



Canadian
Heritage

Patrimoine
canadien

Canada



Looking Ahead: Viewing Canadian Feature Films on Multiple Platforms

July 2013





Looking Ahead: Viewing Canadian Feature Films on Multiple Platforms



Summary

In 2012, the Department of Canadian Heritage analyzed several sources of data (Motion Picture Theatre Associations of Canada, Nielsen VideoScan, Rentrak and BBM Canada) to study Canadians' viewing of Canadian feature films on various platforms. This report examines Canadian feature films that were viewed in theatres, on DVD and on television (conventional, specialty and pay) in Canada between 2007 and 2011. The results are based on performance measurements that go beyond the box office to measure how Canadians watch Canadian feature films on other platforms.

This is a first step in presenting a more comprehensive measure of how Canadians watch Canadian feature films. Data on other viewing platforms will be added as they become available.

Highlights:

- **Canadians are watching Canadian feature films on a variety of platforms**
 - In 2011, there were approximately 93 million views of over 750 unique Canadian feature film titles in theatres, on DVD (rentals and sales) and on television (conventional, specialty and pay).
- **Viewing of Canadian feature films has remained relatively stable**
 - The market share of views of Canadian feature films has remained relatively stable, averaging 5.7% from 2007 to 2011.
- **Differences exist in feature film viewing patterns between Canada's French-language and English-language markets**
 - In the French-language market, Canadian films had on average a 9% market share from 2007 and 2011.
 - In the English-language market, Canadian films' market share is lower, with an average of 4% from 2007 to 2011.
- **Most Canadians watch Canadian feature films on television**
 - In 2011, 93% of views of Canadian feature films were on television.
 - Television accounts for about 95% of views of Canadian films in the English-language market and about 91% of views of Canadian films in the French-language market.
- **Canadians watching films on DVD (rented or purchased) is decreasing**
 - DVD consumption continues to decline as DVD rental stores close. While the DVD platform might not disappear overnight, other viewing platforms are taking its place.



- **Canadians are watching more Canadian and foreign feature films through video on demand and pay-per-view**
 - Nearly half of all Canadians watch films on video on demand (VOD)¹ or pay-per-view (PPV)² services at least a few times a year.³

¹ VOD services allow viewers to select programs to view at the time of their own choosing. In contrast, traditional broadcasting services such as conventional, pay and specialty television services are often referred to as "linear services" in that they present programs at specific times as part of a program schedule. VOD services are "non-linear" since it is the consumer who selects the program and the viewing time.

Source: *Broadcasting Regulatory Policy CRTC 2010-190*

² A PPV service is defined as a scheduled programming service that is provided to subscribers on a pay-per-view basis. PPV services are usually composed of feature films, sports and events. PPV services use a separate channel for each programming stream.

Source: *Broadcasting Notice of Consultation CRTC 2012-81*

³ Quorus Consulting Group for the Department of Canadian Heritage, *Canadian Books, Film, Periodicals and Music Opinion Survey*, September 2012.

Survey question: How often do you watch films on VOD or PPV services?

Base: All respondents; n=2,003

Introduction

Since 2000, when the Government of Canada announced its Canadian Feature Film Policy (CFFP), *From Script to Screen*, Canadians' audiovisual consumption habits have changed significantly. At that time, the Department of Canadian Heritage introduced a performance measurement methodology that measured Canadian feature films⁴ by the market share of box office revenues in Canada. The CFFP's target was for Canadian feature films to capture 5% of domestic box office revenues.

Canadians now view content where, when and how they want. They no longer just go to theatres to see feature films, rent DVDs, or watch programming on traditional television in their living rooms.

They now go online to access audiovisual content, and they watch it on their smartphones and tablets. They are watching multiple screens simultaneously. And they are not just consuming the content: they are interacting with it, and engaging with content creators and their peers at the same time.

Therefore, the Department adapted how it measures the consumption of Canadian feature films.

This report shares the Department's findings on Canadian feature film consumption. The results are based on performance measurements that go beyond the box office to measure how Canadians watch Canadian feature films on other platforms, including DVDs (rentals and sales) and television (conventional, specialty and pay). This measurement methodology allows for the eventual inclusion of other platforms as data becomes available.

