Protecting Consumers Means Understanding and Supporting Children and Families

Submission by Agnes Augustin
President & CEO
Shaw Rocket Fund

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Suite 210, 2421 - 37th Ave NE Calgary, AB T2E 6Y7 • P. 403-750-4517 F. 403-750-4635
www.rocketfund.ca

Executive Summary and Introduction

"Families are the cornerstone of our society. Families raise our children and build our communities. As our families succeed, Canada succeeds."

Speech from the Throne, October 16, 2013.

The evolution of media has created endless opportunities to educate, influence, and entertain our children through exciting interactive television and digital content, which now form part of kid's everyday lives. The Shaw Rocket Fund (Rocket Fund) is a not-for-profit organization and the only dedicated fund in Canada that supports media specifically for children, youth and families.

While strong communities are built on the foundation of strong families, it has been said that it takes a community to raise a child and in today's world that community now includes all sectors of media. The Rocket Fund is dedicated to ensuring that children have access to high-quality Canadian-made media that represents Canadian values, reflects our diversity and respects who they are as citizens of this country – within a framework that benefits consumers and supports Canada's economic growth.

The Shaw Rocket Fund believes that an opportunity exists to re-engage Canadian youth in an expanded research project that takes a longer-term view of how they consume and engage with their media. As a tool to better guide efforts going forward, updated research will ensure that we are appropriately and effectively reaching our children in a manner that respects and speaks to them. This research will be of enormous benefit to the federal government as it advances its own initiatives and outreach activities to Canadian youth.

Given the Rocket Fund's extensive experience with programming for children and youth, we believe that understanding children's viewing habits (and by extension the viewing habits of Canadian families) are critical to the success of many aspects of the federal government's key priorities, including its economic objectives, its trade and investment attraction agenda and its pro-consumer initiatives.

The Shaw Rocket Fund hopes to work with the Government of Canada to develop a research project that would include both quantitative and qualitative analysis over a five-year period. The total cost for this project would be $1,250,000 over five years or $250,000 per year.

Putting Consumers First Means Putting Kids First

The Speech from the Throne includes a commitment to unbundle cable services and offer a pick and pay model, in the name of supporting and protecting Canadian families as part of a "consumer's first" agenda.

We believe children's viewing habits are critical to the success of the Let's Talk TV initiative which resulted from this government directive. While these issues are not the primary focus of this pre-budget submission, the Rocket Fund looks forward to advancing the recommendations it submitted to the CRTC on June 25, 2014 as well as during the in-person hearings that the Rocket Fund will participate in on September 8, 2014.

The Importance of Understanding How Children & Youth Consume Media

Today, children represent approximately 21 per cent of the Canadian population[1]. And while current research and statistics that seek to understand the media habits of Canadian children and youth are extremely limited, the research that does exist shows clearly that children and youth are media and technology savvy like never before. MediaSmarts (Canada 2014) states that 82 per cent of Canadian Grade 9 students own a mobile device/smart phone, with 52 per cent in Grade 7 and 25 per cent in Grade 4.[2]

Given we know that 80 per cent of Canadian students use their personal electronic devices in the classroom to conduct research for assignments and that half of teens in 2012 had streamed television programs (52 per cent) with 46 per cent watching full length movies,[3] it can be assumed that Canadian kids today are watching more long-form drama on their devices than ever before. This is supported by the fact that Canadian children represent 21 per cent of overall Internet users in our country[4] and Canada remains a leader in internet usage with 86.8 per cent penetration, ranking 16th out of 211 countries and outranking the 28th placed US.[5]

Furthermore, from a consumer standpoint, it is not surprising that children today have a significant say and sway when it comes to family purchases.[6] In the US the following was reported:

> 71 per cent of parents say they solicit opinions from their kids regarding purchases. Nearly all let the kids weigh in when what's being bought is mainly for the kids themselves, but more than two-thirds of parents take their kids' views into consideration when making family purchases.
>
> The temptation here might be to spout off about indulgent American parents, but it turns out that giving deference to the smallest members of the household is a global phenomenon, studies from Israel, India and the Philippines show.
>
> Companies love when parents hand over the purchasing reins to their kids because that's money in the bank today and a down payment on the next generation of customers.

Looking to the future, PwC forecasts the following general trends in their Media Outlook Report[7].

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[1] Statistics Canada 2011 Census – Canadian Population 33,476,688 *less* Let's Talk TV: Quantitative Research Report – Weighting 26,502,270 adults 18+ based on 2011 Census, resulting in 6,974,418 or 20.83% of the population 0-17

[2] Steeves, Valerie. (2014) Young Canadians in a Wired World, Phase III: Experts or Amateurs? Gauging Young Canadians' Digital Literacy Skills: MediaSmarts

[3] Steeves, Valerie. (2014) Young Canadians in a Wired World, Phase III: Experts or Amateurs? Gauging Young Canadians' Digital Literacy Skills: MediaSmarts

[4] Statistia.com, Distribution of Internet Users in Canada (Q4, 2013). Statistia.com Sources include market research reports from sources from Ipsos Media, Simmons Consumer Studies, Scarborough Research, as well as trade publications, scientific journals and government databases.

