AUDIENCES IN CANADA: TREND REPORT

PREPARED BY
TELEFILM CANADA

TELEFILM CANADA

Canada

INTRODUCTION

Telefilm Canada is a federal cultural agency dedicated to the cultural, commercial and industrial success of Canada's audiovisual industry. On behalf of the Government of Canada, as a Crown corporation, we support dynamic companies and creative talent, providing financial support to Canadian film projects and promoting Canadian audiovisual success and talent at festivals, markets and events—regionally, nationally and around the world.

In a context of rapidely changing audience behaviour, Telefilm began collecting audience data in 2012 to provide market intelligence to industry stakeholders regarding Canadian consumption of media content and to track trends. Throughout this process, Telefilm has partnered with other funding agencies and research groups to fund and make studies widely available.

Large portions of this report are based on surveys Telefilm has financed in partnership with *Le centre d'études sur les médias*, based at Université Laval in the city of Québec. This quantitative research has been performed annually since 2012 and focuses on Canadians' consumption of films and television on all platforms and highlights trends that have developed over time. Based on the quantitative research, heavy consumers of content have been identified and key segments defined, see page 21 for more information. This work was also facilitated thanks to the research partnership between HEC Montréal and Telefilm Canada.

Furthermore, in-depth knowledge was gained from focus groups conducted with the same heavy-consuming segments of media content from across the country. This research was financed in partnership with the Canada Media Fund (CMF) and the Société de développement des entreprises culturelles (SODEC).

Finally, to offer a more complete understanding of the movie-going experience, Telefilm worked with the Movie Theatre Association of Canada (MTAC) to collect and publish moviegoing statistics in 2015. Knowlegde gained through this study has helped offer a more complete understanding of Canadians' moviegoing habits.

For information about the methodology of the studies used in the development of this report, see page 23.

For any questions regarding this study, please contact SR@telefilm.ca.

EXECUTIVE SUMMARY

Audiences in Canada are evolving, particularly younger segments of the population. It is important that audiovisual industry stakeholders remain aware of the ways in which Canadian consumption of media content is changing and that they monitor where trends are going in order to best reach audiences.

Over half of Canadians state they view at least one film a week. However, some film viewers consume much more content; understanding these heavy film-viewing audiences should be a priority for industry players.

Film viewing has been increasing in Canada; a spike was seen in 2013, followed by softer increases in 2014 and 2015. Canadians report access through digital platforms, particularly Netflix, as drivers for these increases.

Increased online viewing has been strongest among younger millennials and English-speaking Canadians, demonstrating that a digital distribution strategy is essential to reaching key demographic groups.

Films are viewed primarily at home. Moviegoing is most popular among younger Canadians, with attendance at movie theatres then tending to decline with age. This once again reinforces the importance of defining the target market for a film and establishing a distribution and marketing strategy well-suited for the audience.

Cable and satellite subscription services continue to be the most popular platforms for film viewing among Canadians. However, small declines in subscription levels have been reported over time. Personal video recorders and video-on-demand platforms associated with cable subscriptions follow in terms of popularity.

The proportion of Canadians with a Netflix subscription has grown substantially, to over 40%. This increases to 60% among millennials. In terms of platforms used for film viewing, Netflix was in second place, just behind live broadcast television.

Every year, roughly two thirds of Canadians go to the movies at some time. Among Canadians there exists a heavy moviegoing segment, and while these consumers constitute only 16% of the population, they purchase the great majority—some 60%—of tickets. Furthermore, members of this group feel they do not attend the cinema as much as they would like. Due to these behaviours, focusing on heavy moviegoers and rewarding loyalty appears to be a key opportunity for movie-theatre operators.

Canadians as a whole, however—a category that includes all segments of the population—report going less often to the movies. Costs, a preference for at-home viewing and perceived lack of films that need to be seen at the cinema were given as key reasons for decreasing attendance at movie theatres.

Two age segments showed growing or stable attendance at the cinema: those aged 13-17, who showed slight growth at +1%, and 18-24 year-olds, who showed stable attendance.

Day-and-date releases (films that are released simultaneously at the cinema and on at-home platforms) have been shown to be most popular with heavy moviegoers. Counter to industry concerns cited regarding day-and-date releases potentially cannibalizing cinema ticket sales, those who stated having purchased a day-a-date release also reported the greatest level of increased attendance at movie theatres.

The mood of Canadians—which thus influences genre—is the leading criteria used to select a film. Comedy continues to be the most popular genre, followed by action/adventure, mystery/detective and drama films.

Canadians continuously collect information about content they would like to see and often use platforms to create customized catalogues of content to watch later, using platforms such as personal video recorders or the "My List" option on Netflix.

English-speaking Canadians continue to struggle to recognize Canadian-made films, owing to a lack of clear markers that signify the country of origin of films. This may explain why the perception regarding the quality of Canadian films has not improved. Promotional efforts are seen as an important element to improving awareness and perception. Increased access to films online, in theaters and on traditional Canadian movie channels was also recommended.

French-speaking Canadians easily recognize home-grown content produced in French and hold favourable opinions of the domestic audiovisual industry. French-speaking Canadians continue to consider the availability of Canadian French-language TV series and movies on multiple platforms important.

Time devoted to watching television is growing steadily. This year, 25% of Canadians stated they consumed a higher number of TV series than they did a year ago; growth was also seen in the 2014 results, where 24% of respondents reported increased consumption. Better quality and more access through online platforms, especially through Netflix, were stated to be drivers of this growth.

Watching TV series when they are broadcast live on TV remains the standard viewing method for Canadians. Personal video recorders follow in popularity for watching series, particularly as they allow Canadians to create their own personal catalogue of content to watch.

Paid streaming, per show or by subscription, once again ranks first as a means of accessing TV shows online. Usage rates grew significantly in 2015 as services such as Netflix, Shomi, Illico Web and Crave TV experience strong growth in the Canadian market. Millennials, along with English-speaking Canadians, reported using these services most heavily.

FILM VIEWING IN CANADA

Film viewing—an activity that unites us all.

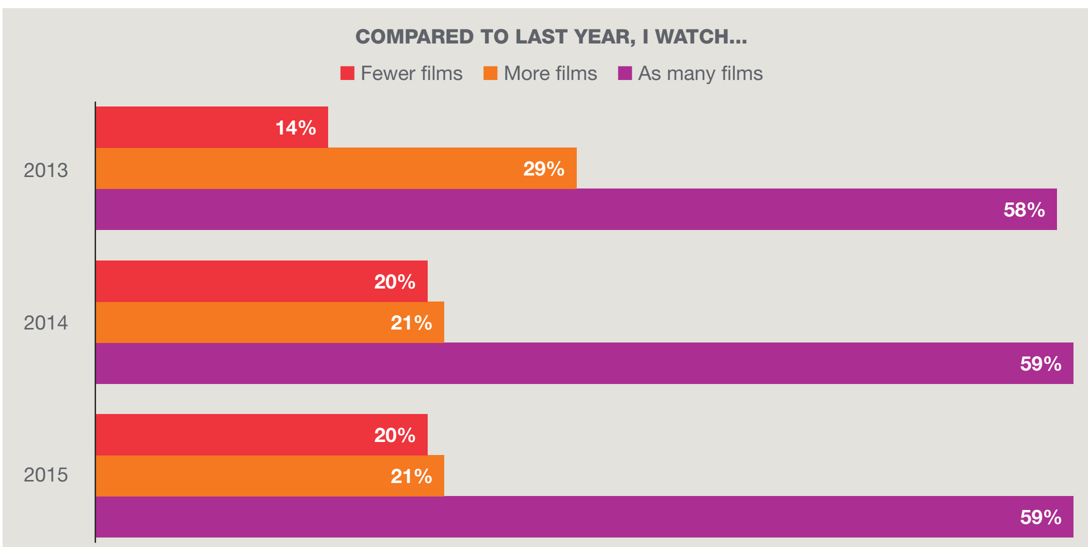
Film viewing is an activity that unites all segments of the Canadian population: men and women, people of all ages and ethnic backgrounds, those that live in big cities and in rural Canada, higher-income and lower-income households, those with varying levels of education, employed Canadians and those not active in the workforce—all of these groups regularly watch movies.

