



February 20, 2020

Mr. Claude Doucet
Secretary General
Canadian Radio-television and Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Re: CRTC Notice 2019 – 379

Via Fax: 1-819-994-0218

Dear Mr. Doucet:

1. Thank you for the opportunity to participate in this important consultation. By this written intervention, the Association of Canadian Advertisers (ACA) and the Canadian Media Directors' Council (CMDc) wish to comment on the above noted broadcasting notice. We would also request to appear at these proceedings so that the perspectives of the advertiser and media buying community can be represented during the oral phase of this hearing.
2. The ACA is the only professional trade association solely dedicated to representing the interests of client companies that market and advertise their products and services in Canada. Our members, over 300 companies and divisions, represent a wide range of industry sectors, including manufacturing, retailing, packaged goods, financial services and communications. They include large and small advertisers in Canada with collective annual sales of approximately \$300 billion. Advertisers in Canada employ over 225,000 Canadians and support Canadian culture in both official languages across all regions of Canada

3. The CMDC is an independent organization of media professionals representing advertising agencies and media management companies, working to advance the effectiveness of media advertising in Canada. Its members account for approximately 92% of the total media ad spend transacted annually in Canada.
4. Both of our organizations' interests are aligned on this matter and so we have chosen to file these comments jointly. Together we are Canada's advertising industry – the professionals who plan, create, produce, purchase, and yes, pay for the advertising of the vast majority of products and services in our country. We are commenting because broadcasting is essential to all of our members' businesses and, as such, our interests are allied and crucially linked.
5. Advertising is a significant economic force in the world. In virtually all developed countries, advertising is considered an important and necessary component of the communications infrastructure. It is estimated that global advertising expenditures were \$824 Billion¹ in 2019.
6. In Canada, advertising is one of the primary resources sustaining the broadcasting system. The latest net advertising media spend in Canada was estimated to represent \$14 billion² in revenue flow to media companies in 2018. Of this total amount, approximately \$3.1 billion is invested annually in television advertising, \$1.5 billion is invested in radio advertising, \$7.6 billion is invested in online advertising, and \$1.6 billion is invested in newspaper advertising. The estimated 2018 GDP impact of advertising in Canada, based on Deloitte GDP multiplier of 6.37³ was \$89 billion CDN.
7. Considering these substantial revenues, the role of advertising is critical to a healthy and robust broadcasting system in Canada. It is advertising, really, that pays for the programs that inform, entertain, and educate Canadians. In return, advertisers have a vehicle to communicate with their customers. This relationship between broadcasting and advertising has yielded many mutual benefits since the advent of broadcasting.

¹ Dentsu Aegis Network Global Ad Spend Forecasts 2019

² Net Advertising Volume thinktv 2019

³ Deloitte The Value of Advertising 2017

8. Canadian broadcasting is a fragile ecosystem supported by stakeholders who must work together to satisfy their customer base. Customers want value, flexibility, and choice across a broad spectrum of channels. The advertiser is also a customer and we want choice as well, including a strong and stable broadcasting system which delivers a quality environment for advertising
9. **Television Advertising.** With the growth in both online video tuning and commercial free OTT offerings, advertising options in broad reaching vehicles continue to diminish. The ability to advertise on CBC in English Canada and SRC in French Canada are significant options for advertisers to get their messages out. While it is important in English Canada SRC is absolutely vital in French Canada. As the second largest broadcaster in Quebec, with a market share of 20%⁴, SRC is essential as an advertising option. Without the option of advertising on SRC competition would be seriously diminished and it is estimated that costs could rise exponentially threatening the affordability and viability of investing in Quebec, which would directly impact content contributions.
10. **Radio Advertising.** Advertisers are constantly looking for new markets and new options of distribution to reach the many and diverse consumers that make up their customer base. As such, we have long advocated that all broadcasting should be permitted, and indeed would benefit from, commercial advertising – including CBC Radio broadcasts.
11. Advertisers require a depth and breadth of choice in media vehicles in order to reach a variety of audiences. CBC Radio services generate many unique, desirable and commercially viable audiences. We respectfully request that advertisers be given the opportunity to, once again, showcase their messages on CBC radio. We briefly enjoyed this opportunity on CBC Radio 2 and ICI Musique. However, that was halted in 2016. Given the dominant market share of CBC radio across the country, advertisers are being deprived of a prime vehicle to get their messages across. We respectfully request the Commission to, once again, permit advertising on CBC radio and welcome the positive impact that additional revenue could provide for investments in CBC products and services to Canadians.
12. **Improved Measurement** The media landscape continues to change rapidly and the tools and metrics that support it must continue to change as well. Since 2014, the greatest share of ad revenue has

⁴ Cossette Media

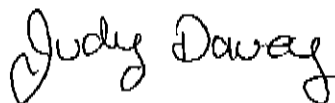
flowed to Digital advertising⁵. We need a better measurement system where audience data required to underpin the desired future state of Canadian media currency will combine data quality at national scale that is interoperable among broadcasters and digital platforms (the sellers of media) and provide a fair and level data ecosystem to all stakeholders who must use the data.

13. An enhanced audience measurement system will dramatically improve the accuracy and information available to media companies, distributors, content providers, as well as advertisers.
14. Advertisers rely on measurement information as a trading currency to assess audience size and determine price advertising on television, but they require much more depth and breadth of data than is available today.
15. In an era of media consumption across devices and platforms we need cross media measurement, including measurement of **commercial** audiences. Currently only average minute *program* audiences are offered as currency in broadcast. With commercial audience data, advertisers could plan and buy TV with more accuracy and confidence and programmers could learn more about their individual programs. The world is moving to cross media measurement and the CBC could be leaders helping the industry champion its adoption across all broadcast and digital platforms.
16. For over sixty years, ad-supported broadcasting has been an essential marketing tool for advertisers while, at the same time, financially fueling the broadcasting system. This has kept the cost of radio and television to Canadian viewers manageable while providing excellent choice. We think it should, and can, continue to do so.
17. Accordingly, we encourage the Commission to continue to allow advertising support on CBC / SRC television. Further we request that you seriously consider the benefits and opportunities of allowing advertising on radio, while at the same time embracing a cross media measurement solution that will benefit the entire advertising community.

⁵ Net Advertising Volume thinktv 2019

18. We thank you again for the opportunity to participate in this important consultation and request the opportunity to provide additional comments at the hearing. We wish the Commission well in your deliberations.

Respectfully submitted,



Judy Davey
VP Media Policy and Marketing Capabilities
Association of Canadian Advertisers



Shannon Lewis
President
Canadian Media Directors' Council

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