The methodology uses the number of **views** (the number of times a feature film is viewed) of Canadian feature films on a variety of platforms as a unit of measure, rather than box office revenues. It treats all platforms equally: a view is a view, regardless of the platform. For details, see Appendix A.

The findings are based on an analysis of data from the Motion Picture Theatre Associations of Canada, Nielsen VideoScan, Rentrak and BBM Canada. The report examines Canadian feature films that were viewed in theatres, on DVD and on television (conventional, specialty and pay) in Canada between 2007 and 2011. The report also uses findings from the Public Opinion Survey conducted by Quorus Consulting Group for the Department of Canadian Heritage, *Canadian Books, Film, Periodicals and Music Opinion Survey*, September 2012.

⁴ A feature film is defined as a feature-length (75 minutes or more) production whose primary market is theatres. This does not include movies-of-the-week, made-for-television films, and straight-to-video productions.

This is a first step in presenting a more comprehensive measure of how Canadians watch Canadian feature films. Data on other viewing platforms will be added as they become available.

Canadian Feature Film Viewing from 2007 to 2011

This report examines Canadian feature film viewing in theatres, on DVD (sales and rentals) and on television (conventional, specialty and pay) in Canada from 2007 to 2011. The analysis confirms the following assumptions about Canadians' viewing of Canadian feature films.

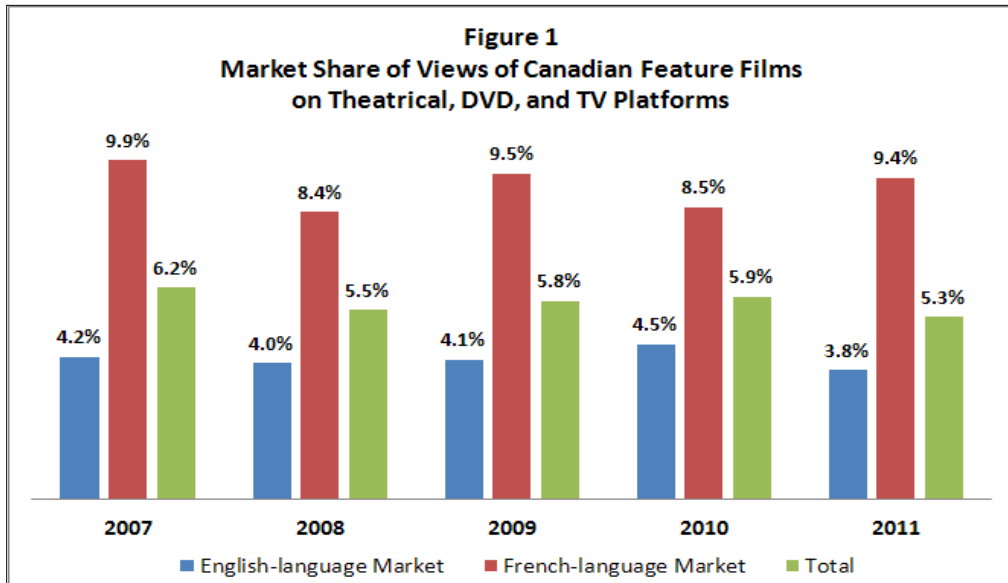
Canadians are watching Canadian feature films on a variety of platforms

Canadians are now watching feature films on numerous platforms. Conventional television is the most common way that respondents to the 2012 *Canadian Books, Film, Periodicals and Music Opinion Survey*⁵ watch films, and two thirds of respondents still buy films on DVD or Blu-ray format a few times a year. Nearly half of all Canadians watch films on video-on-demand (VOD) or pay-per-view (PPV) services at least a few times a year, and 12% of Canadians download or stream films from the Internet at least once per week.

