

October 12, 2007

Study of Broadband Exhibition of Television Programming in Canada and the U.S.

A report prepared for Bell ExpressVu



By Nordicity Group Limited



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This factual study examines how major Canadian conventional and specialty broadcasters use broadband to distribute their video programming. As well, it compares use among Canadian broadcaster groups and between Canadian and U.S. broadcasters.

The research methodology involved collecting data from network and other websites considering eight different attributes. For comparative purposes, both a Canadian and U.S. Internet address were used for gathering data from broadcaster websites during Sept. 10 to 21, 2007. A representative sample of 38 Canadian and 30 U.S. programs were analyzed across over 40 networks. The main findings are summarized below:

Video Access - Canadian broadcasters provide access to streamed video content of all types on their websites much more for their Canadian programming than their U.S. programming – only 17% of Canadian TV shows sampled had no content online compared to 55% of U.S. TV shows. However, U.S. broadcasters had even higher online content for their shows (U.S. shows), as only 7% of their shows failed to have any content online (Table 11).

Video Content Types - Canadian and U.S. broadcasters are on par in providing “full episodes” of their own domestic programming at 45% and 48% respectively. However, “full episodes” of U.S. programs are available on Canadian broadcasters’ sites only 17% of the time (Table 12).

Canadian broadcasters’ U.S. shows feature more ancillary broadband video content not previously aired on TV, such as webisodes and cast interviews, compared to Canadian ones - 42% and 28 % respectively of shows contained such content (Table 2). However, the incidence of such content for U.S. broadcasters was much higher – at 78%.

CanWestGlobal lags competitor CTVglobemedia in offering “full episodes” and “content not exhibited on TV”. Alliance Atlantis (whose purchase by CanWestGlobal awaits CRTC approval) led within the speciality network category (Table 3).

Internet Exclusive Programming - Video content on broadcaster websites originates largely from previously aired TV programs. However, U.S. broadcasters offer much more supplemental, Internet-unique content than Canadian broadcasters in a seeming effort to both attract new audiences to their ad-supported web sites and to enhance assets in the traditional TV environment.

Video Content Amount - U.S. broadcasters have many more titles across all types of web video content available, but often only the most recent episode - 50% of the U.S. show sites sampled had a “high” number of titles (over 40) of content. Canadian broadcasters’ figure was only 31%..

Few Canadian broadcasters make past seasons of Canadian programming available, but there are exceptions.

Advertising Type - While banner and skyscraper ads are widely used, U.S. broadcasters make greater use of newer ad vehicles, such as pre-roll and inserted ads, than Canadian broadcasters (Table 14).

Mandatory pre-roll broadband video ads are somewhat common in Canada, but commercials inserted into programming streamed online (like the traditional linear TV model) are unique to U.S. broadcasters.

CTVglobemedia extensively promotes its fall programming schedule using pre-rolls to a much greater extent than CanWestGlobal; within the speciality networks, the former CHUM networks used pre-rolls the most and Alliance Atlantis the least (Table 5).

Alternate Video Distribution Sites – Pay per download sites such as iTunes are the least common places for Canadian broadband video content; however Canadian download service Puretracks offers limited amounts of CTVglobemedia's *Degrassi – TNG* (Table 6).

Internet video sites such as YouTube/Google Video are the most popular places to find broadband video. Interestingly, YouTube/Google Video appear to be the sites where the web video content of U.S. and Canadian shows is equally represented (Table 15).

Geo-blocking Effectiveness - Canadian and U.S. broadcasters both use geo-blocking but typically only for “full episodes”. Other content including “clips”, “highlight reels”, etc. is generally not blocked.

Since so few U.S. shows are available on Canadian broadcaster sites, there is less to geo-block from a non-Canadian IP address. However, Canadian shows on Canadian broadcaster sites seem to be blocked from a non-Canadian IP addresses (Table 16).

Interactivity – With a 42% occurrence rate among Canadian show websites, the “Send to a Friend” feature is the most popular among the various functionalities available.

Overall, it is clear that Canadian broadcasters lag U.S. broadcasters in the broadband exhibition and promotion of television programming. Rights constraints may play a large role, and Canadian networks are increasingly featuring their programs on their own sites. Internet video sites such as YouTube/Google Video all contain these programs - whether on a legal or illegal basis is unknown.

Differences are evident among Canadian broadcasting groups as to their use of their broadband properties.

1. Study Objectives

The primary objective of this factual study is to determine the degree to which major Canadian broadcasters are using broadband services as distribution and promotion channels for their video programming.

Comparison among broadcaster groups: - This study compares the practices of different Canadian broadcasting groups – which include conventional as well as pay/specialty-TV networks.

Comparison between Canadian and U.S. broadcasters: This study assesses whether U.S. broadcasters are more or less active than their Canadian counterparts in terms of developing their broadband properties.

Effectiveness of geo-blocking: The study also documents the effectiveness of geo-blocking on both sides of the border.

The secondary objective is to identify where publicly available the future plans of U.S. and Canadian broadcasters to exhibit their programming on alternative platforms;

The study did not try to interpret why broadcasters developed specific practices, or rank them in any way with respect to their effectiveness in this market place. No contact was made with the broadcasting organizations as the approach consisted of relying exclusively on public domain information.

