TELEFILM CANADA

Film consumers in Canada; three-year trends and focus group findings

2014

Context and methodology

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Three-year trends - Surveys

Telefilm began surveying Canadians in 2012 regarding their film consumption habits. Three-year trends have now been established*. The 2014 survey was partially financed through the *Centre d'études sur les médias* based at Laval University.

Focus Group Discussions

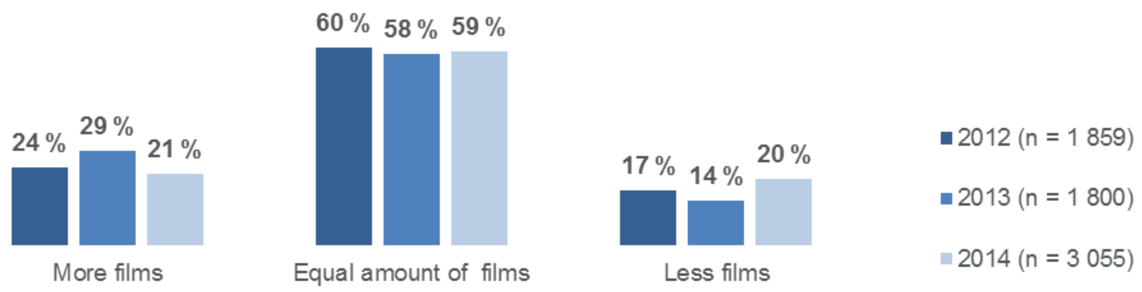
Furthermore in 2014, focus groups were conducted in Sherbrooke, Montreal, Toronto and Vancouver with participants that qualified as members of the *Active at home* or *Connected/Superviewer* market segments** developed by Telefilm in the 2013 surveys. These consumer segments demonstrate heavy viewing 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).*

* For the full methodological information, see the annex.
** See annex for more information.

Main findings

Film Viewing Levels

Canadians reported watching slightly fewer films in 2014 (average of 85 in 2013 compared to 78 in 2014):



Television is now considered the major competitor for films in terms of the audience's time.

Respondents made no clear distinction between films and series.

Series now rival or even surpass movies in terms of quality and innovative themes.

Main benefits of series: shorter duration (per episode), longer, deeper engagement over time, consumption by single episode or binge-viewing, plots that maintain suspense.

- Reasons cited for viewing fewer films were: less time, **a growing preference for television series (viewing increasing) and cinema costs**

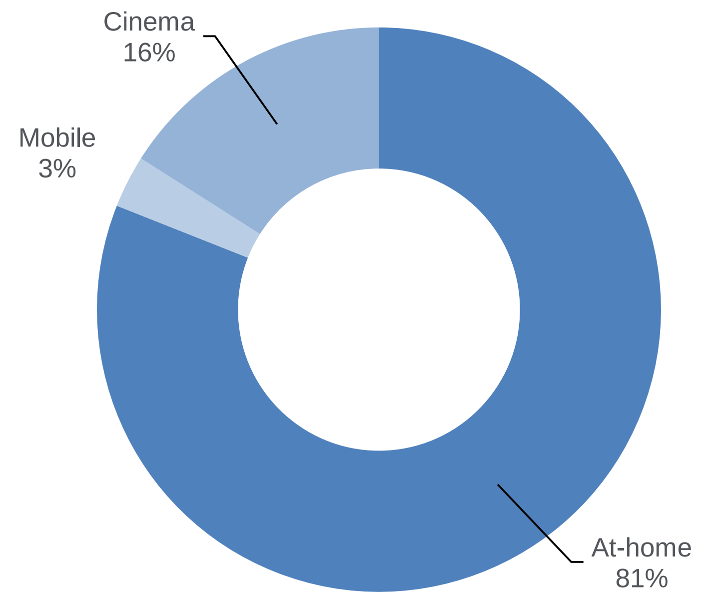
- Reasons for viewing more films: more time, **better access and Netflix subscription**

- More than half of Canadians **watch at least a film per week**

- Both movies and series are watched mainly for **entertainment** and **relaxation**

Where Canadians Watch

The great majority of film viewing occurs in the home:



Most movies are **watched at home** mainly to relax at the end of the day – hence a relatively low level of involvement.

A more cerebral movie thus, in a way, becomes a niche product..