51% of Canadians watch movies at least once a week.

More than half of Canadians surveyed watch movies at least once a week. Watching movies is a deeply ingrained habit of Canadians.

FILM-VIEWING LEVELS

In the 2013 study, Telefilm began asking Canadians if they watched more, fewer or as many films compared to the prior year. After seeing an initial spike, growth in film viewing has become stable.



The reasons Canadians gave for the fact they watch more films are quite revealing in that they reflect changes in the marketplace. Following greater interest and more free time for viewing films, key factors such as better access, preference for digital viewing and availability on Netflix have been repeatedly named as strong drivers for increased viewing.

The increase in viewership has been strongest among:

– The youngest survey respondents, aged 15-17; and
– Anglophone Canadians (particularly residents of Ontario).

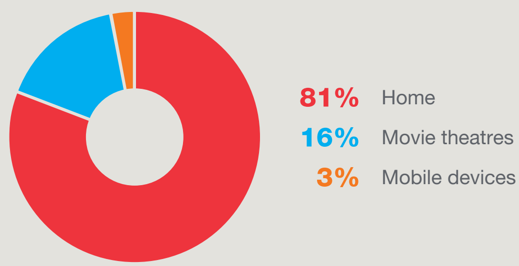
Those who stated viewing fewer films cited the following reasons:

– A lack of interest;
– A lack of time to watch movies; and
– An ongoing shift to TV-series viewing.

WHERE CANADIANS WATCH FILMS

Since Telefilm began tracking trends, Canadians have continuously reported that they view the vast majority of their films at home. Films viewed at movie theatres follow, while viewing on mobile devices accounts for a small share of viewership.

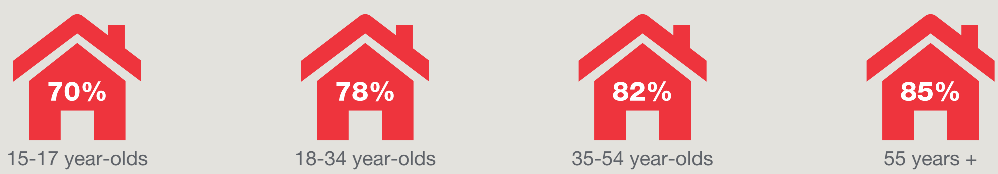
WHERE CANADIANS WATCH FILMS



However, it is interesting to see how viewing patterns change based on the age groups of respondents.

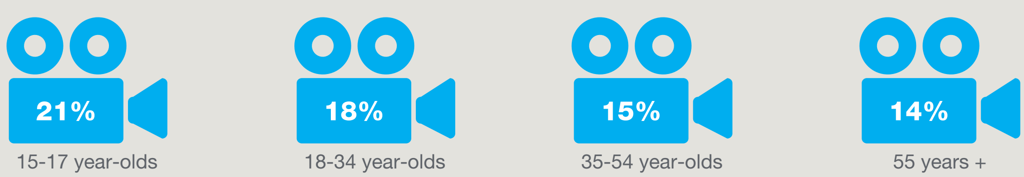
Notably, sedentary behaviour increases with age, as shown through the growth of at-home viewing as age increases.

PORTION OF FILM VIEWING THAT OCCURS AT HOME (BY AGE)



Moviegoing is most popular among younger audiences in Canada.

PORTION OF FILM VIEWING THAT OCCURS AT THE MOVIE THEATRE (BY AGE)

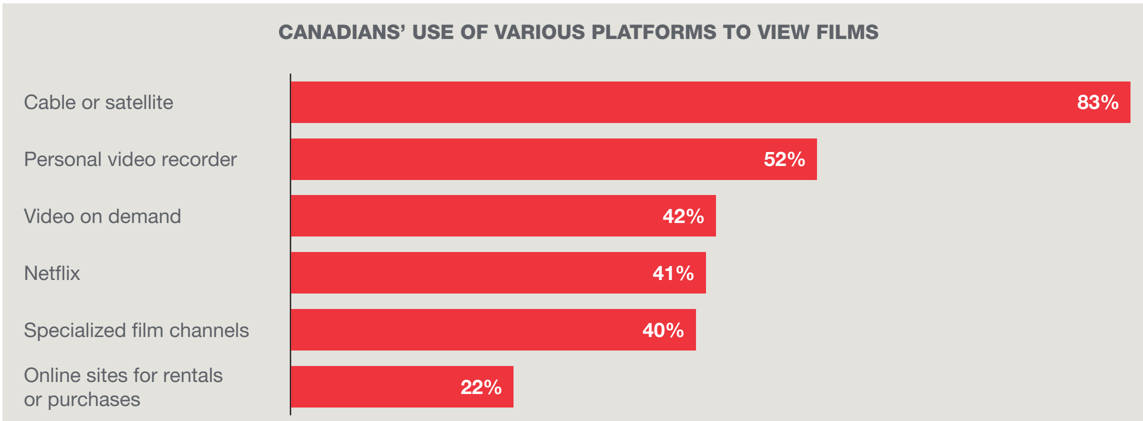


Furthermore, younger respondents have shown a greater adoption of film viewing via mobile devices.

PORTION OF FILM VIEWING THAT OCCURS ON MOBILE DEVICES (BY AGE)

PLATFORMS FOR FILM VIEWING

Canadians use multiple platforms to watch films, and their ability to access content has been growing with the recent increase of platforms in the market. When asked what services they subscribe to and use to view films, the following proved the most popular:



The use of cable/satellite services fell 3% in 2015, versus the prior year. These services are more popular among older respondents, with more than 90% of those over 55 reportedly using them. French-speaking Canadians are also heavier subscribers.

Slight declines were also seen among film services linked to cable and satellite services, including video on demand (VOD) and specialized film channels. The increase in popularity of Netflix in the Canadian market partially explains this phenomenon. Specialized film channels, however, remain popular among French-speaking Canadians.

Nearly 60% of 15-34 year-olds use Netflix.

