



**Canadians' Views  
On De-regulating Cable and Other TV  
Distributors**

March 2008

## **Study Sponsors**

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# Background & methodology

# Background & methodology

- POLLARA conducted a survey amongst cable and satellite subscribers across Canada to explore their awareness of and attitudes towards a proposed de-regulation of cable and satellite distributors and other related issues under discussion with the CRTC.
- To that end, POLLARA interviewed 1,200 Canadians who currently subscribe or have subscribed to a cable or satellite TV in the past 5 years.
- Telephone interviews were conducted from March 14<sup>th</sup> to March 19<sup>th</sup>, 2008 with a random sample of 1,200 Canadians.
- The data were weighted by region and by age to be representative of the general population.
- Results of the survey are accurate to within +/-3%, nineteen times out of twenty.



# Objectives

- Assess the level of trust Canadians place on various organizations in promoting Canadian content on TV.
- Explore views on the roles various organizations have in preserving and promoting Canadian content on TV.
- Explore views on the impact of less regulation on Canadian programming.
- Explore attitudes towards Canadian identity and values
- Assess the degree of importance subscribers place on availability of Canadian programming on TV.
- Explore attitudes towards replacing Canadian content with foreign programming.
- Evaluate the degree of support from cable and satellite subscribers toward proposed fee-for-carriage options.
- Test the monetary value consumers place on preserving Canadian programming.
- Determine the potential impact of fee increase on subscriber loyalty
- Assess public knowledge of how the money people spend on cable/satellite TV gets distributed.
- Assess the level of satisfaction with cable and satellite providers.

# Executive summary

- Canadians overwhelmingly view television as a ***cultural trust***, not just as an economic or business issue.
- The CRTC/government is regarded as the guardian of Canadian culture on TV, not service providers:
  - Canadians are clear on which organization is most responsible for protecting of Canadian programming: almost six in ten name the CRTC (36%) and the federal government (22%), as most responsible
    - Almost seven in 10 Canadians place the most trust in the CRTC (42%) and the federal government (25%) to protect and promote Canadian content on TV.
  - Only 8% of Canadians consider the cable and satellite providers to be cultural guardians
  - A majority of respondents are aware that it is the CRTC's role to ensure that Canadian programming is available through cable/satellite subscriptions
- De-regulation of cable and satellite would produce negative results for Canadian programming and independent producers:
  - Canadians believe that less regulation would have negative economic consequences
  - Almost three quarters of respondents believe that less regulation is likely to have a negative impact on quality and viability of Canadian programming
  - Nine in 10 Canadians think it's important (53% very important) to have regulations and incentives to ensure the continued presence of independently owned Canadian broadcasters on their cable and satellite line-ups
  - Only 4% trust very much that cable and satellite companies would promote and deliver Canadian channels and content under less regulation; a further 30% trust somewhat while 22% distrust strongly and 28% distrust somewhat that cable and satellite companies would promote and deliver Canadian channels and content under less regulation
  - Nearly six in 10 believe that it would be detrimental to Canadian content to allow cable/satellite providers to decide which channels to make available
  - There is a belief that channel selection would be driven by its profitability (not Canadian-created content) and six in 10 consumers strongly feel that their TV providers would favour their own channels over independent ones

## Executive summary (cont'd)

- Canadians feel strongly about having Canadian-created content on TV:
  - Local/national news receive the strongest support (96% very important/important), followed by public affairs and documentary (84% each), followed by drama/ comedy (78%), and sports (65%)
  - This is fuelled by a strong sense of unique Canadian identity. More than eight in ten respondents (82%) feel that being Canadian means holding unique identity and values and for most (90%) it is important to preserve those values
  - Overall, there is a strong opposition to the possibility of replacing Canadian-created TV content, and it is especially pronounced in the area of national/local news (74%) and public affairs (66%), followed by documentaries (59%), sports (58%) and drama/comedy (57%)
- A majority are willing to pay more to preserve and enhance the Canadian programming they demand
  - More than half of Canadians (54%) would support paying \$3 more per month on their cable/satellite bill to protect Canadian content
  - A \$6 monthly fee increase would be acceptable to four in 10 (42%) of the cable/satellite subscribers.
  - Finally, a third (31%) of respondents would be willing to pay \$10 more a month to preserve Canadian programming.



## Executive summary (cont'd)

- Past rate increases do not result in significant loss of consumer demand.
  - Only 9% of Canadians have cancelled their cable/satellite subscriptions as a result of a fee increase.
- Only 37% of Canadians can recall their last cable or satellite bill increase.
  - Of those, only 8% actually switched to a less expensive TV package
- Public knowledge of how the money subscribers spend on cable/satellite TV gets distributed:
  - Majority (54%) assume that cable/satellite providers receive the largest proportion of the monthly bill, but more than a quarter (26%) do not know how the money gets distributed

## Executive summary (cont'd)

- Attitudes toward two proposed fee-for-carriage options:
  - *PROPOSAL 1: CRTC has been asked to consider adding a \$4 to \$5 dollar fee to monthly cable or satellite television subscriptions, and this revenue would be distributed to local, privately owned Canadian channels like CTV, Global and CityTV which are currently funded exclusively by advertising revenues. This money would be used to support and enhance Canadian programming. These channels would still be available at no cost for those who use an antenna.*
- One half (50%) of subscribers support this proposal, with cable customers giving it a stronger backing than satellite subscribers.
  - *PROPOSAL 2: CRTC has been asked to consider adding a \$1 dollar fee to monthly cable or satellite television subscriptions, and this revenue would be distributed to the main CBC/SRC (Radio Canada) channel which is currently funded exclusively through tax revenues and advertising. The additional fee would be used to enhance Canadian content on CBC television. This channel would still be available at no cost for those who use an antenna.*
- The second proposal received an even higher approval rate of 57% nation-wide, with cable subscribers again giving it higher support levels than satellite TV customers

## Executive summary (cont'd)

- Attitudes toward the proposed fee-for-carriage options:
  - Younger Canadians appear to have a more positive attitude towards the proposed fees than the older citizens, which might be economically driven.
  - Not surprisingly, the support for both proposals is stronger amongst those who believe that the Canadian TV production is important to the economy
    - 53% vs. 39% for Proposal 1
    - 60% vs.47% for Proposal 2

## Executive summary (cont'd)

- Customer satisfaction level with cable and satellite providers is high:
  - There is an overall high satisfaction with various service components:
  - Nearly two-thirds claim satisfaction with pricing (58%)
  - About two thirds (62%) are satisfied with the programming packages
  - Reliability is very high across the board, at 83% nationally
  - Picture and sound quality receive high ratings (90%) regardless of region and type of service
  - Satisfaction with cable/satellite providers as *service providers* is high, but trust in them as *guardians* of Canadian culture is low

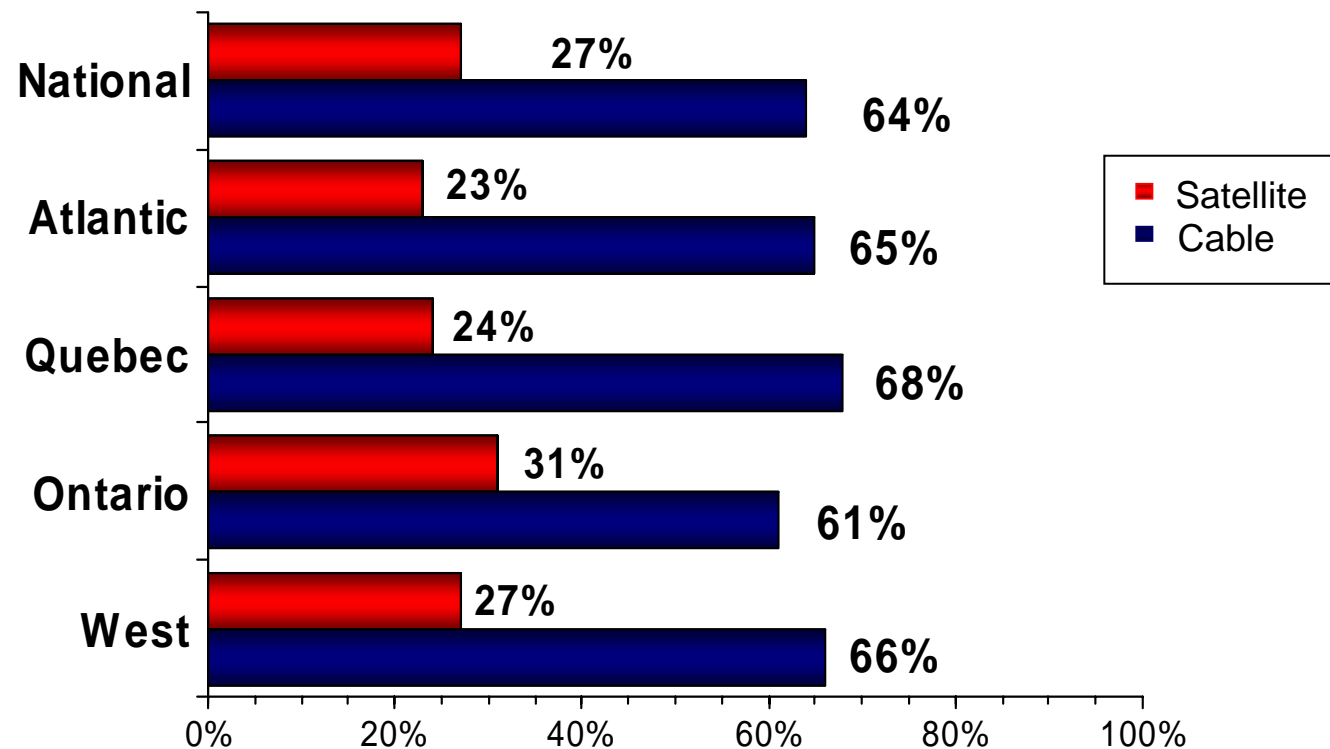


# Detailed Findings



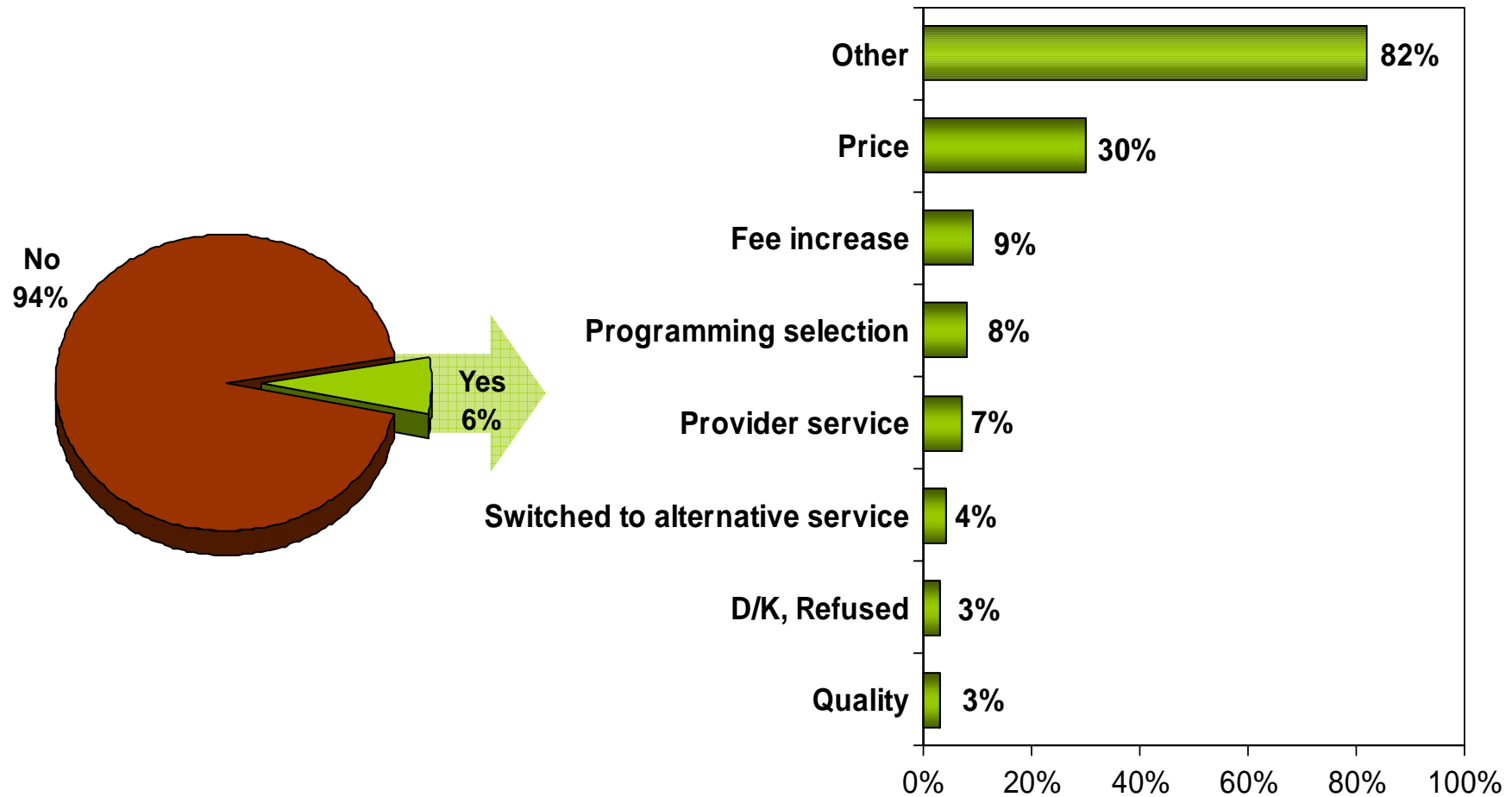
# **Cable/Satellite landscape in Canada**

# Nearly all Canadians use TV subscription services, with cable having by far the highest penetration



Q1. Do you currently subscribe to cable or satellite TV services?

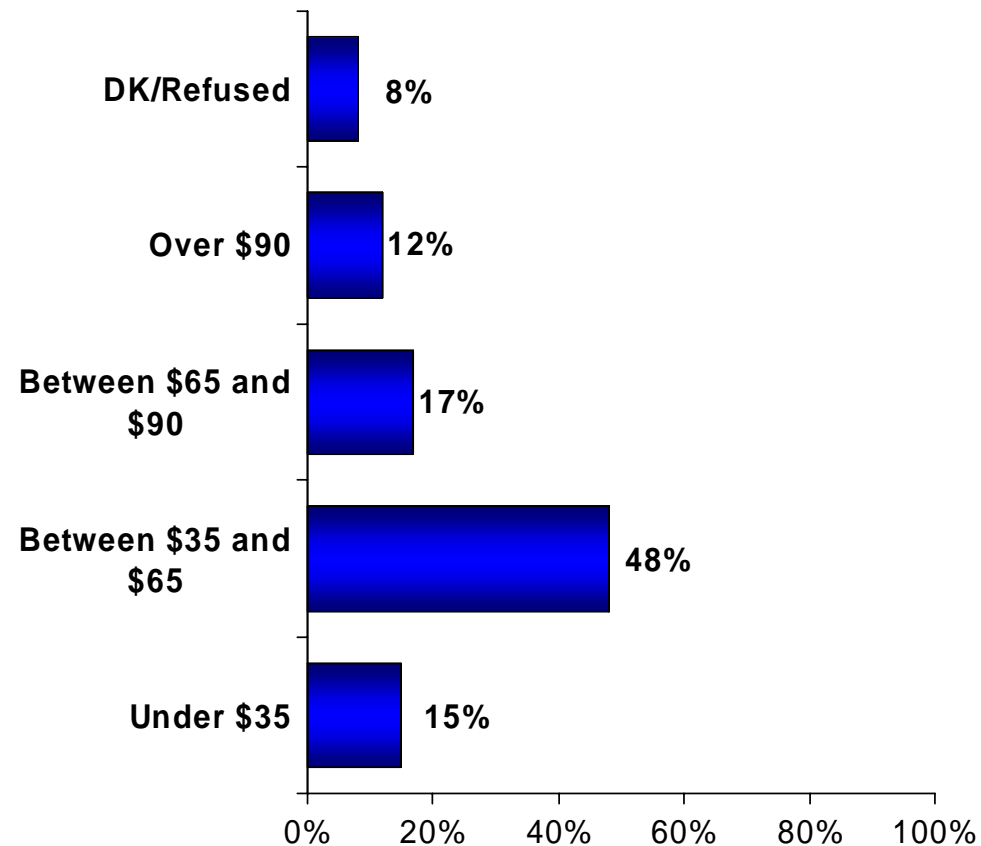
# Factors outside of the key drivers that are controlled by cable/satellite providers, such as service and cost, cause consumers to cancel services than price or fee increase



Q1A. Have you previously subscribed to and cancelled such a service within the past 5 years?  
Q1B. Why did you cancel that service? (SELECT UP TO 3 MENTIONS THAT APPLY)

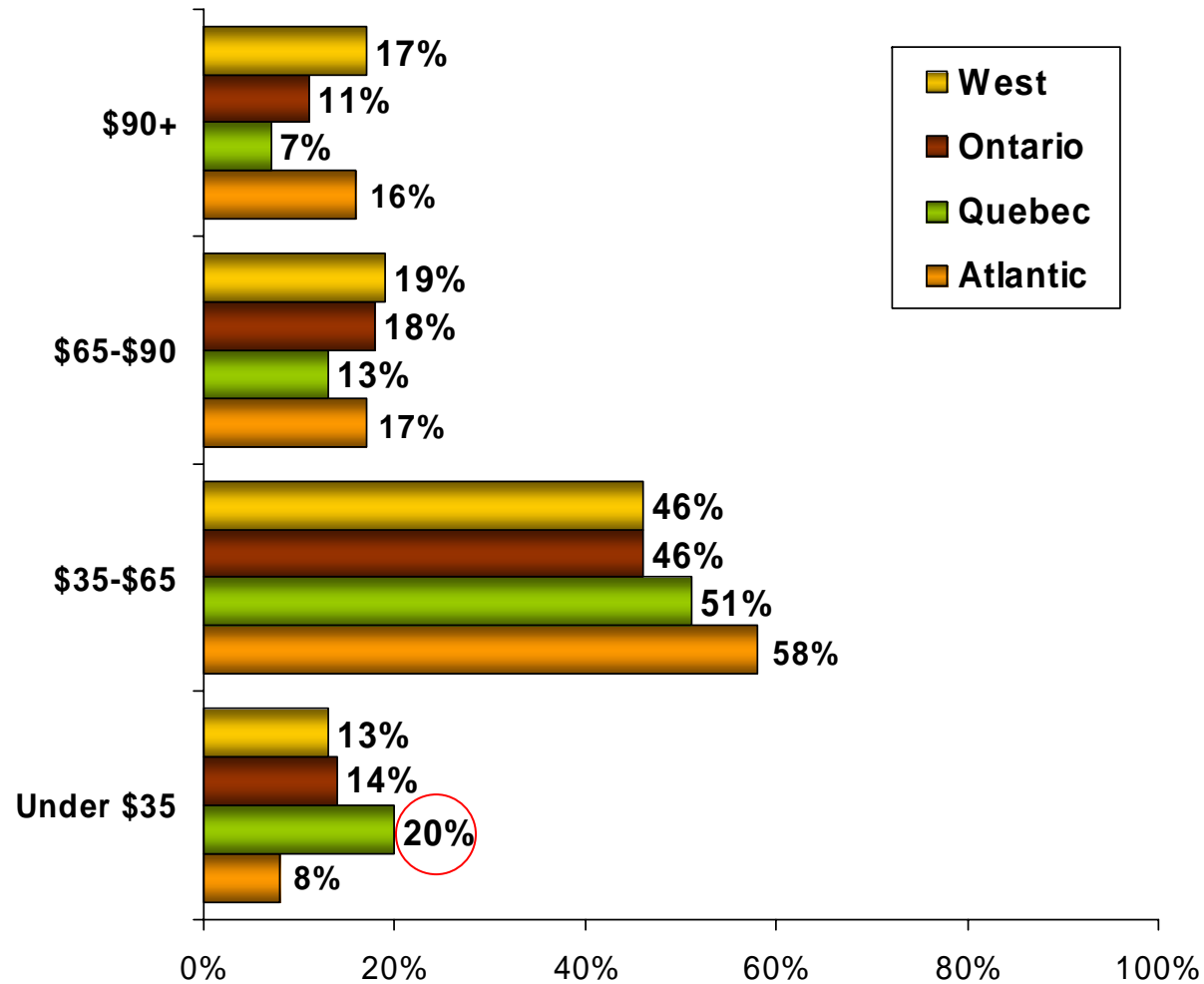


# More than two-thirds (63%) of Canadians subscribe to 'value' or basic packages, under \$65



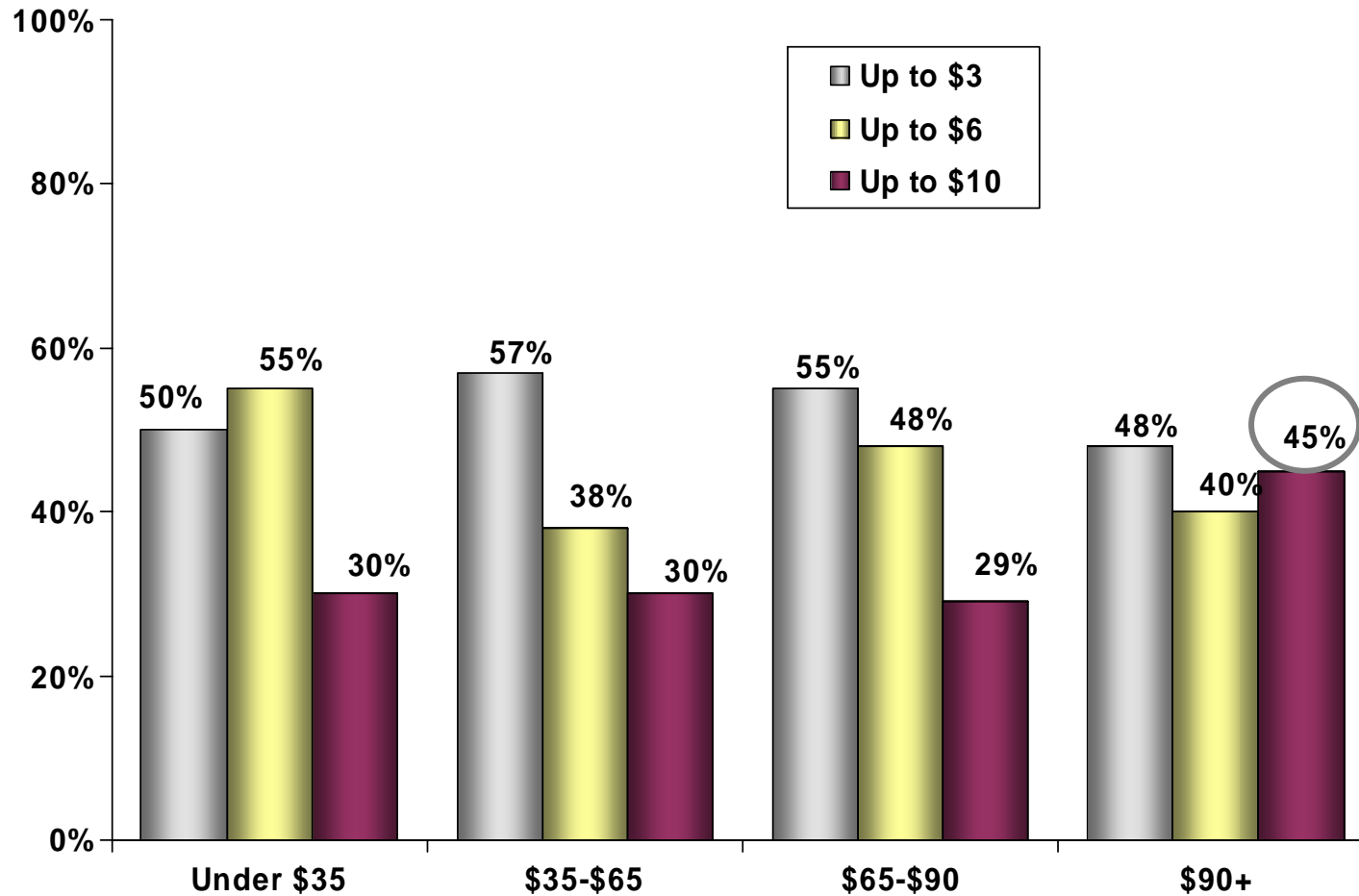
Q2A. About how much do you pay a month for your cable or satellite service? (ASK ONLY IF ANSWERED A, B, or C IN Q2)