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At-home - film selection process

At-home viewing constitutes the vast majority of film watching at 81%. Audiences select films as follows:

One or two main sources generally used

1

What is available on my sources?
Live TV channels
PVR
VOD
Netflix
Streaming sites
Previously downloaded content
Owned DVDs
Video club

Can be time-consuming

2

Weigh the options

Main criterion: my mood

Information sources
What I already know (may have something in mind)

+

Criteria
Actors/subject
With whom watching

+ more personal criteria

Information sources
Trailer
Synopsis
Images

3

Make a choice

Sometimes a preselection to suggest

Selecting a **film is a process** that unfolds over time. When consumers make the choice, most already have films preselected that are top of mind based on widespread buzz and promotional efforts. The film should ideally be on the key platforms for the target market.

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At the cinema - film selection process

Cinema viewing constitutes a minority of film viewing at 16%. Audiences tend to know the movie they want to see in advance passing to step 3 in the selection process.

Movie-going is considered a **social event**, often reserved for **major productions** with visual and sound effects.

However, such events are **infrequent** (once every 1 to 3 months) due to the **cost of the outing, seen to be increasingly high.**

In **most cases**, the participants know which movie they want to see in a theatre.

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
Evaluations/ratings on theatre sites (sometimes checking other sites)
Depending on number of comments

+

Criteria
My mood/the genre
Actors/subject
With whom watching

Showtimes
Convenience
To decide between two options

I know which movie…

3 **Choice of movie**
Theatre
Date and time
Special theatres (AVX., 3D, etc.)

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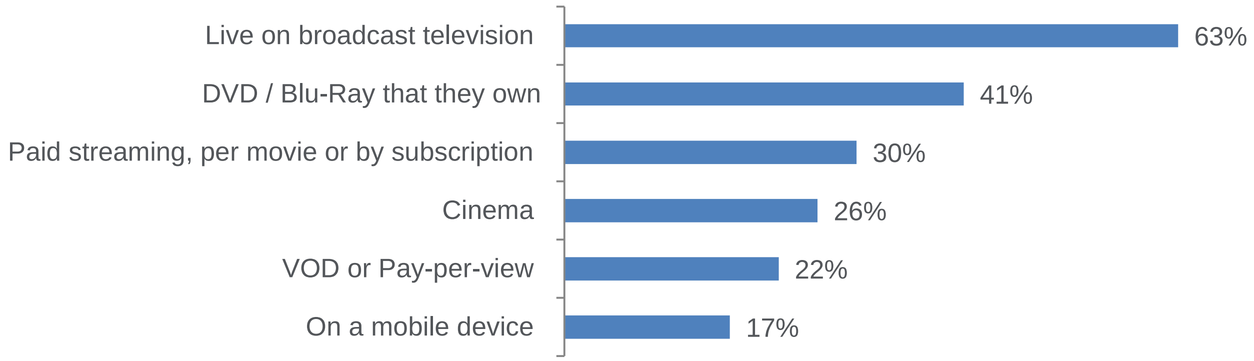
Platforms Used

Film viewing is **multi-platform**. The percentage of Canadians that use these platforms at least once a month to view films is as follows:

33% of respondents reported having **Netflix** subscriptions and 15% **Illico club à volonté.**



Preference for immediacy and on-demand viewing means **streaming is increasingly** popular compared to downloading.

Two platforms have shown steady progress in viewership since 2012:

- **Paid streaming**, **per movie or by subscription** monthly use by 22% in 2012 to 30% in 2014
- **Mobile devices** monthly use by 9% in 2012 and 17% in 2014

The majority of platforms lost film viewership in 2014, with two particularly touched:

- **DVD and Blu-Ray** monthly use has fallen from 52 % in 2012 to 41%
- **Films watched live on television when broadcast on TV** monthly use has remained stable but weekly use has fallen from 49% in 2012 to 32% in 2013 and even lower to 30% in 2014

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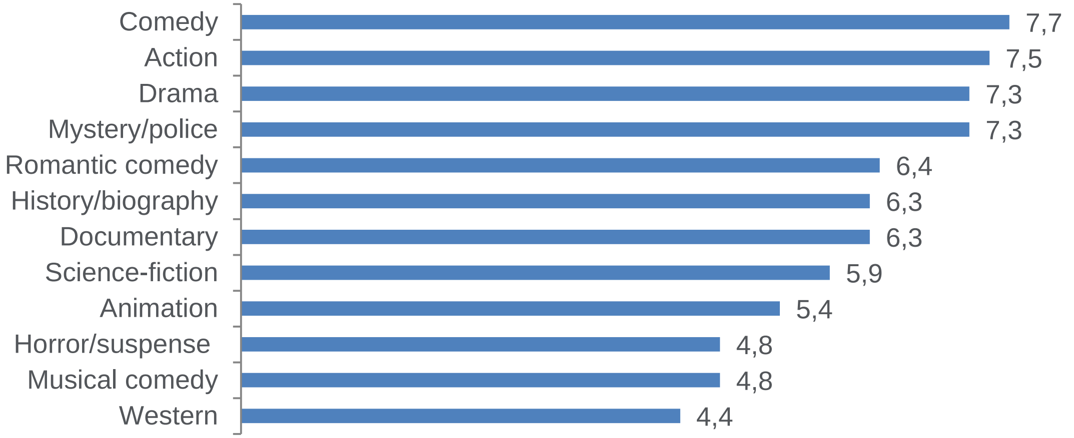
Viewing Criteria