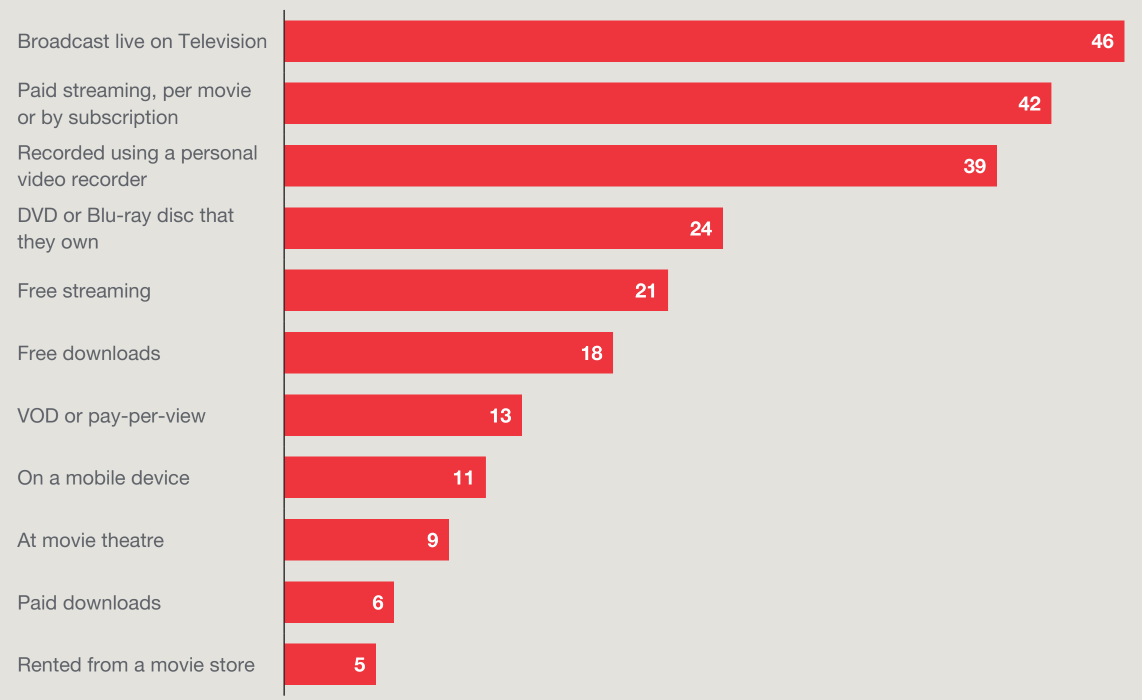
Netflix saw strong increases in the proportion of Canadians that use the service to view films, growing to 41% in 2015—up from 33% the year before. This service is very popular among younger segments, with nearly 60% of 15-34 year-olds reporting using the service. The service is also most popular among Anglophones, with nearly 50% reporting subscribing to the service.

FREQUENCY WITH WHICH PLATFORMS ARE USED

The frequency with which Canadians use platforms to view films is also quite revealing.[1] Broadcast television continues to have the furthest reach; however, paid streaming has nearly caught up in terms of viewership. Personal video recorders (PVRs) continue to be popular, with audiences appreciating the fact that PVRs allow them to create a personalized catalogue of content.

Paid streaming, whether pay-as-you-go or by subscription, is growing significantly. On-demand streaming via Netflix, Shomi, Illico Web, Crave TV and other platforms continue to outpace other digital viewing methods, including paid downloads, free downloads and free streaming.

HOW OFTEN CANADIANS RECALLED USING PLATFORMS TO VIEW FILMS (ANNUAL AVERAGE)



1. The annual average frequency is based on consumer recall and should be interpreted with caution.

FILM VIEWING AT MOVIE THEATRES

Movie theatres are facing a more competitive environment due to growing accessibility of films on at-home platforms and evolving consumer preferences. In order to better ascertain consumer preferences at movie theatres, the Movie Theatre Association of Canada and Telefilm partnered to engage the firm ERm Research to conduct a study aimed at better understanding consumer behavior and preferences. The full study, *Canadian Moviegoing Statistics*, can be found here. The following section is based on findings from the study.

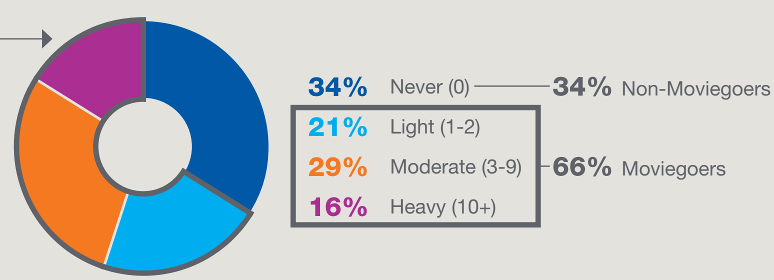
MOST CANADIANS FREQUENT THE MOVIE THEATRES, BUT HEAVY USERS DRIVE SALES

Roughly two thirds of Canadians are moviegoers, a figure that can be broken down as follows:

– 21% are light moviegoers who attended one or two movies in the past 12 months;
– 29% are moderate moviegoers who attended three to nine movies in the past 12 months; and
– 16% are heavy moviegoers who attended 10 or more movies in the past 12 months.

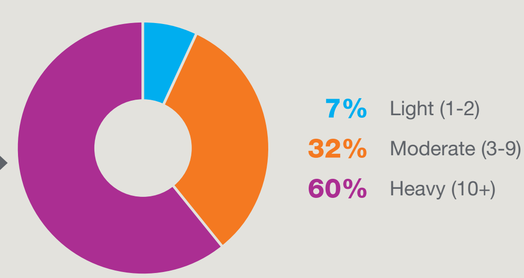
While heavy moviegoers represent the smallest segment, they purchased the majority of tickets—60%—in the past 12 months. Moderate moviegoers purchased roughly a third of tickets and light moviegoers accounted for only 7% of all ticket purchases.

MOVIE TICKET CONSUMPTION, PAST 12 MONTHS (AGE 13+)



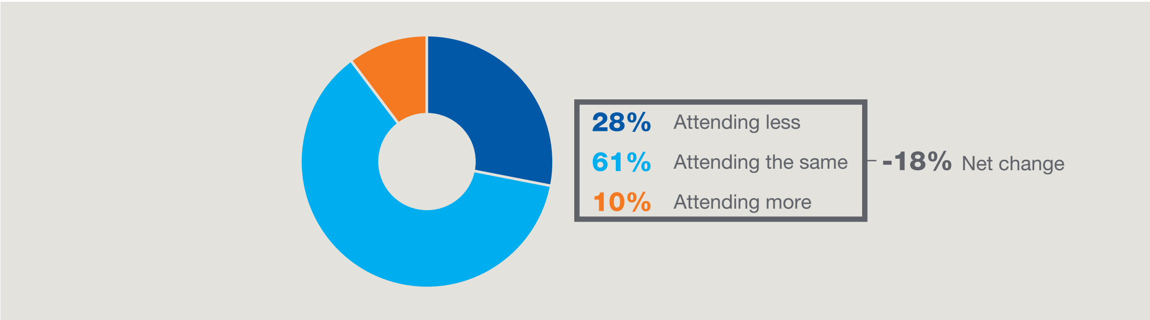
Heavy moviegoers purchase the greatest amount of tickets.

