

Starting with the data for 2012, Communications Management Inc. has estimated the number of “cord-cutters” and “cord-nevers” in Canada, by applying a formula to data contained in Statistics Canada’s Survey of Household Spending. Statistics Canada released the 2017 data from this survey on December 12, 2018, and we have used those most recent data to update our estimates. The overall estimates are summarized in Figure 1:

1. Percentages of Canadian households that were subscribers or non-subscribers to cablevision, IPTV and/or satellite television, 2017

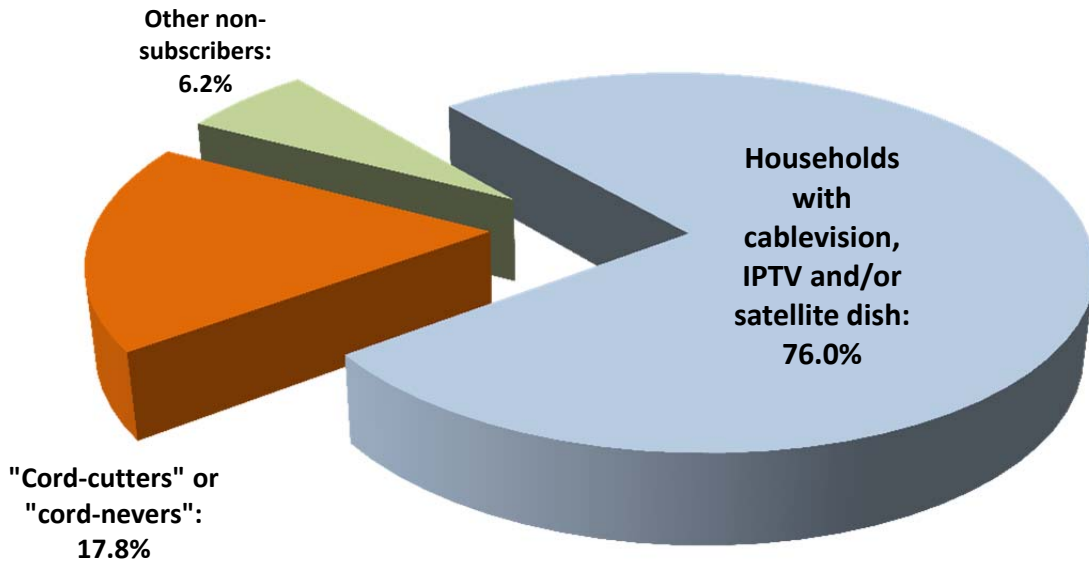


Figure 2 summarizes the trend since 2012:

2. Percentages of Canadian households that were “cord-cutters” or “cord-nevers”, 2012-2017

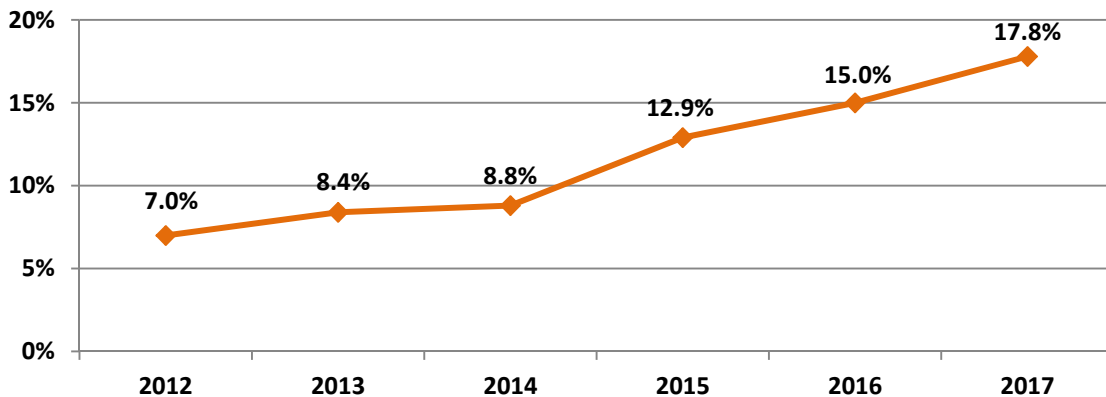
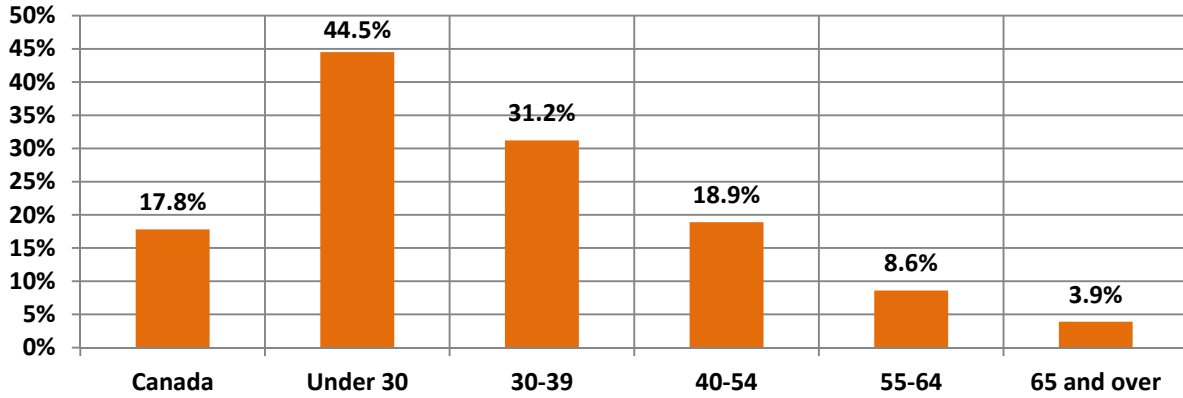


Figure 3 summarizes the data by age of reference person in Canadian households:

3. Percentages of Canadian households that were “cord-cutters” or “cord-nevers”, by age of reference person, 2017



SOURCES AND METHODOLOGY

As noted above, Communications Management Inc. has estimated “cord-cutters” and “cord-nevers” in Canada, by applying a formula to data contained in Statistics Canada’s Survey of Household Spending.

We have divided Canadian households into three categories:

1. Households with cablevision, IPTV and/or satellite dish.

This is not a simple total of the percentages for each. Instead, we have used custom tabulations from Statistics Canada to eliminate any duplication for the small number of households that subscribe to more than one multi-channel service.

2. “Cord-cutters” or “cord-nevers” (households that subscribe to high-speed Internet capable of receiving television, but do not subscribe to cable, IPTV, or satellite for television).

“Cord-cutters” are defined as households that have subscribed to cablevision, IPTV, or satellite TV, but have stopped doing so, and rely more on programming delivered via the Internet; and

“Cord-nevers” are defined as households that use the Internet for video entertainment and information, and have never subscribed to cable, satellite, or IPTV for television.

3. All other households that do not have cablevision, IPTV, or satellite dish.

In estimating the percentage of households that could be called “cord-cutters” or “cord-nevers”, we have taken into account that there are varying “broadband” speeds within the overall “high-speed” category.

Within the totals for “cord-cutters/cord-nevers”, we have not attempted to split out the two groups, since the data only tell us the status at the time of the survey, not the previous subscription arrangements.