2. Methodology

Research Approach

- Templates were developed for collecting data from broadcaster websites, which included practices with respect to access, content type and amount, programming exclusivity, advertising types, alternate distribution, geo-blocking and interactivity.
- Research was conducted directly from web-surfing of specific sites – both from a Cdn. and an U.S. IP address. The time period of this data collection was from Sept. 10 to 21, 2007.
- The major English language broadcaster groups were identified and specialty TV services were selected within these ownership groups to provide the study with a good balance of genres and the more active users of broadband video in Canada .
 - 27 Canadian networks were included, likely capturing the majority of TV viewing in Canada.
 - 16 U.S. networks were also sampled, mostly in genre types similar to the Canadian sample.
- 38 Canadian and 30 U.S. individual programs were selected to represent these networks, and typically about 4 U.S. and Cdn. programs were selected for the major conventional networks. At least one program was selected per specialty TV channel in the sample.
 - In all, some 60 programs were selected among the relatively more popular of the programs exhibited on the networks selected.
- Research was conducted from a U.S. IP address to collect data on U.S. networks and TV programming. The programming selected was the same as for the Canadian broadcasters.
- Over 30 recent public announcements and media reports on the use of broadband video by major broadcasters in Canada and the U.S. were reviewed, in the three months ending October 12, 2007. Observations were drawn in business strategy, advertising and programming.

3. Findings – Broadband Video, Canada

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3.1 Video Access – Cdn. broadcasters stream their Cdn. programming free-of-charge, but access to U.S. programming is limited.

- Whether displayed in a dedicated player which opened in a new browser (e.g. CTV & CHUM) or embedded in the webpage, most broadcasters streamed web video either on the opening page or one click away. There were some exceptions in content availability, for example:
 - CHUM's *Fashion TV*, *Canada's Next Top Model* & hockey programming on networks SportsNet & CBC do not stream video
 - CBC's *Royal Canadian Air Farce* is relatively unique in that "full episodes" are offered for download, rather than streamed.
- Cdn. broadcasters offer program-specific sites for 83% of Cdn. shows and 45% of U.S. shows sampled.
- Less than 15% of websites required a user to register before accessing content. Of those broadcasting services reviewed, only BNN.ca required a fee payment to access live streaming (re-broadcasted content is available for 7 days on BNN.ca, however real-time, streamed business news requires a subscription to the video service)
- Of the 4 sports programs researched none except XtremeSport's *Ride Guide* offered "full episodes" of content – competitors offered "clips from original" and "highlight reels".

Table 1 - Video Access Type

Video Access Type	Occurrence Among Cdn. Broadcasters ¹	
	Cdn. TV Show Sites	U.S. TV Show Sites
Dedicated video player, opened in a new browser	39%	21%
Video player embedded in the web page	44%	24%
No broadband video	17%	55%
Total	100%	100%

Notes:

1 Occurrence = number of occurrences of type in sample/total sample of TV show sites

3. Findings – Broadband Video, Canada

3.2.1 Video Content Types – Although “clips from original” are the dominant form of video content, a variety of video content types are used (see insert to right).

Broadcasters do not typically make available “full episodes” of U.S. shows

- Cdn. TV shows were almost 2.5X more likely to have “full episodes”
 - The only “full episodes” of U.S. shows available in Canada in the sample were cable programs *The Hills & Weeds*
- Cdn. and U.S. TV shows were relatively on par in offering “clips” and “highlight reels” on their related sites
- Far fewer Cdn. TV shows featured “content not exhibited on TV” compared to U.S. shows, 28% and 42% respectively
 - This practice may be due to the greater amount of promotional web video content made available for major U.S. shows
 - For example, *American Idol*, *Grey’s Anatomy*, but not *Canadian Idol*, *Corner Gas*, *Intelligence* and *Regenesis*

Table 2 - Video Content Type

Video Content Type	Occurrence Among Cdn. Broadcasters ¹	
	Cdn. TV Show Sites	U.S. TV Show Sites
Full Episode	45%	17%
Clip from Original	72%	75%
Highlight Reel	48%	42%
Content not Exhibited on TV	28%	42%

Notes:

1. Occurrence = number of occurrences of type in sample/total sample of TV show sites
2. Categories are not mutually exclusive and therefore do not add to 100%.

Video Content Types

Of the 40+ television networks analyzed, 4 categories of video content were identified:

Full Episode
- the entire program

Clip from Original
- excerpt from an entire, original program

Highlight Reel
- a collection of promo clips (e.g. trailer)

Content not Exhibited on TV
- video not aired on TV (e.g. outtakes, cat interview, webisode)

3. Findings – Broadband Video, Canada

3.2.2 Video Content Type by Broadcaster Group – Differences by broadcaster group are evident, which depends partly on the dominant genre of the group’s networks (see Table 3 in next slide).

Full episodes

- Some broadcasters put “full episodes” of Cdn. shows on broadband, but very few make U.S. shows available;

Clip from Original

- Astral, CHUM, Corus and CBC make the highest use of “clips from original”; While Corus has a substantial amount of “clips from original” it ranks lowest among all broadcasters in other types of web video offered
- CTVglobemedia and CWGlobal use clips less extensively, but use the same amount of clips equally for Cdn. and US shows;

Highlight Reel

- CHUM and Astral lead the pack for Cdn. programming, while CTVglobemedia, CBC, and CWGlobal show ‘medium’ level of “highlight reel” availability;

Content not Exhibited on TV

- CTVglobemedia and AAC have the most amount of “content not exhibited on TV”.

Cdn. broadcasters do not have nearly the same degree of U.S. video content (about U.S. shows) as they do about Cdn. programs.

- However, the largest commercial broadcasting groups (CTV and CWG) show ‘medium’ use of clips for U.S. programming; this incidence is about the same for Cdn. programming;
- CTVglobemedia seems to make more extensive use of promotional content for U.S. programs.