TICKETS PURCHASED BY FREQUENCY, PAST 12 MONTHS (AGE 13+)

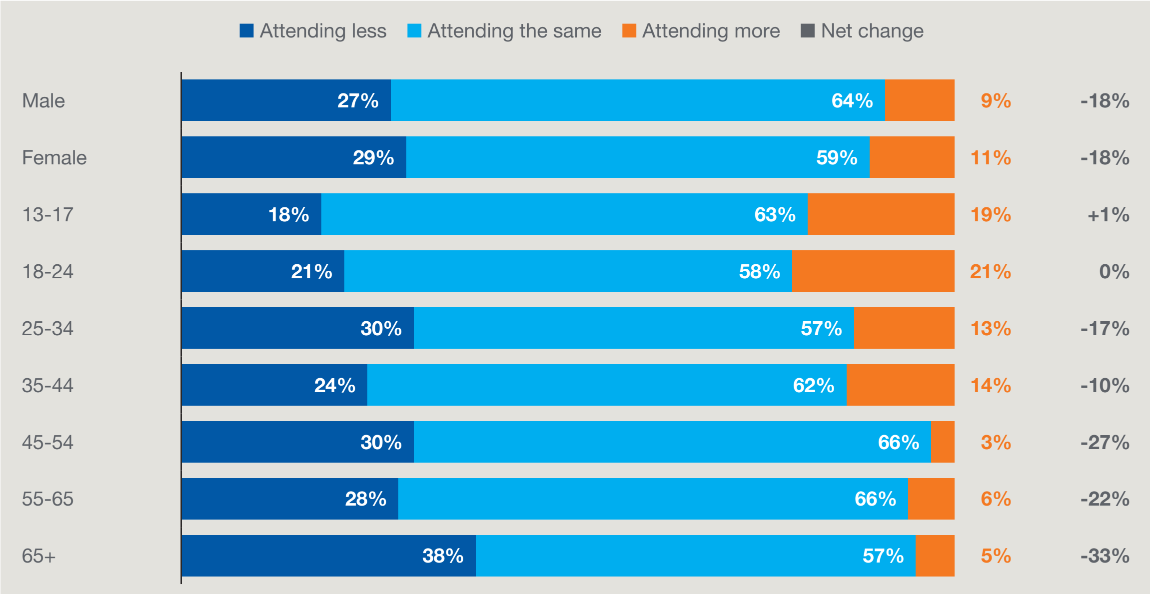


TRENDS IN MOVIEGOING

Canadians reported going less often to movie theatres in the past 12 months when compared to the previous year. The overall net change was -18%, with 28% of respondents reporting going less often to movie theatres and only 10% reporting going more often versus the prior year.



The net decrease is seen across all age segments over 25-34 years old. The youngest segments have slight gains to no change.



REASONS FOR GOING LESS OFTEN TO MOVIE THEATERS:

– Cost is the leading reason for not seeing more movies at the theatre.
– A preference for watching movies at home.
– Perceptions that there aren't enough movies that need to be seen on a big screen was also named.

Only 30% of heavy moviegoers indicate that they attend movies as often as they want.

WHO ARE HEAVY MOVIEGOERS?

Heavy moviegoers tend to be:

– Male;
– 25-to-34 year-olds at the highest level, followed by 13-to-17 year-olds, 18-to-24 year-olds and 35-to-44 year-olds;
– By province, heavy moviegoers are most present in Ontario (where 49% of all heavy moviegoers in the country reside).

WHEN DO CANADIANS GO TO SEE MOVIES?

On the whole, 60% of moviegoers generally see a movie after the week it opens;
16% attend on opening weekend and a quarter attend during opening week.

Urgency is highest among heavy moviegoers, with the majority typically attending during opening week (62%), comprising 27% who usually attend on opening weekend and 35% who usually attend some other time during opening week (with 15% attending on the first Tuesday the film is in theatres).

ARE CANADIANS STAYING IN OR GOING OUT?

There has been great discussion about day-and-date releases (films that are released simultaneously at movie theatres and on at-home platforms). And despite concerns from exhibitors, responses showed that:

– Purchasers of day-and-date movies indicate their movie attendance has increased in the past 12 months at a greater level (17%) compared to non-purchasers (10%).
– Furthermore, heavy moviegoers are more likely to have purchased a day-and-date movie in their home than the other moviegoing segments.

HOW CANADIANS SELECT A FILM WHEN GOING TO THE CINEMA

Heavy film viewers described their decision-making process in selecting a film to view at the cinema.[2] More often than not, Canadians know what film they want to see before they arrive at the cinema; therefore, once at the movie theatre, they go directly to informing themselves about show times. Awareness regarding the movie they want to see is based on promotion done elsewhere than at the theater.

I KNOW WHICH MOVIE...

1	CHOICE OF MOVIE	THEATRE Special theatres (AVX., 3D, etc.)	DATE AND TIME

Sometimes, however, Canadians do not know what film they want to see and consult newspapers or online media outlets to determine their selection. Often other information sources are used, including online rankings and comments.

I DON'T KNOW WHICH MOVIE...

1	THEATRE OR NEWSPAPER WEBSITE	SEE MOVIE LISTINGS	CONSIDER 1-2 THEATRES AS NEEDED

2 — WEIGH THE OPTIONS

Quick discussion/exchange with partner or friends

INFORMATION SOURCES	+	CRITERIA	+	SHOWTIMES
Evaluations/ratings on theatre sites (sometimes checking other sites) Depending on number of comments		My mood/the genre Actors/subject With whom watching		Convenience To decide between two options

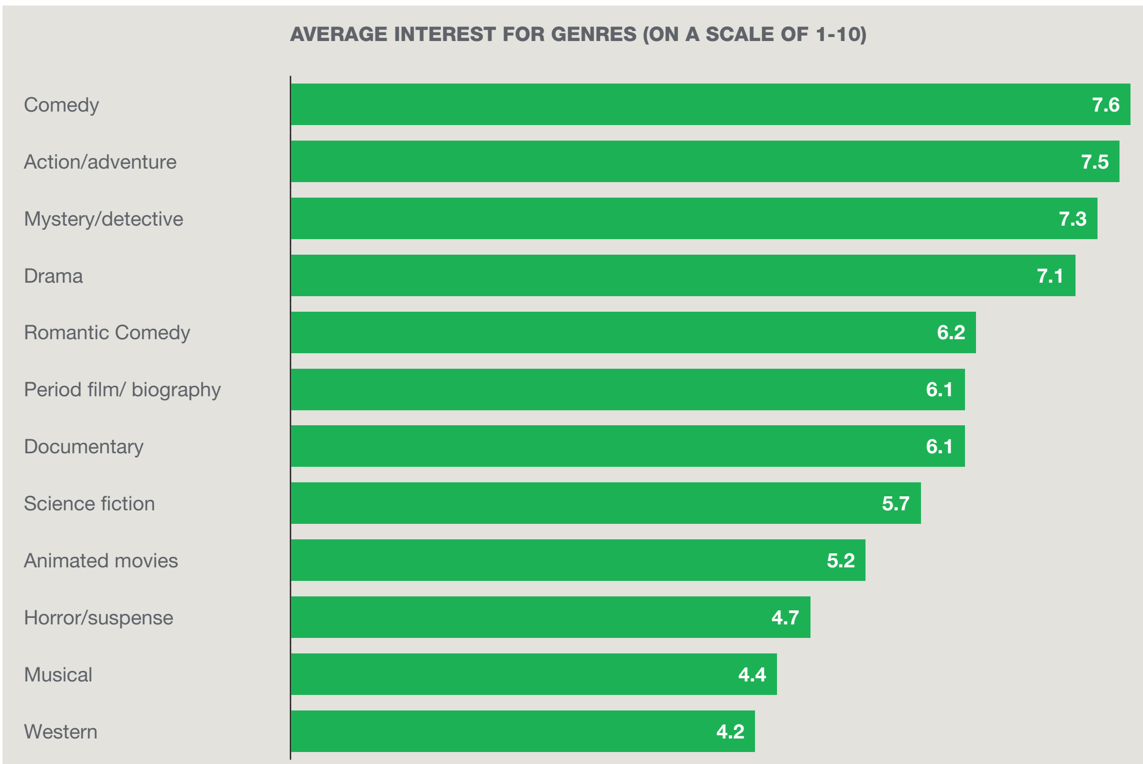
3	CHOICE OF MOVIE	THEATRE Special theatres (AVX., 3D, etc.)	DATE AND TIME

