 2016
Diversity Actions	Migration Nation, Environics Research group, Brown and Cheng
Device penetration	MTM Spring 2019 unless indicated otherwise as PHD estimated.
TV weekly time/reach, 2019	Numeris, Spring'18/Fall'18 PPM averaged.
Radio weekly time/reach , 2019	Numeris, Fall'18, Diary
Internet weekly time/reach , 2019	Vividata Spring 2019
Magazine weekly time/reach , 2019	Vividata Spring 2019, generic question.
Newspaper weekly time/reach , 2019	Vividata Spring 2019, 72 daily rollup.
Out of Home	Navigator, using PHD estimates of time spent per impression.
OOH measurement methodology	COMMB, Rosanne Caron
Cobranded audio weekly time/reach	Numeris PPM Radio Streaming Report shares applied to Radio totals
Podcast weekly time/reach and tuning dynamics	The Canadian Podcast Listener 2019, Audience Insights Inc., Ulster Media.
Streamed music weekly time/reach	MTM Spring 2019, reduced by PHD estimate of respondent over claim.
Cobranded video	MTM Spring 2019, reduced PHD estimate of respondent over claim.
Pureplay video desktop and mobile	Vividata Spring 2019, plus PHD estimates.
Pureplay video smart TV	MTM Spring '19 Pureplay.
Netflix	MTM Spring 2019
Video Audience Measurement methodology	Numeris VAM, Rob Fullerton
Internet unearthed	Vividata Spring 2019, MTM Spring 2019, eMarketer May 2019, PHD estimates
2018 Ad Revenues published	2018 Annual Ad Expenditures Report, compiled by ThinkTV, Kathy Gardner
2018 Ad Revenues unpublished	PHD estimates
Time spent shares by medium	Time spent as summarized in CMUST 2019
Ethnic Ad Revenue	2018 CRTC Radio and Discretionary Service actuals + PHD estimates for balance.