The following table defines the high/medium/low degree of frequency used in this report:

Degree of Frequency of occurrence of a particular content type	Incidence Rate, i.e. % of a broadcaster’s programs having a particular content type
Low	< 30%
Medium	30 – 70%
High	> 70%

3. Findings – Broadband Video, Canada

Table 3 - Video Content Type by Broadcaster Group

Broadcaster	Full Episodes		Clip from Original		Highlight Reel		Content not Exhibited on TV	
	Cdn	U.S.	Cdn	U.S.	Cdn	U.S.	Cdn	U.S.
1. CGM	Medium - High More on conventional, + <i>MTV Live, Sports Centre, Daily Planet</i>	Low Only <i>The Hills</i>	Medium	Medium	Medium	Low	Low - Medium <i>Instant Star, Deglassi-TGN and MTV Live</i>	High Largely promo video, e.g. interviews, post-show clips, etc
2. CHUM	None <i>MuchOnDemand</i> offers an extensive collection of artist performance clips	None	High	Low	High	Low	Low	Low
3. CWG	Low Only <i>Global National News</i>	None	Medium	Medium	Medium	Low -Med	Low	Low
4. AAC	Medium <i>Trailer Park Boys and Eat, Shrink & Be Merry</i>	Low Only <i>Weeds</i>	Medium	Low	Low	Low	High All shows sampled except <i>Ancestors in the Attic</i>	None
5. Corus	None	None	High	Low	Low	Low	None	None
6. Astral	Low <i>Life with Derek</i>	None	High	Low	High	Low	Low	None
7. CBC	Medium	N/A	High	N/A	Medium	N/A	Low	N/A

3.3 Internet Exclusive Programming – Video content on broadcaster websites is mainly derived from TV programs rather than web-specific produced, commissioned or acquired content.

- Few broadcast groups specially acquire or commission Web-only content (see Table 3 - Video Content Type by Broadcaster Group)
- The occurrences of “Content not Exhibited on TV” are about a third lower for Cdn. shows vs. U.S for Cdn. broadcasters (See Table 2 - Video Content Type)
 - 28% incidence of Can. shows vs. 42% of U.S.
- While the potential for unique online content exists, broadcasters overwhelmingly use previously broadcast and/or re-purposed content
- Notable exceptions include:
 - AAC’s Can. shows *Trailer Park Boys* (Showcase) and *Til Debt Do Us Part* (Slice)
 - CTVglobemedia’s *All Access* – an Internet exclusive program spun-off of *Canadian Idol*
 - Some of CTVglobemedia’s U.S. shows have non-televised, promotional content online, e.g. interviews with cast members, post-show clips, spoof reels, outtakes, etc.

3.4 Video Content Amount - Most video content placed on broadcaster web sites was limited to that which had been recently aired.

- Only a few broadcasters made past seasons available, e.g. CTV’s *Instant Star*, *Degrassi – TNG*, *Odd Job Jack*)
- W’s *The Shopping Bags*, and CBC’s *Royal Canadian Air Farce* and *The Hour* also posted a significant amount of content (> 50 “clips from original”, “highlight reels” or “full episodes”)
- Music programs *MTV Live* and *MuchOnDemand* posted extensive collections of artist performance “clips from original” and “highlight reels”
- The study’s methodology did not include direct info-gathering from broadcasters about broadband video amount and duration, but some general observations are possible:
 - News and sports content is refreshed frequently
 - Dramatic and variety programming appears to be posted for the current season

3. Findings – Broadband Video, Canada

3.5 Advertising Type– While banner and skyscraper ads are omnipresent, other forms of advertising are found only on a minority of Canadian broadcaster sites sampled (see Table 4 and advertising types summarized below).

- Banner and skyscraper ads represent established industry practice and are extensively used.
- Pre-roll video ads are becoming more common, and typically require the user to wait through it prior to showing the programming item
- CTVglobemedia extensively promotes its fall programming schedule with pre-rolls on most of its broadband video content
 - AAC uses them the least of all the broadcasters
- Sponsorship advertising activity appears to focus on marketing to a younger demographic, for e.g. MTV (HMV), MuchMusic (Clearasil), Corus (Wal-Mart) and CBC (Chevrolet)
- Only one pop-up ad was observed in the sample.
- Although it is not possible to assess how much additional revenue accrues to the broadcaster, major brands are featured across all advertising types (see bubble to right)

Advertising Types

- Pre-roll** - video ad message (10-15 sec) that precedes video content, often viewing is mandatory
- Sponsorship** - clearly identifiable branding of online content, e.g. Chevrolet sponsorship of CBC.ca
- Banner** – ‘masthead’-type rectangular box at the top of most web pages
- Skyscraper** – tall, thin rectangular box at the right promoting specific web sites
- Pop-up** - spontaneous arrival of ad message triggered by clicking on desired content

Table 4 - Advertising Type

Advertising Type	Occurrence Among Cdn. Broadcasters ¹	
	Cdn. TV Show Sites	US TV Show Sites
Pre-roll	21%	26%
Sponsorship	15%	7%
Banner	79%	100%
Skyscraper	30%	81%
Pop-up	3%	0%

Notes:

1. Occurrence = number of occurrences of type in sample/total sample of TV show sites
2. Categories are not mutually exclusive and therefore do not add to 100%.

Corporate Advertisers

Canadian TV Shows

Transat Holidays, Dell, Nintendo, Nike, Canada Trust, L'Oreal, Bell, HMV, Expedia

U.S. TV Shows

Dove Campaign for Real Beauty (sponsor), Wal-Mart, Coors Light, Dreamworks Pictures, Bell, Rogers, Telus, British Airways, Cadillac, Clover Leaf, Chevrolet

3. Findings – Broadband Video, Canada

Table 5 - Advertising Type by Broadcaster Group

	Pre-roll		Sponsorship		Banner		Skyscraper		Pop-up	
	Cdn.	U.S.	Cdn.	U.S.	Cdn.	U.S.	Cdn.	U.S.	Cdn.	U.S.
1. CGM	High Most video content preceded by 15sec spot	High Most video content preceded by 15sec spot	Medium Extensive with MTV brand	Low Only MTV	High Standard ad type, often used for broadcaster ads	High Standard ad type, often used for broadcaster ads	Low This space often used for site navigation and promo	High	None	None
2. CHUM	Medium	Low Only MuchMusic	Medium Extensive with MuchMusic	None	High	High	Medium	High	None	None
3. CWG	Medium	None	Low - Medium	Low Only House	Low - Medium	High	High	Medium	None	None
4. AAC	Low Only Food Network	Low	Low Extensive with Food Network	None	High Extensive with Food Network	High	High	High	None	None
5. Corus	None	None	Medium	None	Medium	High	None	High	Low	None
6. Astral	None	None	Low	None	High	Medium	Low	None	None	None
7. CBC	None	N/A	Low	N/A	High	N/A	High	N/A	None	N/A

3. Findings – Broadband Video, Canada

3.6 Alternate Video Distribution Sites

Most Cdn. and U.S. web video content of all types is available on non-broadcaster owned, Internet video sites.