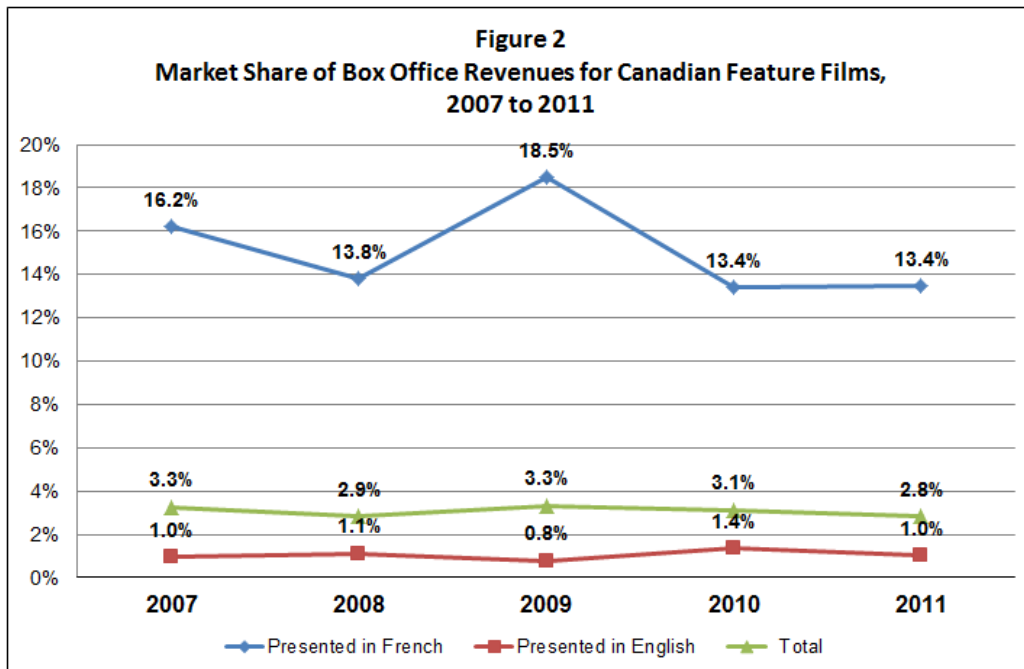
⁵ Quorus Consulting Group for the Department of Canadian Heritage, *Canadian Books, Film, Periodicals and Music Opinion Survey*, September 2012.

Viewing of Canadian feature films has remained relatively stable

The overall market share of views of Canadian feature films in theatres, on DVD (rentals and sales) and on television (conventional, specialty and pay) has remained relatively stable, averaging 5.7% from 2007 to 2011 (see Figure 1). These amounts are considerably higher than the market share of box office revenues for Canadian feature films between 2007 and 2011 (see Figure 2), because most Canadian films are viewed on alternative platforms (such as television) rather than in theatres.



Note: Department of Canadian Heritage analysis of data from the Motion Picture Theatre Associations of Canada, Nielsen VideoScan, Rentrak and BBM Canada. Data does not include VOD, PPV or online services.



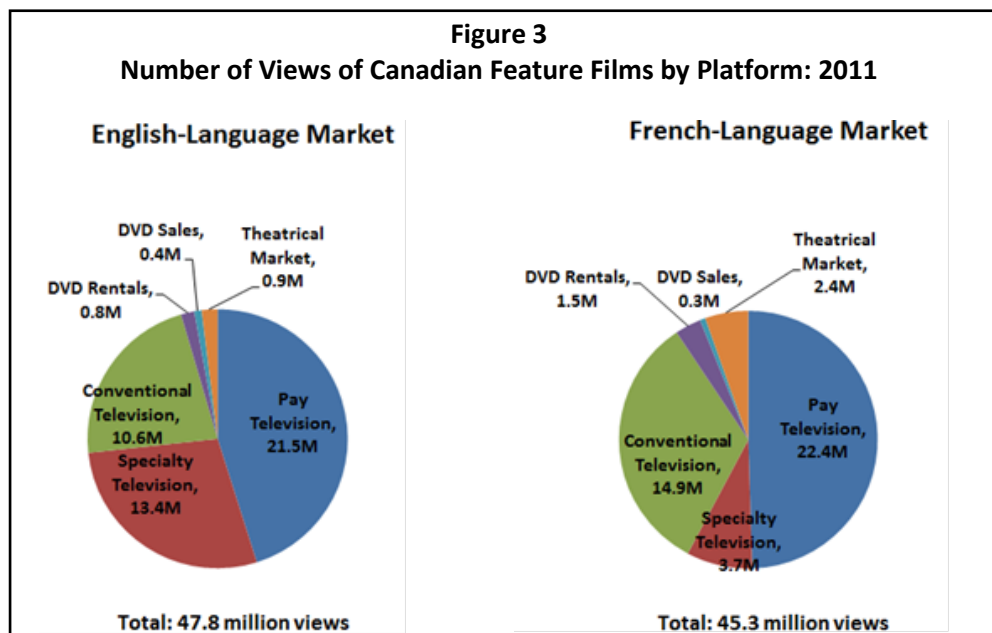
Note: Department of Canadian Heritage analysis of data from the Motion Picture Theatre Associations of Canada.

