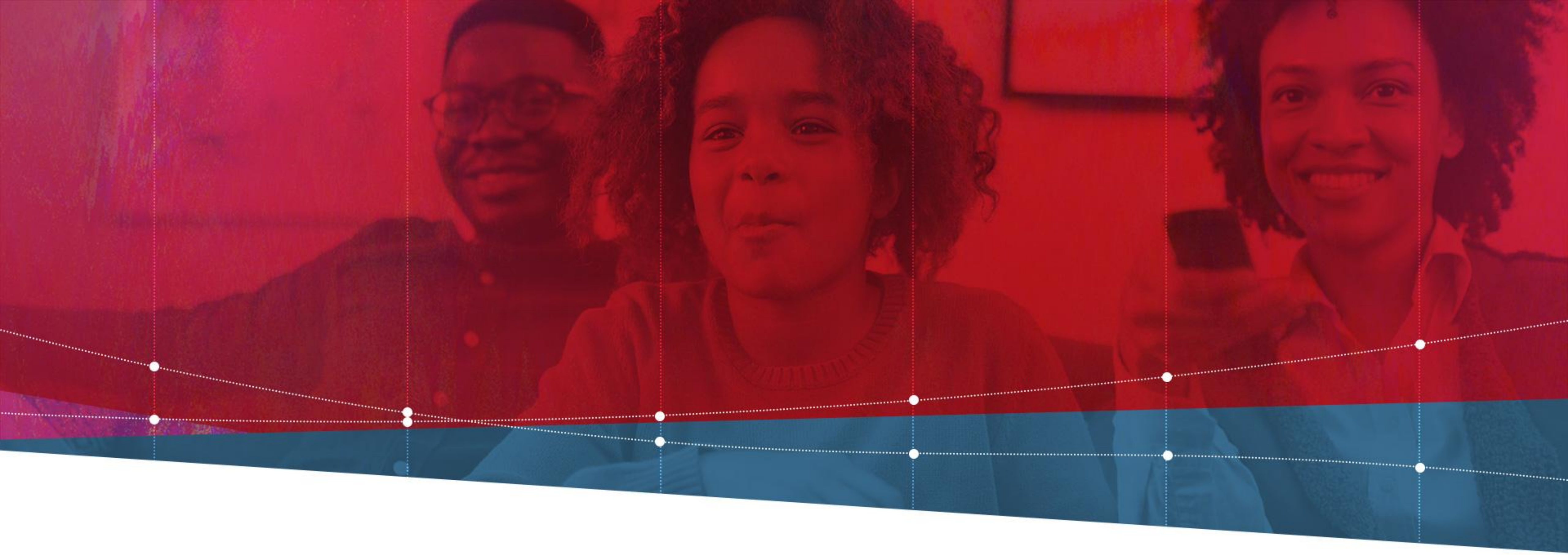


Structural Decline of Linear TV Viewing in Canada, and the Shift Toward Online Video Platforms

Produced by Corporate Research
April 2024

Summary - Highlights & Key Takeaways

Linear TV viewing in Canada has declined by 41% over the past decade (slides 3 to 9)

- Canadians now watch 17 hours of linear TV each week (down from 28 hrs/wk in BY 2010-11)
- Linear TV viewing is declining across all age cohorts, but more rapidly among anglophones
- Seasonal comparisons show that COVID did not reverse or slow the structural decline; however in Fall 2022, the rate of decline slowed
- When we look at viewing quintiles, most viewers' time spent has declined since 2010

Light TV Viewers :

- Are younger and have a higher household income
- Are less likely to have a paid TV subscription
- Are more likely to have one or multiple SVOD subscription(s)

Heavy TV Viewers :

- Are older and have a lower household income
- Are more likely to have a paid TV subscription
- Are less likely to have one or multiple SVOD subscription(s)

The paid TV service penetration continues to decline (slide 10)

Canadians are shifting to online platforms for video consumption, and leaving linear TV (slides 11 to 18)

- Less than half of the overall time spent watching video content by Canadians is on linear TV (44%)
- Close to 8 out of 10 Canadians now have at least one Subscription-Video-on-Demand (SVOD) service
- Netflix continues to dominate the SVOD market, while Amazon Prime has seen tremendous growth over the past three years
- The proportion of Canadians who have 3 or more SVOD subscriptions has grown exponentially compared to pre-COVID rates
- Advertising-Video-on-Demand (AVOD) services like YouTube have shown growth since 2017-18, despite some softening in 2022-23

Future Trends

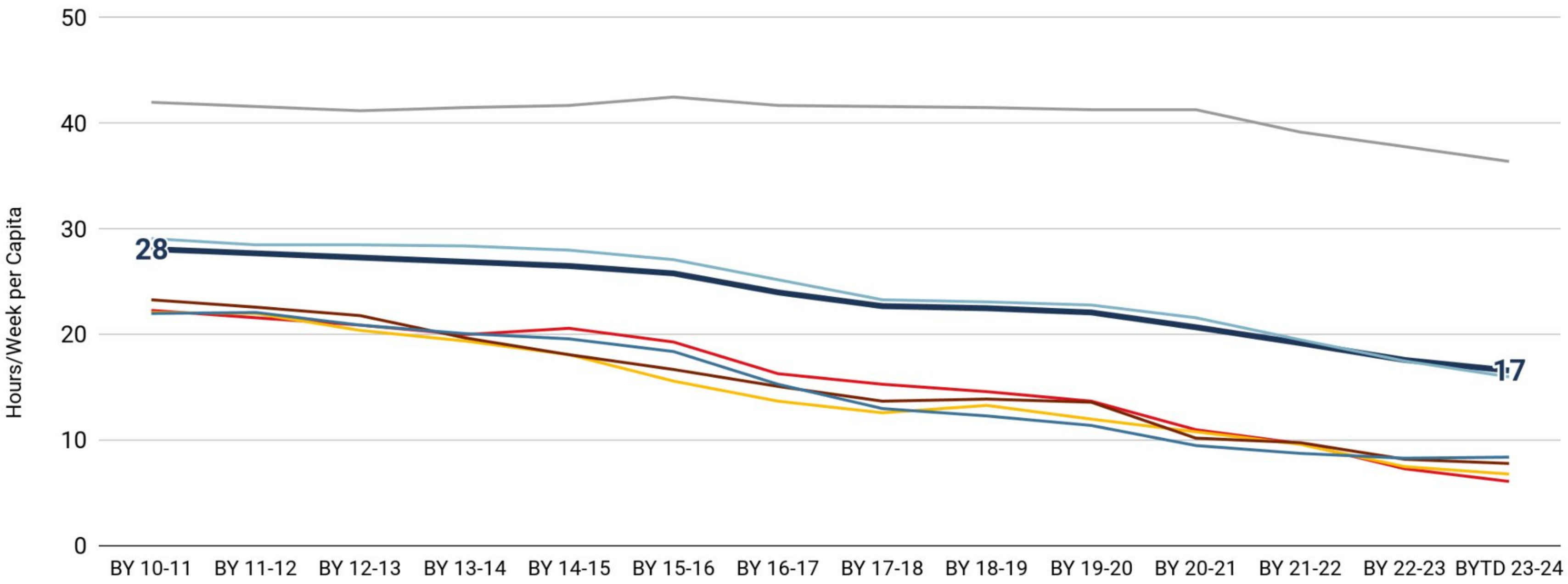
- As the population ages, and online platforms become mainstream, we can expect linear TV to continue to decline as a share of total viewing
- This will likely be observed when medium TV viewers start embracing online services for TV and digital video content
- So far, the French linear TV market has seen less impact, but erosion has begun, in particular among teens - this points to an accelerated decline in the near future
- In young and early adult demos, the shift toward digital is so significant that these demos may be gone from linear TV entirely in the near future

With cross-platform video measurement, Numeris will allow us to better understand how Canadians consume traditional television and digital video.

Linear TV viewing has declined by 41% over the past decade

Canadians now watch 17 hours of TV each week, down from 28 hours/week a decade ago (BY 2010-11). The declines in TV viewing are most pronounced among young audiences. Linear viewing dropped by more than 60% for Canadians under 35 years old.

Time Spent Watching TV per Week, All Day, Total Canadians

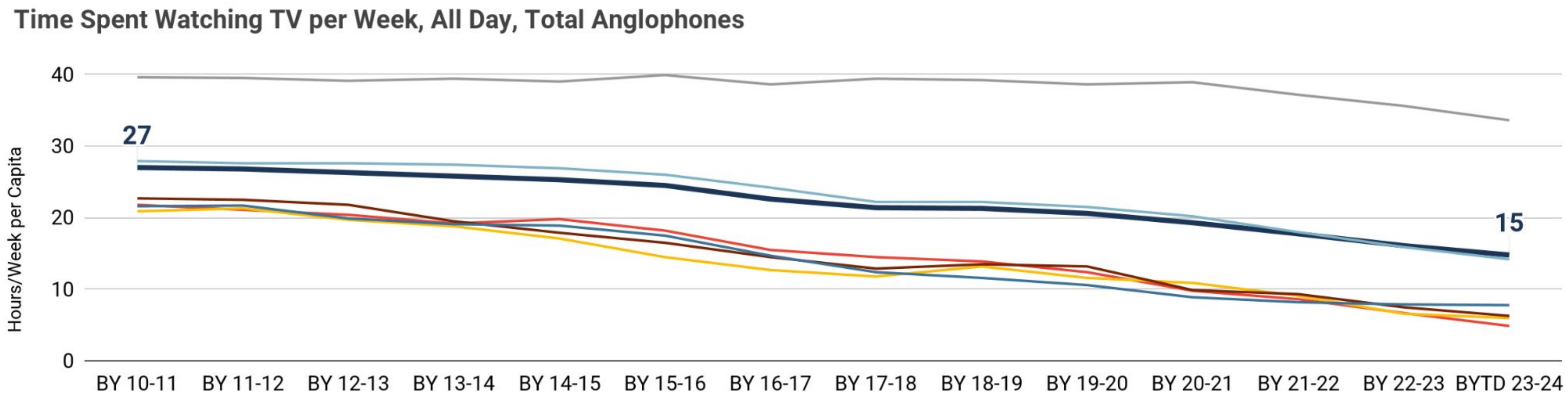


	% change 22-23 vs 10-11	% change BYTD 23-24 vs 10-11
Total 2+	-37%	-41%
Child 2-11	-67%	-73%
Teens 12-17	-66%	-69%
18-24	-65%	-67%
25-34	-62%	-62%
35-64	-40%	-45%
65+	-10%	-13%