# Overall, the \$35-\$65 price package is most popular across all regions, although Quebecois seem price sensitive



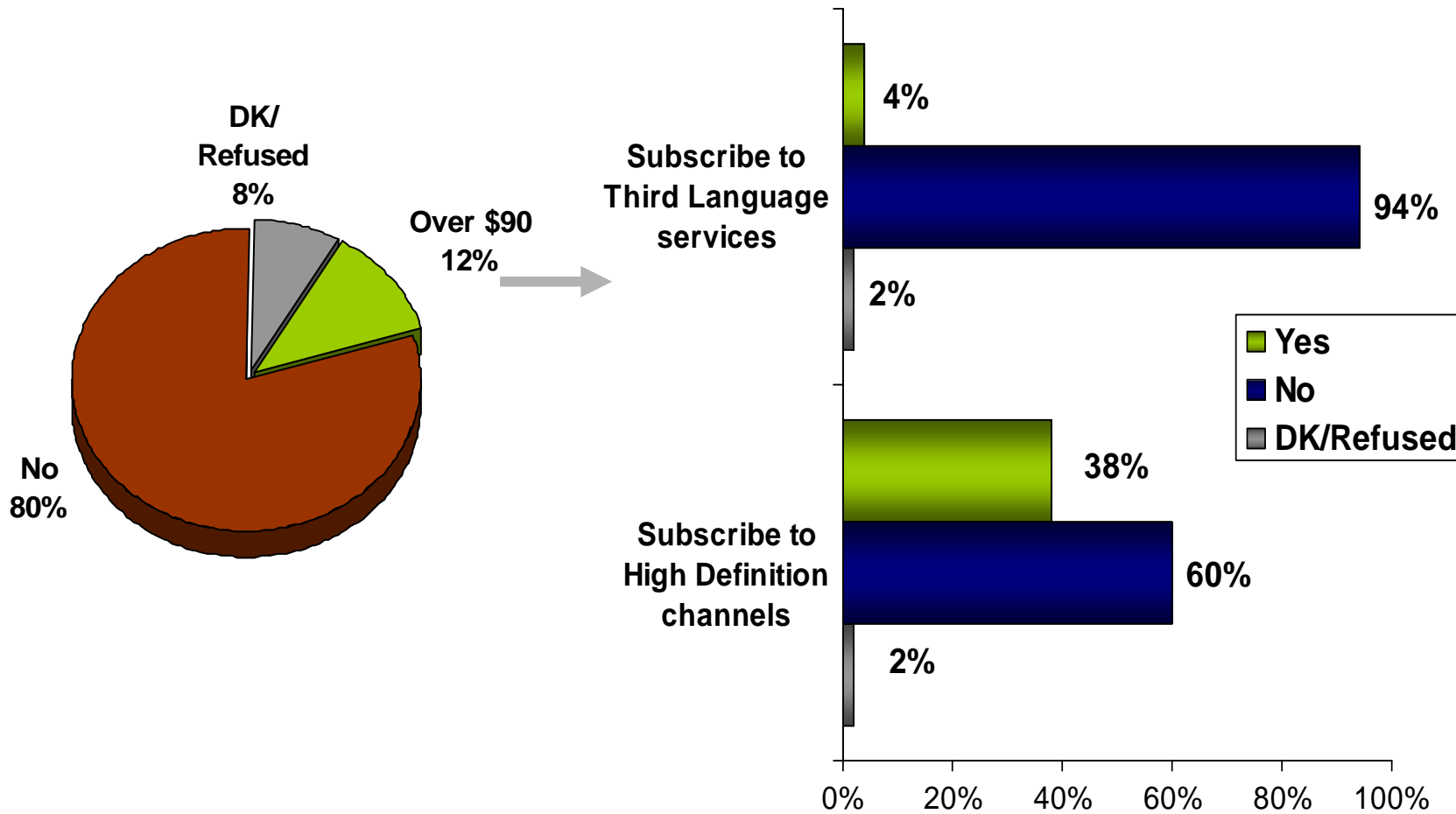
Q2A. About how much do you pay a month for your cable or satellite service? (ASK ONLY IF ANSWERED A, B, or C IN Q2)

# High-value subscribers (\$90+) appear to be less price sensitive – they are significantly more likely to spend up to \$10 more than other subscribers



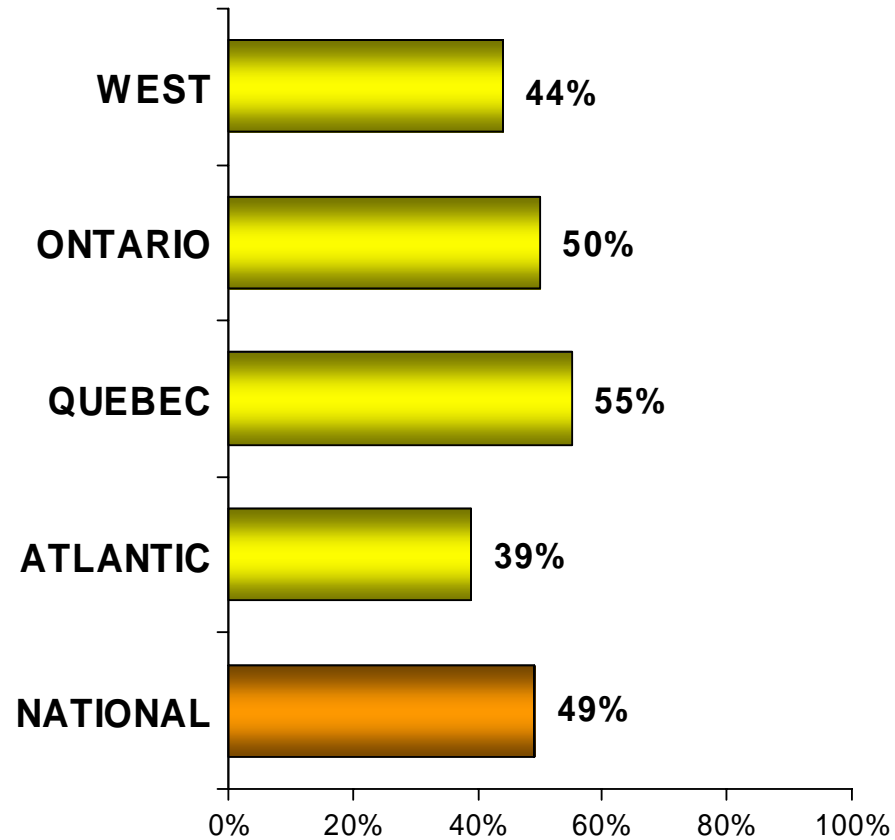
Q20,21,22. Would you be willing to pay up to \$3/\$6/\$10 more each month in cable or satellite fees to protect and enhance Canadian programming? X Q 2A About how much do you pay a month for your cable or satellite services?

# High Definition channels are popular among nearly four out of ten 'premium' subscribers, while third language services have minimal penetration



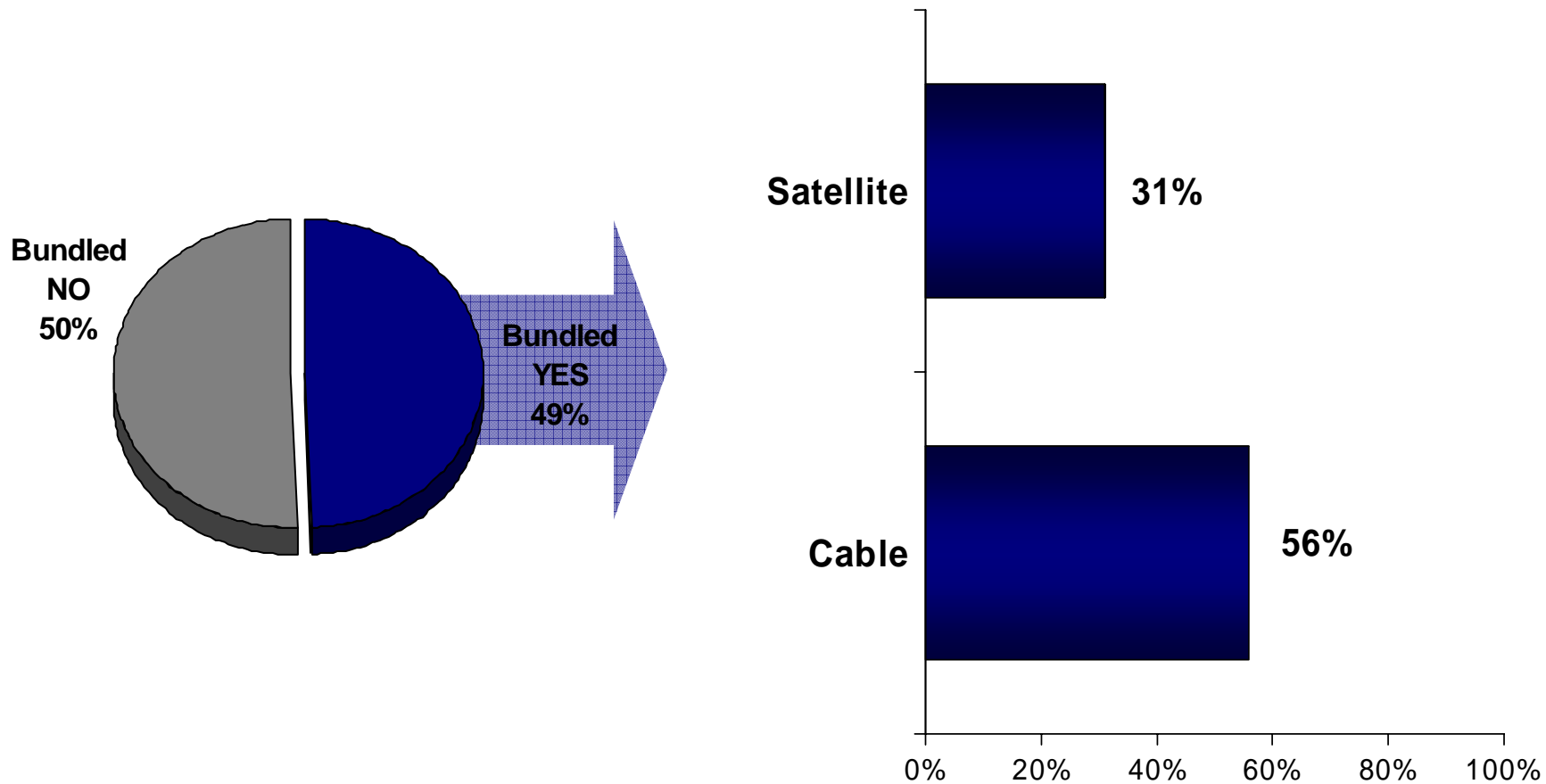
Q2B1/B2. (ASK IF ANSWERED 'OVER \$90 IN Q3) Do you subscribe to any of the following 'OVER \$90 IN Q3: YES; N=134

# Service bundling is more common in Ontario and Quebec



Q3. *Is your cable or satellite service bundled with other services, e.g., internet, and or telephone? (ASK ONLY IF ANSWERED A, B, OR C IN Q2)*

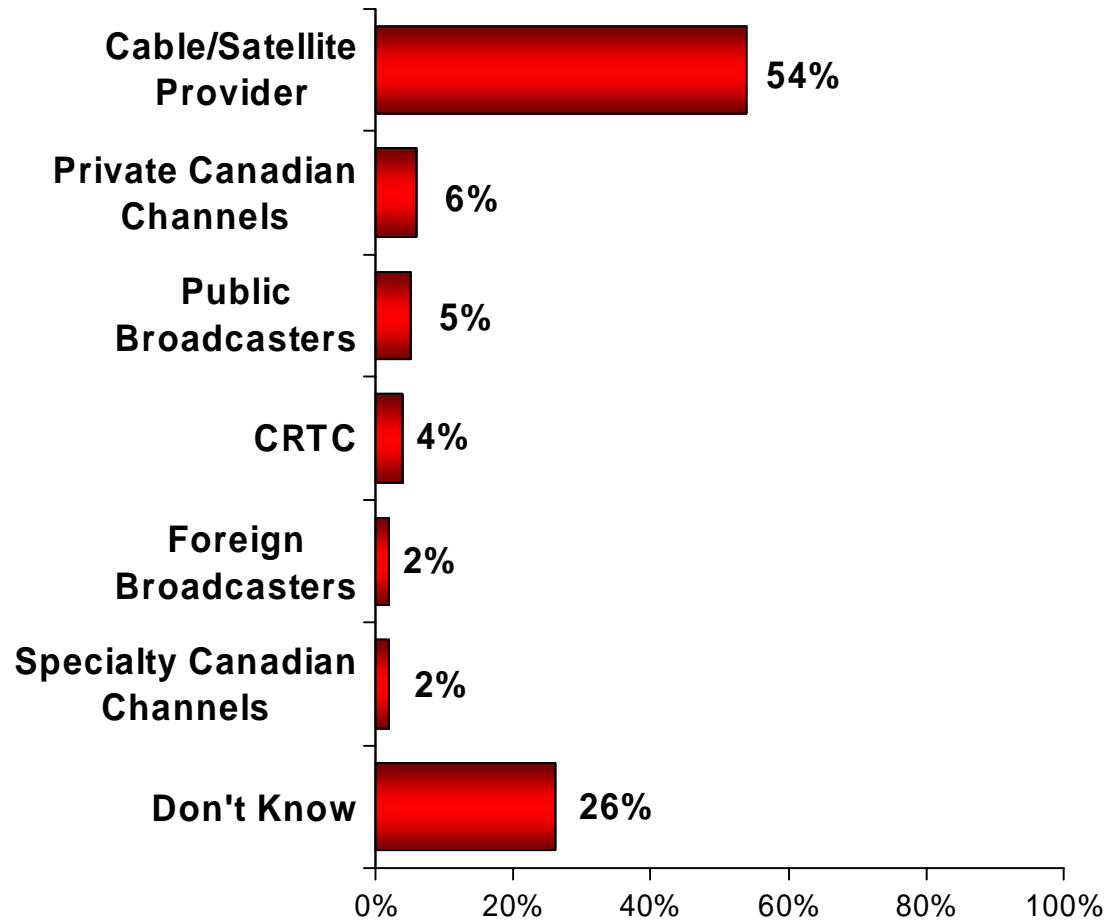
**Bundled services appear more popular amongst cable subscribers, likely a function of availability as not all satellite providers can offer “bundled” services**



Q3. Is your cable or satellite service bundled with other services, e.g., internet, and or telephone? (ASK ONLY IF ANSWERED A, B, OR C IN Q2)

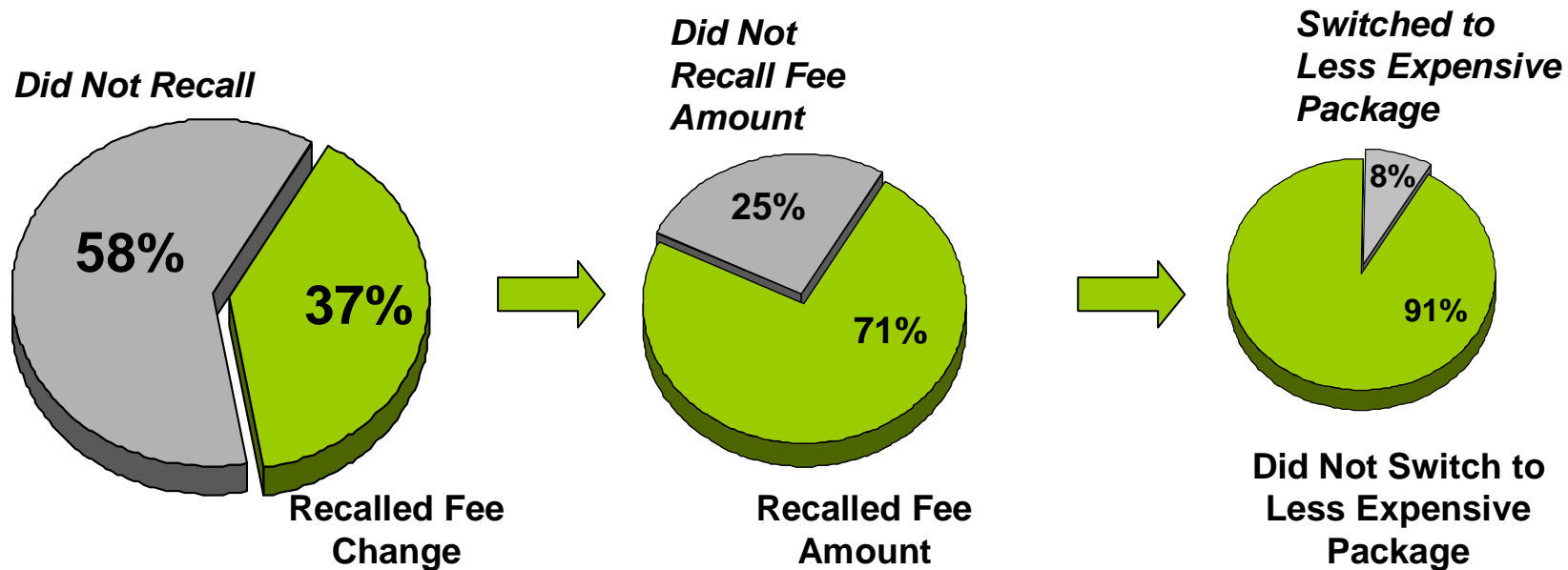
# Majority assume that cable/satellite providers receive the largest proportion of the monthly bill, but more than a quarter do not know how the money gets distributed

Many people equate (or are unable to differentiate) the cable/satellite providers with the broadcaster



Q4A. In your opinion, which three of the following organizations receive the largest portion of your monthly cable or satellite bill: (READ LIST) (ASK ONLY IF ANSWERED A, B, OR C IN Q2)

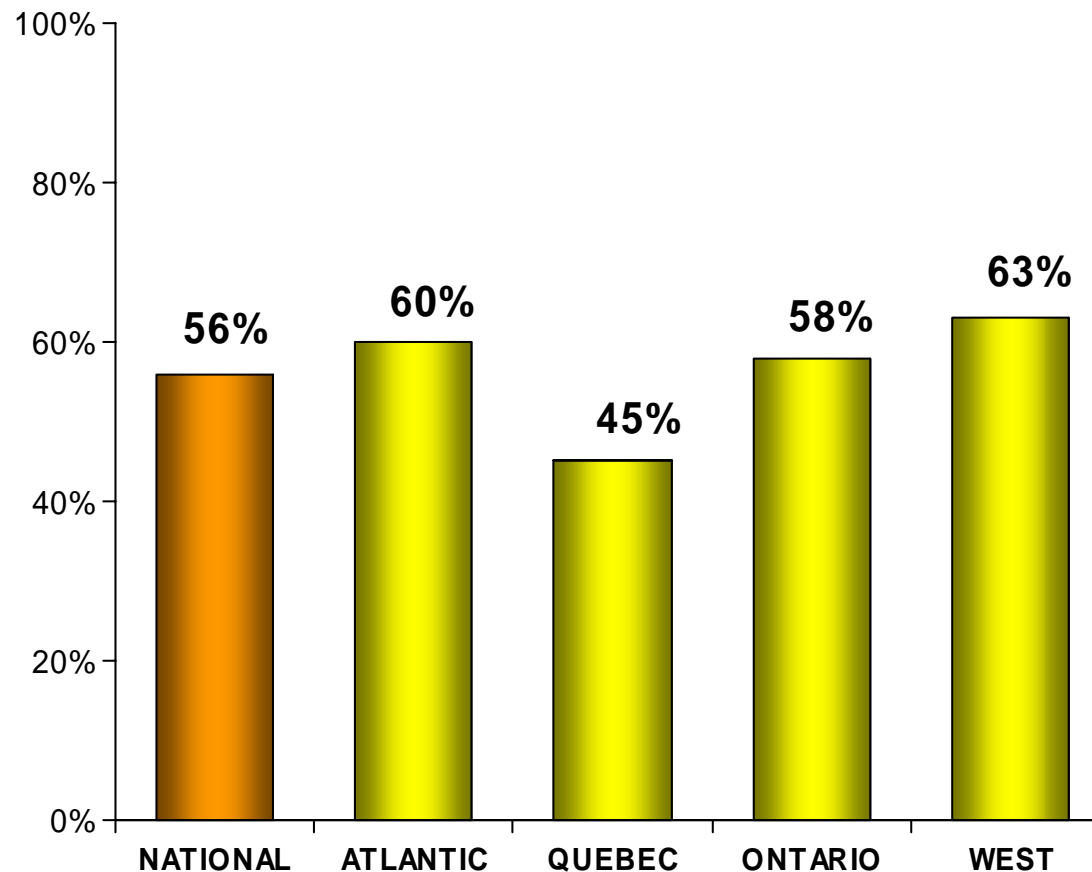
# Fee increase does not appear to drive subscribers to switch to less expensive packages



- Q5. Do you recall the last time your cable or satellite provider changed their fees?
- Q6. Do you recall by how much the fee was increased?
- Q7. Did you switch to a less expensive TV programming package as a result of the increase?