Canadian Major Portals (gathering places for online users)

- Feature broadband content of all types from very few Cdn. shows
- Sympatico/MSN is even more active in making U.S. broadband content available, but Yahoo Canada carries no broadband content about U.S. shows.

Canadian Pay Per Download Sites

- These sites offer little Cdn. or U.S. programming, although *Degrassi – TNG* is available on Puretracks in a limited capacity;
- Cdn. and U.S. programs are still not available to Canadians via iTunes

Internet Video Sites

- Of the shows sampled, YouTube, along with parent Google Video, offered the most broadband content; however it was unclear what online rights had been secured;
- Yahoo! Canada Video has broadband content for all the U.S. shows sampled, but only some Cdn. ones;
- Joost, still in a beta-test mode, has more U.S. shows available than Cdn. shows
 - Cdn. content includes artist performance footage from MuchMusic's *Video Awards* and *MuchOnDemand*

Table 6 - Alternate Video Distribution Sites

Alternate Video Distribution Sites	Occurrence ¹ of sample shows on alternative video distribution sites	
	Cdn. TV Shows	US TV Shows
Cdn. Major Portals		
Sympatico/MSN	9%	24%
Yahoo! Canada	9%	0%
Pay Per Download Sites		
Puretracks	3%	0%
iTunes Canada	0%	0%
Internet Video Sites		
YouTube	97%	100%
Yahoo! Canada Video	12%	100%
Google Video	97%	100%
Joost	3%	21%

Notes:

1. Occurrence = number of occurrences of type in sample/total sample of TV show sites
2. Categories are not mutually exclusive and therefore do not add to 100%.

3. Findings – Broadband Video, Canada

3.6 Alternate Video Distribution Sites – Major Portals

Table 7 – Description of Major Portals

Major Portals	Description
<p>Sympatico/MSN http://video.sympatico.msn.com</p>	<ul style="list-style-type: none">•Offers a dedicated page for broadband viewing•Divided into several main categories: News, Entertainment, Movies, Music, Sports& Autos, Lifestyle•Features current news clips from CTV and CBC•Entertainment clips available from specialty channels<ul style="list-style-type: none">•A&E, Biography, History, National Geographic, Bite TV
<p>Yahoo! Canada http://ca.yahoo.com</p>	<ul style="list-style-type: none">•Offers a dedicated broadband player, accessible from homepage•News programming features daily/hourly clips from majorCdn.and American broadcasters (CBC and ABC)•Selected other clips available from other major broadcasters including A&E, NBC, and Yahoo’s own Yahoo!TV and Yahoo!Sports•Content is current and frequently refreshed with a search tool for easy access•Also offers a website for users to upload videos (see below)

3. Findings – Broadband Video, Canada

3.6 Alternate Video Distribution Sites – Pay Per Download Sites

Table 8 – Description of Major Pay Per Download Sites

Pay Per Download Sites	Description
<p>Puretracks www.puretracks.com</p>	<ul style="list-style-type: none"> •Began offering TV programs for purchase download August 14 •Currently, limited to offering only the third season of Degrassi, for \$1.99/episode or \$29.99 for the entire 22 episode season •Producer driven: has bypassed traditional intermediaries to go straight from producer (Epitome) to consumer
<p>iTunes Canada (accessed through iTunes software)</p>	<ul style="list-style-type: none"> •In Canada, selection is limited to a music videos and short films available for purchase through the iTunes Store •In the U.S., programs offered by over 30 different broadcast channels are available for purchase, including all four major networks (NBC, ABC, etc.) <ul style="list-style-type: none"> •Pricing plan: \$1.99/episode, with discounted rates for entire season purchases •Daily shows are offered for purchase through ‘multi-pass’ program, where viewer can pay a flat rate to receive daily downloads for a set amount of time •Most shows offer multiple previous seasons for download as well as current season airing •Notably, NBC has opted not to renew their contract with Apple for the coming television season in favour of a contract with Amazon- <ul style="list-style-type: none"> •NBC currently represents appx. 30% of iTunes TV sales

3. Findings – Broadband Video, Canada

3.6 Alternate Video Distribution Sites – Major Internet Video Sites

Table 9 – Description of Major Internet Video Sites

Internet Video Sites	Description
<p>YouTube www.youtube.com</p>	<ul style="list-style-type: none"> • Offerings are dictated entirely by what users choose to upload for viewing • Wide assortment of television shows from both Cdn. and American broadcasters are available, in predominantly scene clips and previews • Full episodes of some shows are available, however, these are generally copyright infringements YouTube staff monitor and remove videos deemed to be in copyright violation- searching the YouTube site would indicate that this is largely effective
<p>Yahoo! Canada Video http://ca.video.yahoo.com</p>	<ul style="list-style-type: none"> • This site is also user driven and allows anyone to upload clips • Search function brings results from many websites- not limited to Yahoo unless user specifies • Clips overall are generally low quality and any episodes of television shows that are available in full are illegal copies and difficult to access- extremely limited
<p>Joost</p>	<ul style="list-style-type: none"> • Web TV using peer to peer file sharing model; increasingly buying copyright-right use from leading players for online distribution • Major advertisers support the business model • Works directly with broadcasters and content-generators by negotiating online distribution deals with revenue-sharing components

3.7 Interactivity – Cdn. broadcasters enhance their show websites with interactive features some of the time – more so for Canadian shows.