In order to stimulate demand for Canadian films, it is critical to consider:

Film genre remains the key decision making criteria when Canadians select a film. The most popular genres (out of ten) are:

It is mood and thus **genre** that heavily influences spur-of-the-moment choice.



Among 15-17 year olds comedy, action, sci-fi and animation are top genres.

Among those 55+ dramas, mystery/police, comedy and action movies rule.

The film's origin was not considered an important factor, at 3.8 in 2013 and 2014

A certain disinterest has developed for different attributes over time:

- The cast - average score out of 10: 7.0 in 2012, 6.8 in 2013 and 6.6 in 2014
- The awards won - 5.4, 4.9 and 4.6 respectively
- The film's director - 4.8, 4.4 and 4.2 respectively
- The screenwriter - 4.2, 3.7 and 3.6 respectively

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Sources of Information

Most consumers gradually and almost unconsciously **gather information** about movies (and series) from diverse sources.

Movie trailers were mentioned by the **vast majority** and are a **crucial vehicle** 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.

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Two language markets - Different challenges

Two language markets – English-language

English-speaking Canadians **struggle to identify Canadian films**:

- 38% of English-speaking respondents reported being able to name a Canadian film

English-speaking Canadians **are less positive** regarding the domestic film industry.

- However, this may be caused in part by lack of awareness. After focus group participants were shown examples of Canadian films, their perceptions became quite positive.

Examples shown in Toronto and Vancouver.

English-speaking Canadians **have lower awareness levels of Canadian films,** a key element to address in order to improve appreciation for the industry.

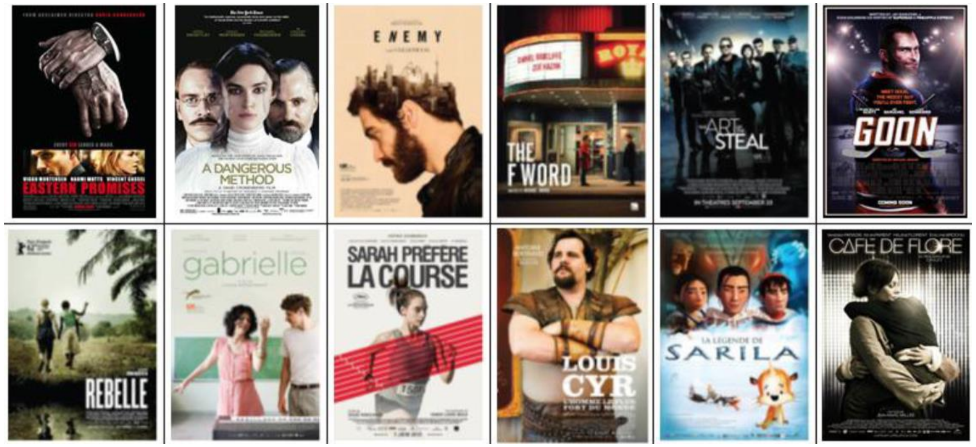
Two language markets – French-language

The French-language market is **generally positive and supportive** with strong awareness levels for local films:

- In 2014, 31% had a strong interest towards film from Quebec versus 24% in 2013

Focus group respondents conveyed **a strong interest in having more content from Quebec:**

- However, content from Quebec is required to be as good as content from other provenances

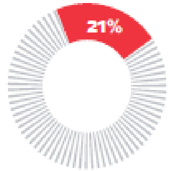


Examples shown in Sherbrooke and Montreal.

A concerted effort from industry players is required to maintain the image, promote the diverse contributions to society and to develop a stronger sense of attachment to the industry among the population.