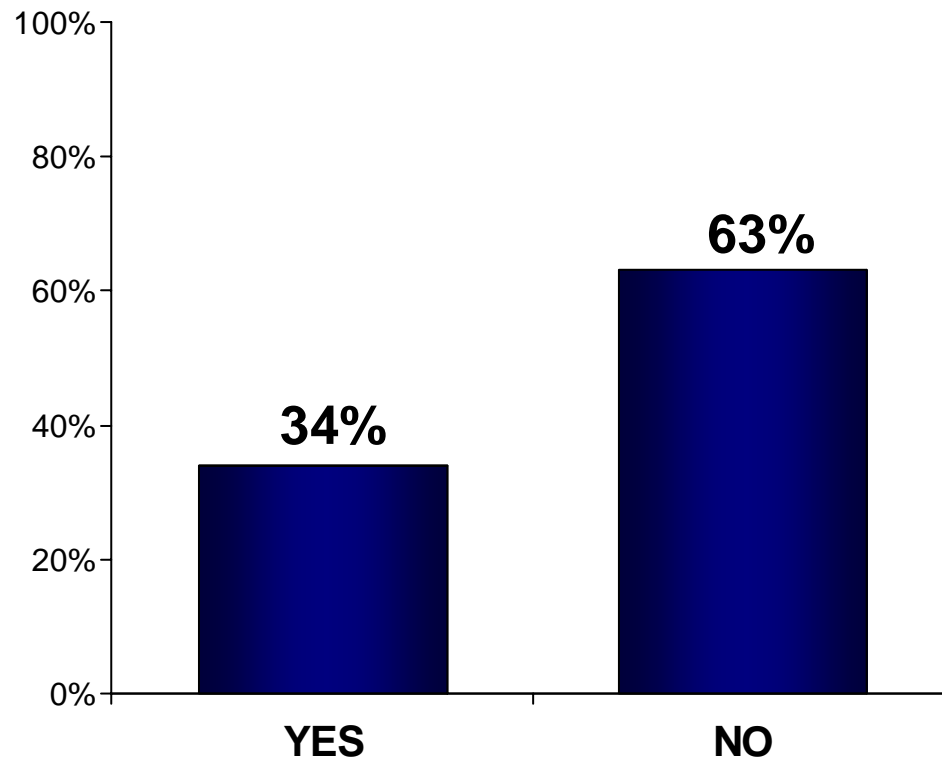
# With exception of Quebec, more than half of respondents feel they do have a choice as to how their service is received



Q8. Do you feel that you have a choice in how you receive your cable or satellite television service? (if respondent asks for clarification: for example, rural areas with no cable service, or some apartment buildings already have contracts with specific cable or satellite providers and tenants can only use the services available in the building).



# Only about a third are likely to purchase a new TV set in the next year or two

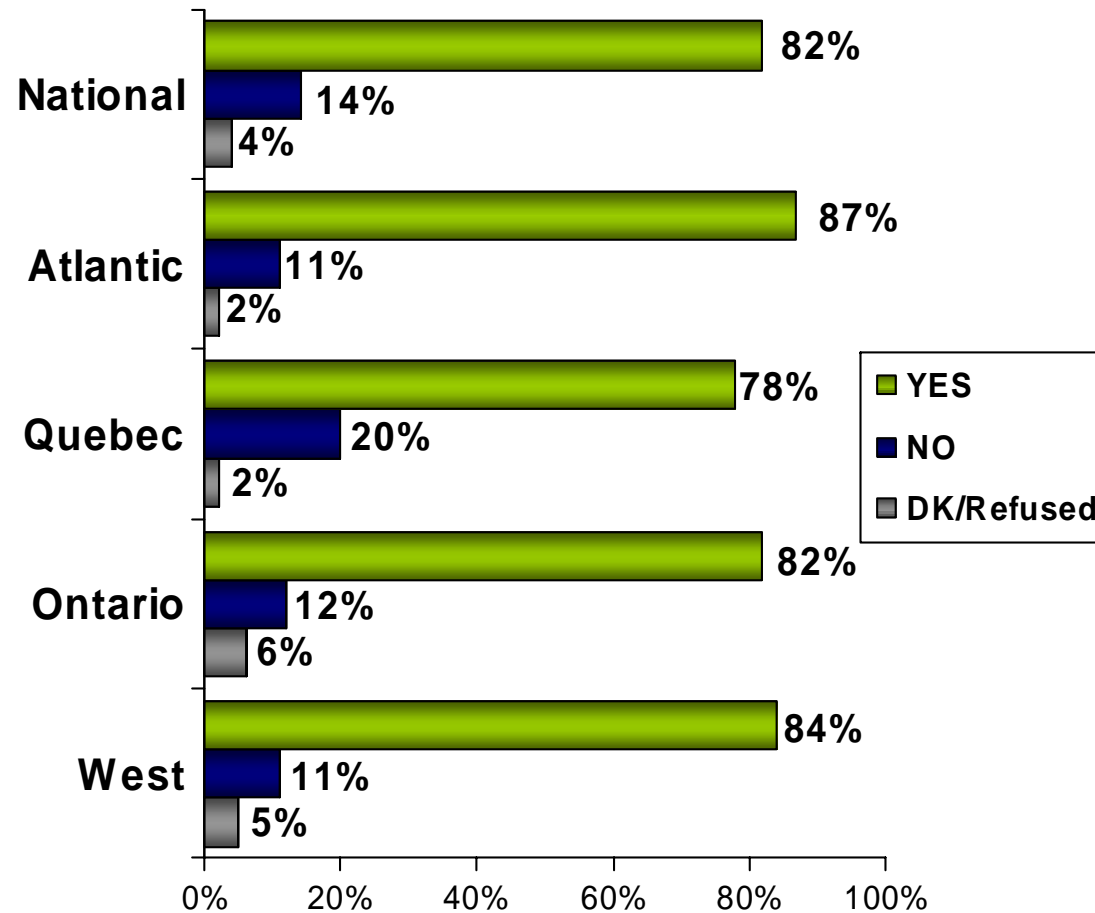


Q11. Do you plan to purchase a new TV set in the next one to two years?



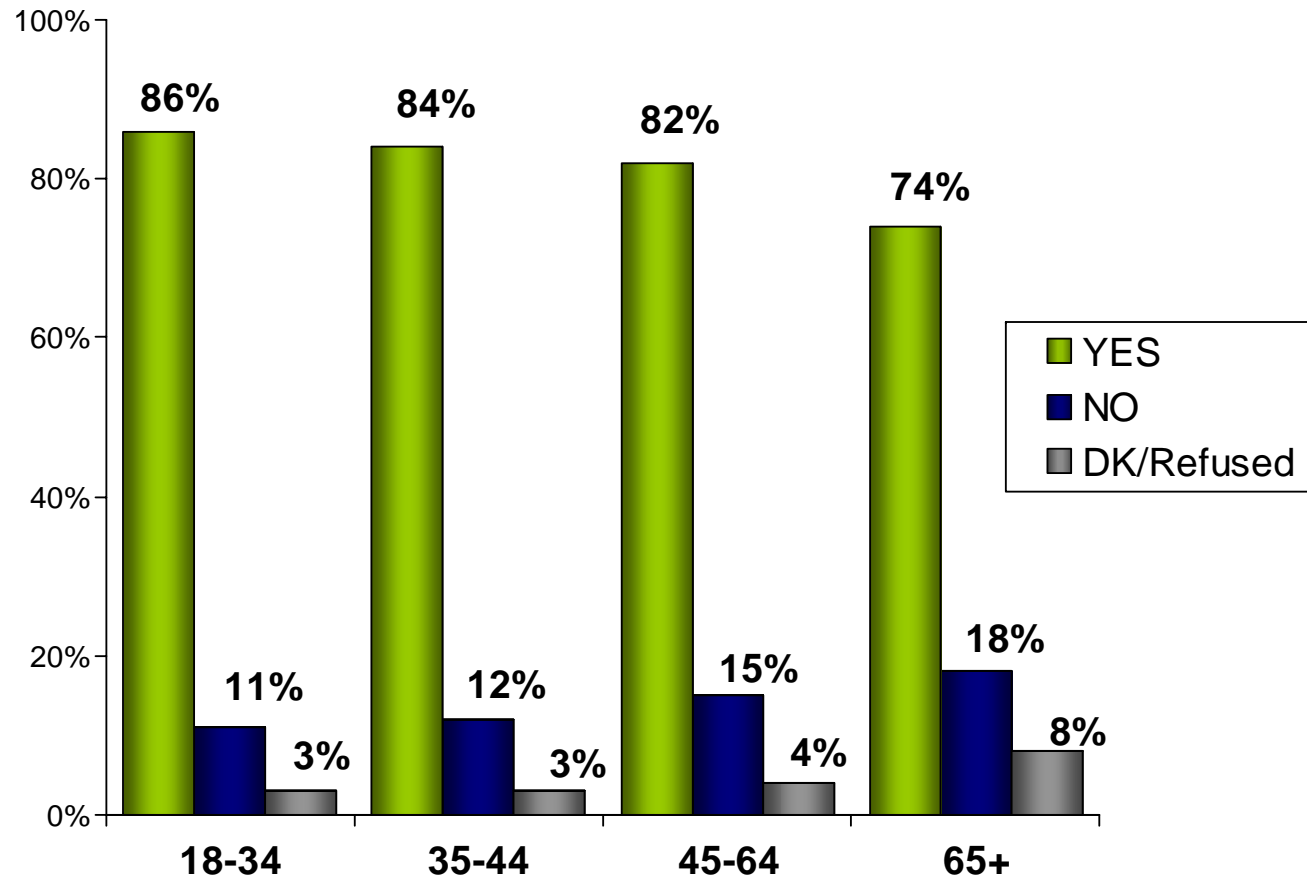
# **Attitudes towards Canadian identity and Canadian content on television**

**Canadians feel strongly about their unique values and identity. Quebec's scores are also very strong, especially in the context of their own potent cultural identity**

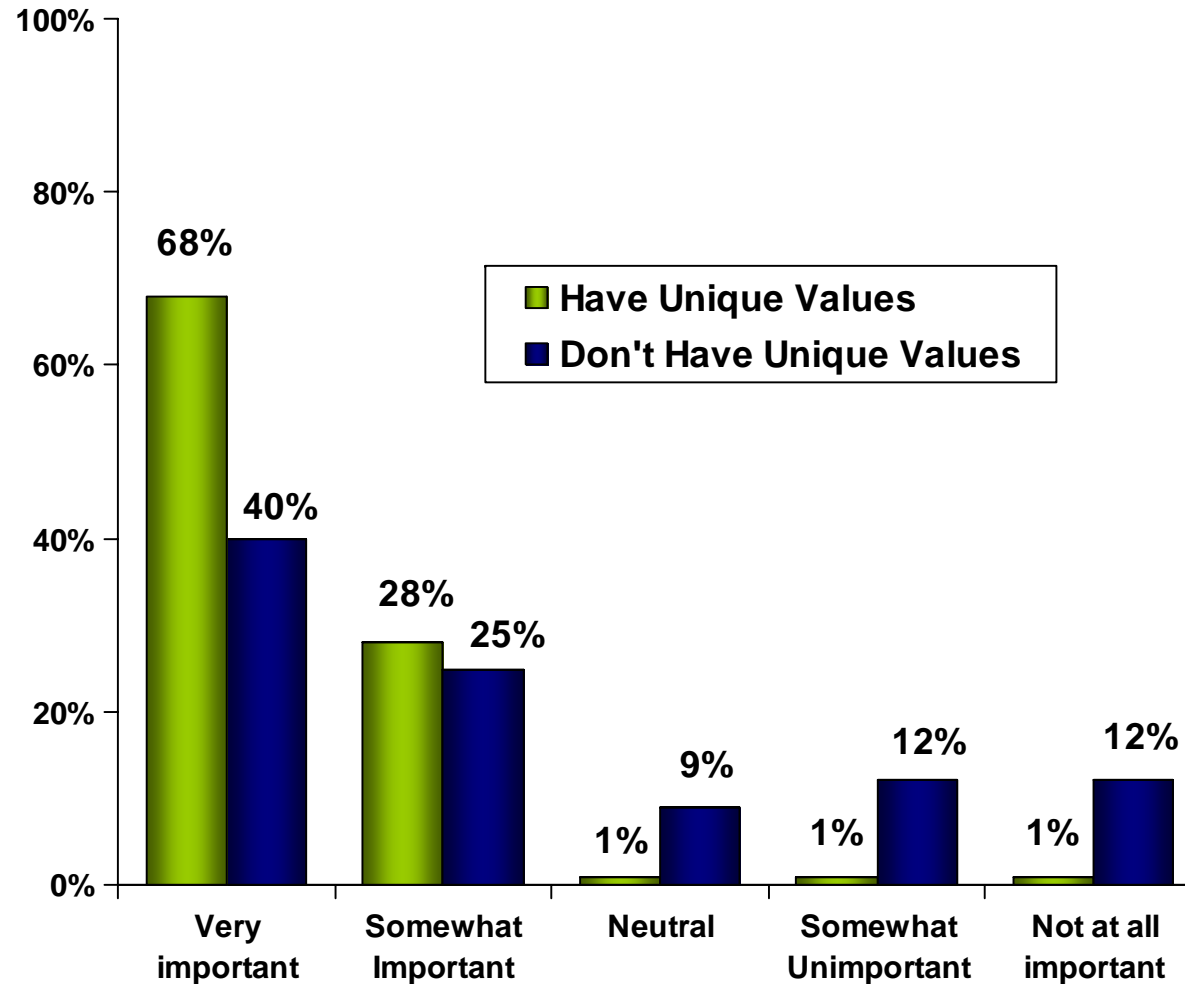


Q12. Do you feel that as a Canadian, you have unique values and identity?

# Although strong across all age groups, cultural identity appears to decline slightly amongst the oldest citizens

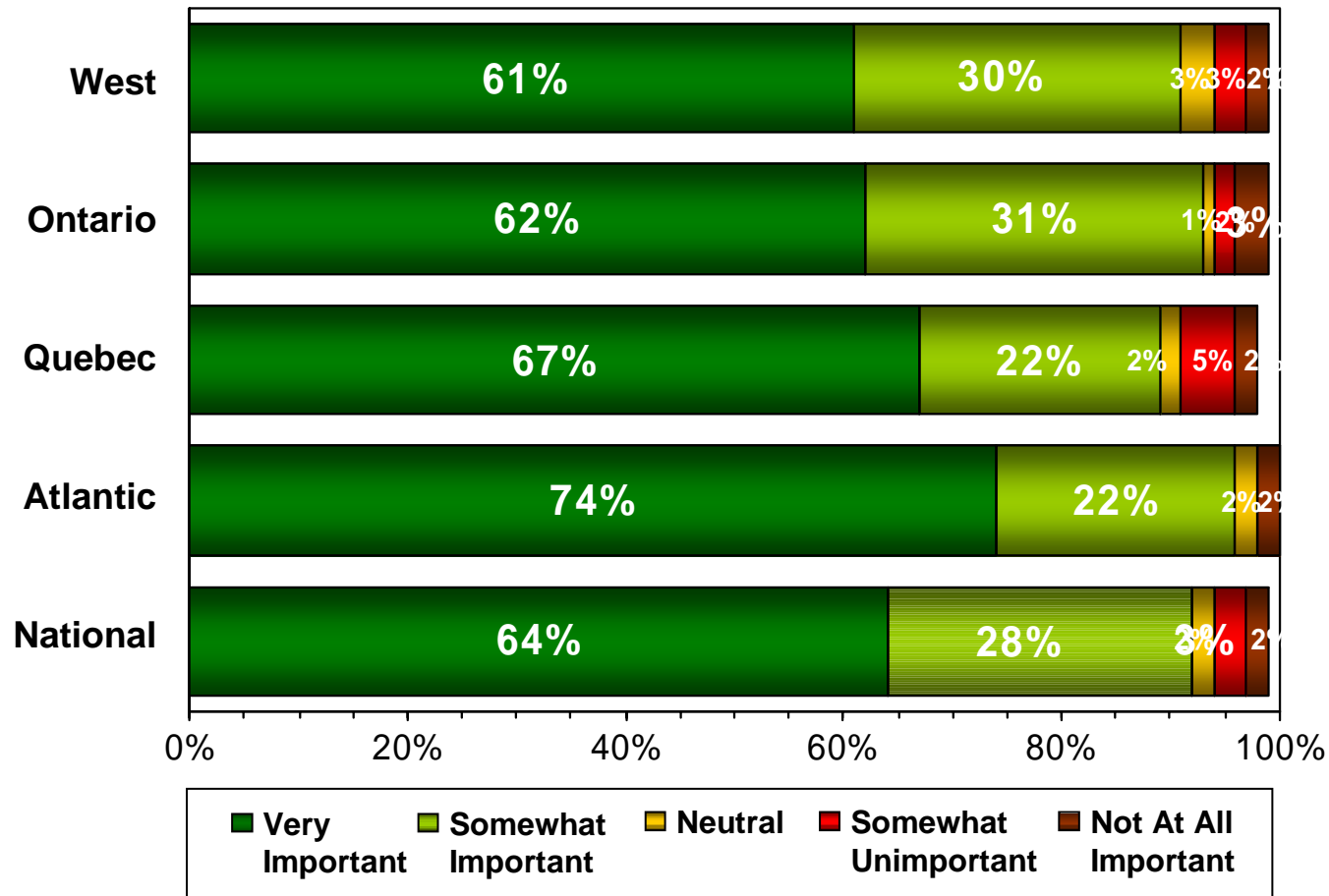


# Almost two-thirds of those who don't feel they have unique values as Canadians actually believe that preserving Canadian values is important



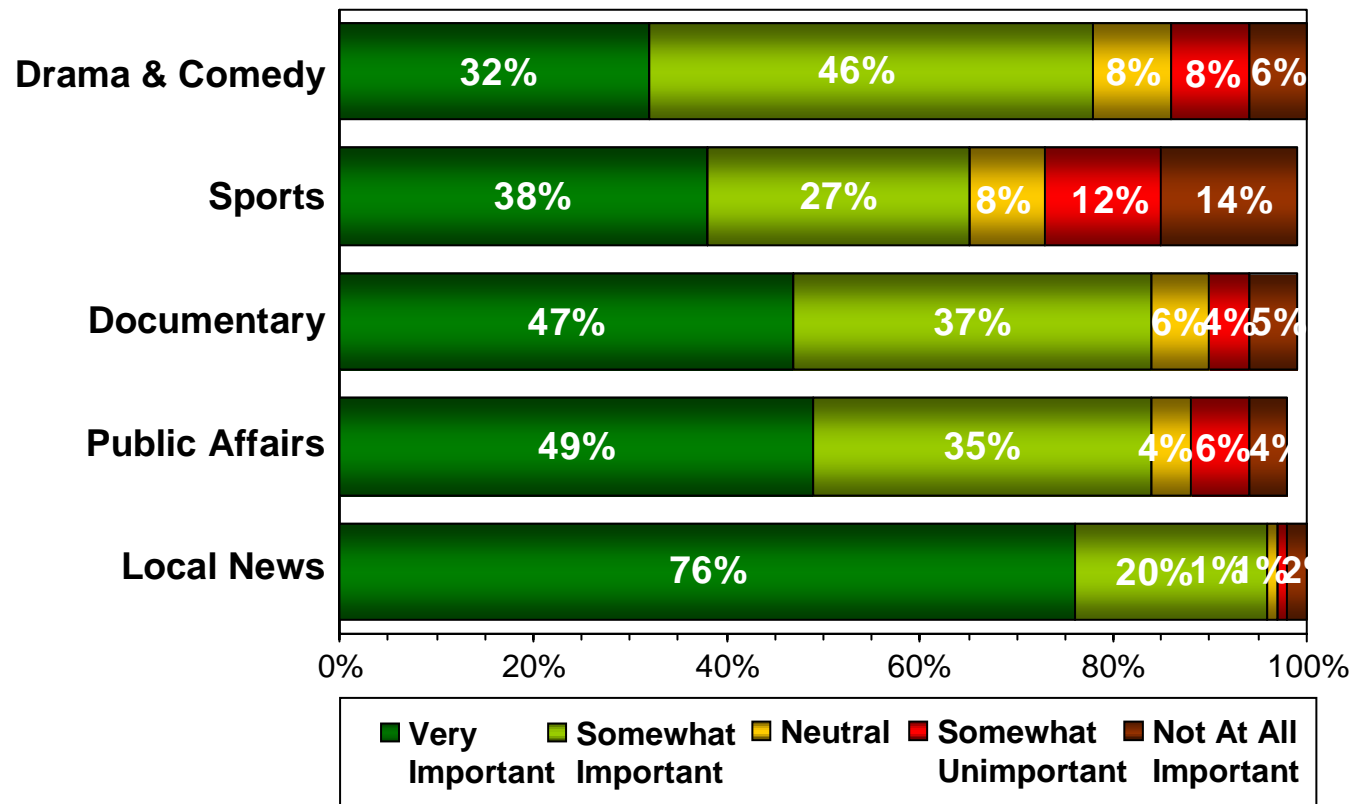
Q12. Do you feel that as a Canadian, you have unique values and identity (YES, NO) X Q13. Is preserving Canadian values and identity important to you?

**Preserving Canadian values and identity is very important or important to nearly all Canadians. Atlantic provinces and Quebec appear to be the strongest advocates of Canadian identity (very important)**



Q13. Is preserving Canadian values and identity important to you?