2. The film selection process at the movie-theatres was developed using information from focus groups conducted in 2014 by Ad Hoc Research on behalf of Telefilm Canada, the Canada Media Fund and the Société de développement des entreprises culturelles.

FILM PREFERENCES

When Canadians select a film, their mood is the key influence over the type of film they choose—thus genre remains the leading criteria used. Subject matter, storyline and source—the events or book on which the movie is based—follow closely.

Furthermore, findings once again reveal that Canadians favour four broad types of movies: comedies, action/adventure movies, mysteries/detective movies and dramas.



Not surprisingly, differences continue to appear based on age and level of interest:

– Those aged 55 and above are more attracted by period/biographical movies and documentaries than are younger segments.
– The youngest viewers (15-17 year-olds), for their part, stand apart from older respondents viewers when it comes to their appreciation of animated movies and science fiction films.

However, some criteria are not greatly considered by the majority of Canadians. These include the country of origin of the film, a criteria that has consistently averaged 3.8 out 10 in terms of importance since 2013, with viewers preferring perceived high quality and films recommended through word-of-mouth.

Furthermore, factors that Canadians have been reporting as less important to them over time include the actors in the film, the prizes the film has won, and the movie's screenwriter and director.

Big-budget Hollywood movies continue to top the list of survey respondents' preferred types of movies. These movies once again earned the highest average rating (7.0/10) and close to half (47%) of respondents said they were greatly interested in these types of movies.

A "good" film recommended through word of mouth is the factor used by many to select films.

HOW CANADIANS SELECT FILMS AT HOME

Through the research, it has become clear that the selection of a film is a process that unfolds over time and most Canadians have top-of-mind, preselected films they wish to see based on widespread buzz and promotional efforts. Many Canadians create customized catalogues of content that they will watch through their preferred platforms, for example through the use of personal video recorders and the "My List" option on Netflix.[3]

THE PROCESS OF SELECTING A FILM TO VIEW AT HOME IS AS FOLLOWS

1 — WHAT IS AVAILABLE ON MY SOURCES?

One or two main sources generally used

Live TV channels	PVR	VOD	Netflix
Streaming sites	Previously downloaded content	Owned DVDs	Video club

2 — WEIGH THE OPTIONS

Can be time consuming

MAIN CRITERION: MY MOOD

INFORMATION SOURCES

What I already know
(may have something in mind)

Trailers
Synopsis
Images

+

CRITERIA

Actors/subject
With whom watching

+ more personal criteria

3 — MAKE A CHOICE

Sometimes a preselection to suggest

Most consumers gradually and almost unconsciously gather information about movies (and TV shows) from diverse sources. Movie trailers were mentioned by the vast majority as a crucial driver, not only of awareness but of influence on future choices. A good trailer provides an accurate foretaste of the movie, without revealing too much, and prompts people to mentally file it under "to see." If a producer has just one means to promote a movie, the trailer should be the priority.

3. The process which Canadians use to select films at home was established through focus groups conducted in 2014 by Ad Hoc Research on behalf of Telefilm Canada, the Canada Media Fund and the Société de développement des entreprises culturelles.

INFORMATION SOURCES

The following information sources are used by heavy film-viewing Canadians on a continuous basis to discover films and are ranked by importance:[4]

CONTINUOUS INFORMATION SOURCES	
1	TRAILERS
2	WORD OF MOUTH
3	INTERNET (specialized sites, Facebook)
4	OTHER ADVERTISING
5	RECOMMENDATIONS AND REVIEWS
6	BOX-OFFICE PERFORMANCE

4. The information sources Canadians use to select films at home were established through focus groups conducted in 2014 by Ad Hoc Research on behalf of Telefilm Canada, the Canada Media Fund and the Société de développement des entreprises culturelles.

TWO LANGUAGE MARKETS – DIFFERENT CHALLENGES

In Canada, the two official languages create distinct markets when it comes to the way in which content is consumed. Furthermore, in terms of attachment to, knowledge of and perception of the industry, there are two different realities in the country.

THE ENGLISH-LANGUAGE MARKET

English-speaking Canadians, on average, watch 96% of content in English, with 79% of this population watching all content in English. It should also be noted that this segment watches, on average, more foreign-language movies than French-language movies (2.6% vs. 1.2%). This may impede the success of French-language films in this market.

Anglophone Canadians have a more difficult time recognizing and naming Canadian films when compared to their French-speaking counterparts, with 42% reporting being able to do so this year. This appears to be due to a lack of clear markers that signify a film is Canadian, as often stories are international and actors work on both sides of the border.

However, it was shown this year that clearly Canadian brands can overcome this obstacle. Two thirds of respondents had heard of the Canadian film *Corner Gas: The Movie*, and the feature emerged as the most popular movie included in the survey, beating out such international hits as *Lucy* and *The Imitation Game*.

Nevertheless, English-speaking Canadians had trouble identifying the country of origin of all the other Canadian movies on the list, including these recent successful titles:

- *The F Word*, which was correctly identified by 6% of respondents;
- *Dr. Cabbie*, which was correctly identified by 5% of respondents; and
- *Enemy*, was correctly identified by 3% of respondents.

The lack of recognition for Canadian-made, English-language films may explain why Anglophone Canadians seem less inclined than their Francophone compatriots to recognize the quality of Canadian films: only 35% of Anglophones agree that the Canadian film industry has started making better movies over the last few years.

Anglophone Canadians stated that promotion was an important element in improving awareness and perception of Canadian films and agreed that increased efforts to this end should be made. According to half of those surveyed, it is very important that movies be shown and promoted outside of Canada. Moreover, echoing last year's findings, respondents believe that current promotion and advertising efforts fall far short of what is needed (44%).

In addition, many Anglophone Canadians appear to be calling for better access to Canadian productions: they want movies to be available online (47%), screened in Canadian movie theatres (47%) and broadcast on traditional Canadian movie channels (46%).