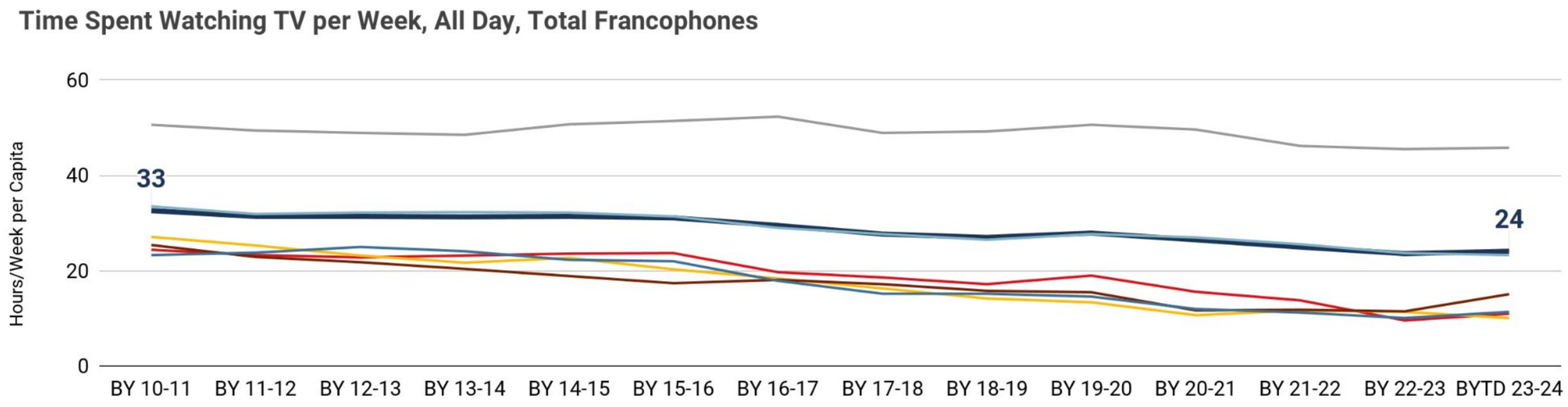
Source: Numeris TV PPM, Total Canada, Monday to Sunday, all day. BYTD 23-24 covers August 28, 2023 to December 03, 2023.

Linear TV viewing is declining more rapidly among anglophones
(-45% vs -26% for francophones)

Francophones still watch 24 hours of TV each week (vs 15 hrs/week for anglophones). That said, all demos are declining among both anglophones and francophones. If these trends continue, key demos may leave linear TV entirely.



% Change BYTD 23-24 vs 10-11	
Total 2+	-45%
Child 2-11	-78%
Teens 12-17	-71%
18-24	-72%
25-34	-64%
35-64	-49%
65+	-15%



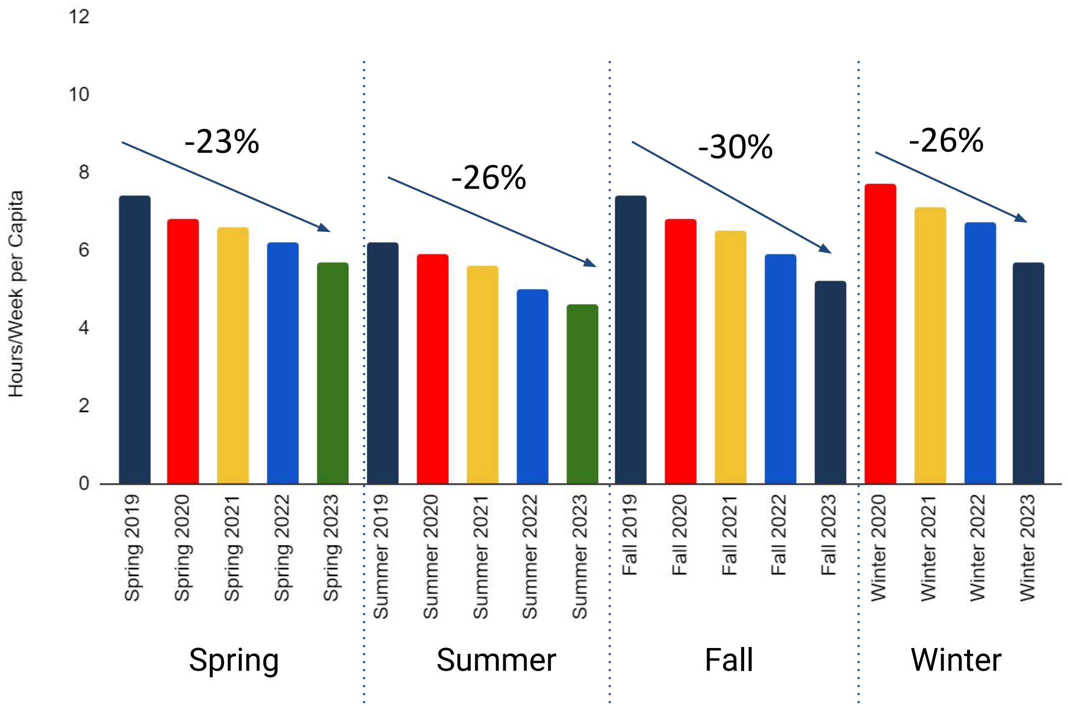
% Change BYTD 23-24 vs 10-11	
Total 2+	-26%
Child 2-11	-55%
Teens 12-17	-63%
18-24	-41%
25-34	-51%
35-64	-30%
65+	-9%

Source: Numeris TV PPM, Monday to Sunday, all day. BYTD 23-24 covers August 28, 2023 to December 03, 2023. Anglophones: Canada minus Quebec Franco. Francophones: Quebec Franco

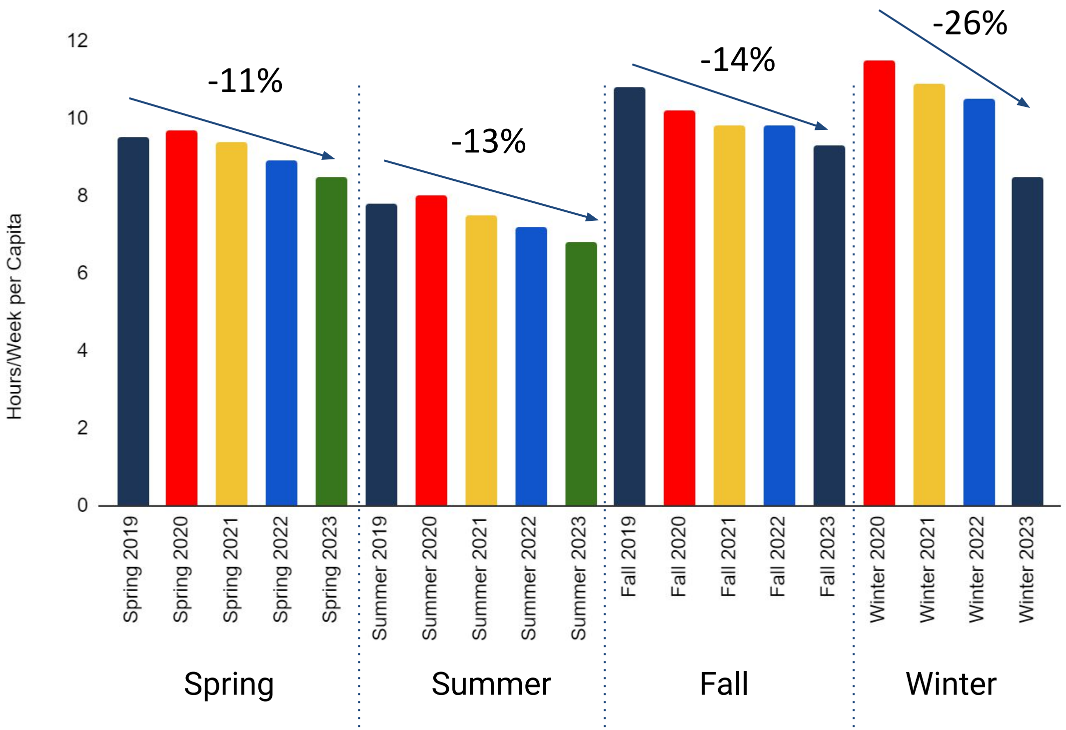
While linear TV viewing spiked in the early days of the COVID lockdown, this did not turn back the structural decline

Season-over-season comparisons show that COVID did not reverse or slow the structural decline.