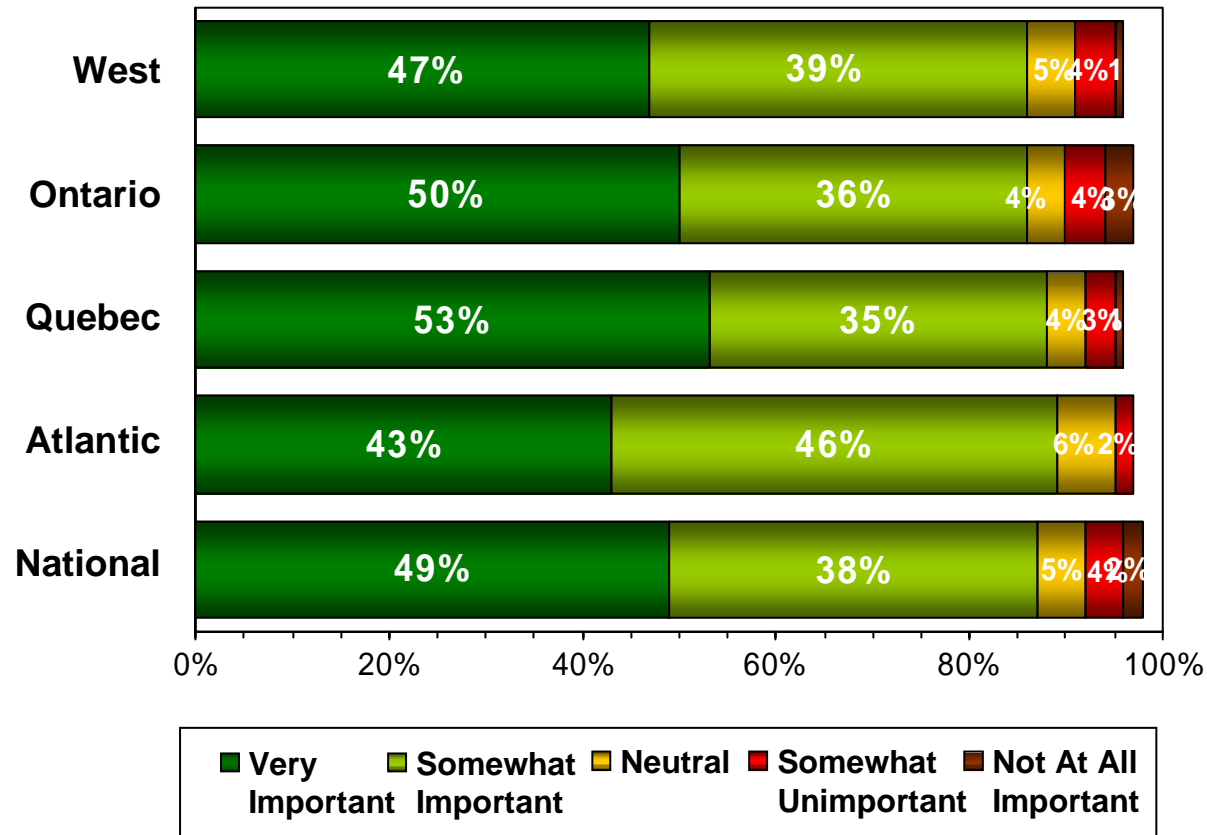
**In terms of TV content, there is an overwhelming support for local/regional news, as well as documentaries and public affair programs**



Q14A. Is it important to you to have the following types of Canadian created content on TV? (ASK FOR EACH) Local/regional news

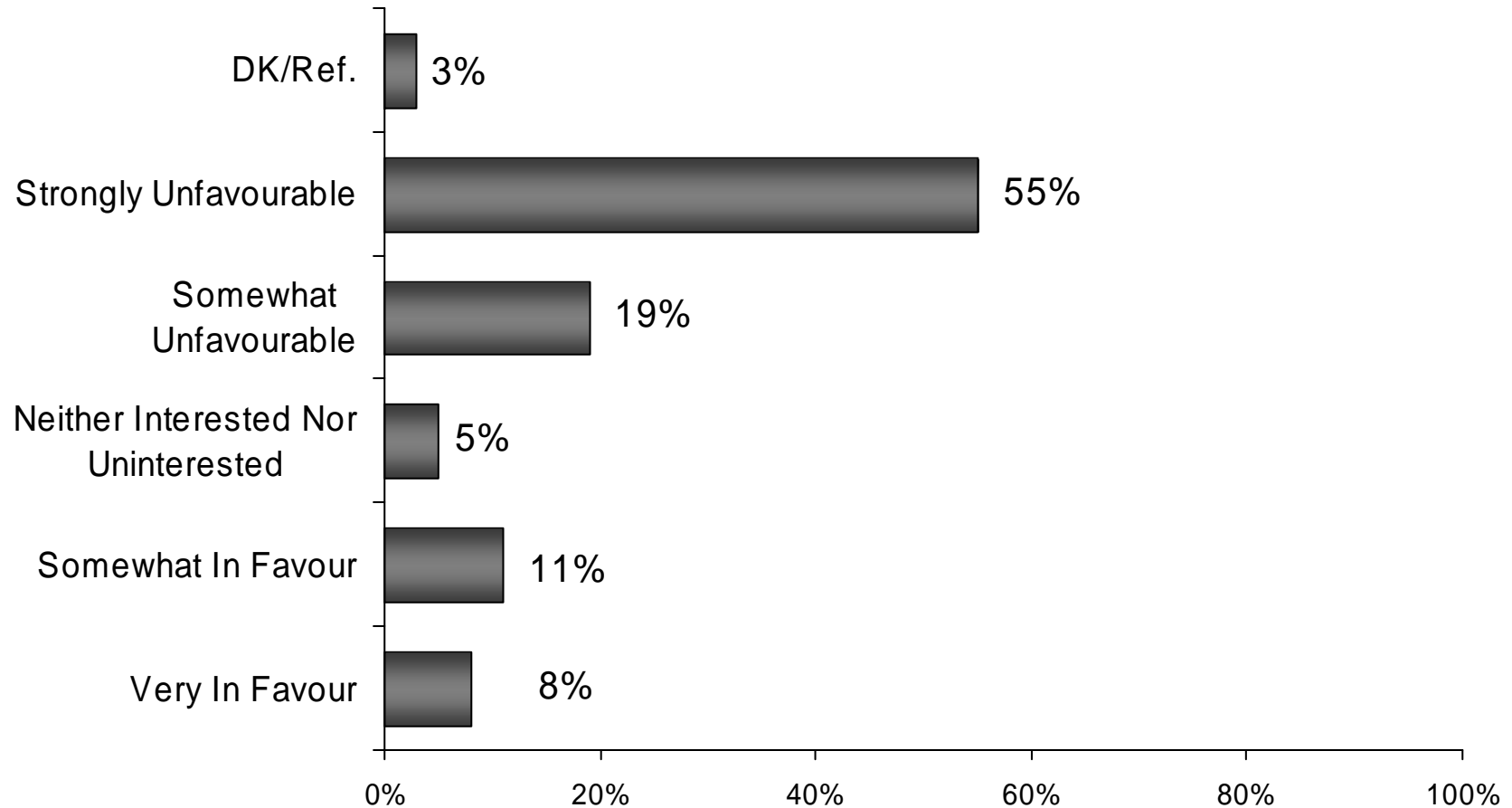


# Virtually all agree that Canadian TV production is important to the Canadian economy



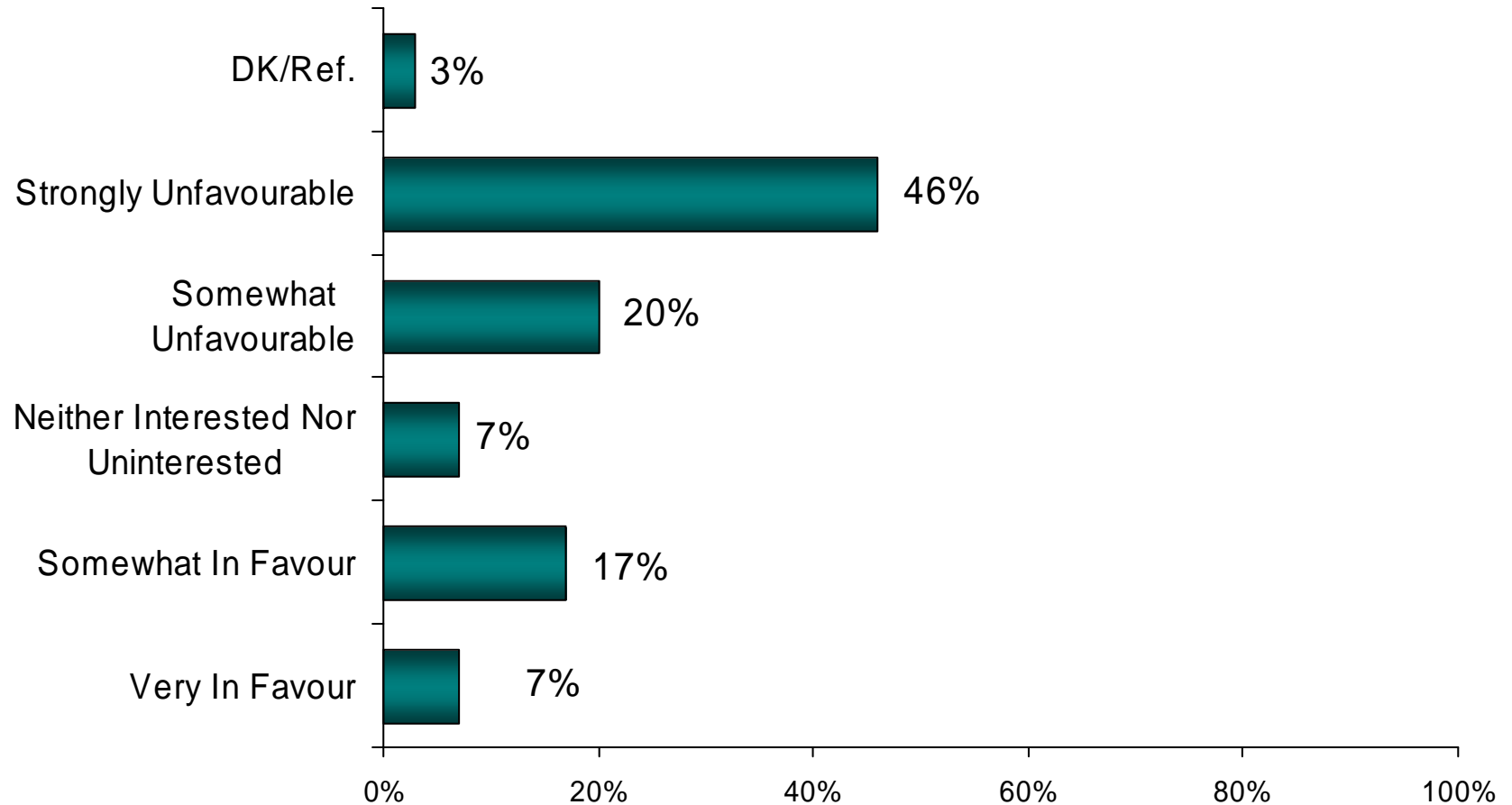
Q15. In your opinion, how important is the Canadian TV production industry - which includes writers, performers, production staff, suppliers as well as broadcasters - to the Canadian economy?

# Almost three-quarters (74%) of Canadians oppose the idea of replacing local/regional news content with foreign programming

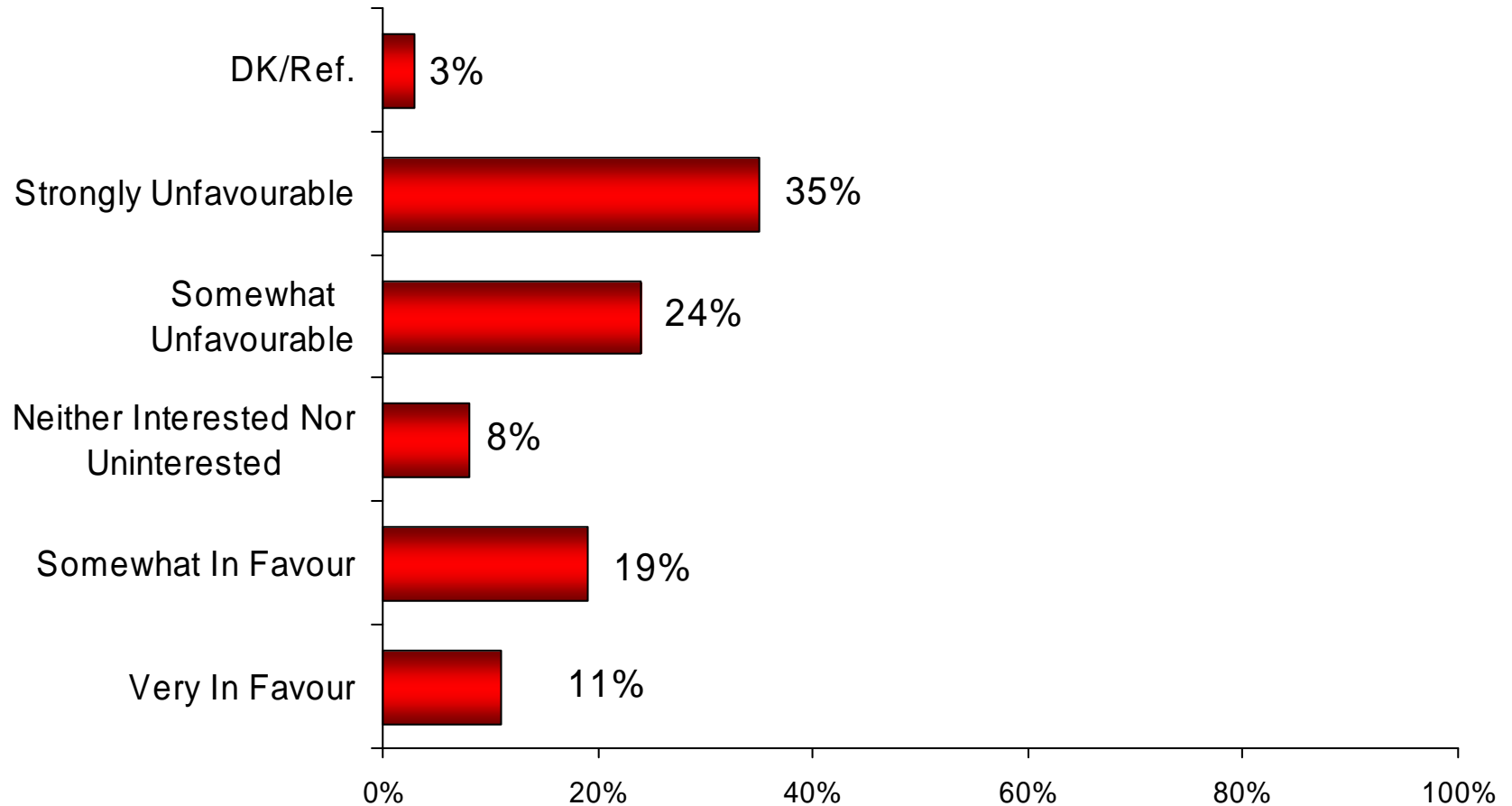


Q18A-E. Would you be in favour of replacing the following Canadian programming by foreign programming that might be more profitable to acquire by your cable or satellite provider?

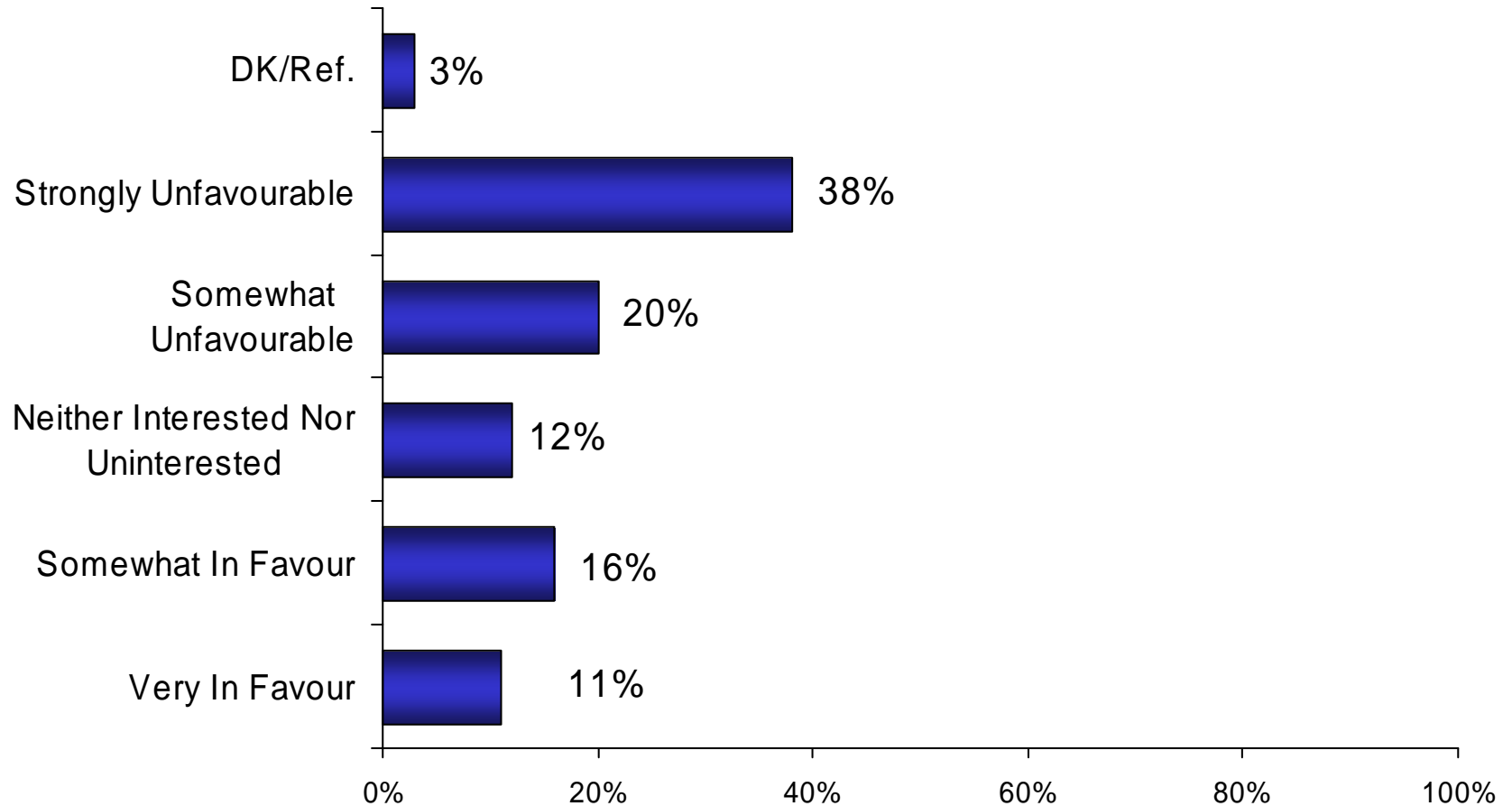
## The opposition is also strong (66%) against replacing public affairs content with foreign programming