Differences exist in feature film viewing patterns between Canada’s English- and French-language feature film markets

Canadian feature films consistently have a larger share of the French-language market than of the English-language market. Canadian films in the French-language market have hovered around an average market share of 9% between 2007 and 2011. The performance of French-language titles in theatres has allowed French-language films to succeed across many platforms.

Most Canadians watch Canadian feature films on television

Television accounts for about 95% of views of Canadian feature films in the English-language market and about 91% of views in the French-language market (see Figure 3).



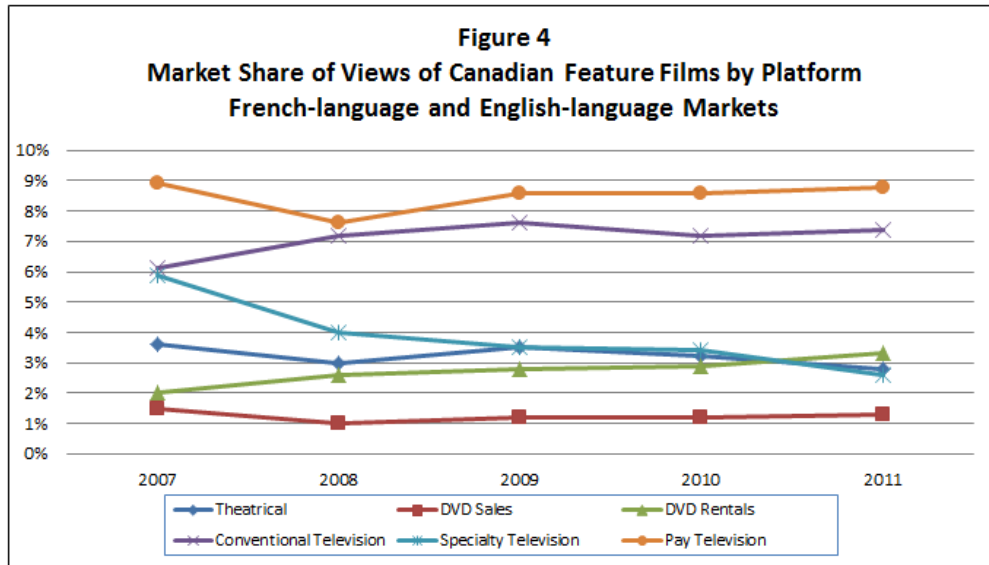
Note: Department of Canadian Heritage analysis of data from the Motion Picture Theatre Associations of Canada, Nielsen VideoScan, Rentrak and BBM Canada. Data does not include VOD, PPV or online services.

In 2011, there were approximately 93 million views of more than 750 Canadian feature film titles. Over 95% of those films were theatrically released between 1980 and 2011. The rest had been released before 1980.

Of those 93 million views, almost 87 million (or 93%) were on television (conventional, specialty or pay). The rest were at theatres (4%) or on DVD (3%).