- While there are a variety of “bells and whistles” used to increase the functionality of web sites, the study focuses on the seven most common that involve connecting with others – games, blogs, contests, quizzes, message boards, rate content and send to a friend;
- The “Send to a Friend” capability that allows users to share broadband video content with others is by far the most popular interactivity feature on broadcaster sites – 42% of Cdn and 33% of U.S. shows in the sample;
- “Rate Content”, “Message Board” appear on Cdn. shows about 20 – 25% of the time – not too much different for U.S. shows;
- However, broadcasters seem to make more use of Canadian shows for “Games”, “Blogs”, and “Contests” than they do for U.S. shows.

Table 10 - Interactivity

Interactivity	Occurrence Among Cdn. Broadcasters ¹	
	Cdn. TV Shows	U.S. TV Shows
Game	22%	4%
Blog	14%	7%
Contest	17%	4%
Quiz	8%	11%
Message Board	22%	26%
Rate Content	25%	19%
Send to a Friend	42%	33%

Notes:

1. Occurrence = number of occurrences of type in sample/total sample of TV show sites
2. Categories are not mutually exclusive and therefore do not add to 100%.

4. Findings – Broadband Video, U.S. vs Canada

4. Findings – Broadband Video, U.S. vs. Canada

4.1 Video Access - U.S. broadcasters stream their programming for free on their interactive websites with dedicated video players.

- Most U.S. broadcasters prefer to display video content in a new browser window so that users do not have to navigate away from the opening page.
 - Cdn. broadcasters are more likely to embed broadband content, thus requiring an extra step;
 - In the sample, there was no evidence of content available for download in the U.S.
- Most (93%) of U.S shows sampled on U.S. networks had broadband video displayed on show sites compared to 83% of Cdn. shows by Canadian broadcasters
- As noted earlier, only 45% of U.S shows on Cdn. Networks contained video content.

Table 11 - Video Access Type, U.S. vs. Cdn

Video Access Type	Occurrence ¹		
	Canada Broadcasters		U.S. Broadcasters
	Can. Shows	U.S. Shows	U.S. Shows
Dedicated video player, opened in a new browser	39%	21%	63%
Video player embedded in the web page	44%	24%	30%
No broadband video	17%	55%	7%
Total	100%	100%	100%

Notes:

1 Occurrence = number of occurrences of type in sample/total sample of TV show sites

4.2 Video Content Types - U.S

broadcasters use “highlight reels” and “Internet unique content” far more than Canadian broadcasters (see Table 14).

- Canadian and U.S broadcasters are on par in providing full episodes of their programming at 45% and 48% respectively. However rights constraints may prevent Cdn. broadcasters from making full episodes of U.S. shows available.
- U.S. broadcasters make use of highlight reels over 50% more frequently than their Cdn. Counterparts.
- The most dramatic difference in types of online video content displayed occurs in the “Internet unique content” (content not exhibited on TV) category.
 - U.S. broadcasters are 3X more likely to offer such content than Cdn. broadcasters for Cdn. shows;

Table 12 - Video Content Type, U.S. vs. Cdn

Video Content Type	Occurrence ¹		
	Canada Broadcasters		U.S. Broadcasters
	Can. Shows	U.S. Shows	U.S. Shows
Full Episode	45%	17%	48%
Clip from Original	72%	75%	85%
Highlight Reel	48%	42%	78%
Internet Unique Content (i.e. content not exhibited on TV)	28%	42%	78%

Notes:

1. Occurrence = number of occurrences of type in sample/total sample of TV show sites
2. Categories are not mutually exclusive and therefore do not add to 100%.

4.3 Video Content Amount - Most video content on U.S. broadcasters web sites was extensive and relatively current.

- U.S. broadcasters enabled access to many more titles² of all types available compared to Cdn. broadcasters
 - Often only the most recent episode was exhibited on both Cdn. and U.S. broadcasters sites
 - Half of the U.S. shows with U.S sites sampled featured over 40 titles of all content compared to less than a third in Canada. (see Table13)
- The study’s methodology did not include direct information gathering from broadcasters, but some general observations are possible:
 - There appeared to be more permanent content on Cdn. Sites;
 - Conventional networks in both countries were more likely to make only recent episodes/seasons available compared to specialty networks;

Table 13 - Number of Titles, U.S. vs. Cdn

Number of Titles	Occurrence ¹		
	Canada Broadcasters		U.S. Broadcasters
	Can. Shows	U.S. Shows	U.S. Shows
< 20	44%	47%	31%
20 - 40	25%	32%	19%
40+	31%	35%	50%

Notes:

1 Occurrence = number of occurrences of type in sample/total sample of TV show sites

2 Title = Any type of video content (see pg 9)

3 Episode = TV program unit typically 30, 60, or 120 mins in length

4. Categories are not mutually exclusive and therefore do not add to 100%.

4. Findings – Broadband Video, U.S. vs. Canada

4.4 Advertising Type - American broadcasters make greater use of newer ad vehicles compared to Cdn. broadcasters; the latter tend to use more conventional Internet ad types.

- U.S. broadcasters seem to employ more pre-roll, sponsorship, and commercials-in-full-episodes ad types
 - Pre-roll video ads are more popular among U.S. conventional vs. specialty broadcasters
 - U.S. broadcasters of all genres employed more sponsorship type ads
 - Traditional commercials in programs were unique to the U.S; most notable users of the inserted ad were conventional networks ABC and Fox
- Skyscraper ads have decreased in popularity for U.S. broadcasters, but remain in active use on Cdn. sites;
- Major brands advertise across all types of advertising, both on Cdn. and U.S. sites. (see bubble opposite).