## Nearly two-thirds (59%) of Canadians are against replacing Canadian documentary programming

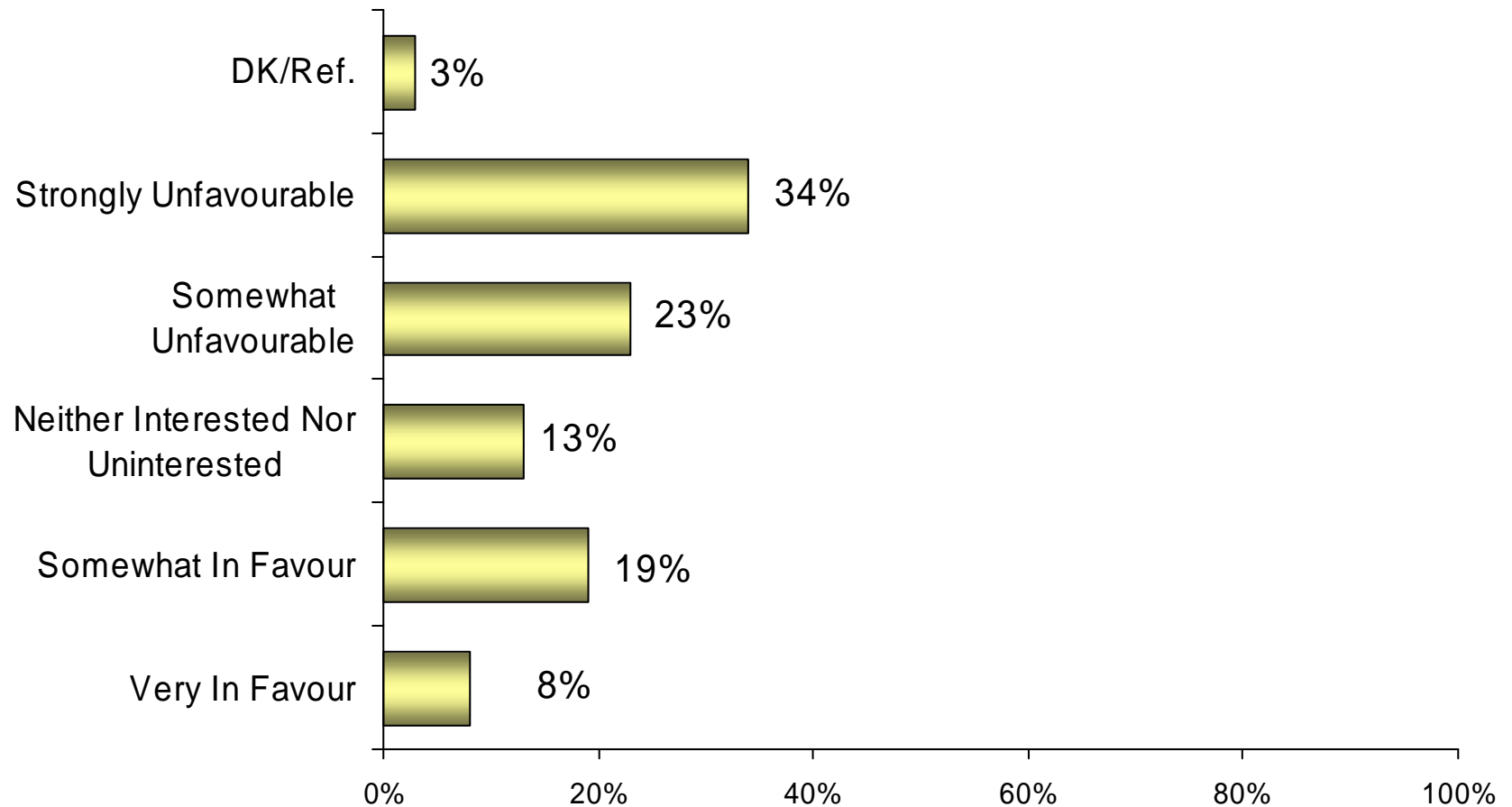


# Almost six in 10 (58%) oppose replacing Canadian sports programming with foreign content

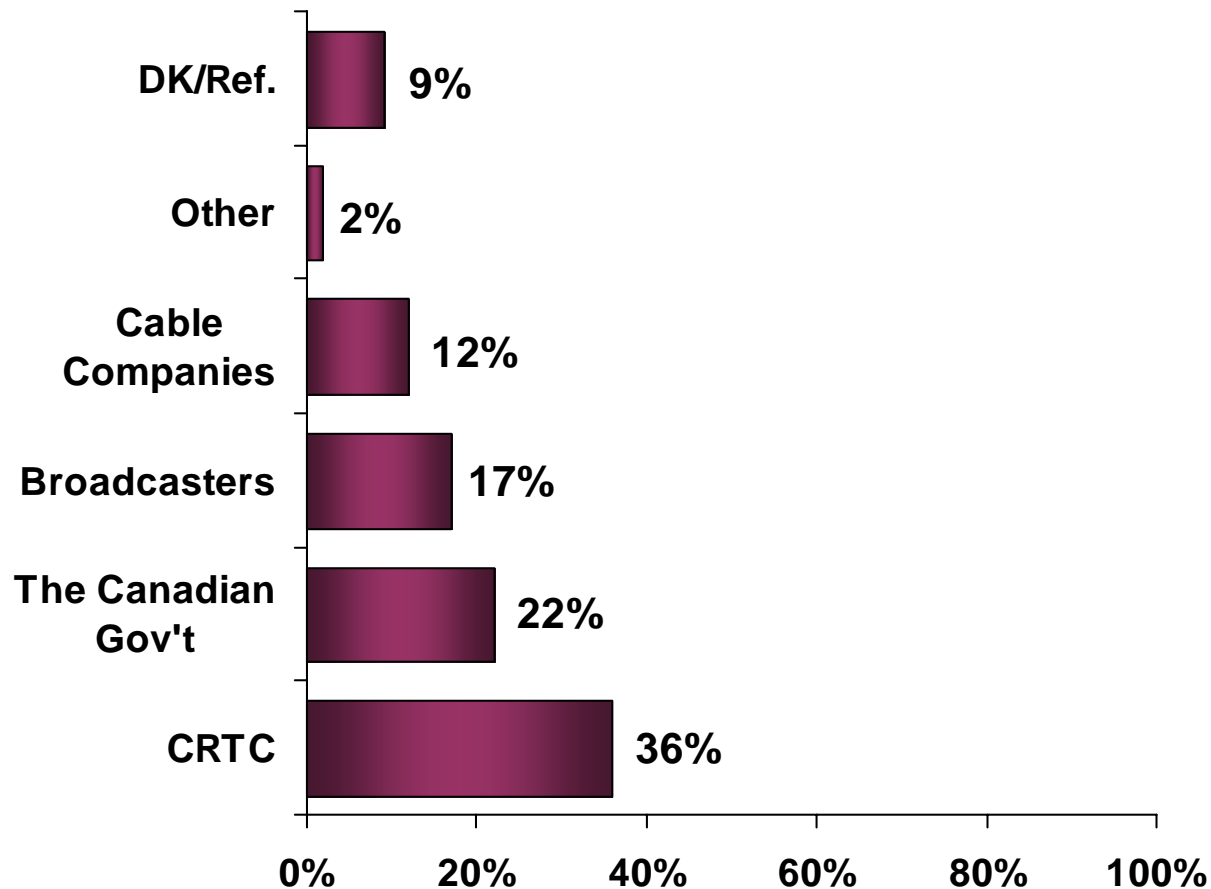


Q18A-E. Would you be in favour of replacing the following Canadian programming by foreign programming that might be more profitable to acquire by your cable or satellite provider?

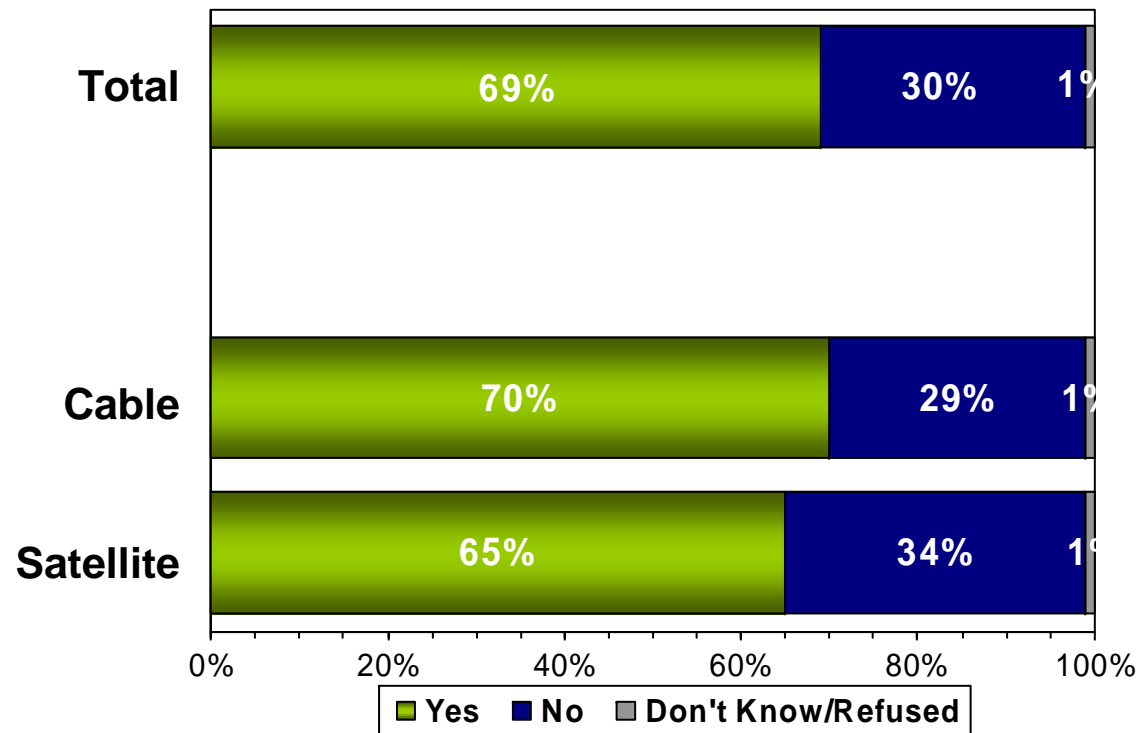
## A similar majority (57%) are against replacing Canadian comedy/drama with foreign equivalent programming



**A clear majority believe the CRTC and the federal government are responsible to ensure the viability of Canadian programming. Clearly they believe that cable companies are not...**



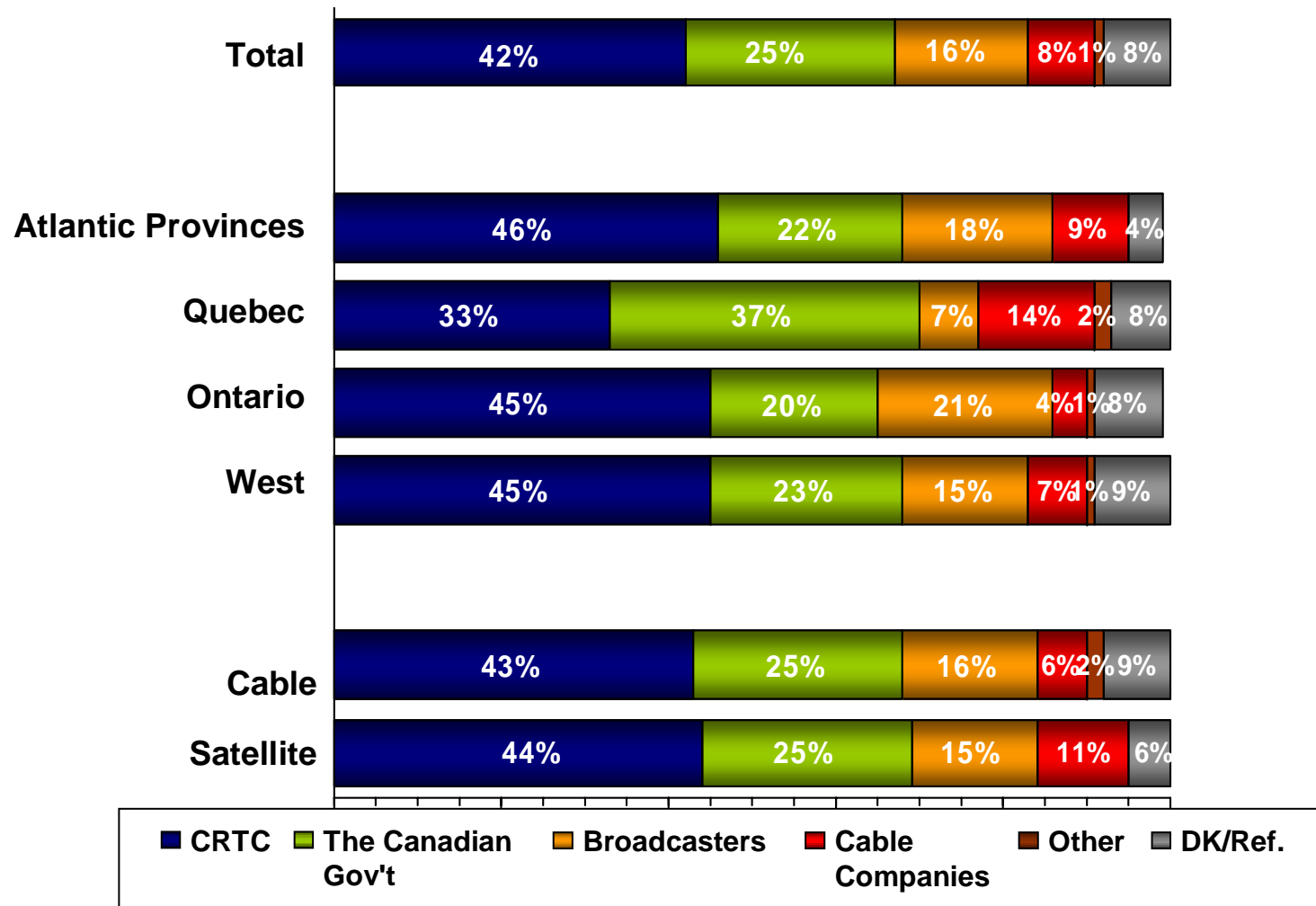
**Also a majority of respondents are aware that CRTC requires that Canadian TV services are available from cable/satellite companies**



Q17. Are you aware that the cable and satellite providers are required by the CRTC to broadcast a range of Canadian channels?

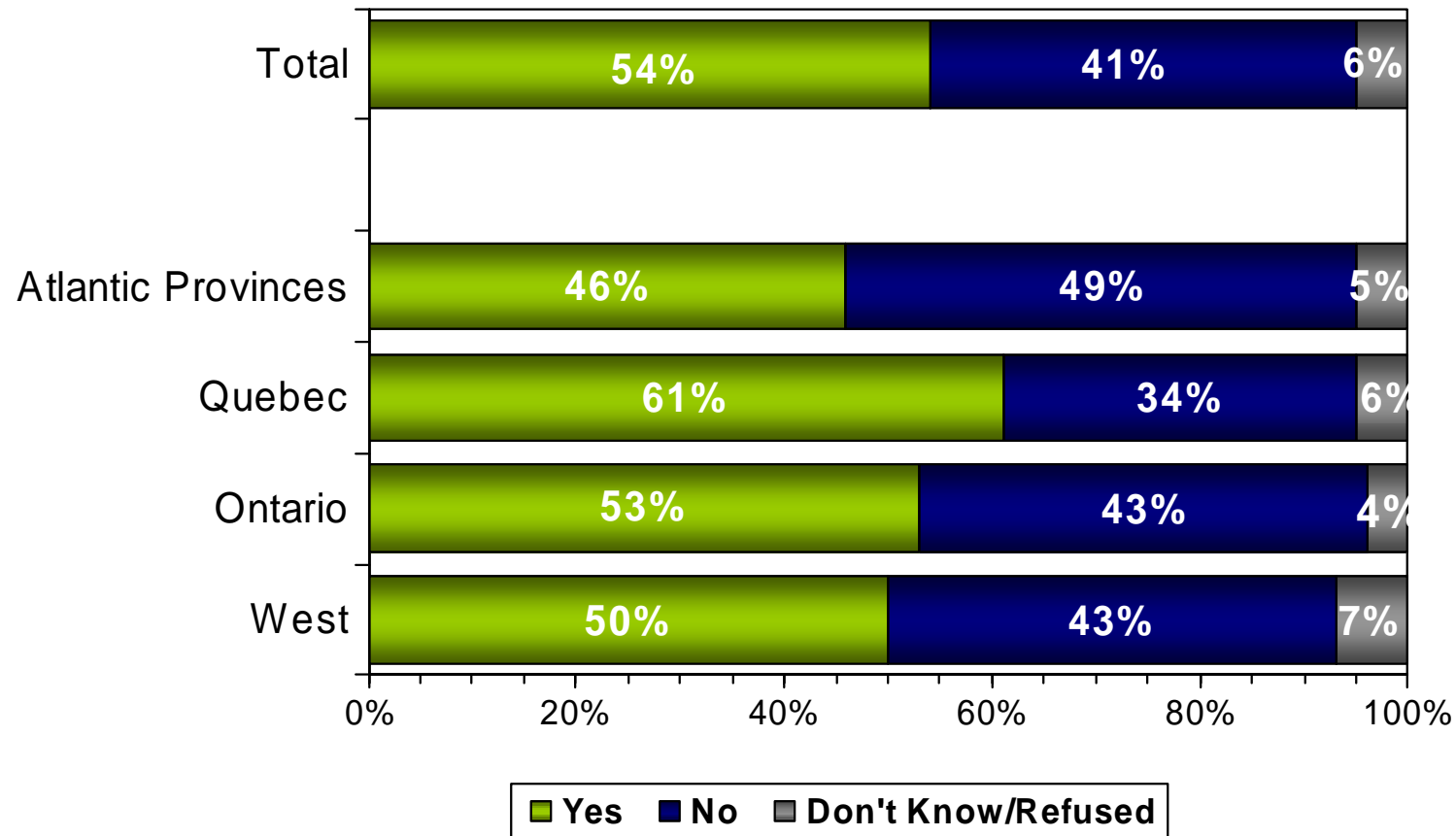


**Except among Quebecois, Canadians trust the CRTC most to preserve Canadian content on TV. In all parts of Canada the government, in combination with the CRTC, are trusted by most people**



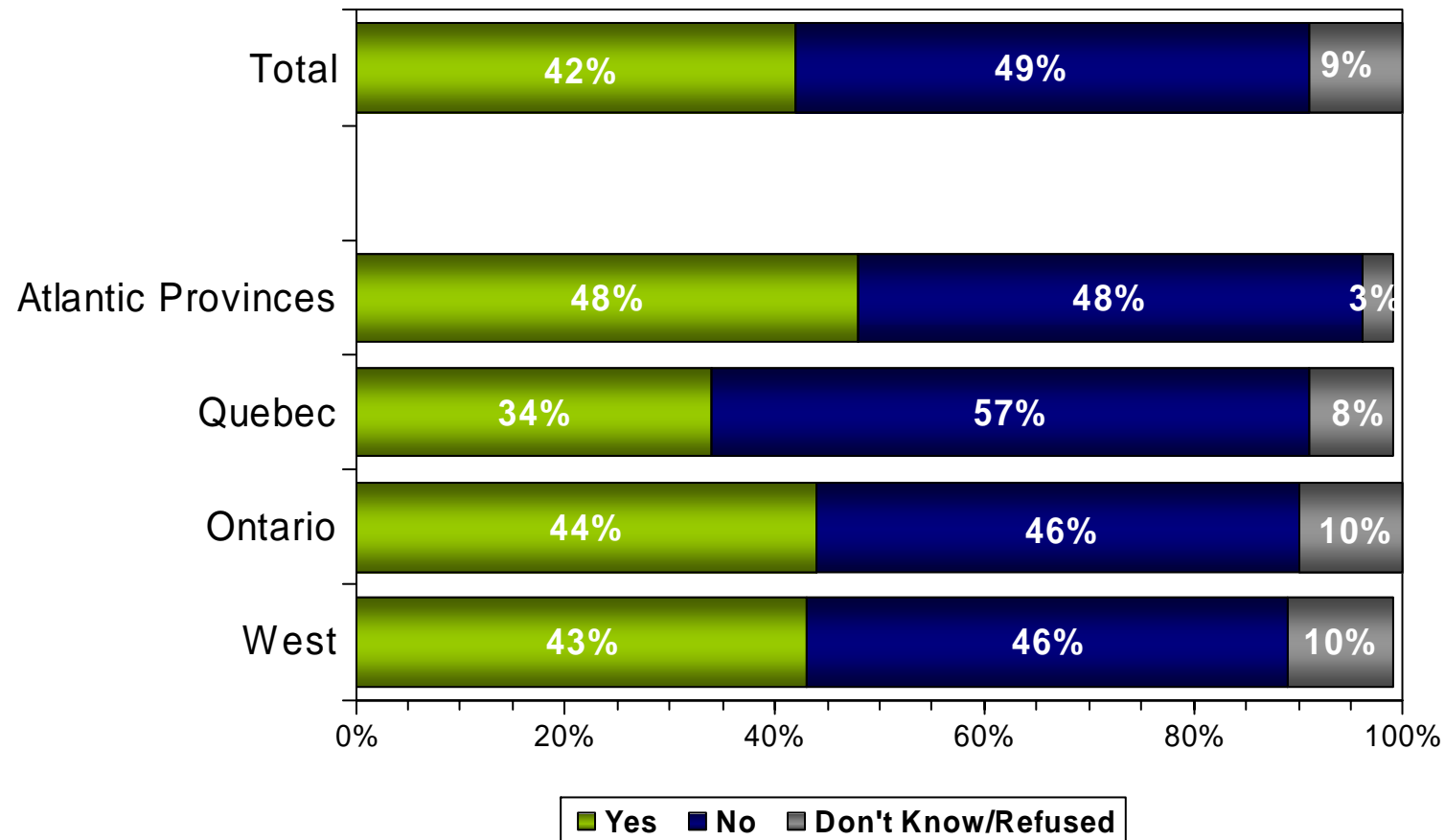
Q19. In your opinion, which one of the following organizations would you trust most to preserve Canadian culture and identity by promoting Canadian content on TV? Please select one. (ROTATE)

# A majority of Canadians would be willing to pay \$3 more per month for cable/satellite services to protect and enhance Canadian programming



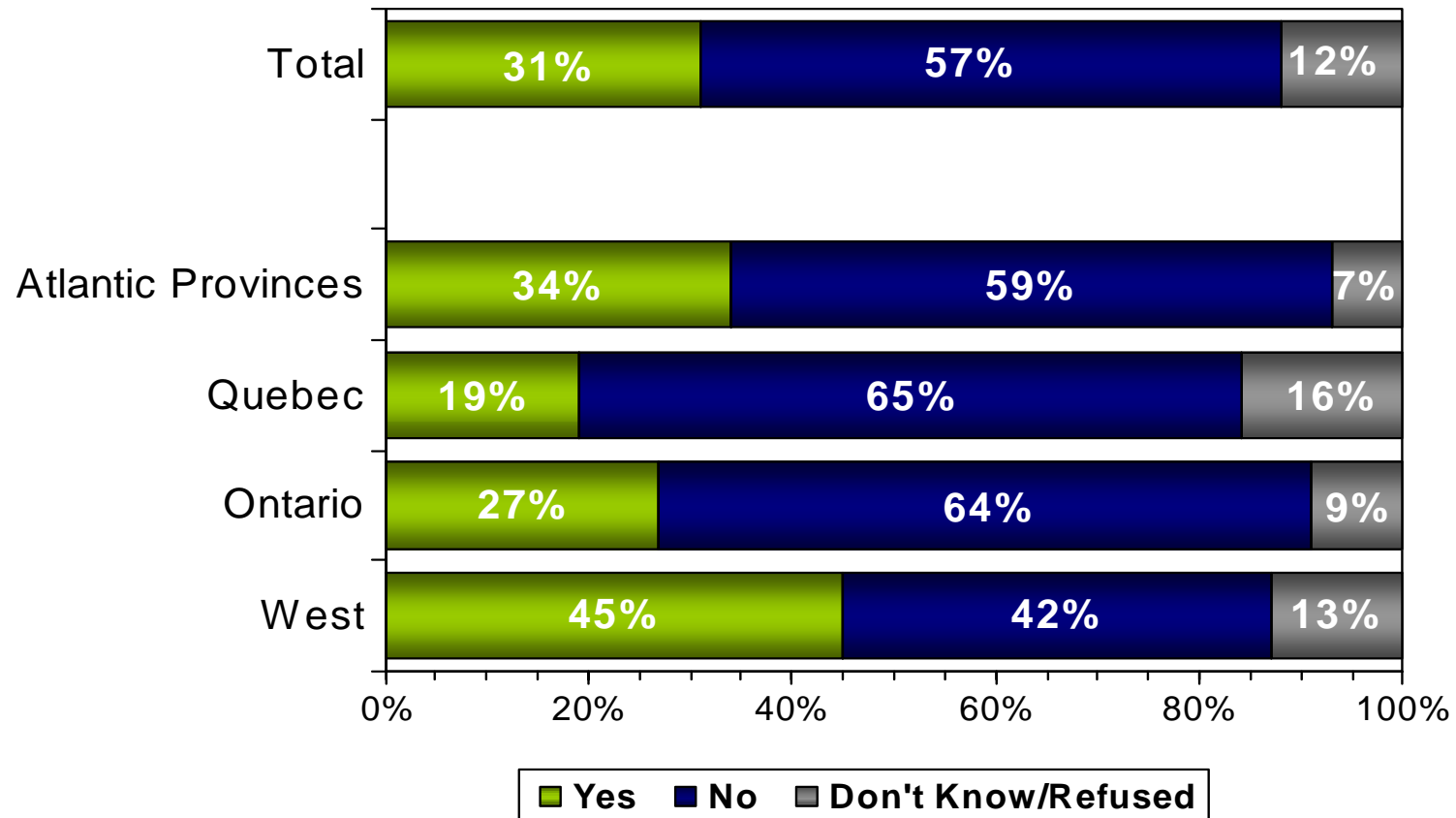
Q20. Would you be willing to pay up to \$3 more each month in cable or satellite fees to protect and enhance Canadian programming?

# A \$6 per month increase in fees would be acceptable to four-in-ten of the cable/satellite subscribers (notably fewer in Quebec and Prairies)



Q21. Would you be willing to pay up to \$6 more each month in cable or satellite fees to protect and enhance Canadian programming?