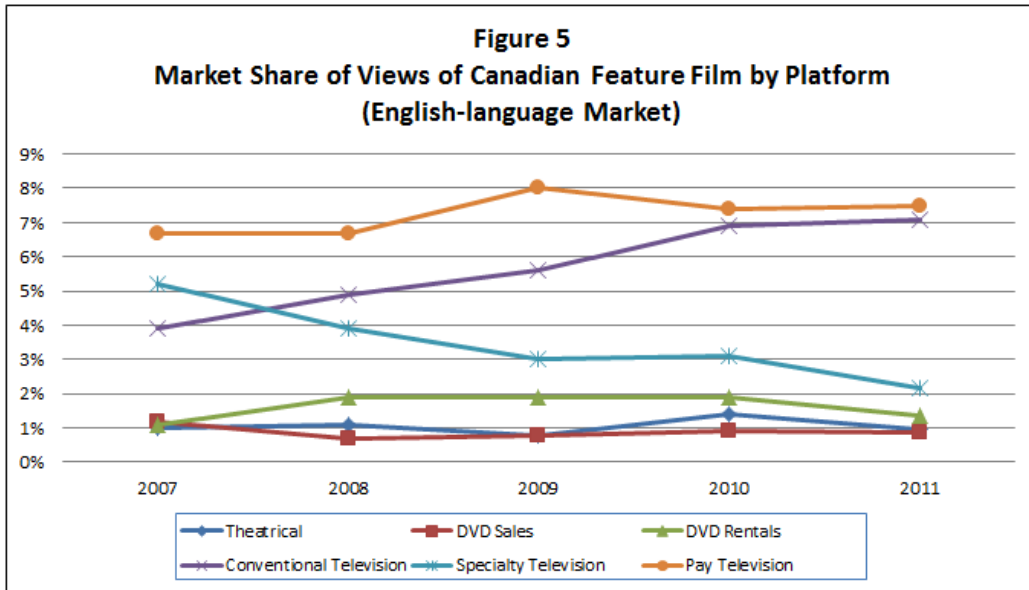
Over the five-year period from 2007 to 2011, views of Canadian feature films ranged from a high of 112 million in 2010 to a low of 81 million in 2008.

Canadian feature films achieved relatively high market shares of views on conventional and pay television between 2007 and 2011 (see Figure 4). Although specialty television typically earns a larger market share of views of Canadian feature films than do DVDs (sales and rental) and theatres, the market share of views on specialty television declined between 2007 and 2011.



Note: Department of Canadian Heritage analysis of data from the Motion Picture Theatre Associations of Canada, Nielsen VideoScan, Rentrak and BBM Canada. Data does not include VOD, PPV or online services.

Canadian feature films' market share of views increased from 4% to 7% between 2007 and 2011 in the English-language conventional television market (see Figure 5). The English-language market share declined most in theatres and on specialty television, especially between 2010 and 2011. This is partly because of the release of a few successful Canadian titles on these platforms in 2010, which contributed to a larger English-language market performance that year.