Annex

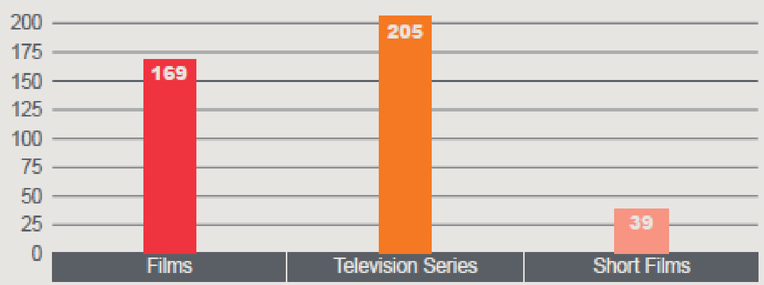
ACTIVE AT HOME



21% OF THE FILM VIEWERS IN THE CANADIAN MARKET

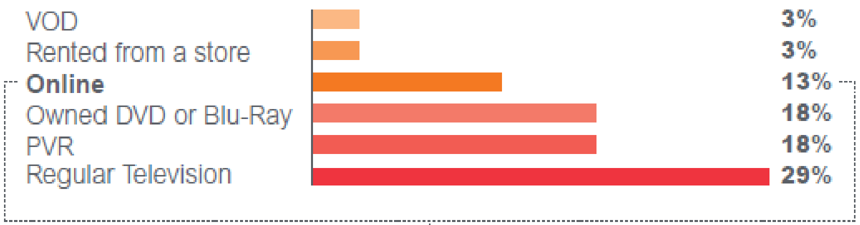
- This segment is the oldest of those in the four segments
- They have an average age of 51, with 44% of the segment over 55
- Many are retired, with more free time to watch movies
- Films are watched primarily at home via traditional viewing methods
- They rarely go out to movie theatres
- These consumers 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