Time Spent Watching TV per Week, Prime Time, Anglophones 2+

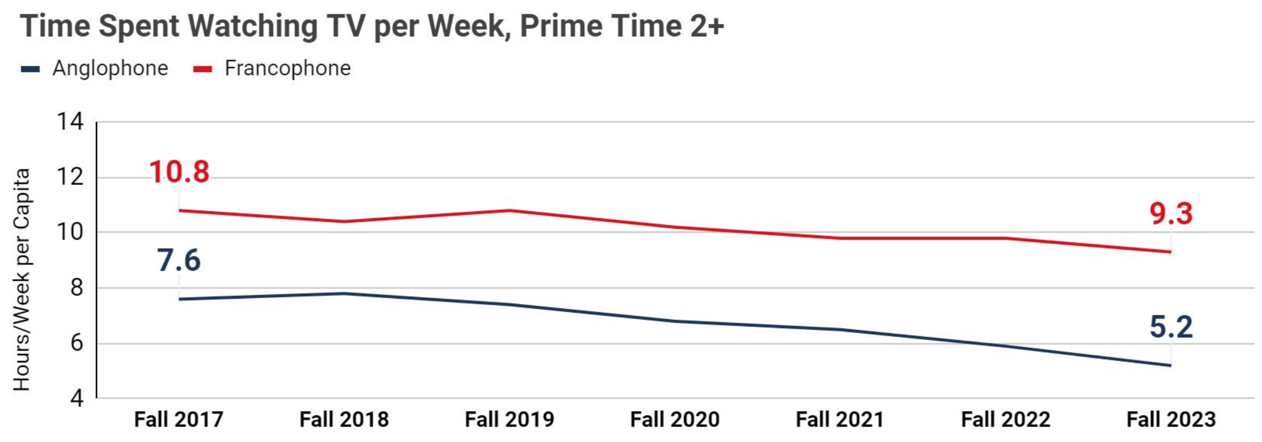


Time Spent Watching TV per Week, Prime Time, Francophones 2+



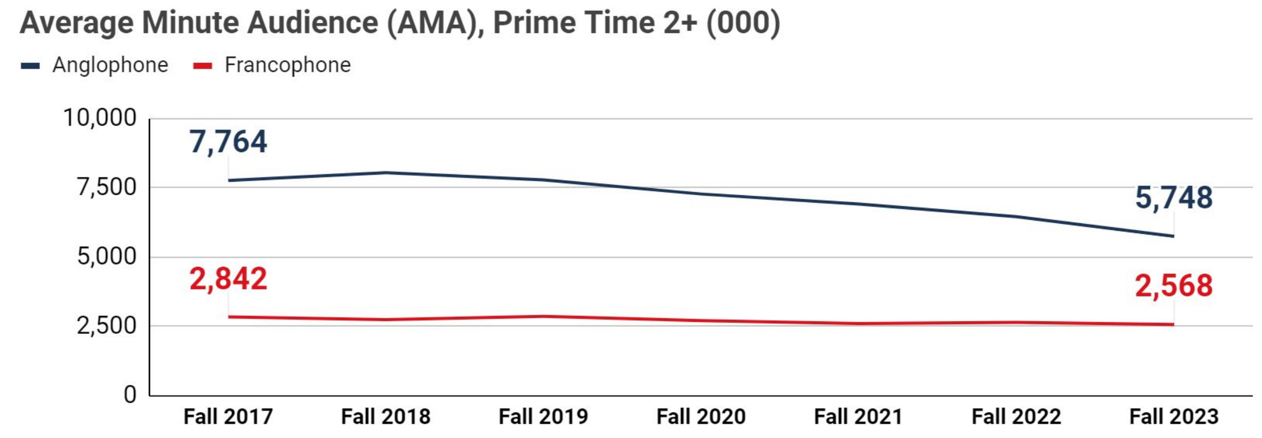
Source: Numeris TV PPM, Monday to Sunday, prime time (7PM-11PM). Anglophone: Canada Minus Quebec Franco. Francophone: Quebec Franco.
Spring 2019: March 18-June 23 (14 weeks); Spring 2020: March 16-June 21 (14 weeks); Spring 2021: March 22-June 27 (14 weeks); Spring 2022: March 21-June 26 (14 weeks); Spring 2023: March 20-June 25 (14 weeks); Summer 2019: June 24-August 25 (9 weeks); Summer 2020: June 22-August 30 (10 weeks); Summer 2021: June 28-August 29 (9 weeks); Summer 2022: June 27-August 28 (9 weeks); Summer 2023: June 26-August 27 (9 weeks); Fall 2019: August 26-December 15 (16 weeks); Fall 2020: August 31-December 20 (16 weeks); Fall 2021: August 30-December 19 (16 weeks); Fall 2022: August 29-December 18 (16 weeks); Fall 2023: August 28-December 17 (16 weeks); Winter 2020: December 30, 2019-March 15, 2020 (11 weeks), Winter 2021: January 4-March 21 (11 weeks), Winter 2022: January 3-March 20 (11 weeks); Winter 2023: January 2-March 19 (11 weeks).

COVID, combined with a lower content offering*, accelerated the structural decline in Fall 2020. In Fall 2021, in both language markets, the declines slowed. Since Fall 2022, linear TV viewing is declining more among anglophones compared to francophones, where it is stable.



Time Spent Watching TV per Week - % Change

	Fall 2018 vs 2017	Fall 2019 vs 2018	Fall 2020 vs 2019	Fall 2021 vs 2020	Fall 2022 vs 2021	Fall 2023 vs 2022
Anglophone	+3%	-5%	-8%	-4%	-9%	-12%
Francophone	-4%	+4%	-6%	-4%	Stable	-5%



Average Minute Audience (AMA) - % Change

	Fall 2018 vs 2017	Fall 2019 vs 2018	Fall 2020 vs 2019	Fall 2021 vs 2020	Fall 2022 vs 2021	Fall 2023 vs 2022
Anglophone	+4%	-3%	-7%	-5%	-7%	-11%
Francophone	-3%	+4%	-5%	-4%	+2%	-3%

**Note: At the beginning of COVID, there was a lower content offering: cancellation of live professional sports, delays and cancellations of key entertainment programs, etc.*
Source: Numeris TV PPM, Monday to Sunday, prime time (7PM-11PM). Anglophone: Canada Minus Quebec Franco. Francophone: Quebec Franco.
Fall 2017: August 28-December 17 (16 weeks); Fall 2018: August 27-December 16 (16 weeks); Fall 2019: August 26-December 15 (16 weeks); Fall 2020: August 31-December 20 (16 weeks); Fall 2021: August 30-December 19 (16 weeks); Fall 2022: August 29-December 18 (16 weeks), Fall 2023: August 28-December 17 (16 weeks).

Fall 2023 showed declines for all age groups except for francophones 2-11 & 18-24 and anglophones 25-34.

FALL

Time Spent Watching TV/Week, Prime Time, Anglophones

Age Groups	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2023 vs 2019	Fall 2023 vs 2022
2+	**7.4**	**6.8**	**6.5**	**5.9**	**5.2**	-30%	-12%
2-11	4.6	4.0	3.2	2.8	1.9	-59%	-32%
12-17	4.8	4.1	3.6	3.0	2.2	-54%	-27%
18-24	4.8	3.7	3.4	3.0	2.5	-48%	-17%
25-34	4.3	3.2	3.0	2.8	3.0	-30%	+7%
35-64	7.9	7.2	6.7	6.0	5.0	-37%	-17%
65+	13.0	12.9	12.9	12.3	11.2	-14%	-9%

Time Spent Watching TV/Week, Prime Time, Francophones

Age Groups	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2023 vs 2019	Fall 2023 vs 2022
2+	**10.8**	**10.2**	**9.8**	**9.8**	**9.3**	-14%	-5%
2-11	7.4	6.7	6.3	4.9	5.1	-31%	+4%
12-17	6.1	4.5	5.0	5.4	4.6	-25%	-15%
18-24	6.9	5.6	4.7	5.6	5.6	-19%	Stable
25-34	6.8	5.6	4.7	4.7	4.3	-37%	-9%
35-64	11.2	10.8	10.5	10.3	9.4	-16%	-9%
65+	16.9	16.9	16.2	16.8	16.5	-2%	-2%

SPRING

Time Spent Watching TV/Week, Prime Time, Anglophones

Age Groups	Spring 2019	Spring 2020	Spring 2021	Spring 2022	Spring 2023	Spring 2023 vs 2019	Spring 2023 vs 2022
2+	**7.4**	**6.8**	**6.6**	**6.2**	**5.7**	**-23%**	**-8%**
2-11	4.7	3.9	3.4	3.4	2.6	-45%	-24%
12-17	4.9	3.7	3.8	3.2	2.4	-51%	-25%
18-24	4.6	4.2	3.4	3.5	3.0	-35%	-14%
25-34	4.2	3.4	3.2	3.0	3.1	-26%	+3%
35-64	7.9	7.2	6.9	6.3	5.6	-29%	-11%
65+	12.8	12.8	13.0	12.4	12.0	-6%	-3%