# A third of respondents would be willing to pay \$10 more per month to preserve Canadian programming

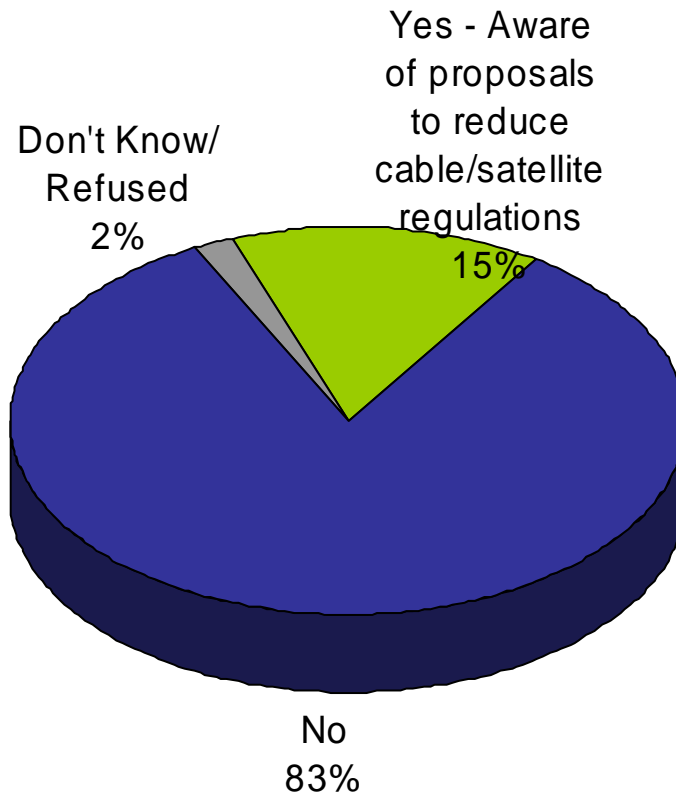


Q22. Would you be willing to pay up to \$10 more each month in cable or satellite subscription fees to protect and enhance Canadian programming?



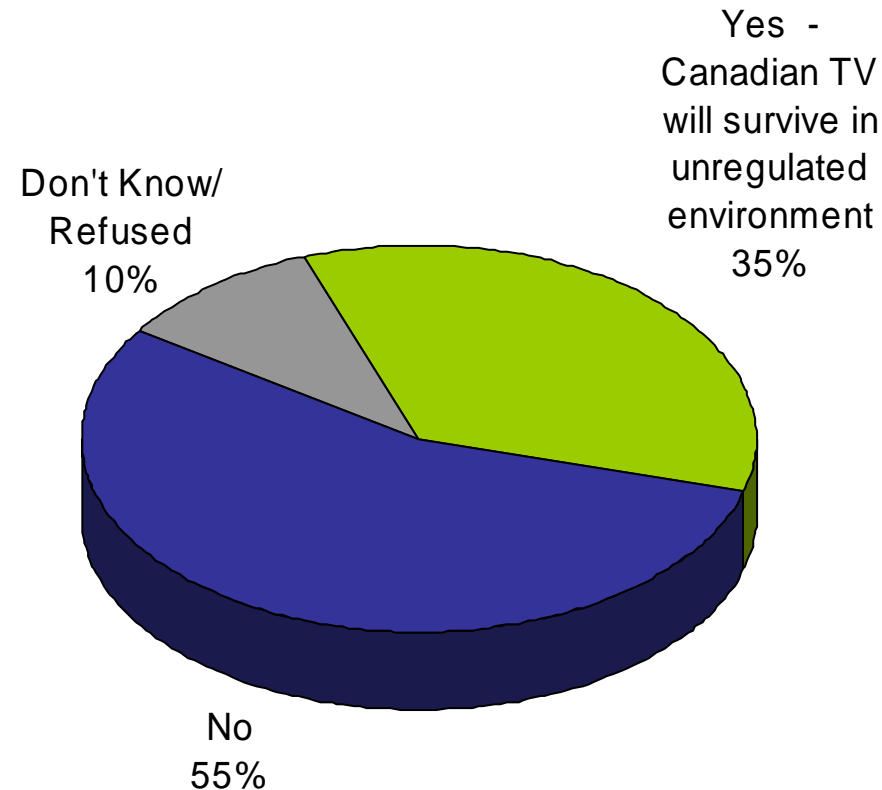
# **Opinions on the impact of reduced regulation**

# There is very little awareness amongst Canadians about the proposed reduction in regulation of cable and satellite services

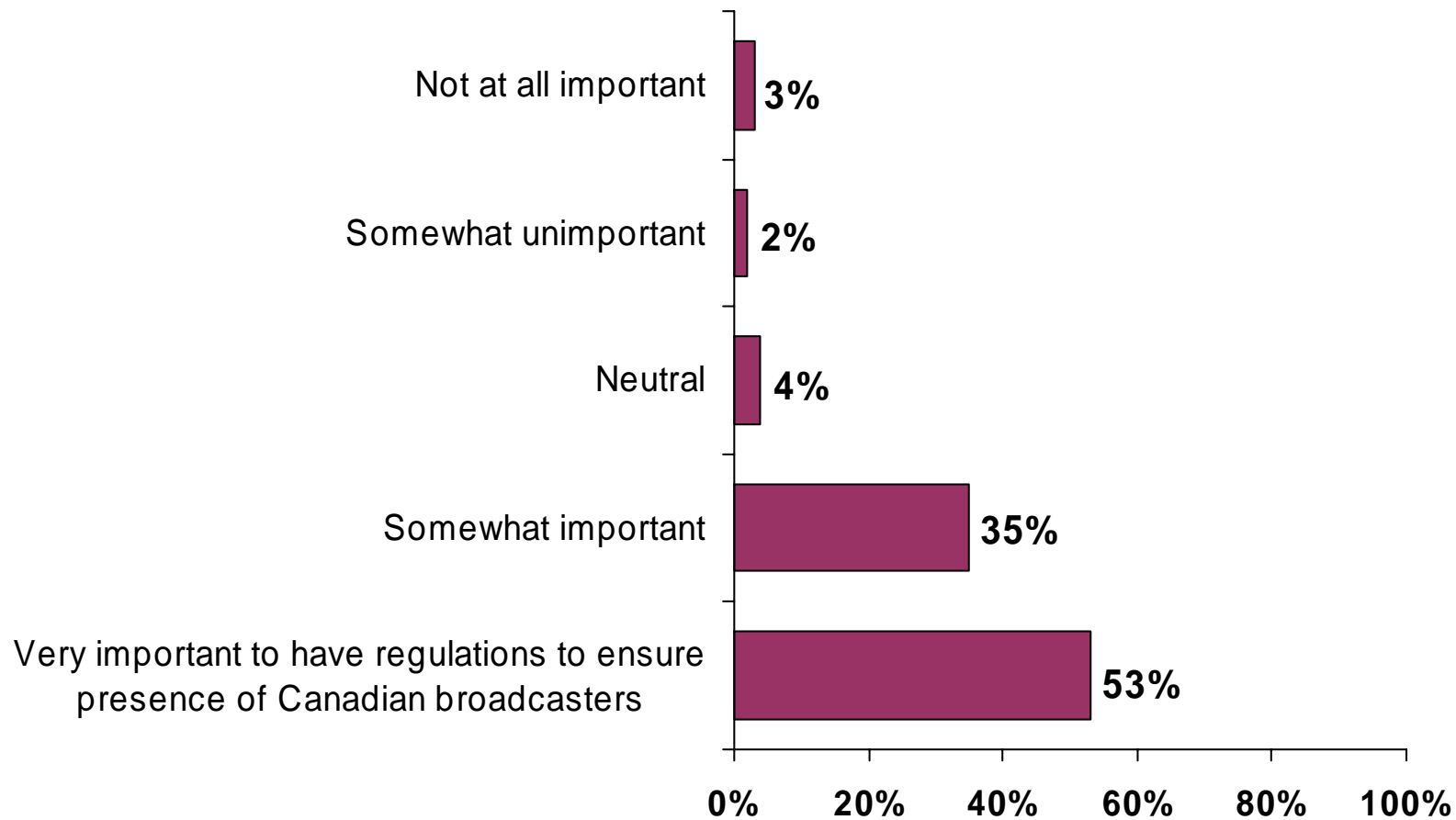


Q23. Are you aware that the Canadian Radio-Television and Telecommunication Commission has been considering a proposal to reduce regulation of the cable/satellite services - in other words, to allow cable and satellite providers to decide which channels are offered to consumers and which are not?

# Canadians believe that less regulation would have negative economic consequences for the Canadian television production industry



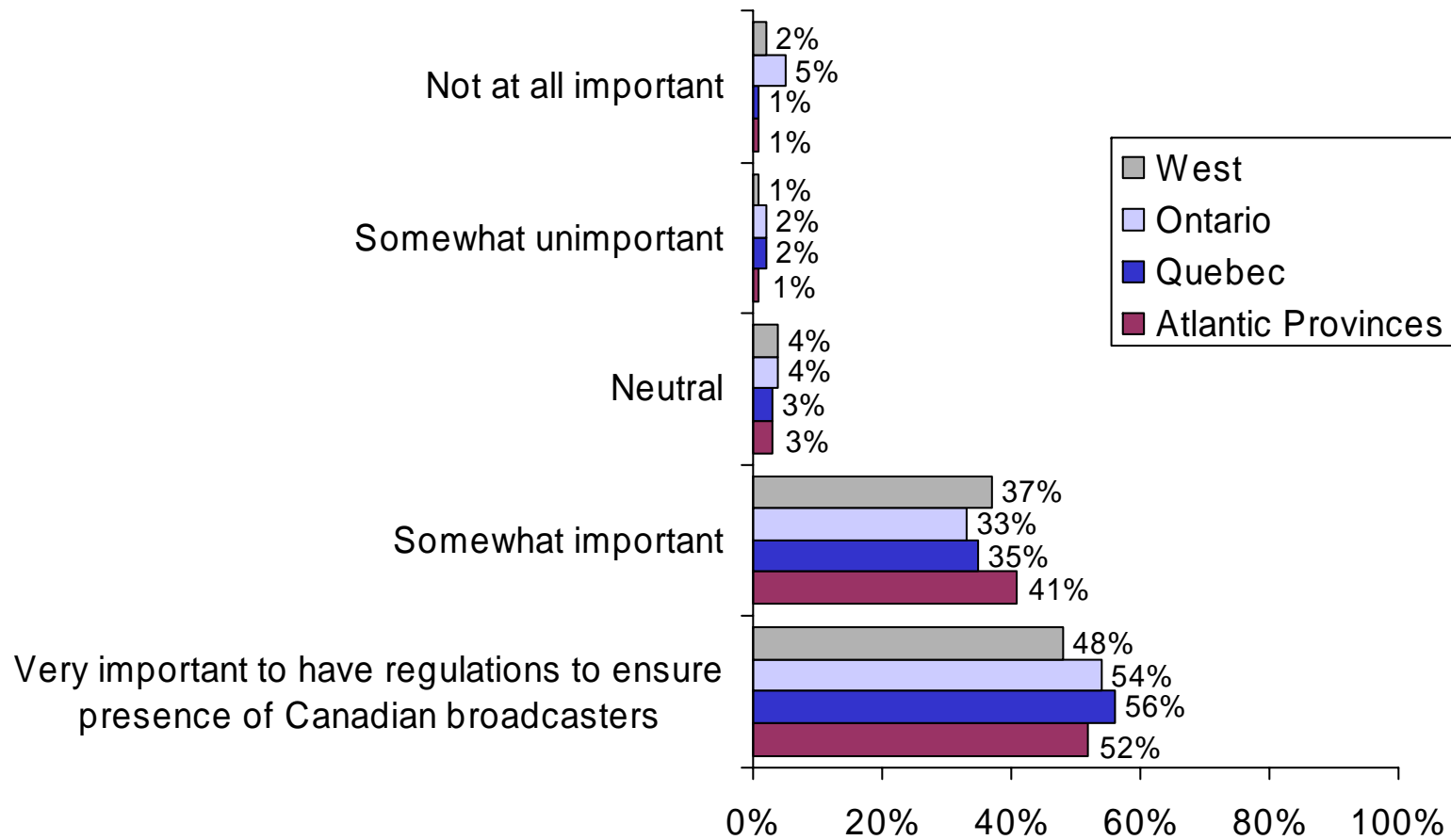
# Nearly nine in ten believe that regulations are needed to preserve independent Canadian programming on TV



Q28. In your opinion, how important is it to have regulations and/or incentives that would ensure the continued presence of independently owned Canadian broadcasters on Canadian cable and satellite line-ups?

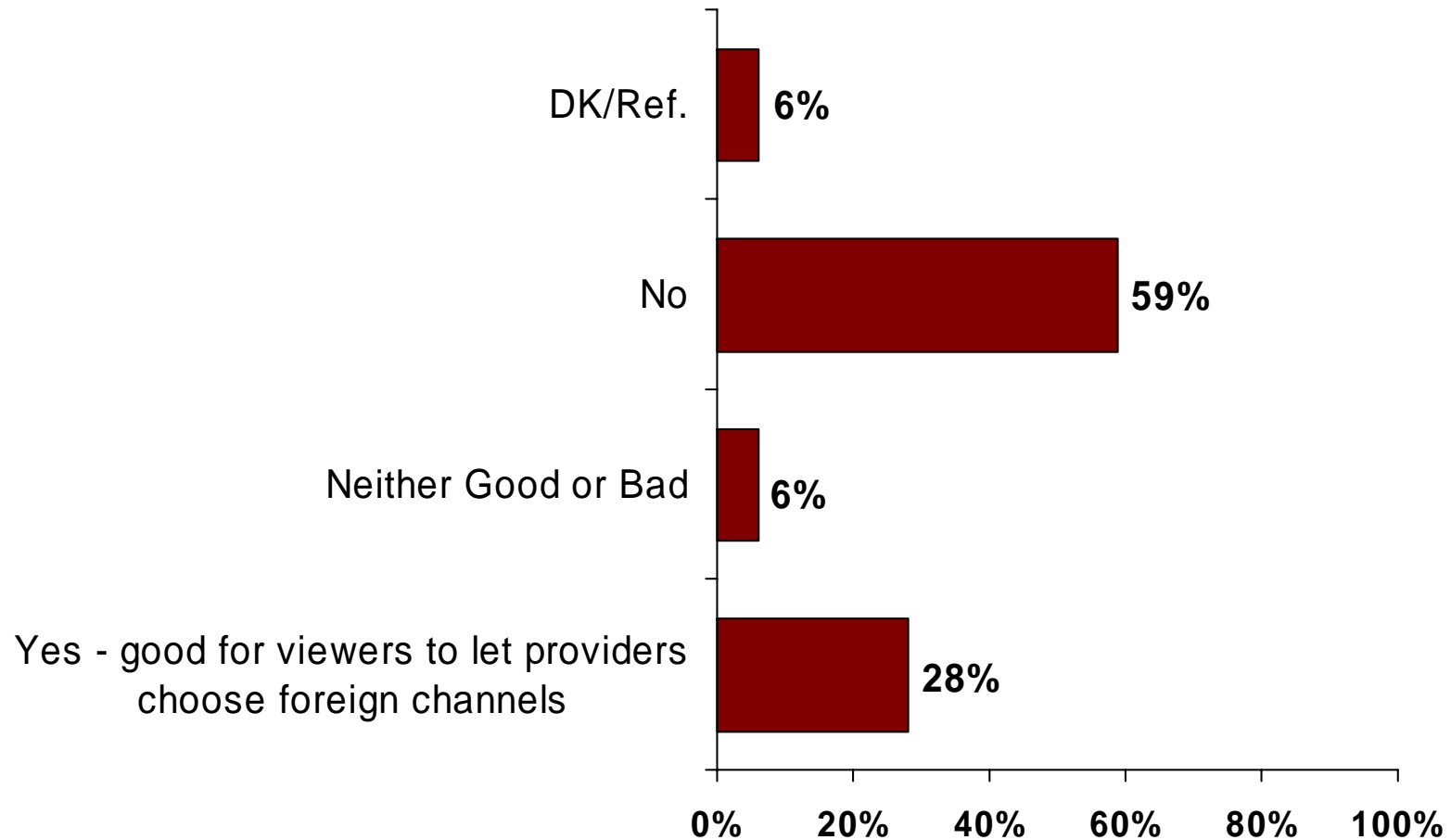


# Ontarians and Quebecois feel more strongly about the need of such regulations

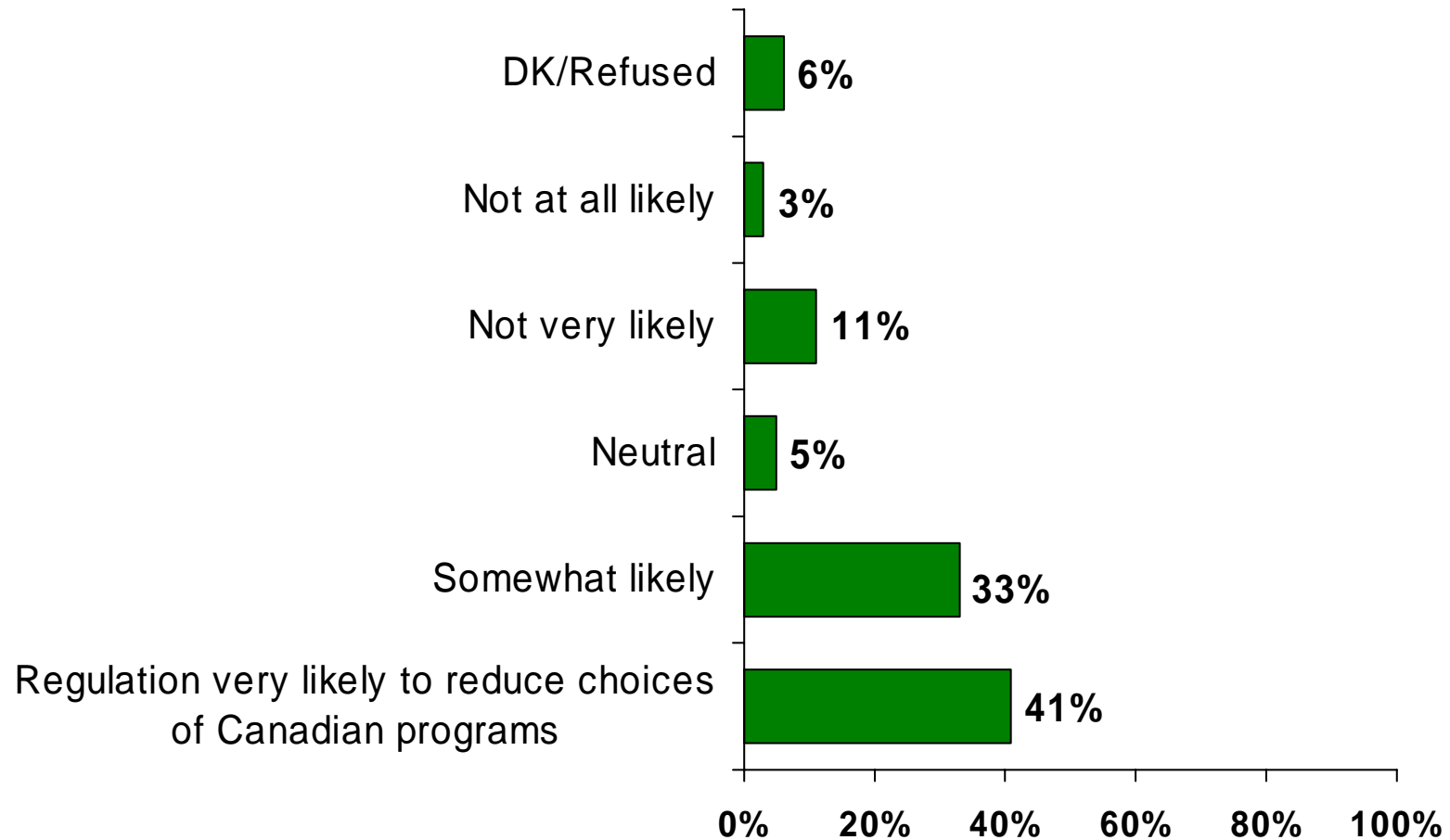


Q28. In your opinion, how important is it to have regulations and/or incentives that would ensure the continued presence of independently owned Canadian broadcasters on Canadian cable and satellite line-ups?