ANNUAL CONTENT VIEWING LEVELS

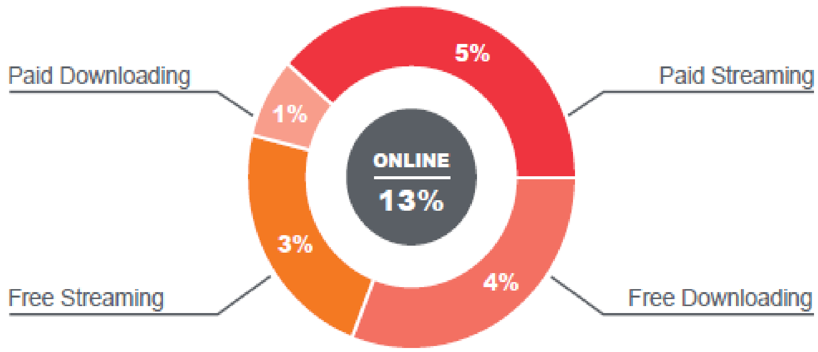


PROPORTION OF FILMS VIEWED, BY LOCATION

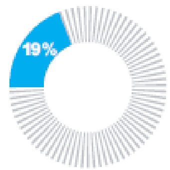
IN-HOME FILM VIEWING BY PLATFORM



ONLINE VIEWING, BY TYPE

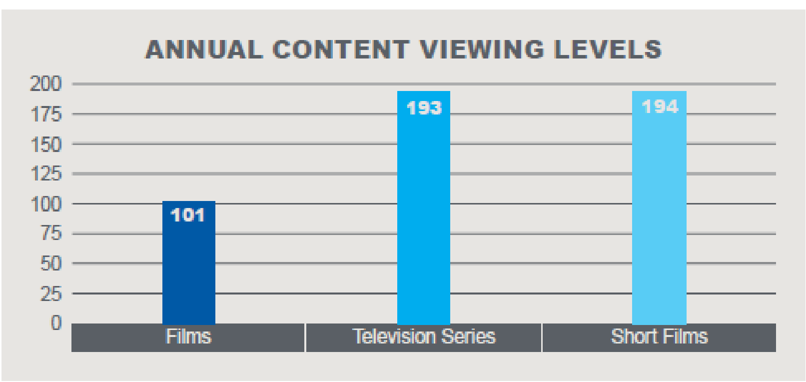


CONNECTED

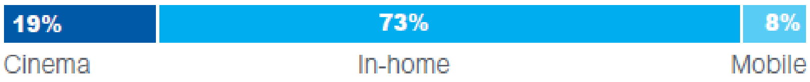


19% OF THE FILM VIEWERS IN THE CANADIAN MARKET

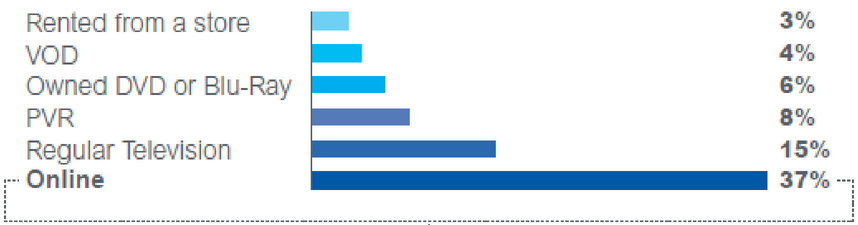
- This segment has an average age of 40, with 47% of the segment under 35
- They are heavy Internet users
- They are consuming more and more movies
- They're not very partial to VOD, PVR or watching DVDs and Blu-Rays they own
- 74% of Connecteds are economically active, 17% are students
- This group 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



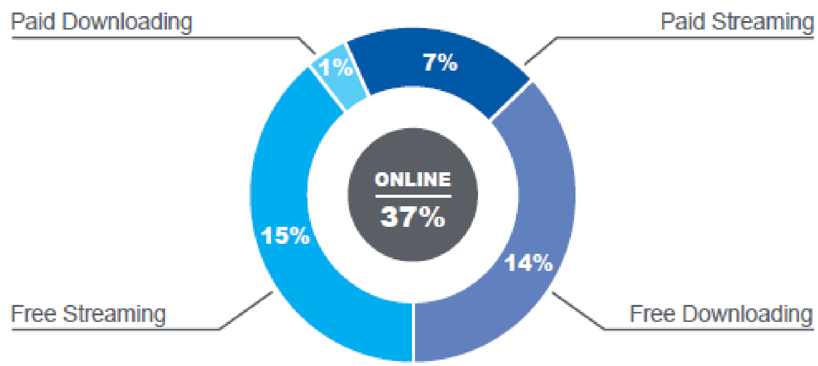
PROPORTION OF FILMS VIEWED, BY LOCATION



IN-HOME FILM VIEWING BY PLATFORM



ONLINE VIEWING, BY TYPE



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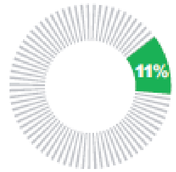
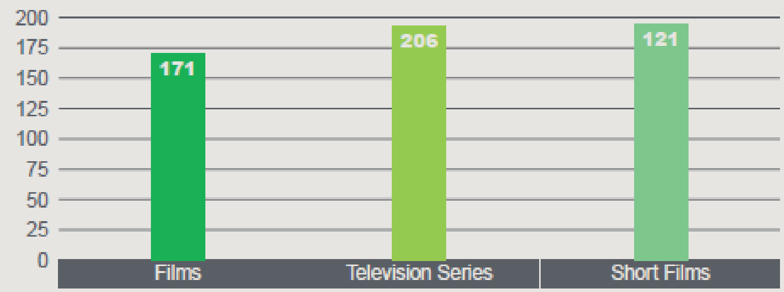
SUPERVIEWERS

11% OF THE FILM VIEWERS IN THE CANADIAN MARKET



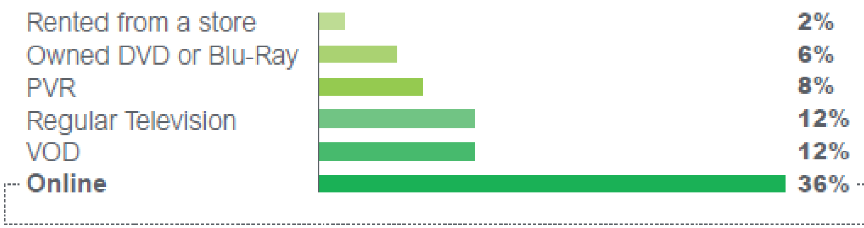
- Consumers in this segment are the youngest age group
- Their average age is 36, with more than 50% under 35
- They view all types of content, on all platforms and avidly stream and download
- Their households are more numerous, 3.2 people on average
- There is a strong presence of children in their 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