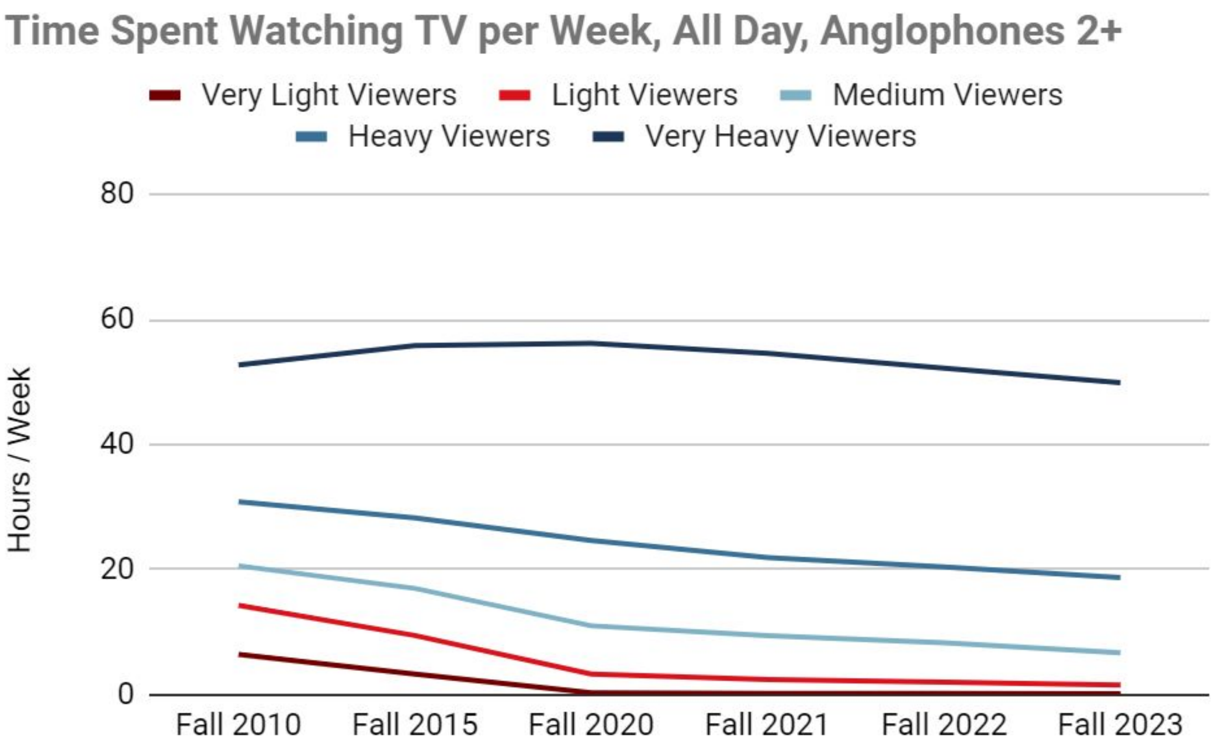
Time Spent Watching TV/Week, Prime Time, Francophones

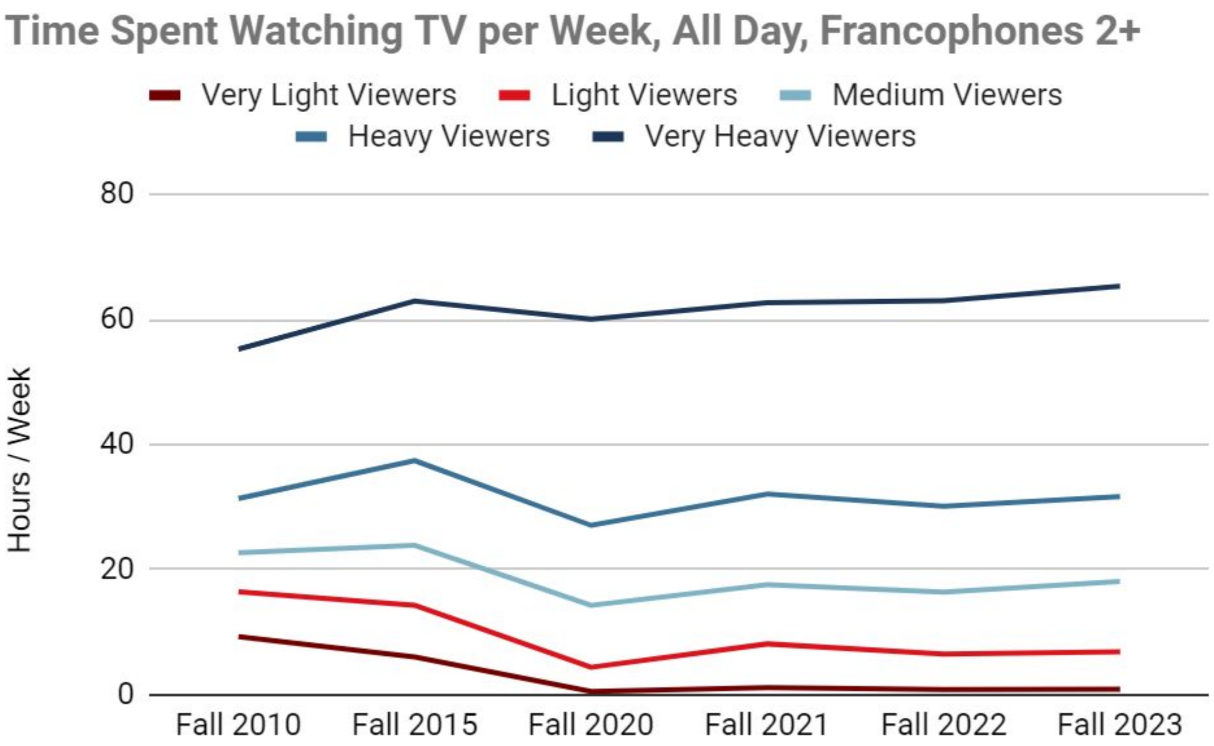
Age Groups	Spring 2019	Spring 2020	Spring 2021	Spring 2022	Spring 2023	Spring 2023 vs 2019	Spring 2023 vs 2022
2+	**9.5**	**9.7**	**9.4**	**8.9**	**8.5**	**-11%**	**-4%**
2-11	5.8	6.3	5.6	4.6	3.7	-36%	-20%
12-17	5.7	4.6	4.2	4.3	4.4	-23%	+2%
18-24	5.4	5.6	5.0	4.6	4.3	-20%	-7%
25-34	5.6	5.0	4.5	4.3	4.0	-29%	-7%
35-64	10	10.1	10.2	9.3	8.7	-13%	-6%
65+	15.8	16.7	15.9	15.9	15.7	-1%	-1%

Source: Numeris TV PPM, Monday to Sunday, prime time (7PM-11PM). Anglophone: Canada Minus Quebec Franco. Francophone: Quebec Franco.
Spring 2019: March 18-June 23 (14 weeks); Spring 2020: March 16-June 21 (14 weeks); Spring 2021: March 22-June 27 (14 weeks); Spring 2022: March 21-June 26 (14 weeks); Spring 2023: March 20-June 25 (14 weeks); Fall 2019: August 26-December 15, 2019 (16 weeks); Fall 2020: August 31-December 20 (16 weeks); Fall 2021: August 30-December 19 (16 weeks); Fall 2022: August 29-December 18 (16 weeks); Fall 2023: August 28-December 17 (16 weeks).

Now looking at viewing quintiles, we see that for most viewers time spent has declined since 2010

The declines are more pronounced among anglophones. Even medium and light viewers now spend about 9 hours or less a week watching TV (7 and 2 hours respectively, vs 18 and 7 among francophones).





Source: Numeris TV PPM, Total Canada, Monday to Sunday, all day. Quintiles are defined based on time spent watching linear TV per week.
Fall 2010: August 30-December 19 (16 weeks); Fall 2015: August 31-December 20 (16 weeks); Fall 2020: August 31-December 20 (16 weeks); Fall 2021: August 30-December 19 (16 weeks); Fall 2022: August 29-December 18 (16 weeks); Fall 2023: August 28-December 17 (16 weeks).

Light and heavy *linear* TV viewers have quite different profiles

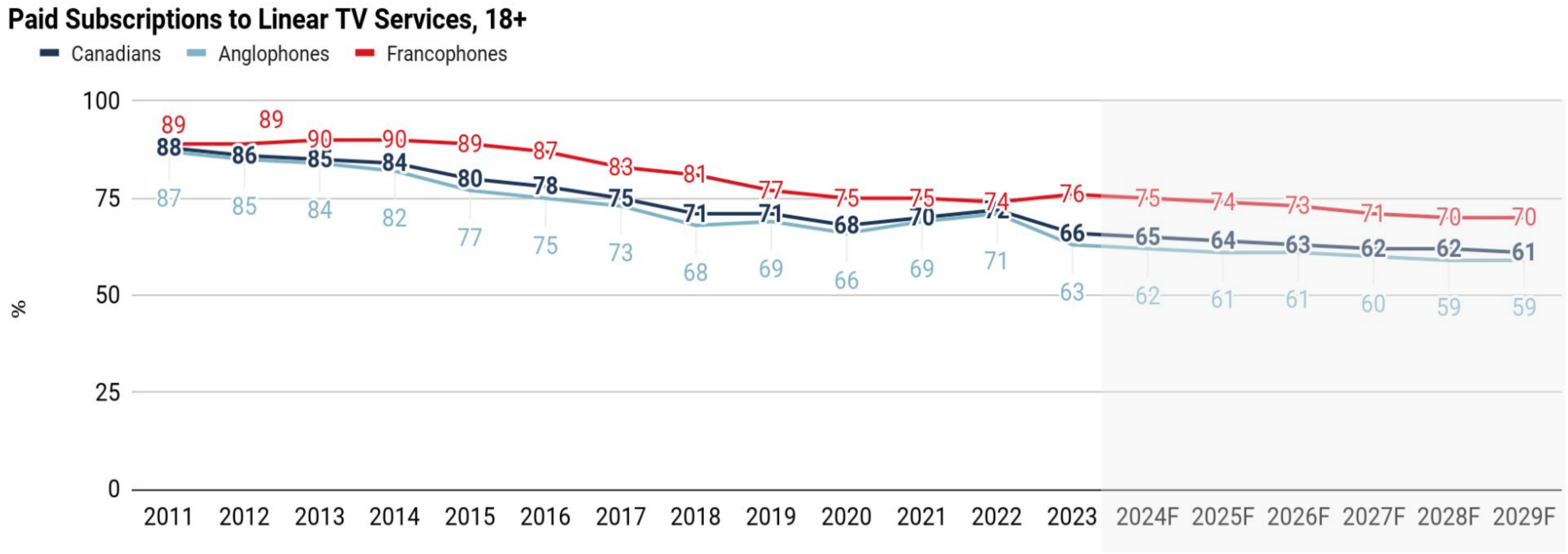
Light Viewers are more likely to be "TV My Way" (42%), and to have three or more SVOD subscriptions (50%).
Nearly 2 in 5 Medium Viewers (39%) now have 3 or more SVOD subscriptions - their linear TV consumption will likely decrease as they embrace new ways of accessing TV content.