THE FRENCH-LANGUAGE MARKET

Among French-speaking Canadians, 52% watch all content in their mother tongue, with a greater portion of the population open to watching some content in English. This demonstrates there is some opportunity for cross-over success for English-language Canadians films in this market.

French-speaking Canadians more easily recognize home-grown content in French and hold favourable opinions about the domestic audiovisual industry. In fact, the majority stated that the acting, directing and production are such that the quality of Canadian French-language films is as good as the quality of movies originating elsewhere (52%).

This year, Francophone respondents easily identified domestic films, including:

- *Mommy*, which was correctly identified by 79% of respondents;
- *1987*, which was correctly identified by 56% of respondents; and
- *La petite reine*, which was correctly identified by 44% of respondents.

It is interesting to note, furthermore, that close to 9 out of 10 Francophone Quebecers say that they can name a movie or TV series of Canadian or Quebec origin.

Francophone Quebecers remain concerned with the availability of Canadian French-language TV series and movies. Indeed, two thirds of respondents believe it is very important that Canadian French-language movies be broadcast on traditional Quebec TV channels, and more than 6 in 10 respondents agree that these movies should be shown in movie theatres in Quebec.

In addition, about half of Quebecers believe that, over the last few years:

- the Canadian film industry has begun making better movies (49%);
- the quality of the acting, directing and production of Canadian French-language movies is as good as that of movies from other countries (52%); and
- it is important that Canadian French-language movies be shown and promoted outside of Canada (58%).

TELEVISION SERIES VIEWING IN CANADA

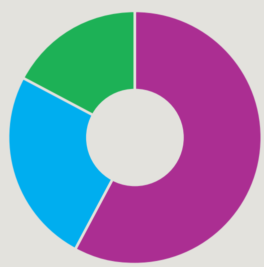
Watching television series is very popular among Canadians and time devoted to this activity is growing. Television series are consumed 165 times a year on average, and more than three quarters (77%) of survey respondents watch a TV show at least once a week.

TV series are more popular among certain sub-groups than among others, namely:

- 18-to-34 year-olds (who watch 173 times a year);
- Women (who watch 180 times a year); and
- Francophone Quebecers (who watch 178 times a year).

A growing habit
This year, 25% of Canadians stated they consumed a higher number of TV series than they did a year ago; growth was also seen in the 2014 results, where 24% stated that their consumption was rising. Compared to those who watch fewer series, there was a net gain of 8% in 2015 and 6% in 2014.

COMPARED TO LAST YEAR, I WATCH...



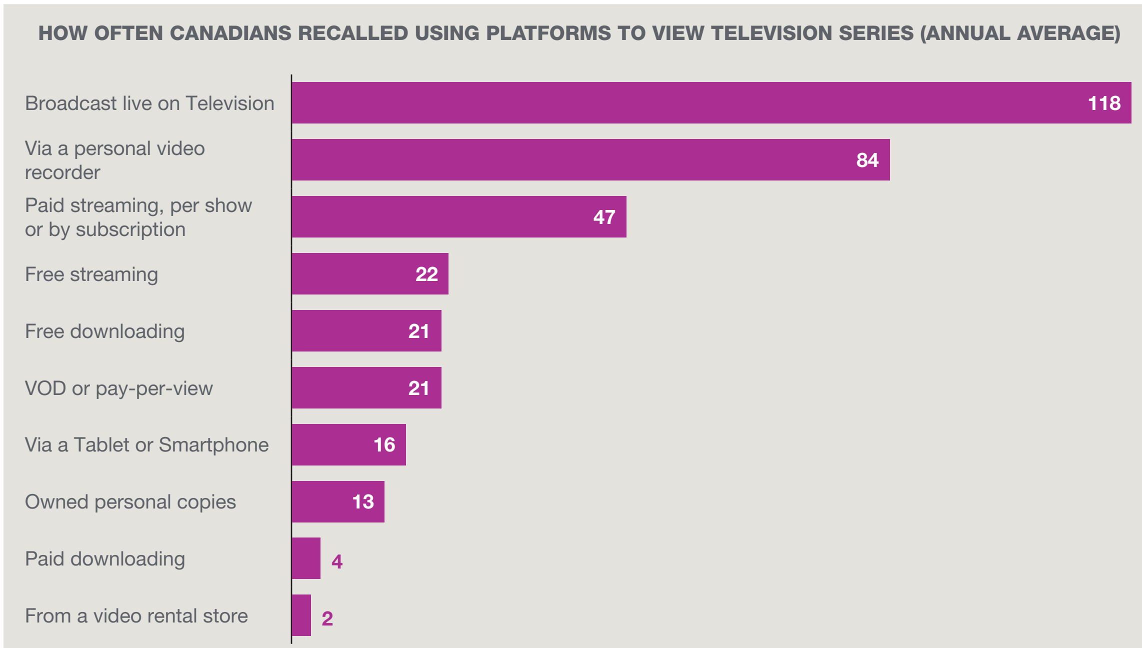
58%	As many series
25%	More series
17%	Fewer series

This rise in consumption was observed in all regions of the country, among Anglophones as well as Francophones, and especially among those in the 15-17 and 18-34 age groups.

The reasons stated for watching more television shows included the following:

- having more time and interest in the TV shows available (48% of mentions);
- having more choice and access to better quality, better selection of TV shows (32% of mentions);
- a preference for online viewing (20% of mentions), especially for Netflix (16% of mentions); and,
- finally, 14% of respondents mentioned the greater accessibility of series, sources or platforms, as well as the low cost of accessing these series.

PLATFORMS USED TO VIEW SERIES



60% of Canadians watch a TV series at least once a week.

As found in the 2014 study, watching TV series when they are broadcast live on TV remains the standard viewing method for Canadians. During the past year, respondents reported having watched TV series broadcast live on TV an average of 118 times per year, or more than twice a week, a slight decline versus 2014 levels of 125 times per year. Furthermore, 60% of respondents watched a TV series at least once a week.

– The use of live-broadcast television is more popular among Francophone Quebecers as well as among the oldest viewers surveyed (55 year-olds and above).

Personal video recorders (PVR) are also popular for watching series, especially as they allow Canadians to create their own personal catalogue of content to watch.

– It should be noted that the use of PVRs is more widespread among Francophone Quebecers as well as among older viewers.

Paid streaming, per show or by subscription, ranks first as a means of accessing TV shows online. The youngest segments, or "millennials," aged 15-34, use these services most heavily.

As observed in 2014, paid streaming, per show or by subscription, once again ranks first as a means of accessing TV shows online. Streaming was used an average of 47 times over the past year and at least once a week by a quarter of respondents.

- It is worth pointing out that these usage rates are significantly higher than they were a year ago (2015 average: 47 times per year versus 34 times per year in 2014). Based on this, it is apparent that continuous-streaming services such as Netflix, Shomi, Illico Web and Crave TV are experiencing strong growth in the Canadian market.
- Once again, the youngest segments stated that they were the heaviest users of these services (18-34 year-olds: 83 times per year; 15-17 year-olds: 68 times per year).
- Anglophone Canadians also are heavier users of paid streaming services for television series when compared to French-speaking Canadians.

