



Harnessing Change:

The Future of Programming Distribution in Canada

As technological change continues to drive innovation and create opportunities, government has a vital role to play in **developing strategies and policies** that support the production, distribution and promotion of Canadian programming.

The CRTC was **asked to examine** the **future of programming distribution** in Canada and the extent to which the future environment will support a **vibrant domestic market** that will remain competitive in the new global environment.

As Canada prepares to review the *Broadcasting Act* and the *Telecommunications Act*, this report offers important context, painting an **empirical research-based picture** of the current market and where it appears to be going. In doing so, it outlines likely **trajectories for this market in the future** based on current trends, as well as important factors that could influence this picture.

This report does not set out specific timelines or predictions, nor does it attempt to prescribe policy. Rather, it comes to conclusions on the **types of change needed** to the legislative and regulatory frameworks given the likely market trajectories, as well as considers **possible approaches** to ensure a vibrant domestic market. The important mandate of Canada's public broadcaster, which is to be renewed as announced in the **Creative Canada Policy Framework**, is not addressed in this report.

The CRTC is pleased to respond with this digital-only, interactive report that outlines this research in four distinct sections:

Market Insights

How will the audio and video media markets change in the digital era?

Read time: approx. 22 min

- **Part 1: Internet Trends**

The growth in broadband Internet — faster speeds, more data — is driven by video and audio consumption.

- **Part 2: Audience Trends**

Traditional TV and radio usage is high, but declining as Canadians watch and listen to online services.

- **Part 3: The Financial Picture**

Broadband Internet is disrupting the economics of the media sector and its investments in content.

- **Part 4: The Competitive Landscape**

The Canadian market is adjusting to online providers that leverage investments in content, data analytics and user experiences on a global scale.

- **Part 5: Content**

There is more content than ever before, but public support is still needed to ensure the creation and promotion of Canadian and local content.

Future Viability of Business Models

What impact will market changes have on traditional and online program distribution models and the content they support?

Read time: approx. 2 min

Growth

Mature

Decline

Skip to an audio business model:

- Online Audio: Growth
- Satellite Radio: Mature
- AM/FM Radio: Mature
- Transactional Online Audio: Decline

Skip to a video business model:

- Online Video: Growth
- User-Uploaded Video: Growth
- Cable, Satellite and Fibre TV (BDU): Mature
- Transactional Online Video: Mature
- Conventional TV: Decline

Opportunities and Risks

What opportunities and risks will arise for the domestic production, creation and distribution markets as a result of these changes?

Read time: approx. 16 min

Skip directly to the interactive scenarios:

- How could market shifts impact Canadian TV and film production?
- How could changes in radio broadcasting revenues affect financial contributions used for the development of Canadian music and spoken word content?

Conclusions and Potential Options

What types of change to legislative and regulatory frameworks are needed to face the future?

Read time: approx. 1 min

[Read more](#) ▶▶

If Canadians and Canada are to be best equipped to move forward into the future, bold new strategies are necessary.

More specifically, the CRTC proposes that the future legislative and regulatory approach to content and its distribution should:

- i. Focus on the production and promotion
- ii. All players should participate
- iii. Be nimble, innovative and rapidly adapt to change

There are a number of possible ways forward—skip directly to the policy options the government could consider:

- Replace prescriptive licensing with comprehensive and binding service agreements that include traditional and new players
- Restructured funding strategy
- National strategies
- Short to medium term steps

Thank You

The CRTC would like to thank all those who [participated in this proceeding](#), including industry stakeholders and Canadians who shared their views in the [public opinion research](#). The CRTC would also like to thank its research suppliers, without whom this report would not have

been possible. In particular, it would like to thank the [Media Technology Monitor \(MTM\)](#), whose long term consumer tracking study on the adoption and use of media technology has become essential to understanding the shifts from traditional to digital media in Canada, and [Numeris](#), which provides world-leading video and audio measurement solutions for Canada.

Date modified:

2018-05-31