Viewer Type based on Traditional TV, Canadians 18+

	Average Age	Paid TV Subscription	TV My Way*	Off-Air	SVOD Subscription	3+ SVOD	Watched YouTube (past month)	Male vs Female**	Anglophone vs Francophone	University (Some/ Graduated)	Teens at Home	$100K+
Light Viewer (<4 hrs/ week)	41	45%	42%	9%	88%	50%	85%	48% / 50%	over index among anglos	47%	18%	36%
Medium Viewer (4-16 hrs/ week)	53	87%	8%	5%	80%	39%	73%	50% / 49%	reflects overall population	45%	15%	33%
Heavy Viewer (16+ hrs/ week)	63	93%	3%	3%	66%	25%	56%	43% / 57%	over index among francos	37%	7%	19%

** Refers to those who have no live TV access at home choosing to watch television exclusively online, via different streaming websites and services. They do not have a traditional paid TV subscription or receive any over-the-air broadcast signals.*
***Data was collected for those who identify as non-binary or prefer to self-identify, which is why the male vs. female does not add to 100%.*
Source: Media Technology Monitor, Fall 2023. Viewer types are defined based on self-declared time spent watching linear TV per week.

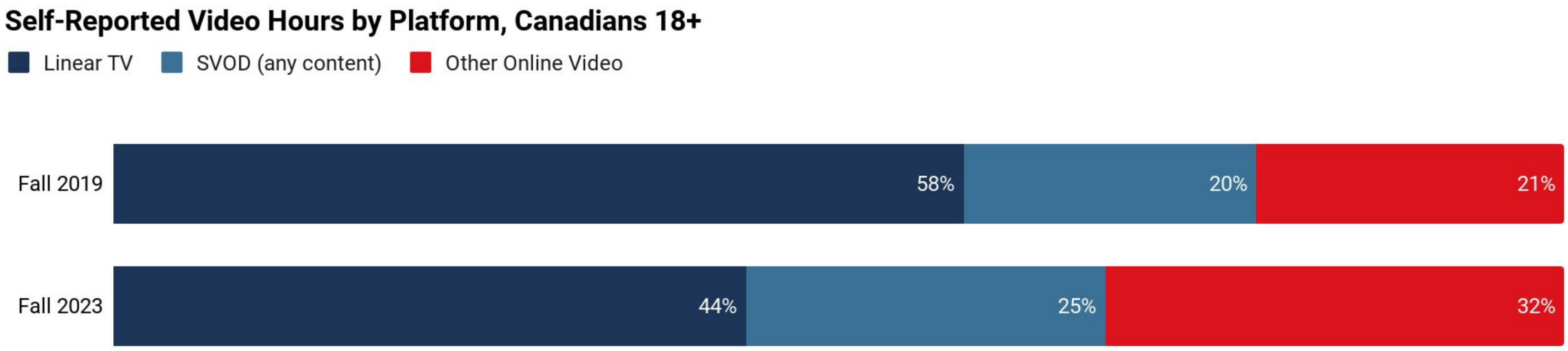
The penetration of paid TV services is in decline, and we project that decline to continue slowly



Source: Media Technology Monitor. 2024-2029 data are forecasts.

Canadians report that less than half of their overall time spent watching video content is on linear TV. They are moving to online video platforms.

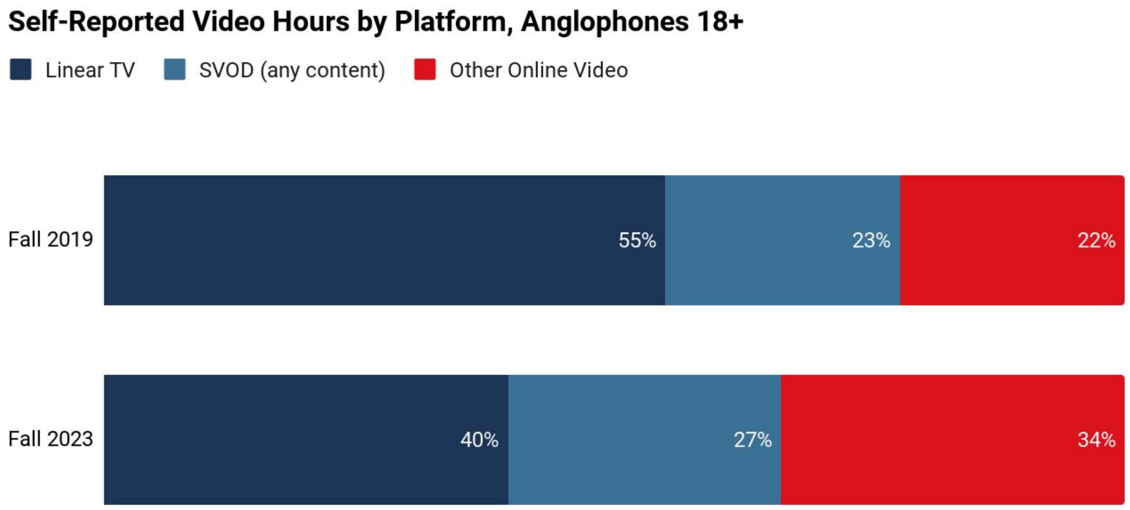
SVOD and other online video platforms now each account for a quarter or more of the overall time spent watching video content.

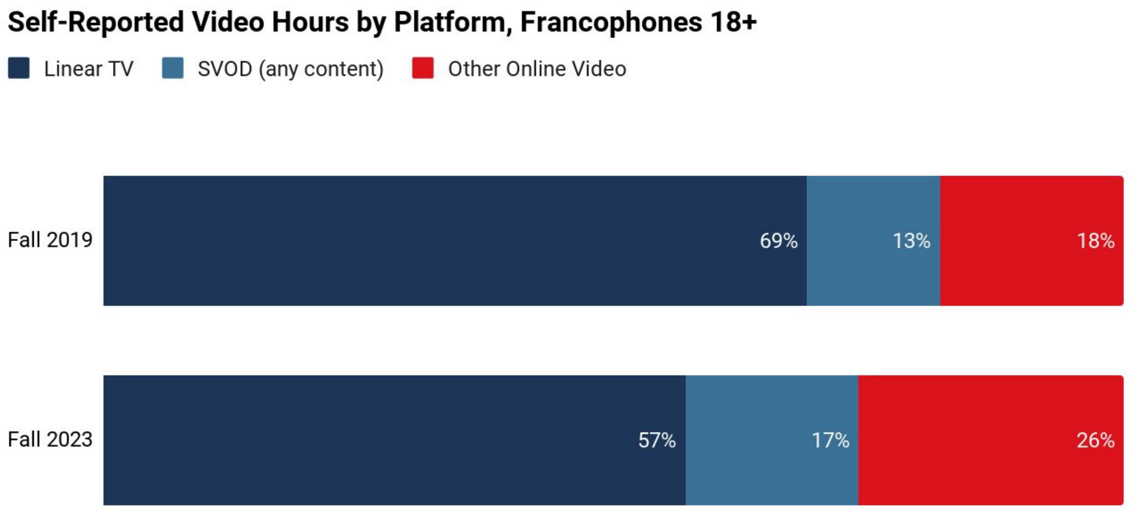


Source: Media Technology Monitor
Subscription Video on Demand (SVOD): services that provide subscribers with video and television content accessed through the Internet rather than from a service provider's own dedicated network (e.g. Netflix, Amazon Prime Video, Disney+).
May not equal 100% due to rounding.

Overall, anglophones spend more time consuming SVOD services and other online video than francophones

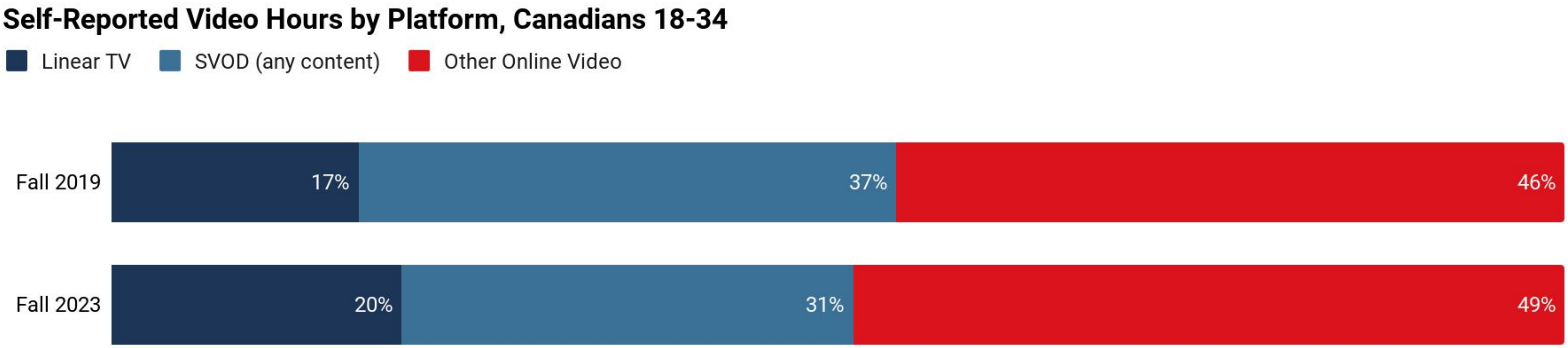
Francophones report that linear TV still accounts for 57% of their overall time spent watching video content. They also report spending more time watching online content like YouTube rather than on SVOD services.