## Most Canadians believe viewers and listeners interests would be hurt if cable and satellite companies were allowed to choose the channel line-up

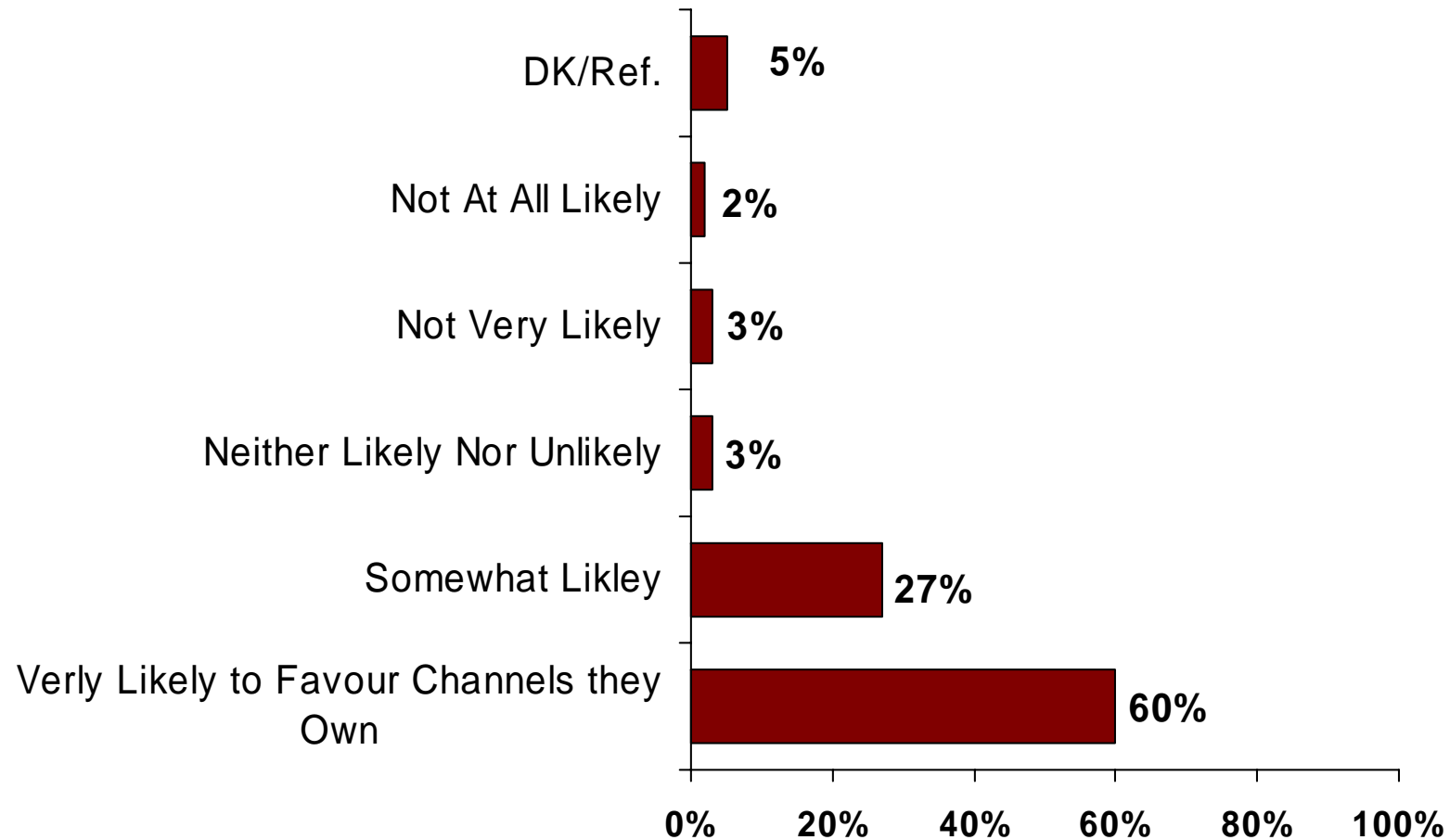


# Almost three quarters of respondents believe that less regulation is likely to have a negative impact on Canadian TV, by reducing choices of Canadian programs



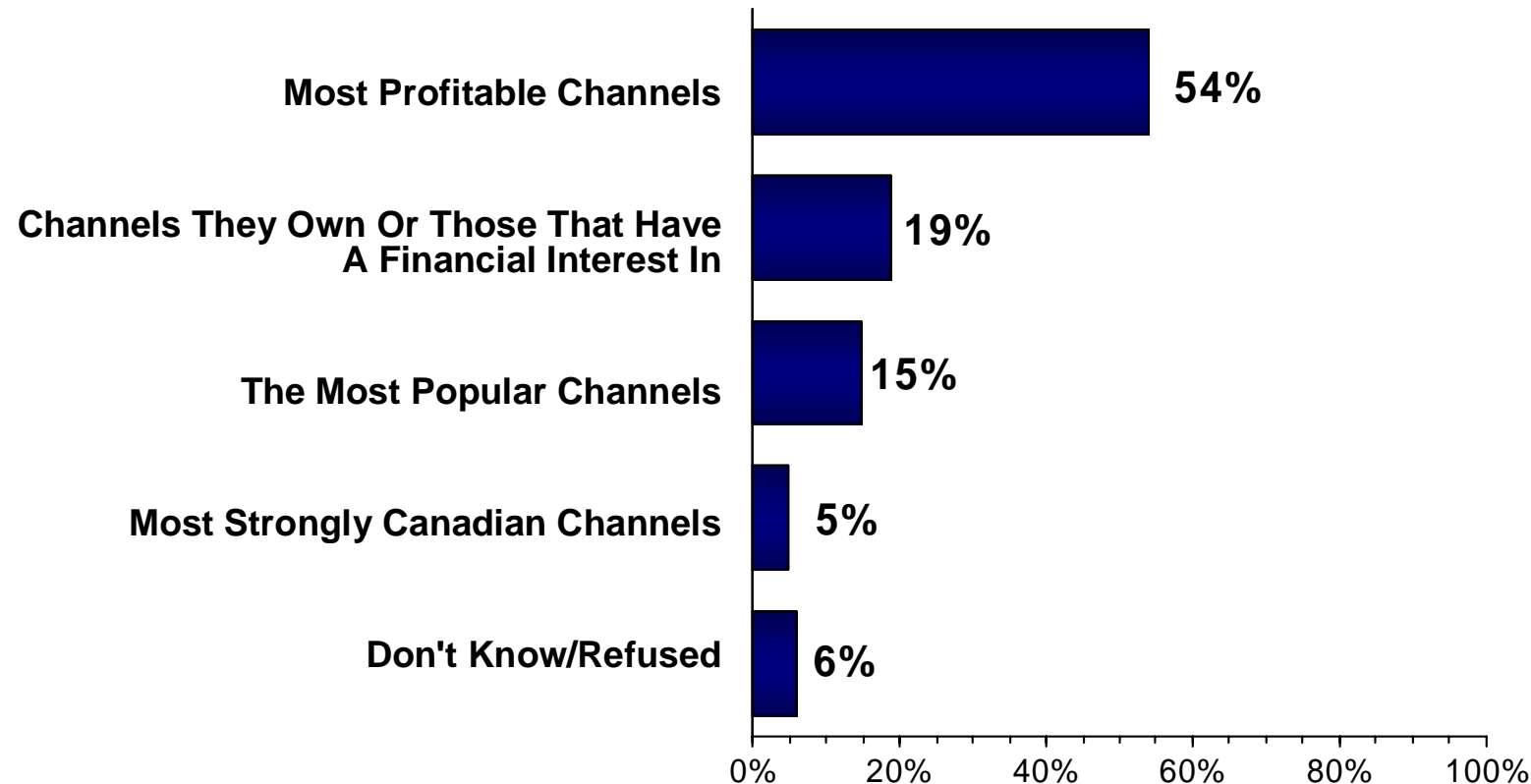
Q26. Do you think that less regulation by the CRTC is likely to reduce the choices of Canadian programs on TV?

# Six in 10 consumers strongly feel that if the industry is less regulated, their TV providers would favour their own channels over independent ones



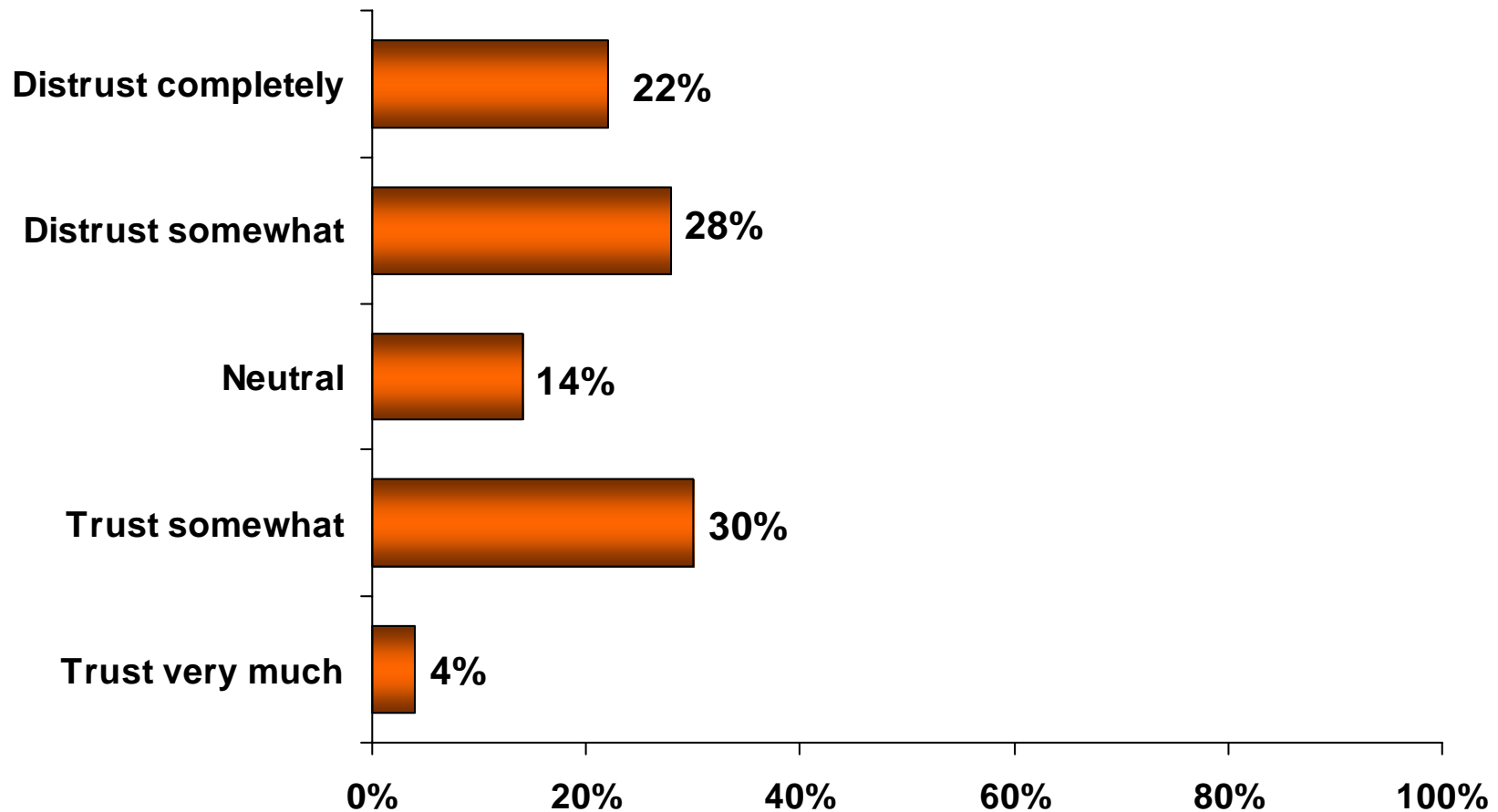
Q27. If the industry is less regulated by the CRTC, in your opinion, how likely would the cable or satellite providers be to favour channels they own over independent channels?

# Should the CRTC reduce regulation, Canadians believe that channel availability will be driven by their profitability to cable and satellite providers



Q24. If the CRTC agreed to this, how do you think those cable and satellite companies will decide which channels will be available? (SELECT ONE THAT APPLIES MOST)

# One half of respondents do not trust their cable/satellite providers to promote and deliver Canadian content



Q29. If the industry were less regulated, how much would you trust cable and satellite companies to promote and deliver Canadian channels and content?



# **Attitudes Towards Fee-For-Carriage Proposals**

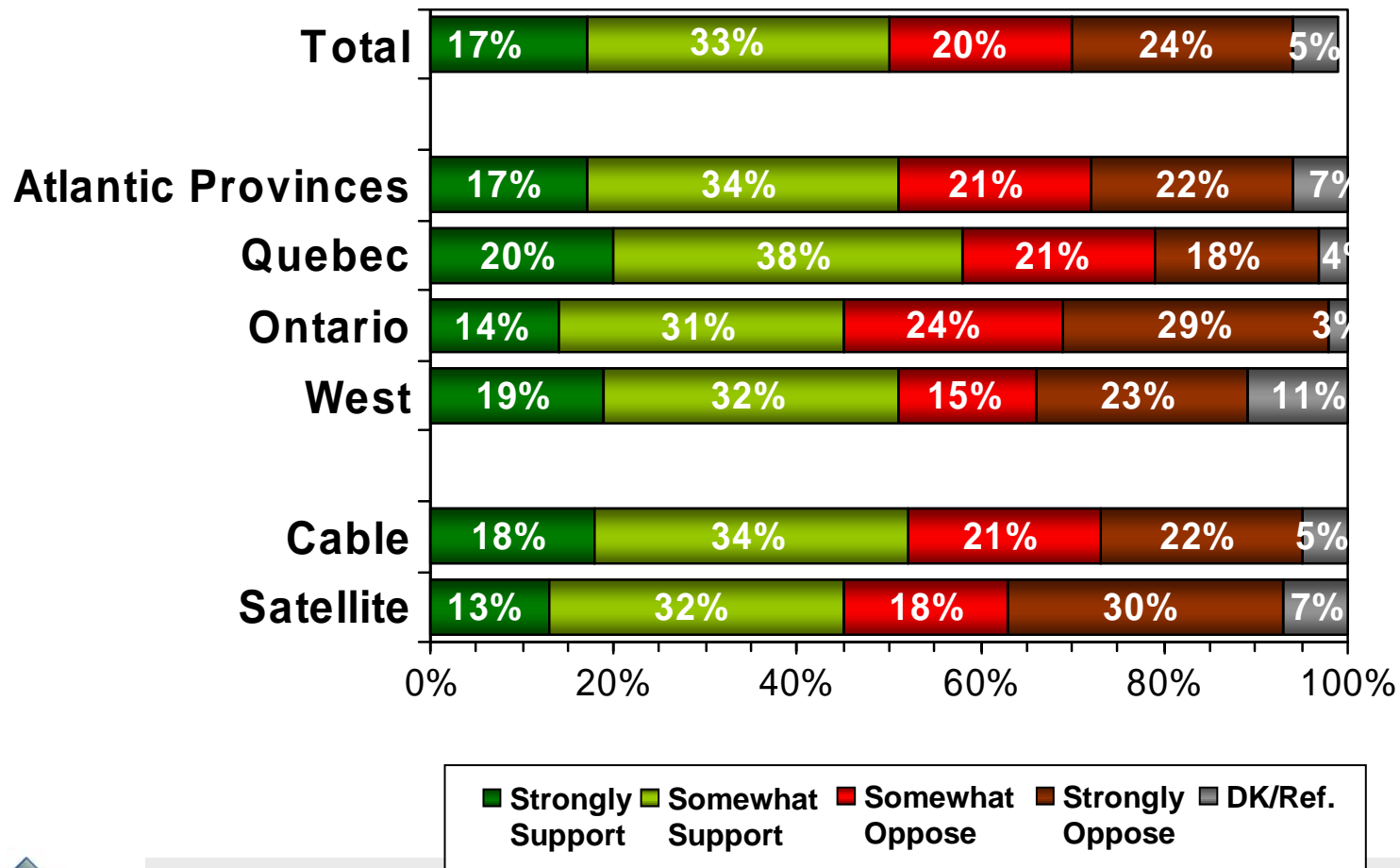
# Attitudes towards PROPOSAL 1

## Proposal 1:

Currently, your local, privately owned Canadian channels like CTV, Global and CityTV, are funded exclusively by advertising revenues. Your monthly cable or satellite charges do not currently support these stations. CRTC has been asked to consider adding a \$4 to \$5 dollar fee to your monthly cable or satellite television subscription, and this revenue would be distributed to the Canadian channels I mentioned. This money would be used to support and enhance Canadian programming. These channels would still be available at no cost for those who use an antenna. How would you describe your opinion towards this proposed charge?



**One half of subscribers support Proposal 1, with cable customers giving it a stronger backing than satellite subscribers. It received the strongest support in Quebec and the Western provinces**



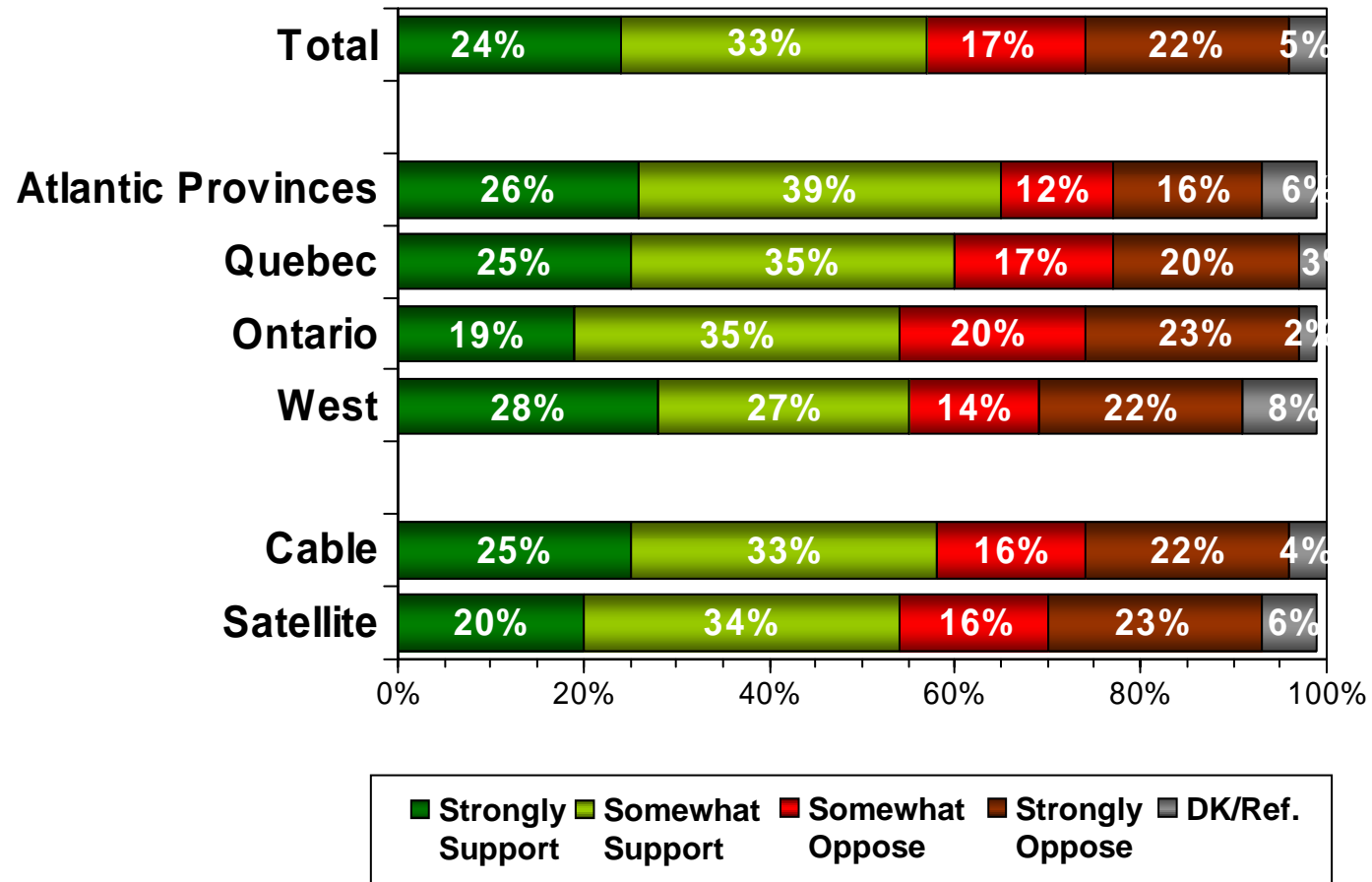
Proposal 1

# Attitudes towards PROPOSAL 2

## Proposal 2:

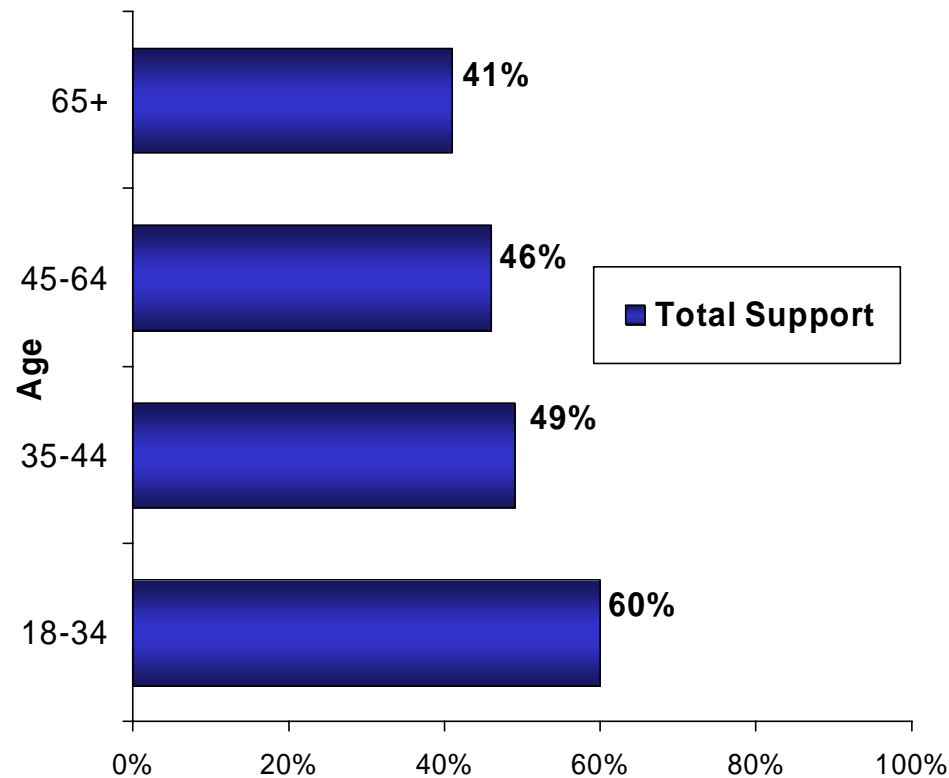
Currently, the main CBC/SRC (Radio Canada) channel on basic cable and satellite services is funded through tax revenues and advertising. None of your monthly cable or satellite charges goes towards supporting the main CBC/SRC channel. CRTC has been asked to consider adding a \$1 dollar fee to your monthly cable or satellite television subscription, which would be used to enhance Canadian content on CBC television. This channel would still be available at no cost for those who use an antenna. How would you describe your opinion towards this proposed charge?