Table 14 - Advertising Type, U.S. vs. Cdn

Advertising Type	Occurrence ¹		
	Canada		U.S.
	Can. Shows	U.S. Shows	U.S. Shows
Pre-roll	21%	26%	38%
Sponsorship	15%	7%	35%
Banner	79%	100%	62%
Skyscraper	30%	81%	19%
Commercials in Full Episodes	0%	0%	15%
Pop-up	3%	0%	0%

Notes:

1. Occurrence = number of occurrences of type in sample/total sample of TV show sites
2. Categories are not mutually exclusive and therefore do not add to 100%.

Corporate Advertisers U.S. Networks

Nissan, Excedrin, Lexus, Pantene, Ford, Coca Cola, AT&T, AT&T, Fujifilm, Maybelline, Nike, Gerber, Nationwide, Mazda, Viagra, WalMart, IBM, Olevia, Dixie, HP, Carefree, Hilton, Disney

4. Findings – Broadband Video, U.S. vs. Canada

4.5 Alternate Video Distribution Sites - The pattern for alternate video distribution sites is similar between Canada and the U.S., except that iTunes is only available in the U.S. in terms of TV shows.

Major Portals

- Sympatico/MSN: features surprisingly little Cdn. shows, but 40% of U.S. shows appear there
- Yahoo! Canada: like Sympatico/MSN features about 10% of Cdn shows sampled, but no U.S. shows

Pay Per Download Sites

- Puretracks: Currently CTV's *Degrassi – TNG* (Season 3) is the only Cdn. video offering
- iTunes Canada: offers no Cdn content, but about 60% of U.S. shows sampled
- iTunes U.S.: offers no Cdn content, but about 60% of U.S. shows sampled

Internet Video Sites

- YouTube: featured almost all Cdn. and U.S. programming sampled
- Yahoo! Canada Video: offered much more U.S. than the portal
- Google Video: trends with YouTube given they share a corporate parent
- Joost: more popular for U.S shows vs. Cdn, U.S. show parity

Table 15 - Alternate Video Distribution Sites, U.S. vs. Cdn

Alternate Video Distribution Sites	Occurrence ¹		
	Canadian IP address		U.S. IP address
	Can. Shows	U.S. Shows	U.S. Shows
Major Portals			
Sympatico/MSN	9%	24%	24%
Yahoo! Canada	9%	0%	0%
Pay Per Download Sites			
Puretracks	3%	0%	0%
iTunes	0%	0%	58%
Internet Video Sites			
YouTube	97%	100%	100%
Yahoo! Canada Video	12%	100%	0%
Notes: Google Video	97%	100%	100%
Joost	3%	21%	19%

1. Occurrence = number of occurrences of type in sample/total sample of TV show sites

2. Categories are not mutually exclusive and therefore do not add to 100%.

4.6 Geo-blocking - Cdn. and U.S.

broadcasters both use geo-blocking but typically only for whole shows.

- Since few U.S. shows are available on Cdn. Internet sites **due to rights constraints**, there is less to geo-block from a non-Canadian IP address. “Clips” and “highlight reels” are more accessible.
 - The new all-bulk deals, which include online rights along with traditional TV broadcast rights (e.g. MTV content for CTV), would make more programming available on Cdn. broadcaster websites;.
- The findings corroborate the Miller report to the CRTC that most full programming is geo-blocked on both sides of the border ([see http://www.crtc.gc.ca/archive/ENG/Hearings/2007/n2007-5-1.htm](http://www.crtc.gc.ca/archive/ENG/Hearings/2007/n2007-5-1.htm)). Even if the rights are acquired, the costs of making the content available to foreign IP addresses (streaming, music rights clearance, etc.) further encourage geo-blocking
- As the Miller report further notes, broadcasters can technically exercise different levels of “geo-traffic management” options, so can block some but not all of website content;
- Geo-blocking strategies need also to be considered in an environment where programming can be available to audiences on Internet video sites such as YouTube – whether legally or illegally.

Table 16 - Geo-blocking Activity, U.S. vs. Cdn

Occurrence in*		
Canadian broadcasters viewed from U.S. IP addresses		U.S. broadcasters viewed from Cdn. IP addresses
Cdn. content (clips, shows, etc.)	U.S. content (clips, shows, etc.)	U.S. content (clips, shows, etc.)
<ul style="list-style-type: none"> •Some shows blocked, some not •Clips, etc. not generally blocked 	<ul style="list-style-type: none"> •Few full episodes available anyway, so not much blocked; •Clips, etc. are not blocked; however, few U.S. viewers would want to go to Cdn sites for accessing U.S. material. 	<ul style="list-style-type: none"> •Most full episodes of shows are geo-blocked •Most clips, etc. are available

5. Future Broadband Video Plans & Trends, U.S. vs. Canada

5. Future Broadband Video Plans & Trends, U.S. vs. Canada

The project team reviewed the last three months of over 30 recent public announcements and media reports on any announced plans for using broadband video by major broadcasters in Canada and the U.S. (See details on tables 17 and 18)

Overview Observations

The trends gleaned from this review were largely consistent with the findings in sections 3 & 4 - namely that Canadian broadcasters trail U.S. ones in the broadband sector.

Business Strategy

Given the small returns to date, Canadian broadcasters have recently restructured and scaled-back resources in broadband video. However, there is a recognition that online TV efforts can bolster viewership on traditional networks.

U.S. broadcasters, seeking to monetize their broadband video content, are continuing to partner with existing download services, suppliers and others for online distribution.