Source: Media Technology Monitor
May not equal 100% due to rounding.

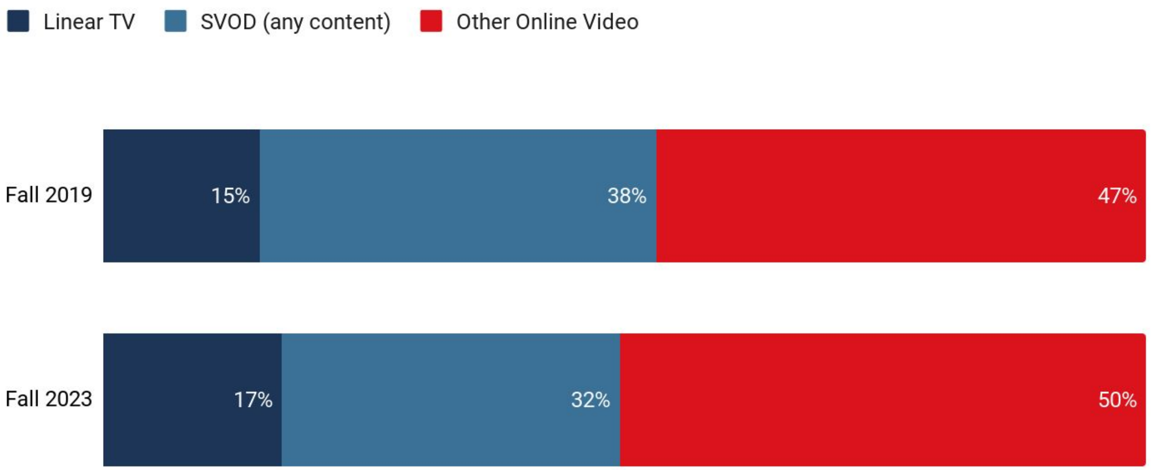
18-34 year olds are even more likely to have moved towards watching content via online sources



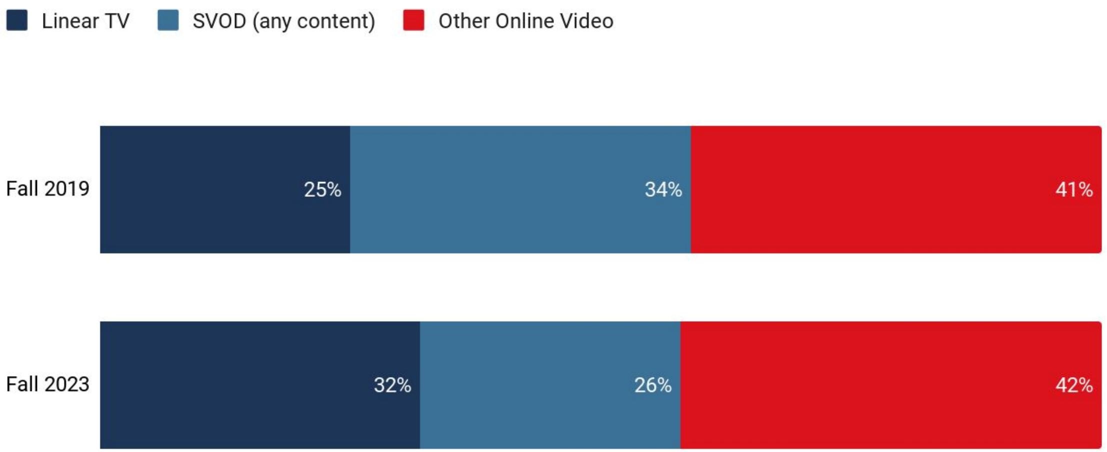
Source: Media Technology Monitor
May not equal 100% due to rounding.

The rate of decline is similar for both language groups, however anglophones are further ahead in their transition to digital viewing

Self-Reported Video Hours by Platform, Anglophones 18-34



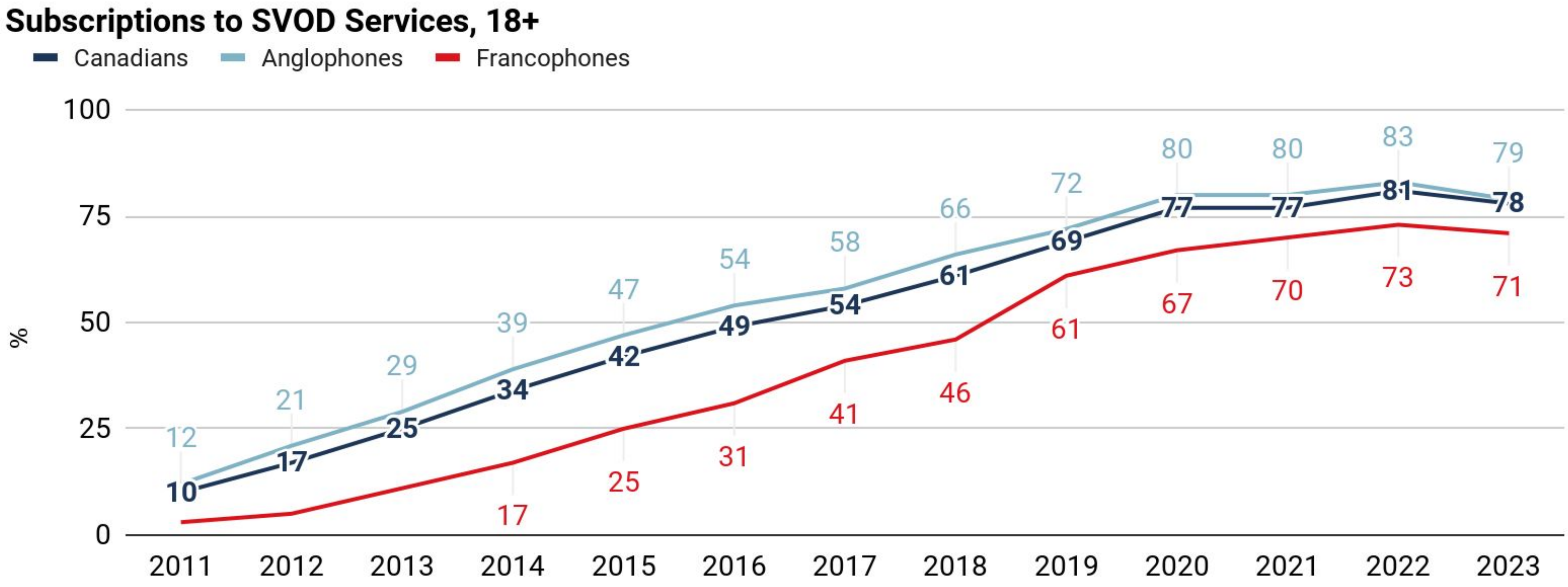
Self-Reported Video Hours by Platform, Francophones 18-34



Source: Media Technology Monitor
May not equal 100% due to rounding.

Close to 8 in 10 Canadians have an SVOD subscription

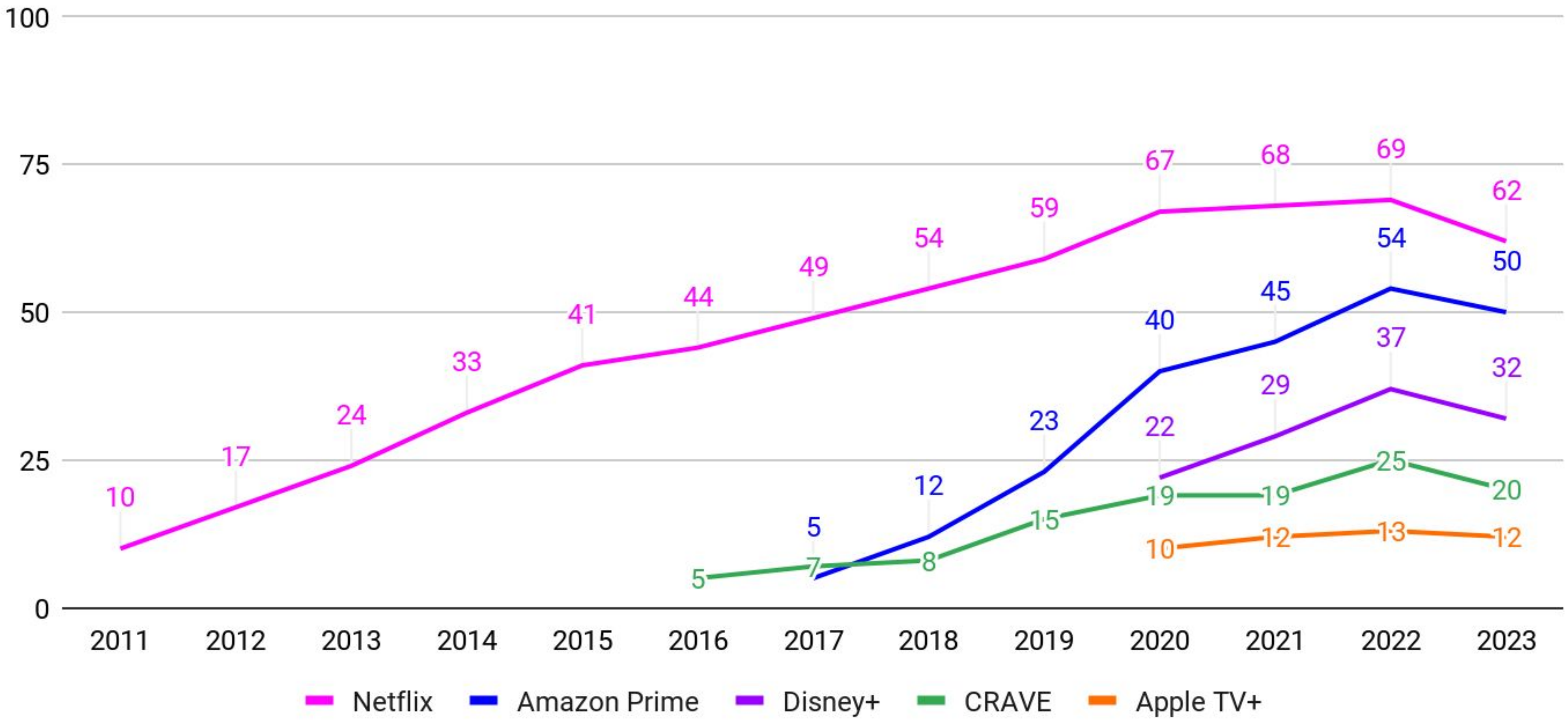
Anglophones are more likely to have a SVOD subscription (79% vs 71% for francophones).