Free streaming and downloading are neck-in-neck, used at least once a week by around 1 in 10 fans of TV series. Again, the youngest viewers are overrepresented in this segment:

- Free streaming is used at least once a week by 28% of 15-17 year-olds and by 20% of 18-34 year-olds.
- Free downloading is used at least once a week by 20% of 15-17 year-olds and by 18% of 18-34 year-olds.

As in 2014, paid downloading as a means of acquiring TV series lags far behind other methods of viewing. This method ranks in last place in terms of frequency of use (3.8 times over the last year).

CONCLUSION

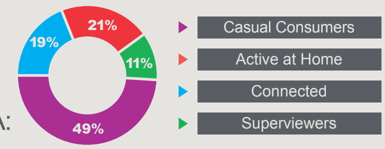
Canadians love good content, and given the growing number of platforms on which they can access content, viewing is increasing. They consume media on multiple devices, at home, on-the-go and out at the movie theatre.

As the market and consumers evolve, it is important that industry players understand how to reach and engage with audiences. The key, particularly for niche content, is to properly define the target audience, understand their preferences and develop a distribution plan that will make content easy to access and discover. Furthermore, developing a community of fans and engaging with them from the onset of production through new platforms and social media is now possible and should be a key element of any marketing strategy.

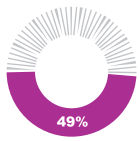
Finally, working together to build recognition for the Canadian industry becomes a priority for all stakeholders involved in the production of Canadian content. Ensuring Canadians recognize homegrown talent and can discover homemade content is essential for the future of Canadian media content.

FILM VIEWING SEGMENTS IN CANADA

FOUR MARKET SEGMENTS OF FILM VIEWERS HAVE BEEN IDENTIFIED WITHIN THE FILM VIEWING POPULATION IN CANADA:

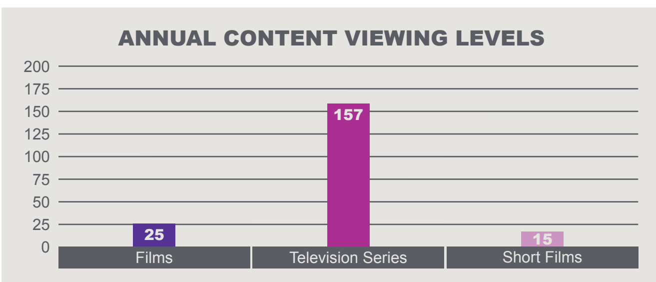


CASUAL CONSUMERS

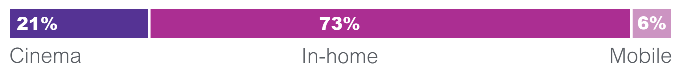


49% OF THE FILM VIEWERS IN THE CANADIAN MARKET

- This segment is the least active in terms of film consumption
- On average people in this segment are 49 years old
- They are less economically active, 28% are retired
- Casuals watch few films, 25 on average annually
- They have small households, with few children at home
- There are more females in this segment (56%)
- Casuals have higher levels of education
- They are more financially fortunate (43% earn more than $80K per household)
- Word of mouth and television and radio are the sources of information used most by Casuals to select films

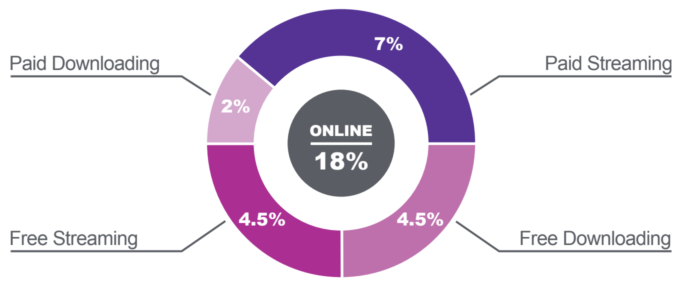


PROPORTION OF FILMS VIEWED, BY LOCATION

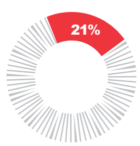


IN-HOME FILM VIEWING BY PLATFORM

ONLINE VIEWING, BY TYPE

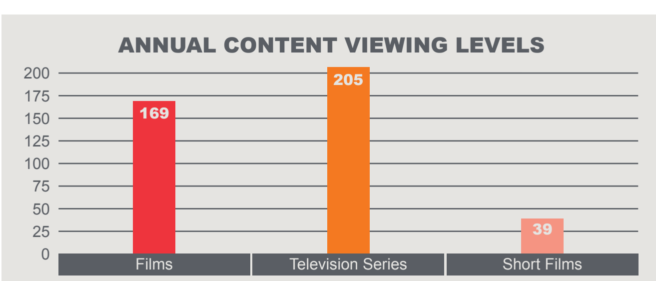


ACTIVE AT HOME

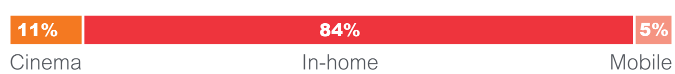


21% OF THE FILM VIEWERS IN THE CANADIAN MARKET

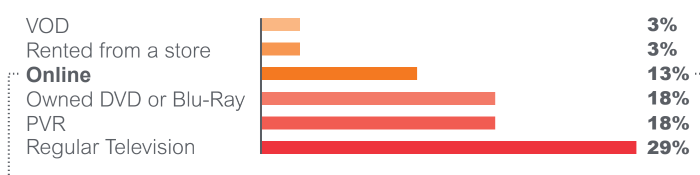
- This segment is the oldest of those in the four segments
- They have an average age of 51, with 44% of the segment over 55
- Many are retired, with more free time to watch movies
- Films are watched primarily at home via traditional viewing methods
- They rarely go out to movie theatres
- These consumers are watching an increasing number of movies
- 26% have household incomes under $40K
- They have smaller households with an average of 2.4 people
- Most have college level education
- TV and radio is their principal source of information in selecting films



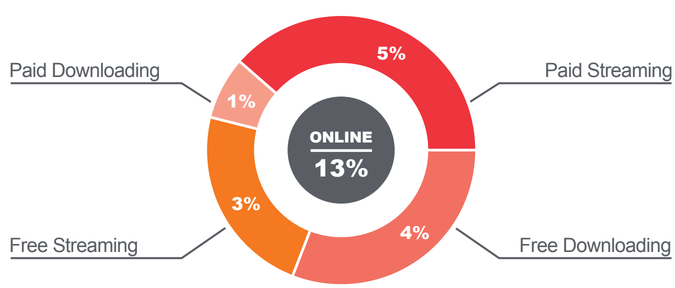
PROPORTION OF FILMS VIEWED, BY LOCATION



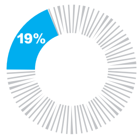
IN-HOME FILM VIEWING BY PLATFORM



ONLINE VIEWING, BY TYPE



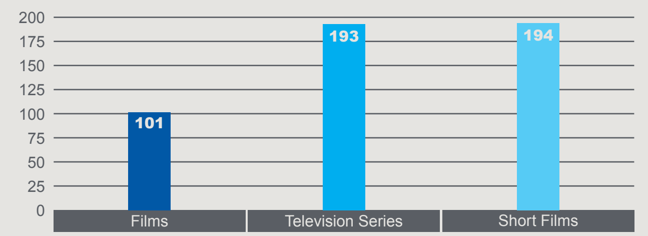
CONNECTED



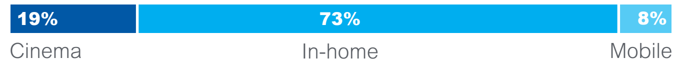
19% **OF THE FILM VIEWERS IN THE CANADIAN MARKET**