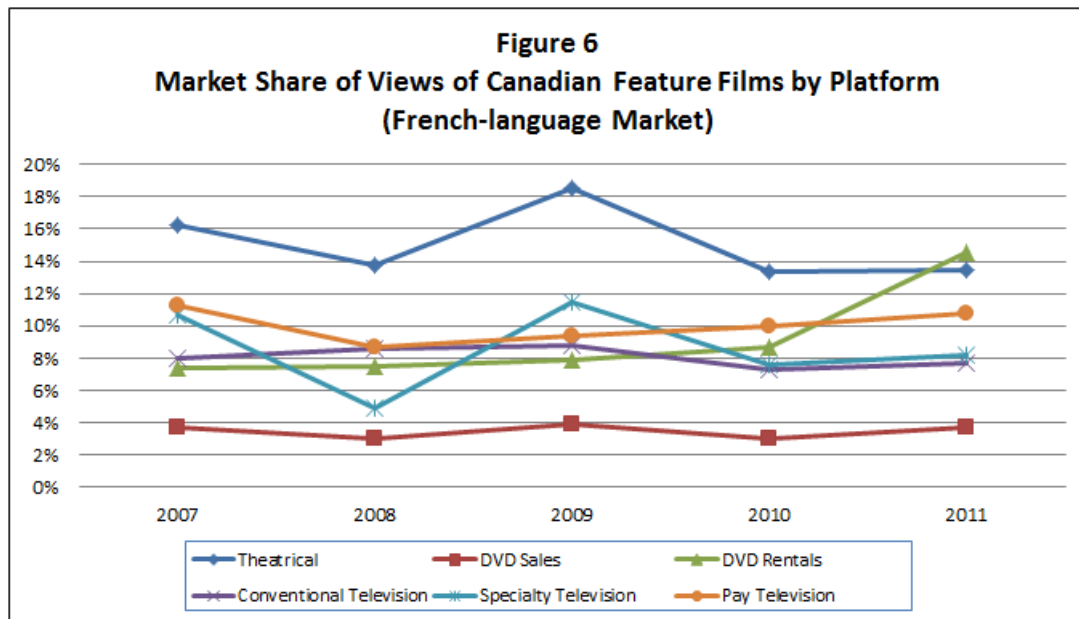


Note: Department of Canadian Heritage analysis of data from the Motion Picture Theatre Associations of Canada, Nielsen VideoScan, Rentrak and BBM Canada. Data does not include VOD, PPV or online services.

Canadians watching films on DVD is decreasing

Overall, DVD consumption continues to decline as DVD rental stores close. While the DVD platform might not disappear overnight, other viewing platforms are taking its place. However, the market share of views on DVD (sales and rental) are relatively stable and in some years even increasing.

In the French-language market, the market share of views spiked on many platforms in 2009 because of the popularity of a few successful Canadian feature films that year⁶ (see Figure 6). The French-language DVD rental market is small in proportion to the number of DVD views in the rest of Canada (about 3% of all views of Canadian feature films in the French-language market are on DVD). Consequently, high sales and rentals of just a few titles in a year greatly increase the percentage views on DVD (as, for example, the jump that Figure 6 shows between 2010 and 2011).



Note: Department of Canadian Heritage analysis of data from the Motion Picture Theatre Associations of Canada, Nielsen VideoScan, Rentrak and BBM Canada. Data does not include VOD, PPV or online services.

Canadians are watching more Canadian and foreign feature films through video on demand (VOD) and pay-per-view (PPV)

Nearly half of all Canadians now watch films on VOD or PPV services at least a few times a year.⁷ The growth of VOD provided by cable and satellite services throughout Canada is expected to further increase views of Canadian feature films.

⁶ Examples include *De Père en flic*, *Babine*, *Dédé à travers les brumes*, and *Polytechnique*.

⁷ Quorus Consulting Group for the Department of Canadian Heritage, *Canadian Books, Film, Periodicals and Music Opinion Survey*, September 2012.

Survey question: How often do you watch films on VOD or PPV services?

Base: All respondents; n=2,003

Conclusion

The data in this report confirms assumptions about how Canadians watch Canadian feature films: we watch on a variety of platforms, and consumption patterns in the French-language market are different from those in the English-language market.

The Department of Canadian Heritage will continue to gather data on how Canadians view Canadian feature films, particularly on platforms such as VOD and the Internet. The Department is also investigating possible sources for data on Canadian feature films in international markets.

Appendix A: Measuring Views of Canadian Feature Films on Multiple Platforms

Methodology

Measuring views of Canadian feature films required a common unit of measure that was applicable to all platforms. Because each platform (such as theatres, DVD, and television) has its own characteristics, the performance of feature films is traditionally assessed using different methodologies (such as sampling and census) and different units of measure (revenues, number of copies sold, minutes of television viewing, etc.).

For this study, the Department of Canadian Heritage converted each unit of measure to “views” (that is, the number of times a feature film is viewed).

Figure 7: Table Measuring the Views of Canadian Feature Films

| Platform | Data source | Methodology | Unit of measure |
|--|---|-------------|--|
| Theatrical | Motion Picture Theatre Associations of Canada | census | Box office revenues of Canadian feature films divided by average ticket price (price according to Statistics Canada) |
| DVD rentals | Rentrak | census | Number of copies multiplied by 1.5 viewers per copy (standard industry estimate) |
| DVD sales | Nielsen VideoScan | census | Number of copies multiplied by 1.5 viewers per copy (standard industry estimate) |
| Television (conventional, specialty and pay) | BBM Canada | sample | Total number of minutes watched of a film, divided by average film duration |

BBM Canada⁸ collects data on a program’s audience for each minute of the broadcast. For example, a 100-minute film is broadcast five times on conventional television. For the first broadcast, the film is watched by 110,000 viewers in the first minute, 105,000 viewers in the second minute, and 102,000 viewers for the third minute, etc. The Department’s methodology adds the sum of the audience for all minutes of the broadcast (see Figure 8).