Source: Media Technology Monitor

Subscriptions to most popular SVOD services are declining. Netflix is still the most popular SVOD.

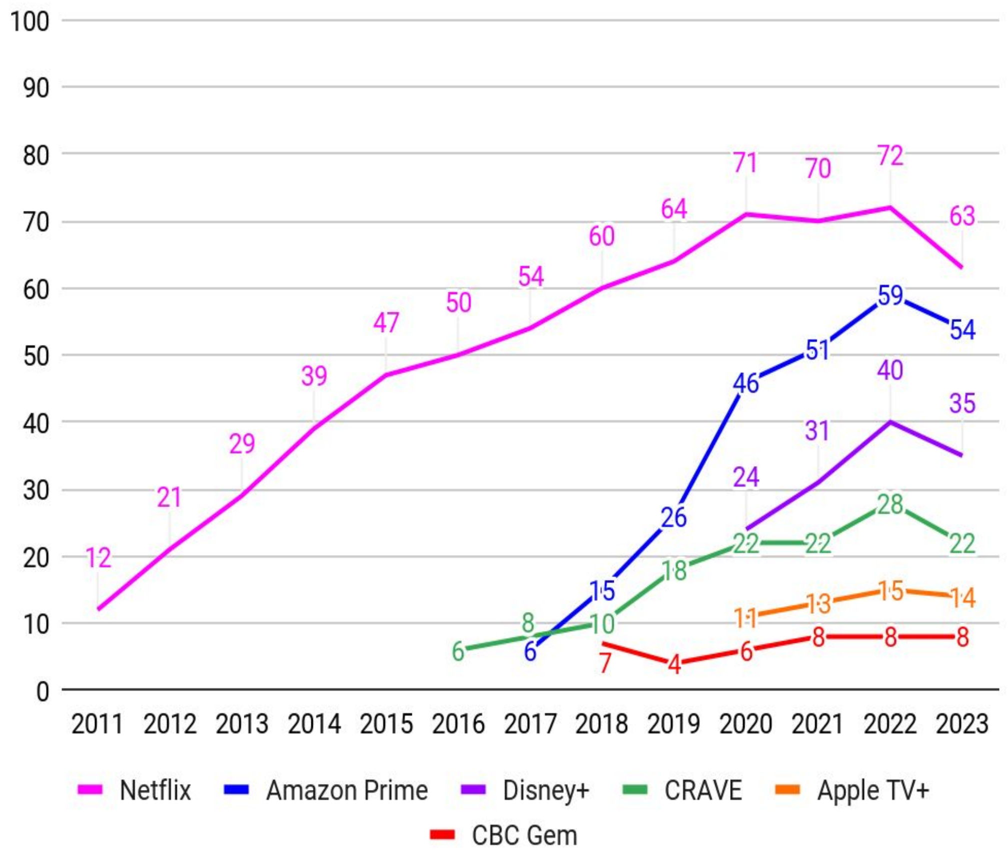
Subscriptions to SVOD Services
Canadians 18+



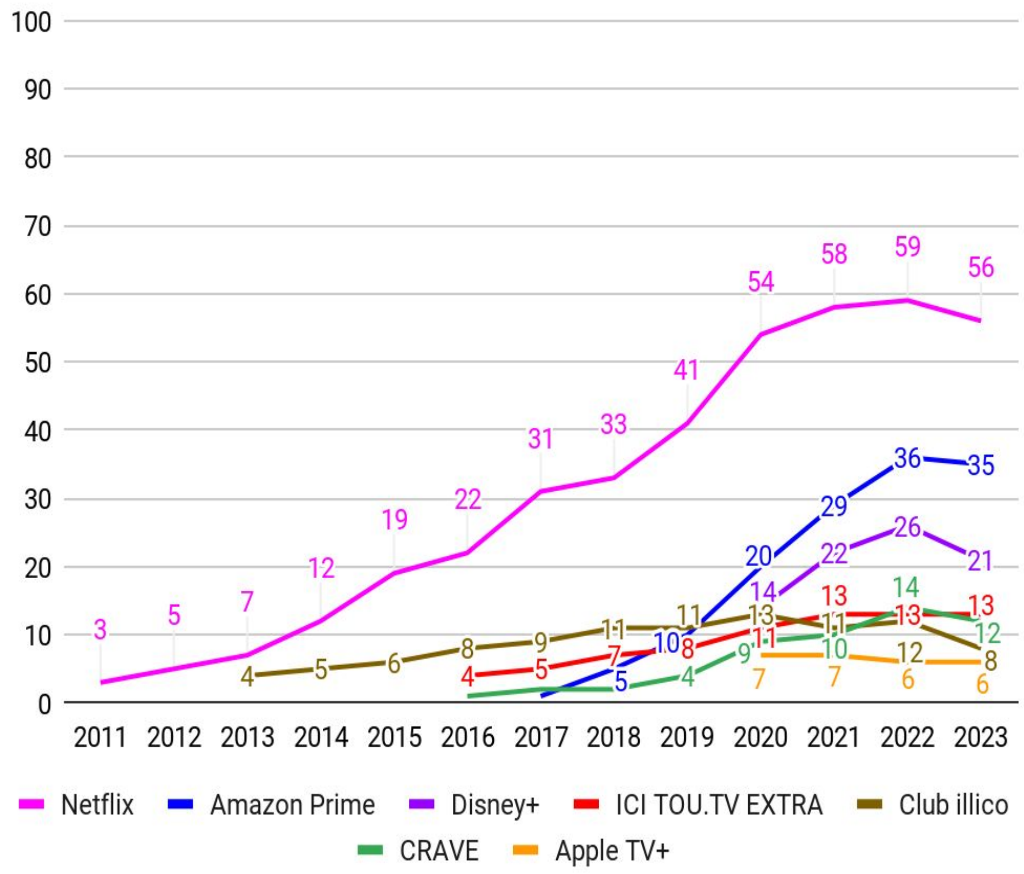
Source: Media Technology Monitor

Netflix is the most popular SVOD in both the English- and French-language markets

Subscriptions to SVOD Services
Anglophones 18+



Subscriptions to SVOD Services
Francophones 18+

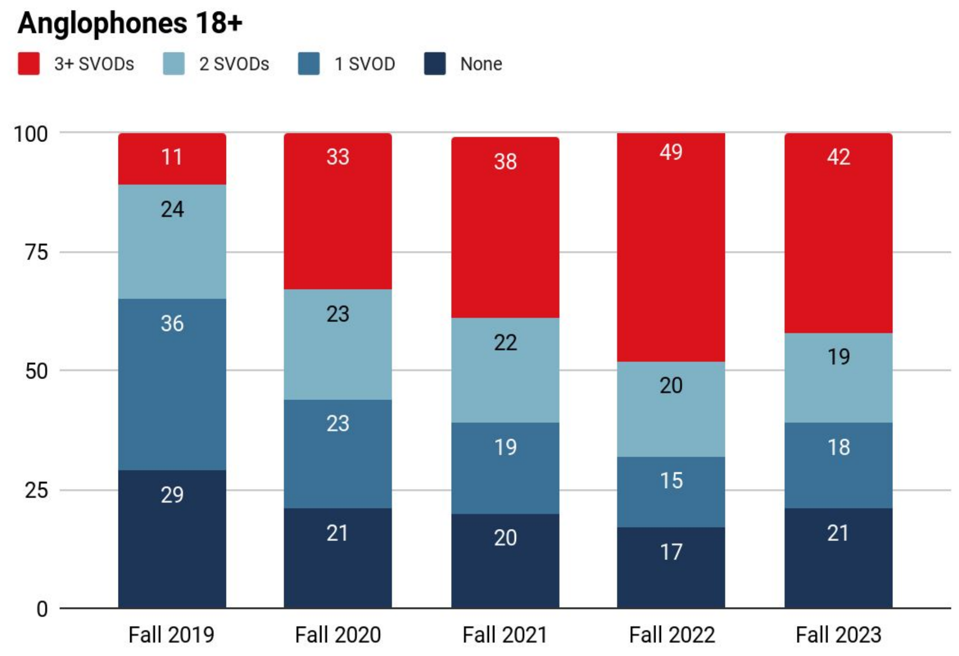


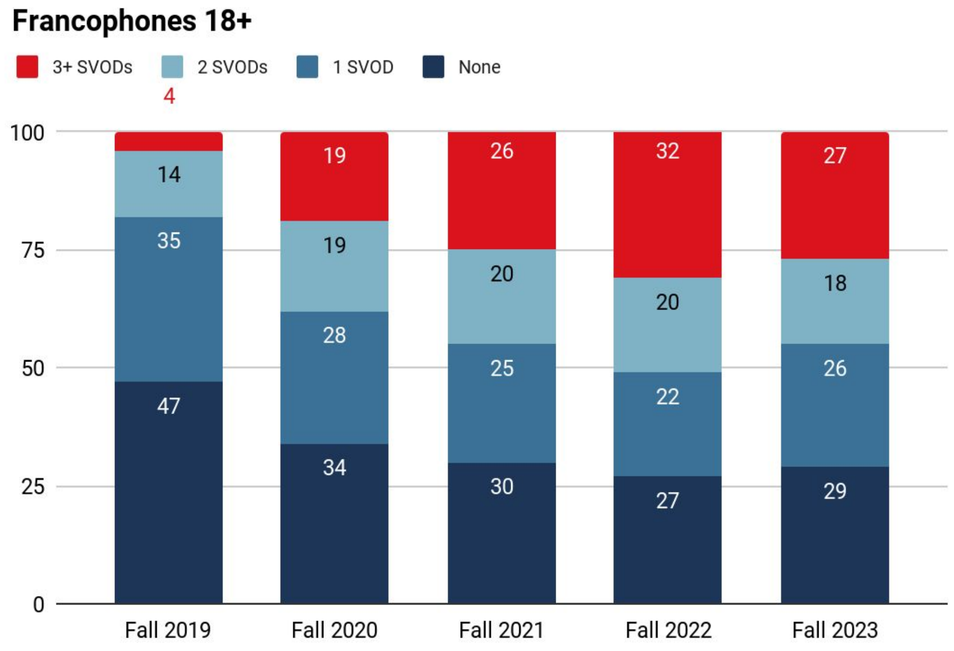
Source: Media Technology Monitor

Anglophones are more likely to stack SVOD subscriptions (61% vs 45% for francophones)