Advertising

Despite the exponential increases in internet advertising, Canadian broadcasters are not as aggressively developing the online properties. This seems in large part because of lack of access to the broadband elements of U.S. programming..

U.S. broadcasters lead the way in exploring the potential of promotional vehicles, such as overlay ads and user-generated spots, in the growing online advertiser market.

Programming

CTVglobemedia's conventional properties, as well as TSN and Comedy Central, appear to lead the sector in Canada in terms of exploiting broadband properties. Corus and Alliance Atlantis (still as a separate corporate entity) also seem to actively cultivate broadband strategies amidst evidence of retrenchment.

In the US, CBS distributes its ad-supported broadband content widely using its own online network as well as third-party ones. NBCU has invested in a video syndication unit (NBBC) reflecting the in-house approach to distribution, while ABC heavily promotes its over 30 full episodes available for streaming with an embedded broadband player.

Concluding Observations

The reliance of Canadian broadcasters on U.S. content to attract audience and advertisers is a model that is threatened in the online space - lack of access to TV's top shows reduces their opportunities to exploit high audience drawing online properties. As a result, U.S. broadcasters appear to be ramping up their online presence more aggressively than Canadian broadcasters.

However, Canadian networks are increasingly featuring Canadian programs for which they can acquire the rights for their own sites. As well they seem to be starting to sign multi-platform content distribution deals with their US suppliers, and exploring integrated and complementary marketing campaigns.

5. Future Broadband Video Plans & Trends, U.S. vs. Canada

Table 17 - Future Broadband Video Plans, Canadian Broadcasters

Business Strategy	Advertising	Programming
<ul style="list-style-type: none"> ▪ After a couple years of competition, uncertain returns and lack of critical scale for nascent broadband video businesses have all led to restructuring, e.g. <ul style="list-style-type: none"> ▪ CWG shifted operations to newspaper and TV, while Corus shifted its operations to subsidiary Nelvana. ▪ Cdn broadcasters struggle to reach deals with U.S. studios to gain the digital rights to many of the top shows on TV. However companies still appear committed to broadband, e.g.: <ul style="list-style-type: none"> ▪ TSN.ca continues its aggressive campaign to secure and stream live coverage of key sports properties; ▪ Corus: “Our intent is to be a global distributor of kids’ TV programming online”. ▪ AAC: “outsourcing DRM & advertising for FoodTV.ca, HGTV.ca and Slice.ca to broadband TV publishing co. Maven Networks”. ▪ Online television is bolstering, rather than replacing, traditional viewing methods, and can be used to increase viewership and generate loyalty; 	<ul style="list-style-type: none"> ▪ Advertisers followed the trend of increased households accessing the Internet, and have almost doubled their spending on online marketing, to \$1-billion in 2006 from \$562-million in 2005 (CRTC’s Annual Broadcasting Report, 2007). ▪ The lack of Canadian user-generated video sites of any scale allows MySpace and YouTube to become promotional and distribution vehicles for Canada broadband content as well as U.S. content. ▪ Ford Canada was identified as the first advertiser to take advantage of CTV’s new multiplatform distribution strategy, combining the reach of conventional television advertising with an innovative and targeted digital media campaign. 	<ul style="list-style-type: none"> • CTV’s Broadband Network is a leader in Canada; current shows include: <i>Corner Gas</i>, <i>eTalk</i>, <i>Degrassi: The Next Generation</i>, <i>Instant Star</i>, <i>Robson Arms</i>, <i>Whistler</i>, <i>W-FIVE</i>, <i>The CTV National News</i> along with <i>The Daily Show with Jon Stewart</i>, <i>The Colbert Report</i> and <i>TMZ</i>. ▪ CTV’s multi-platform deal with Comedy Central delivers exclusive broadcast and digital rights to full episodes, plus all clips, shorts, wallpapers, ringtones and other online content; the deal provides CTV access to over 200 hours of current series. ▪ <i>Canadian Idol</i> has launched an entirely separate <i>All Access</i> series, available exclusively online. ▪ Corus is also very active in this space, e.g. TreehouseDirect.com sells downloads of about 200 episodes from kids’ TV shows and is geo-blocked to browsers outside the country. ▪ CBC Maritimes’ new programming initiative, <i>Download</i>, originally produced and locally acquired content, is to be shown online, on DVD and broadcast.

5. Future Broadband Video Plans & Trends, U.S. vs. Canada

Table 18 - Future Broadband Video Plans, U.S. Broadcasters

Business Strategy	Advertising	Programming
<ul style="list-style-type: none"> • U.S. broadcasters are spending aggressively to expand their digital operations. ▪ U.S. broadcaster use iTunes, Apple's download service, differently: For e.g., "MTV Networks will not be following NBC Universal's lead and pulling its shows from iTunes but would like to see some pricing flexibility." ▪ NBCU/News Corp's joint venture Hulu just began competing with the dominant iTunes. ▪ ABC and Warner Bros. have signed a distribution agreement where WB produced shows will be available on ABC broadband the day after airing for a period of four weeks. ▪ The growth in spending will also be fueled by a sizeable increase in the number of broadband-connected households; forecasted growth reflects the widely reported heavy demand among advertisers in the fast-emerging broadband segment, which is experiencing an inventory shortage. 	<ul style="list-style-type: none"> • Online video advertising spending in the US will nearly triple to \$640 million in 2007, surging way past this year's \$225 million mark (eMarketer). ▪ The flood of new ad dollars are likely to be sourced from both Internet and TV budgets, as an increasing number of advertisers and agencies begin to approach the two segments as working in tandem. ▪ Big brands are increasingly augmenting their marketing mix with scale, targeting, interactivity and measurability. ▪ Online video advertising stands apart from most media, as it allows marketers to incorporate several styles of marketing/advertising by blending paid search, branded entertainment, viral marketing, consumer generated media, and behavioral targeting, e.g. <ul style="list-style-type: none"> ▪ CBS has launched EyeLab, an editing studio dedicated to users creating promotional content to be distributed across CBS Interactive platforms. 	<ul style="list-style-type: none"> • NBC consumers can now download its prime time and late night shows for a week after their initial broadcast, <i>Heroes</i>, <i>The Office</i>, <i>Bionic Woman</i> and <i>30 Rock</i>, as well as <i>Conan's</i> and <i>Leno's late night shows</i>. ▪ NBC will be the first provider of live streaming Olympic coverage in the USA; over 2200 hours. ▪ By contrast, CBS uses subscription services, download offerings like iTunes and ad-supported online platforms, like its own CBS Audience Network, to make full episodes of its shows available. ▪ ESPN360.com, the recently relaunched live sports broadband network, will feature exclusive, live and on-demand Olympic sports coverage from World Championship Sports Network. ▪ AETN's The Biography Channel & The History Channel broadband player will offer content on a video-on-demand basis, with a mix of free short-form, paid long-form and exclusive broadband content, recently launched in several foreign markets.