**The second proposal received an even higher approval rates of 57% nation-wide, with cable subscribers again giving it higher support levels than satellite TV customers**

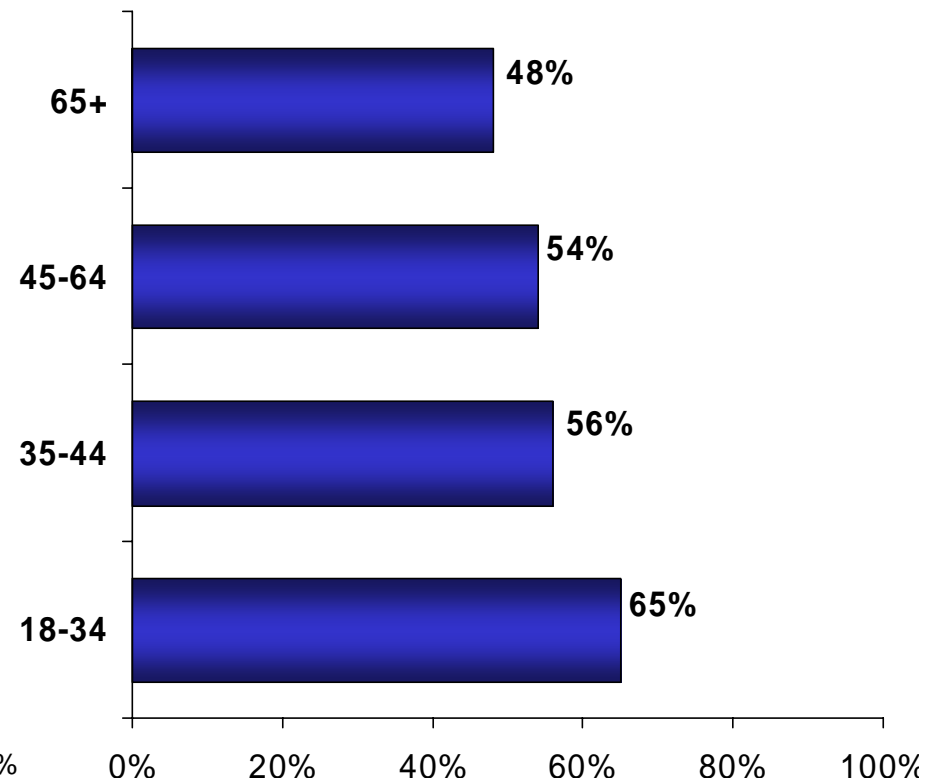


# Younger Canadians appear more positive towards the proposed fees, although the second proposal attracts more support

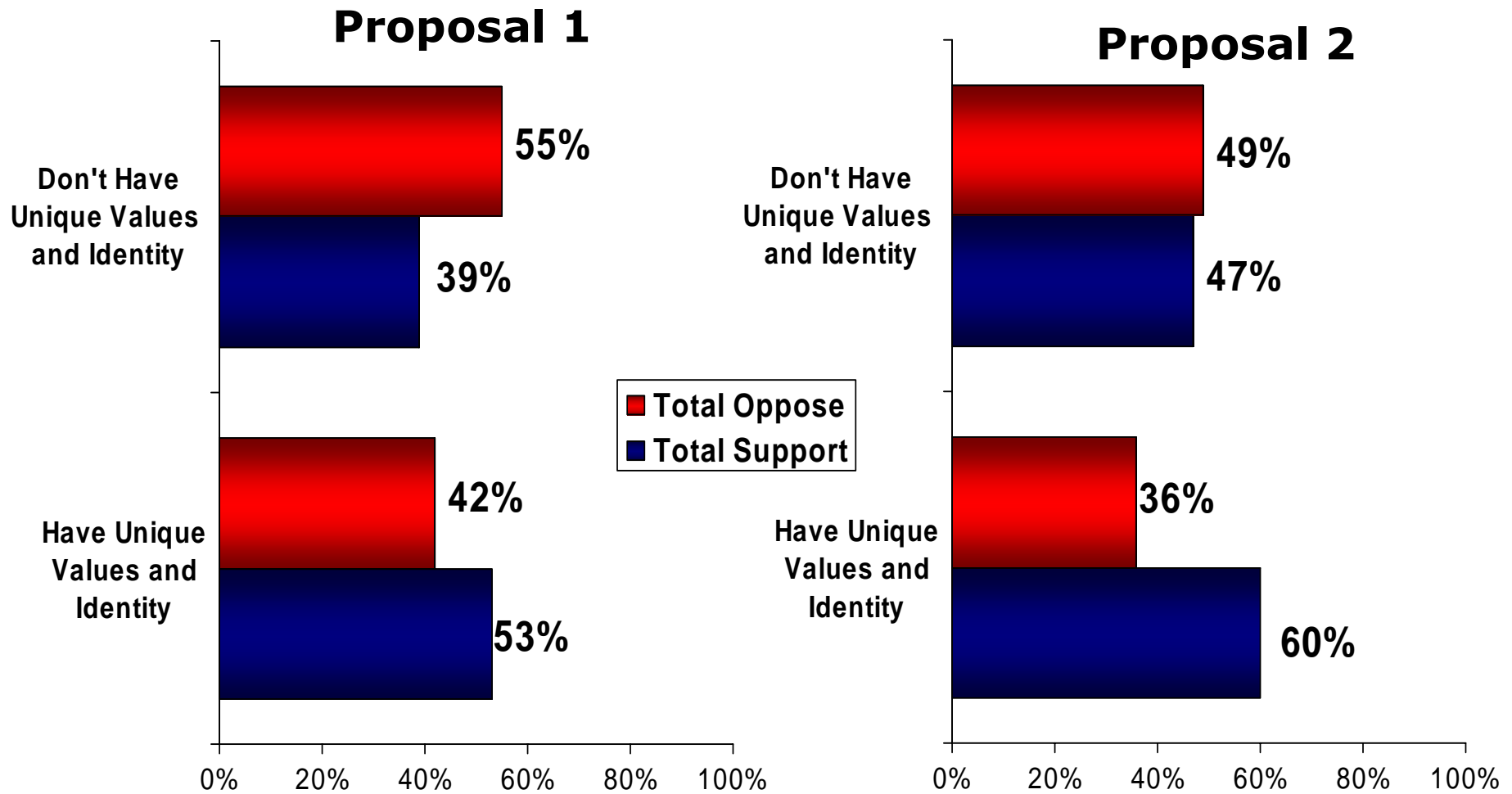
## Proposal 1



## Proposal 2



# Not surprisingly, Canadians who feel more strongly about their Canadian identity are more likely to support the proposals that deal with preserving that identity

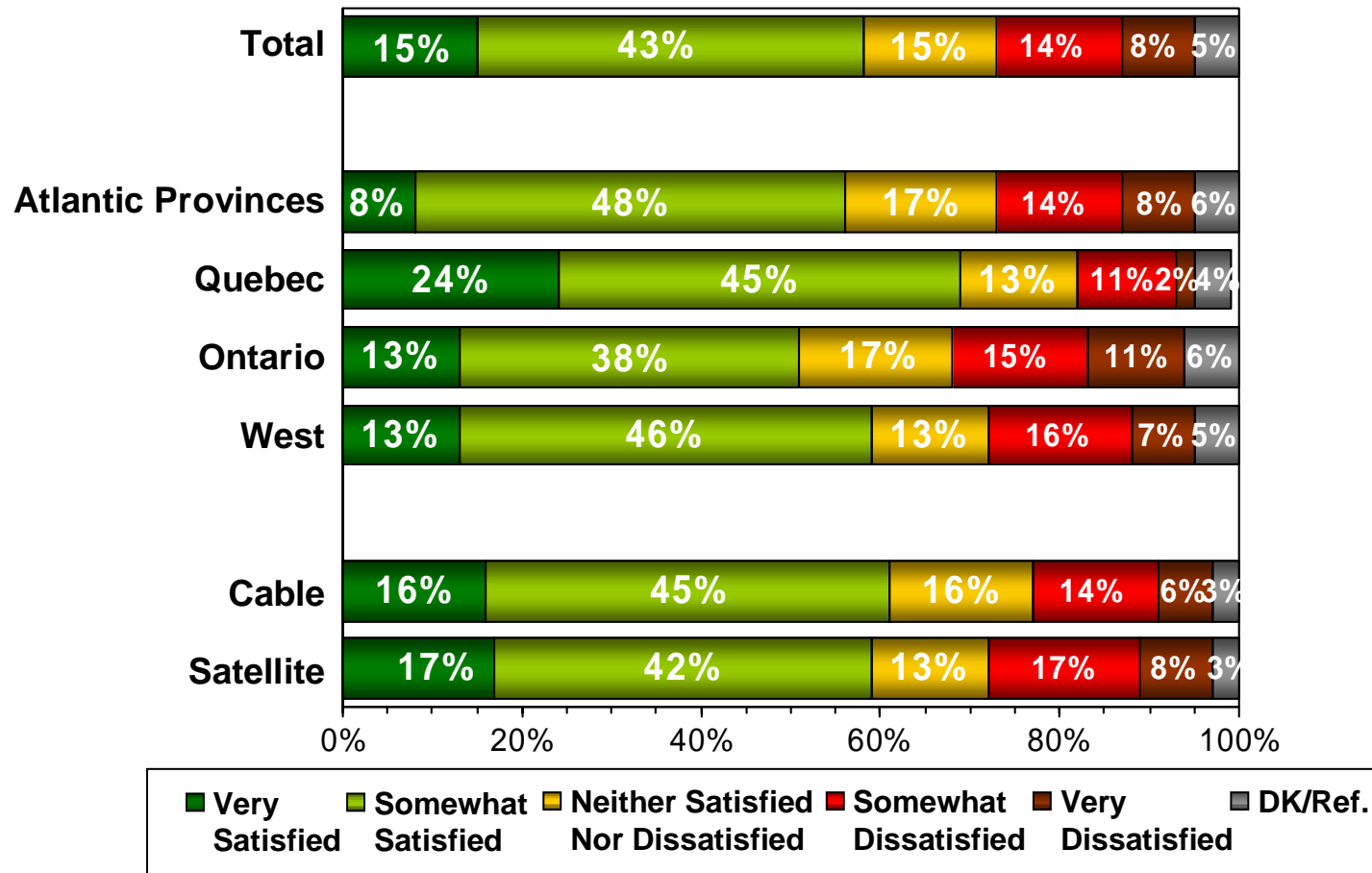


Q12. Do you feel that as a Canadian, you have unique values and identity?



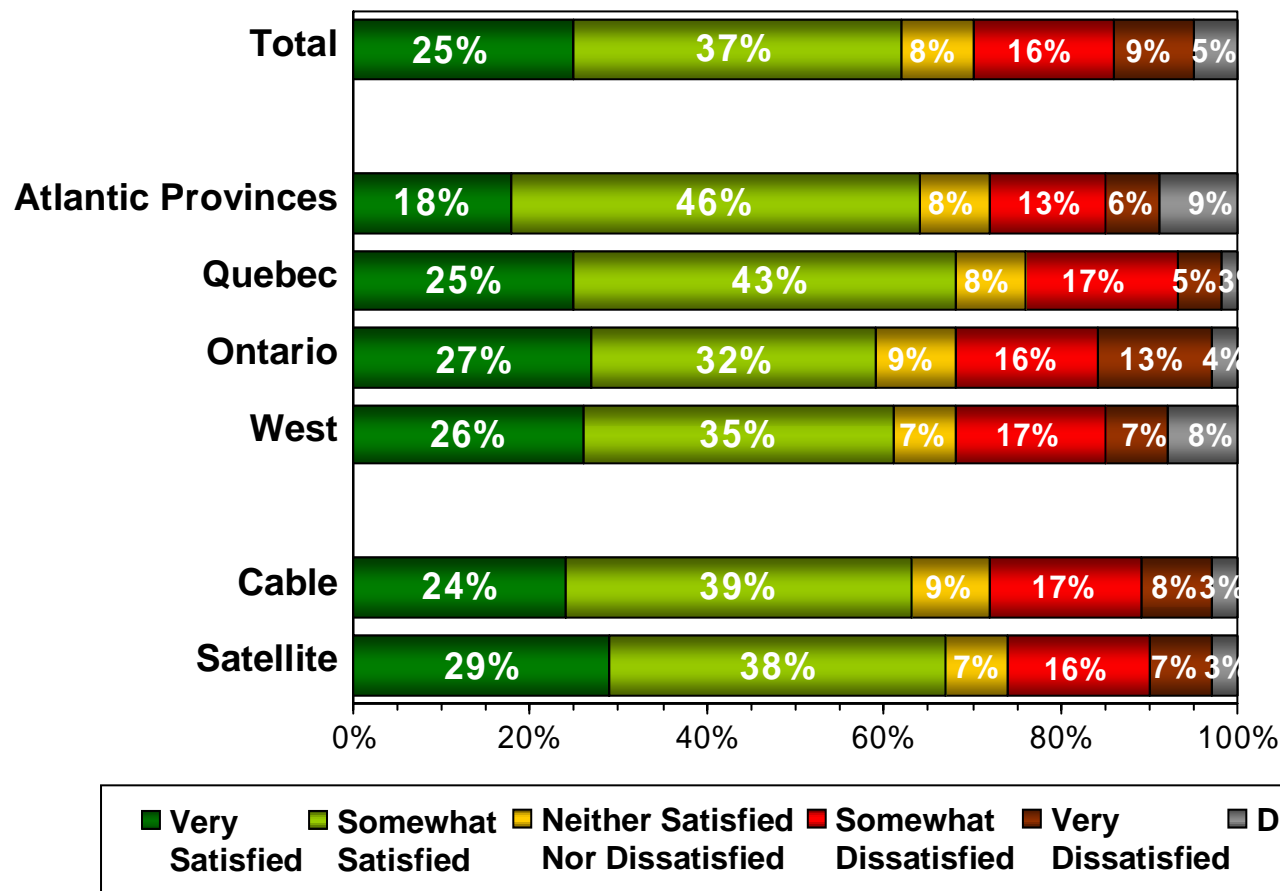
# **Satisfaction with cable and satellite providers**

**Satisfaction with cable/satellite pricing is reasonably high, with nearly two-thirds claiming satisfaction. Quebec subscribers are significantly more pleased with their prices than customers elsewhere**



Q31A-D. We would now like to ask you about your cable or satellite provider. How would you rate your overall satisfaction with your cable or satellite provider on the following attributes: PRICING

**Again, about two thirds (62%) claim satisfaction with the programming packages their providers offer, indicating little reason for providers to alter that programming. That appears to be nothing broken...**

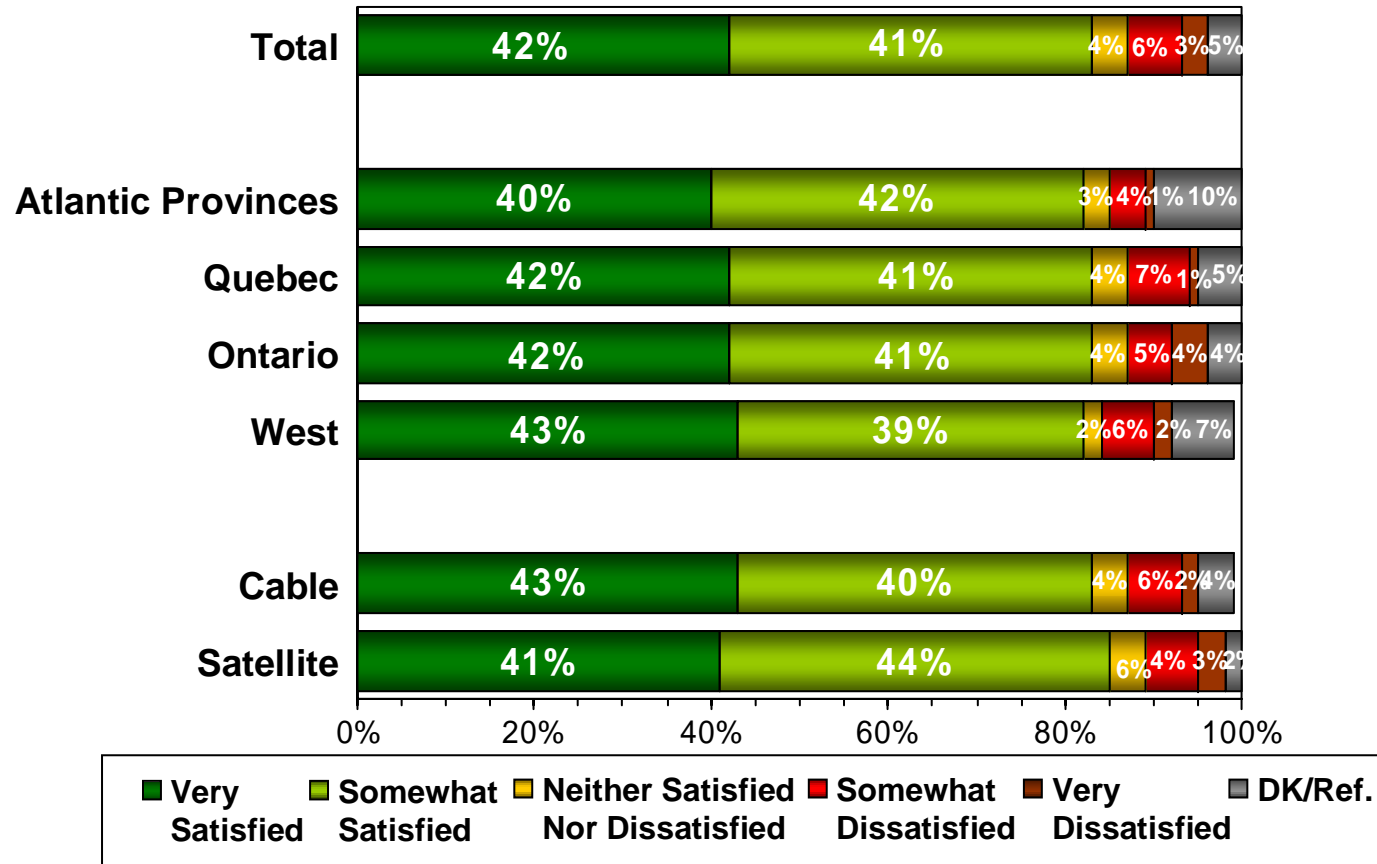


Q31A-D. We would now like to ask you about your cable or satellite provider. How would you rate your overall satisfaction with your cable or satellite provider on the following attributes: PROGRAMMING PACKAGE SELECTION



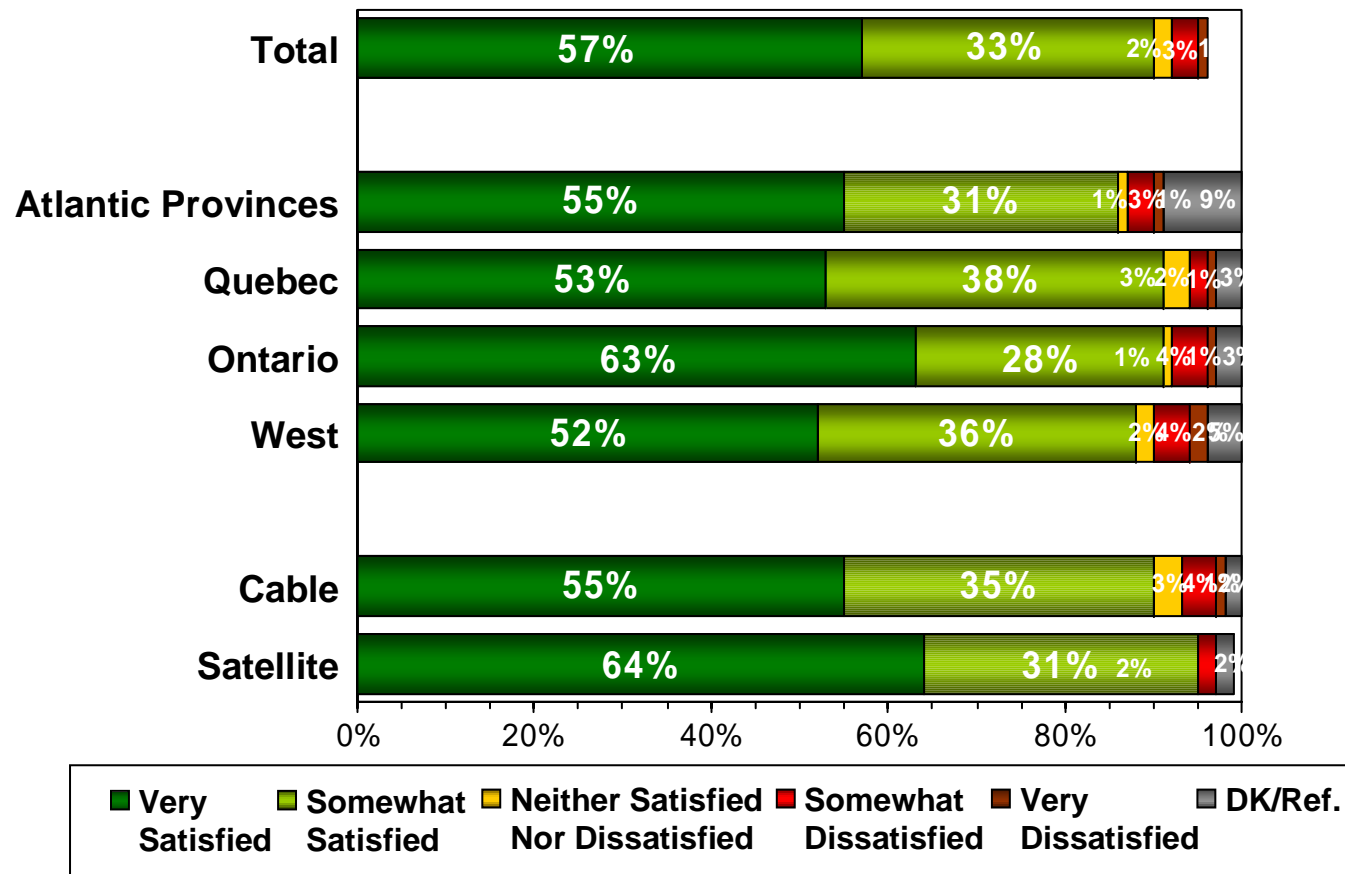


# Reliability is very high across the board, at 83% nationally



Q31A-D. We would now like to ask you about your cable or satellite provider. How would you rate your overall satisfaction with your cable or satellite provider on the following attributes:

# Picture and sound quality receive high ratings (90%) regardless of region and type of service



Q31A-D. We would now like to ask you about your cable or satellite provider. How would you rate your overall satisfaction with your cable or satellite provider on the following attributes: PICTURE AND SOUND

# Conclusions

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- Canadians have a strong sense of national identity and want their TV programming to reflect and support that identity and values.
- Canadians believe that less regulation of the cable/satellite TV industry might be disadvantageous to Canadian presence on TV in several ways.
- The public's satisfaction with the cable and satellite providers as *service* providers is high, but Canadians do not trust those companies to protect Canadian culture.
- The trust to ensure the survival and success of the Canadian-created content is bestowed upon the CRTC and the federal government.
- This high level of satisfaction with the cable and satellite providers, combined with the clear identification of the CRTC and the government as guardians of the values and identity, demonstrate little need to change the status quo – it is not broken, and Canadians see no need for any 'fix'.
- At least one half of Canadians also declare willingness to pay more for the programming that is currently available for free, in order to support Canadian identity on TV.



**Robert Hutton**

101 Yorkville Avenue, Suite 301  
Toronto, Canada M5R 1C1  
Tel: 416.921.0090 / Fax: 416.921.3903  
[www.pollara.com](http://www.pollara.com)