The penetration of 3 or more SVOD services among both language markets has grown significantly since before the pandemic but are in decline the past year.

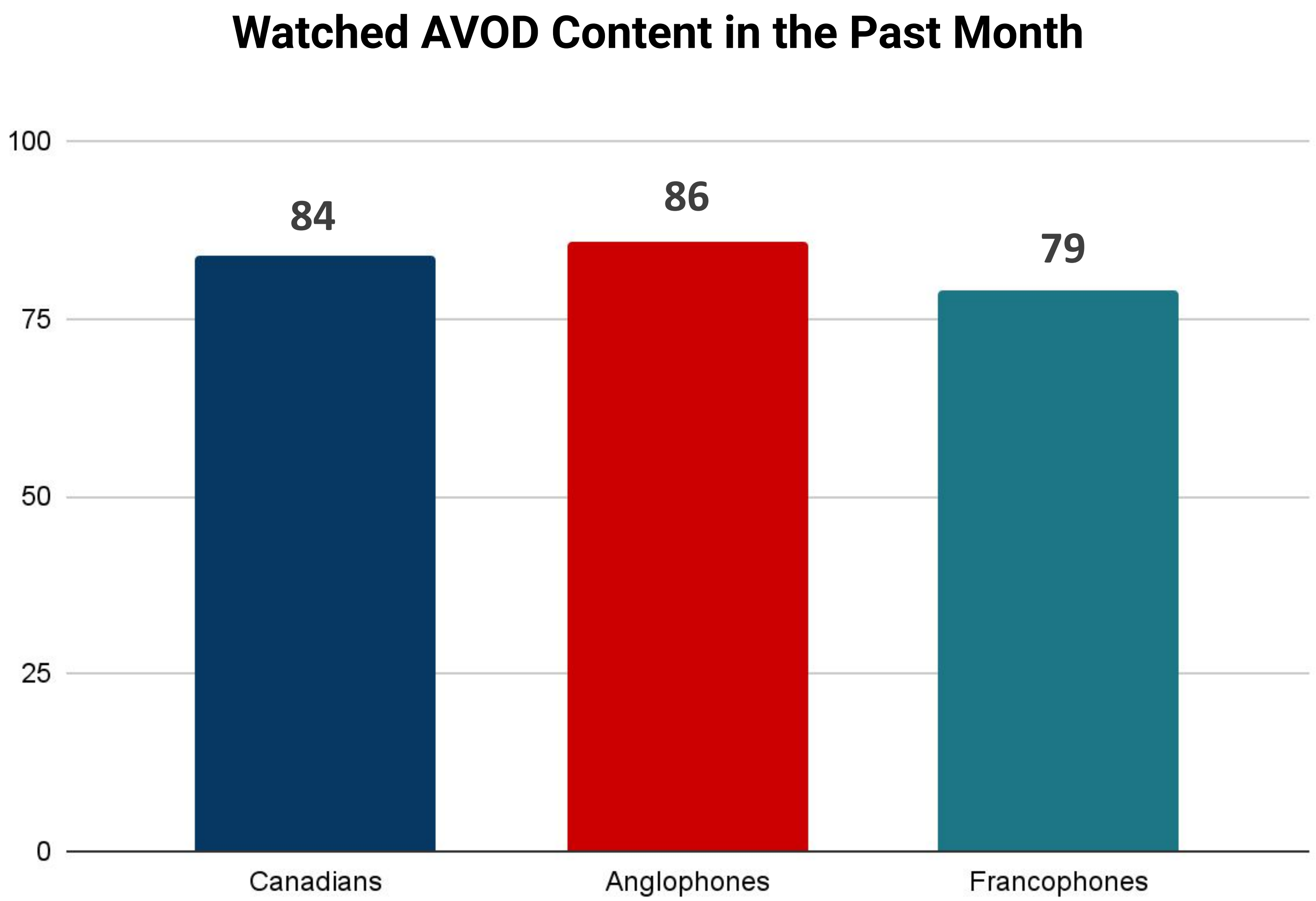
Number of SVOD Subscriptions Per Household





Source: Media Technology Monitor
May not equal 100% due to rounding.

Advertising Video on Demand (AVOD) platforms like YouTube are widely consumed by Canadians

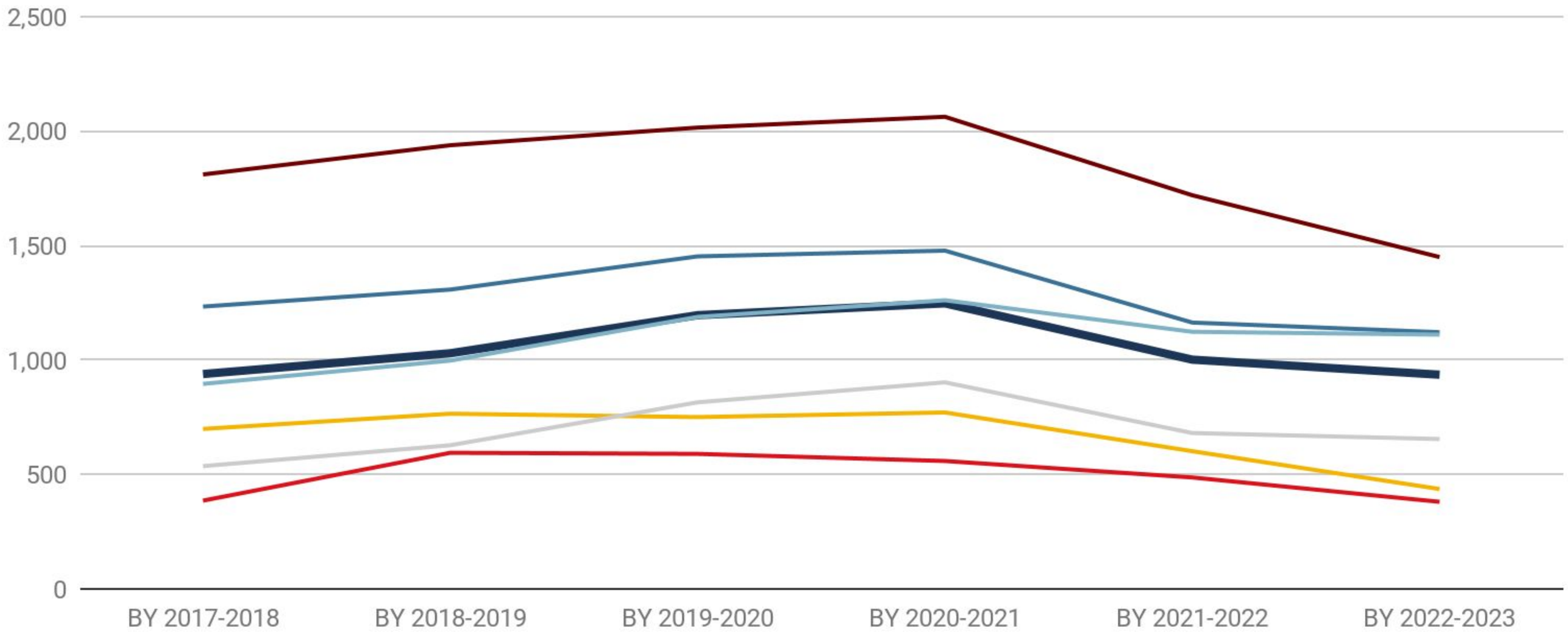


Source: Media Technology Monitor - Fall 2023

Viewing on AVOD platforms like YouTube have shown significant growth over time. Softening in the past year is likely related to viewing shifts to connected TVs which is not currently captured by Comscore.

Despite continued growth in prior years, 12-17, 18-24 and 25-34 year olds' average minutes dropped below 2017-18 levels in 2022-23. This demo is likely moving to other platforms (e.g. connected TVs) and services (e.g. Twitch).

YouTube Average Monthly Minutes per Visitor, by broadcast year (BY)



% Change	BY 22-23 vs 17-18	BY 22-23 vs 21-22
Total 2+	Stable	-7%
Child 2-11	-1%	-22%
Teens 12-17	-38%	-27%
18-24	-20%	-16%
25-34	-9%	-4%
35-54	+24%	-1%
55+	+22%	-4%

Source: Comscore Media Metrix® Multi-Platform, total audience (desktop 2+, mobile 18+), Total minutes by Unique Visitors, BY (September to August), Canada.