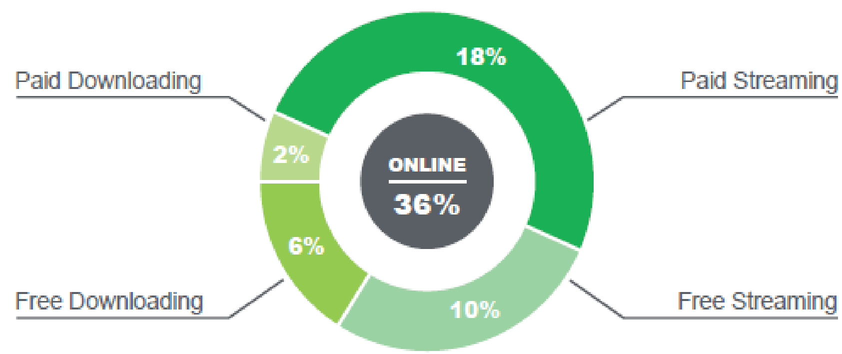


PROPORTION OF FILMS VIEWED, BY LOCATION

IN-HOME FILM VIEWING BY PLATFORM



ONLINE VIEWING, BY TYPE



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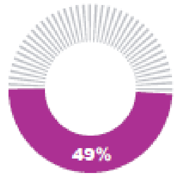
Important: this segment was not included in the focus group discussions, due to their comparatively low levels of film consumption.

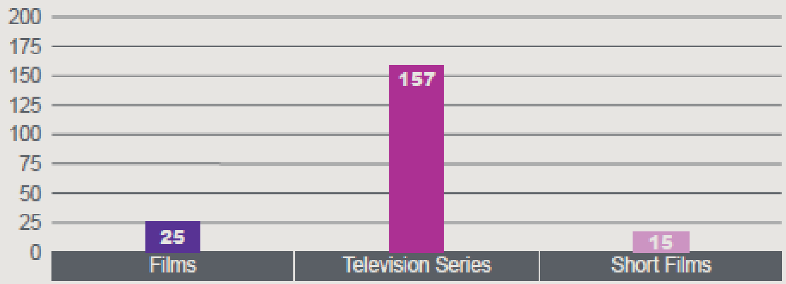
CASUAL CONSUMERS

49% OF THE FILM VIEWERS IN THE CANADIAN MARKET

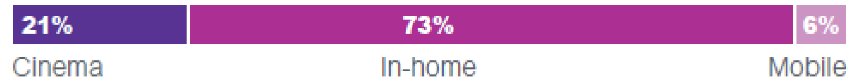


- This segment is the least active in terms of film consumption
- On average people in this segment are 49 years old
- They are less economically active, 28% are retired
- Casuals watch few films, 25 on average annually
- They have small households, with few children at home
- There are more females 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

ANNUAL CONTENT VIEWING LEVELS

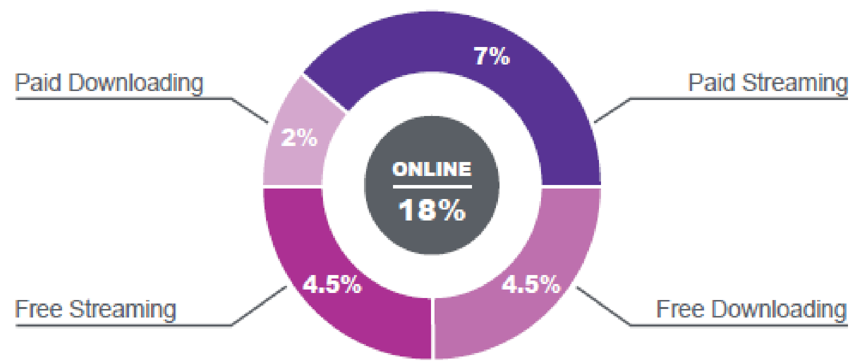


PROPORTION OF FILMS VIEWED, BY LOCATION



IN-HOME FILM VIEWING BY PLATFORM

ONLINE VIEWING, BY TYPE



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Context and methodology

Three-year trends - Surveys

Telefilm began surveying Canadians in 2012 regarding their film consumption habits. The 2012 survey was conducted by *Research Now* involving 1,859 Canadian respondents (363 Francophones, 1496 Anglophones). *Ad hoc Research* was retained in 2013 and 2014 to survey 1,800 (303 Francophones, 1497 Anglophones) and 3,078 (696 Francophones, 2382 Anglophones) Canadians respectively. The 2014 survey was partially financed through the *Centre d'études sur les médias*.

The population consulted in each survey was constituted of Canadians from each province aged 18 and over in 2012 and aged 15 and over in the 2013-2014 surveys. All respondents were able to express themselves in either French or English. The research was conducted using web panels. The results were then weighted based on region, age and sex to best reflect the population.

Focus Group Discussions

Furthermore 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* developed by Telefilm in 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).*