Table 1 - Video Access Type

Table 2 - Video Content Type

Table 3 - Video Content Type by Broadcaster Group

Table 4 - Advertising Type

Table 5 - Advertising Type by Broadcaster Group

Table 6 - Alternate Video Distribution Sites

Table 7 – Description of Major Portals

Table 8 – Description of Major Pay Per Download Sites

Table 9 – Description of Major Internet Video Sites

Table 10 - Interactivity

Table 11 - Video Access Type, U.S. vs. Cdn

Table 12 - Video Content Type, U.S. vs. Cdn

Table 13 - Number of Titles, U.S. vs. Cdn

Table 14 - Advertising Type, U.S. vs. Cdn

Table 15 - Alternate Video Distribution Sites, U.S. vs. Cdn

Table 16 - Geo-blocking Activity , U.S. vs. Cdn

Table 17 - Future Broadband Video Plans, Cdn Broadcasters

Table 18 - Future Broadband Video Plans, U.S. Broadcasters

Appendix B – List of Canadian Networks & Programs

Broadcaster Group	Network	Show		
CTVglobemedia	CTV	News Corner Gas Canadian Idol Instant Star Degrassi - TNG		
	MTV	MTV Live		
	TSN	SportsCentre		
	Discovery Channel	Daily Planet		
	Comedy Network	Odd Job Jack		
	BNN	SqueezePlay		
	CHUM Television	MuchMusic	Much on Demand	
CHUM Television	Space	Stargate SG-1		
	Fashion TV	FT: The Show		
	CanWest Global	Global Television	Global National ET Canada Canadian 5th Grader	
CanWest Global	E!	Deal or No Deal		
	XtremeSports	Ride Guide		
	MysteryTV	NCIS		
	Alliance Atlantis	Food Network Canada	Eat, Shrink, and Be Merry	
Alliance Atlantis	History	Ancestors in the Attic		
	IFC Canada	Stuntdawgs		
	Slice	Til Debt Do Us Part		
	Showcase	Trailer Park Boys		
Corus Entertainment	YTV	Captain Flamingo		
	Teletoon	6teen		
	W Network	The Shopping Bags		
Astral Media	Family Channel	Life with Derek		
	Movie Network	Re-Genesis		
Rogers	CityTV	Canada's Next Top Model		
	Sportnet	Hockey Central		
CBC	CBC Television	The National Hockey Night in Canada Royal Canadian Air Farce Little Mosque on the Prairie Intelligence		
		CBC Newsworld	The Passionate Eye The Hour with George Strombolopoulos	
		Total	27	38

Appendix C – List of U.S. Programs on Canadian Networks

Broadcaster Group	Network	Show
CTVglobemedia	CTV	Desperate Housewives
		Grey's Anatomy
		CSI
		American Idol
	MTV	The Hills
	Discovery Channel	American Chopper
	Comedy Network	The Colbert Report
	BNN	Bloomberg Television
CHUM Television	MuchMusic	The O.C.
	Space	Smallville
	Fashion TV	Blow Out
CanWest Global	Global Television	House
		Prison Break
		Big Brother
		Survivor: China
	E!	The Simple Life
	TVTropolis	Family Guy
	MysteryTV	NCIS
Alliance Atlantis	Food Network Canada	Iron Chef America
	History	Deadwood
	IFC Canada	Who Wants to be a Superhero?
	Slice	Beauty & The Geek
	Showcase	Weeds
Corus Entertainment	YTV	Drake & Josh
	Teletoon	Bratz
	W Network	Gilmore Girls
Astral Media	Family Channel	Kim Possible
	Movie Network	Six Feet Under
Rogers	CityTV	Ugly Betty
	Sportsnet	Sunday Night Baseball
CBC	CBC	n/a
	CBC Newsworld	n/a
Total	26	30

Appendix D – List of U.S. Networks & Programs

Network	Show
ABC	Desperate Housewives
ABC	Grey's Anatomy
CBS	CSI
Fox	American Idol
MTV	The Hills
Discovery Turbo	American Chopper
Comedy Central	The Colbert Report
Many	Bloomberg Television
Fox	The O.C.
CW	Smallville
Bravo	Blow Out
Fox	House
Fox	Prison Break
CBS	Big Brother
CBS	Survivor: China
E!	The Simple Life
Fox	Family Guy
CBS	NCIS
Food Network	Iron Chef America
HBO	Deadwood
Fox	Greg the Bunny
CW	Beauty & The Geek
Showtime	Weeds
Nickelodeon	Drake & Josh
Fox/Comedy Central	Futurama
CW	Gilmore Girls
Disney	Kim Possible
HBO	Entourage
ABC	Ugly Betty
ESPN	NFL
Total	16 30