Figure 8: Example of a Views Calculation using BBM Canada Data

| 100-Minute Feature Film | Viewers per Minute |
|---|--------------------|
| Minute 1 | 110,000 |
| Minute 2 | 105,000 |
| Minute 3 | 102,000 |
| Minutes 4 to 99 | (...) |
| Minute 100 | 95,000 |
| Total minutes watched (by all viewers) | 10,000,000 |

This methodology then divides total minutes watched (10,000,000) by the length of the film (100 minutes) to get an estimated number of views for the first broadcast (100,000):

$$\frac{\text{Total minutes watched}}{\text{Length of film (in minutes)}} = \frac{10,000,000 \text{ minutes}}{100 \text{ minutes}} = 100,000 \text{ views}$$

The same exercise is repeated for each broadcast of the film, and the audience of each broadcast is added to determine the total number of views for the film (see Figure 9).

Figure 9: Example of a Views Calculation using BBM Canada Data

| Broadcasts | Number of Views |
|---------------|-----------------|
| Broadcast # 1 | 100,000 |
| Broadcast # 2 | 80,000 |
| Broadcast # 3 | 50,000 |
| Broadcast # 4 | 120,000 |
| Broadcast # 5 | 50,000 |
| Total | 400,000 |

Breakdown by Language

The “French-language market” refers to all films presented in French. This includes films for which the original language of production was French, as well as other films dubbed into French or presented with French subtitles. Likewise, the English-language market refers to all films presented in English (original language, dubbed or subtitled).

⁸ Source: BBM Canada meter data

- Based on calendar year, includes all persons 2+, Monday to Sunday, 2 a.m. to 2 a.m.

- Based on Canadian services with available program level data that incorporates country of origin and program genre.

The following methodology breaks down the data by language:

Theatrical and television

Data can be broken down by the language in which the film was viewed (English or French).

DVD sales and rentals

Because data broken down by language are not available, the Department assumes that:

- Canadian films on DVD are viewed in English or French in the same proportion as they are viewed in theatres.
- Foreign films on DVD are viewed in English or French in the same proportion as they are viewed in theatres.

Calculating the Market Share of Canadian Films

The Department measures the performance of Canadian feature films on multiple platforms in two ways:

- by **aggregate number of views** on various platforms in Canada;
- and by the **market share of views** of Canadian films on various platforms in Canada.

To calculate the market share of Canadian films, the Department:

- adds views of Canadian films on all distribution platforms;
- and then divides views of Canadian films by the aggregate views (all views of foreign and Canadian feature films) for each language market.

$$\frac{CV_{\text{THEATRES}} + CV_{\text{DVD SALES}} + CV_{\text{DVD RENTALS}} + CV_{\text{TELEVISION}} + [CV_{\text{VOD}} + [CV_{\text{OTHER}}]]}{AV_{\text{THEATRES}} + AV_{\text{DVD SALES}} + AV_{\text{DVD RENTALS}} + AV_{\text{TELEVISION}} + [AV_{\text{VOD}} + [AV_{\text{OTHER}}]}}$$

CV: Canadian views
AV: Aggregate views

Data currently unavailable



Data Limitations

The Department's approach to measuring Canadian feature film consumption is limited by the lack of data for the following platforms and markets:

Internet downloads and streaming: Consumption data for viewing on these platforms would provide the total number of views of Canadian feature films. Though some data providers are beginning to measure Internet-based consumption of feature films in the United States, these data services have not been extended to the Canadian market due to contractual restrictions between the data providers and content owners. The Department is monitoring changes on this platform and has discussed options for obtaining data from potential providers.

VOD: Beginning in 2013, the Department will receive limited data for the VOD market from the CRTC. This will include information on the number of Canadian feature films available for viewing, as well as on the overall consumption of Canadian feature films on VOD services.

Festivals: The methodology does not include views of Canadian feature films at festivals, because a single data source is not available for this activity.

International markets: The Department is investigating possible sources for data on Canadian feature films in international markets.

The Department cannot provide demographic breakdowns of views using existing data sources.