- This segment has an average age of 40, with 47% of the segment under 35
- They are heavy Internet users
- They are consuming more and more movies
- They're not very partial to VOD, PVR or watching DVDs and Blu-Rays they own
- 74% of Connecteds are economically active, 17% are students
- This group is more masculine (56%)
- 76% have household incomes below $40K
- Households are more numerous, 2.9 people on average
- Their homes have a strong presence of children
- The Internet is their main source of information used to select films

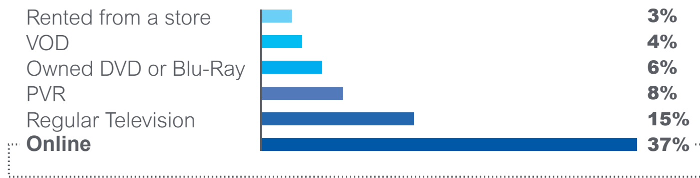
ANNUAL CONTENT VIEWING LEVELS



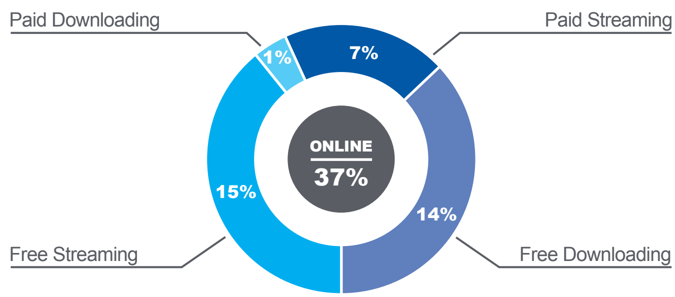
PROPORTION OF FILMS VIEWED, BY LOCATION



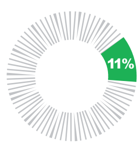
IN-HOME FILM VIEWING BY PLATFORM



ONLINE VIEWING, BY TYPE



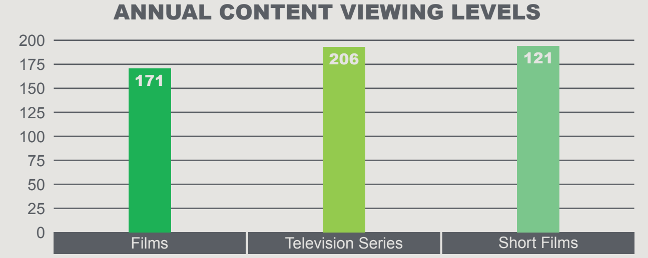
SUPERVIEWERS



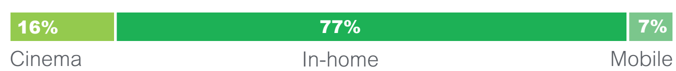
11% **OF THE FILM VIEWERS IN THE CANADIAN MARKET**

- Consumers in this segment are the youngest age group
- Their average age is 36, with more than 50% under 35
- They view all types of content, on all platforms and avidly stream and download
- Their households are more numerous, 3.2 people on average
- There is a strong presence of children in their households
- Superviewers are watching more movies than ever before
- Superviewers are more economically active, 57% work full-time
- 17% of this group are students
- This group is more masculine (56%)
- The Internet is their main source of information used to select films

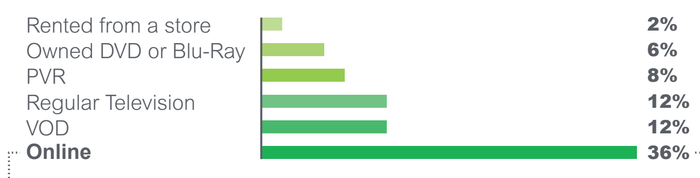
ANNUAL CONTENT VIEWING LEVELS



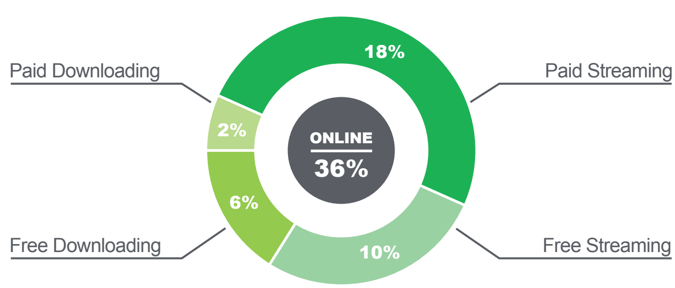
PROPORTION OF FILMS VIEWED, BY LOCATION



IN-HOME FILM VIEWING BY PLATFORM



ONLINE VIEWING, BY TYPE



***Source:** Findings are based on a survey commissioned by Telefilm Canada, conducted by Ad Hoc Recherche. From March 11 through March 19, 2013, 1,800 Canadians aged 15 and over were surveyed who had seen at least one film in the last year. The findings have a confidence level of 95% and a margin of error of +/- 2.31%; and the results were weighted by region, age and sex to properly represent the Canadian population.*

METHODOLOGY

This report was developed using three main sources, for which Telefilm Canada was a contributing partner. Details of each study include:

1) Study on Canadians' consumption of audiovisual content, including trends from 2013-2015:

2013 survey
Ad hoc Research was hired to survey 1,800 Canadians (303 Francophones and 1,497 Anglophones). The 2013 survey was financed by Telefilm Canada.

2014 survey
Ad hoc Research was hired to survey 3,078 Canadians (696 Francophones and 2,382 Anglophones). The 2014 survey was financed by Telefilm Canada and the Centre d'études sur les médias.

2015 survey
Ad hoc Research was hired to survey 3,087 Canadians (648 Francophones and 2,439 Anglophones). The 2015 survey was financed by Telefilm Canada and the Centre d'études sur les médias.

Survey participants:

- included Canadians from all provinces across the country;
- were aged 15 years and older; and
- were able to communicate in either English or French.

The research:

- was conducted using web panels; and
- the results were weighted based on region, age and gender to best reflect the population.

2) Focus groups

In 2014, focus groups were conducted in Sherbrooke, Montreal, Toronto and Vancouver, with participants that qualified as members of the *Active at home* or *Connected/Superviewer* market segments (see page 21 for more information) developed by Telefilm using the 2013 surveys. These consumer segments demonstrate heavy viewing behaviour of both television and film. The focus group study was funded by Telefilm, the Canada Media Fund (CMF) and the Société de développement des entreprises culturelles (SODEC).

3) Canadian moviegoing statistics

ERm Research was hired to survey 1,870 Canadians. The study on Canadian moviegoers' preferences was commissioned by the Movie Theatre Association of Canada in partnership with Telefilm Canada.

Survey participants:

- were aged 13 and older;
- comprised 909 men and 961 women; and
- were recruited via email and completed the survey online.

Data was balanced by demographics (age, gender, province and ethnicity) to match the Canadian population at large.