[5] Percentage of Individuals using the Internet 2000-2012, International Telecommunications Union (Geneva, June 2013)

[6] American Families Increasingly Let Kids Make Buying Decisions, March C White (Time Magazine Online, April 11, 2013)

[7] Global entertainment and media outlook, 2014-2018; PwC, Informa Telecoms & Media

- Internet access will generate more consumer spending than any other media product or service in the next five years: Total Internet access revenue will grow at an impressive 9% CAGR from US$413.8bn in 2013 to US$635.5bn in 2018.

- More than 300bn apps will be downloaded in 2018: The number of apps downloaded globally every year will increase at a CAGR of 29.8% from 82bn in 2013 to 303bn in 2018, with the increasing availability of affordable smartphones and tablets driving adoption in both emerging and mature markets.

- Mobile will generate three out of every five dollars spent on internet access in 2018: Mobile internet access revenue will soar at a CAGR of 13.0% from US$208bn in 2013 to US$384bn in 2018, as the number of subscribers passes 2bn in 2014. In comparison, fixed broadband revenue will rise at a CAGR of 4.1% from US$205bn to US$252bn.

Children today have a say in what is being purchased, and as they are early adopters of technology, they will continue to migrate towards services of convenience that are available on their device of choice. An even better understanding of the media habits of children and youth will help the government advance its own programs and initiatives not to mention tailor its messaging according to the media consumption habits of youth and children and by extension, those of Canadian families.

Updated Research on Children and Youth Media Consumption

In the midst of various changing realities across this sector – from consumption habits to changes being proposed in the Speech from the Throne, the Rocket Fund has an increasingly important role to play as champion investor, promoter and supporter of Canadian kids media content.

In 2010, the Fund undertook the first ever media and technology landscape study of young Canadians and their media habits. Over 1000 English and French language Canadian children (aged 9 to 17) participated in this broad research project which captured young people's expectations about their media consumption and interaction with content. The goal was to provide critical information to help the Canadian media and broadcast industry continue to achieve its goal in producing high-quality and relevant Canadian content for youth across the country.

Hearing first-hand from young people gave the Fund an opportunity to truly understand how kids view the constant stream of information that is being communicated to them and the best ways to engage them. It has been over four years since we released the results of the last research project and media consumption has continued to change at break-neck speed since that time. The advent of social media and portable devices that increasingly function as primary "devices of choice" mean that media is accessible virtually everywhere for kids. In order to keep pace with an industry that changes rapidly both in terms of platforms used and content consumed, it is vitally important to keep this research fresh. Simply put, children today "live their media", and keeping pace with this key demographic (and by extension wider demographics) is absolutely crucial

Therefore, we recommend a project that would include both quantitative and qualitative analysis and that would take place over a five-year period. The total cost for this project would be $1,250,000 over five years or $250,000 per year.

The quantitative research would involve a minimum of 1,200 Canadian youth ranging from 9-17 years of age who would participate in an online survey. Questions would assess: traditional socio-demographic banners (age, household income, gender, region, educational status, immigration status, etc.), lifestyle and psychographic attitudes, consumer self-perception, understanding media habits and consumption across channels and understanding viewership of Canadian content, among other topics.

For the qualitative research we would propose to convene an advisory panel of 15-20 youth from across the country ranging in age from 9-15. This group would be engaged several times per year with different tasks in order to maintain their interest and to reduce the likelihood of attrition.

This research project would provide an opportunity to engage children in a more fulsome discussion and gain a more in-depth understanding of why they make the choices they do. By extending the research over a five-year term, we would also have a unique opportunity to examine how their choices and consumption develop and evolve over time, particularly with the proliferation of new media and ever-improving and changing technology.

Canada is recognized as a leader in the creation and exporting of children's television and media content, an expertise that can be leveraged in numerous ways. The results of this research would ensure that we can continue to offer children and families access to the best and most relevant media content in the world. However, in order to do so, we must continue to engage with our audiences and clearly understand their experiences, opinions and interests, as well as key socio-demographic information.

Alignment with Government Priorities

Although understanding children's relationship with the media is important for our industry, it also has significant benefit to the federal government. There are several important areas where the government is looking to engage youth across the country, including awareness campaigns for anti-bullying, anti-smoking and healthy eating/living, to name just a few. In a world where children and youth are no longer using media purely for entertainment, updated research can help the federal government advance the concept of "edutainment" and the role media now plays as virtually a way of life for children and families.

Up to date research and data will help the government identify the most effective ways to communicate with young Canadians and their families and achieve core objectives, while making the most of taxpayer dollars. Moreover, a better understanding of the interests, motivations and priorities of children, and having up to date socio-demographic data such as gender, region, educational status and immigration status, will provide a broader view of other demographic audiences, including parents and other "actors of influence" - as well as insight into the future adults of our country. In short, new qualitative and quantitative research has benefits for multiple purposes – all of which are relevant to key government priorities.

Furthermore, with Canada's 150th birthday approaching, there are numerous opportunities to engage and educate young Canadians and their families, while at the same time better serving their needs and interests.

Conclusion

Through this research, the Shaw Rocket Fund and the Government of Canada have a unique opportunity to collaborate on a project that would better serve our children and hard-working Canadian families today and into the future. Working together we can ensure that the Canadian media industry for children and their families continues to be relevant to core audiences, help the government achieve its messaging objectives to its own target audiences and maintain, expand and leverage Canada's status as a global leader in children's and youth media programming.

Notes:

i. The 2010 study can be found at the following link: http://www.rocketfund.ca/publications/