



# SEMI ANNUAL REPORT CARD KIDS' CBC PERFORMANCE

<b>TO:</b>	Board of Directors
<b>MEETING:</b>	September 24-25, 2013
<b>FROM:</b>	Neil McEaney, Interim Executive Vice-President, CBC Sally Catto, Executive Director, Scripted & Commissioned, CBC
<b>PURPOSE:</b>	Update on Kids' CBC Performance
<b>DATE:</b>	August 19, 2013

## Note from Steve Guiton

At the June Board meeting Neil McEneaney indicated that he would come back to the Board with an explanation for the substantial decline in viewing to CBC Television's children's programs. In the course of investigating the cause of the decline in viewing, a calculation error was discovered in the audience data for viewing to CBC Television's children's programs.

Regards,  
Steve Guiton & Stan Staple

The following document provides the Board with an update on the results of the analysis and review that English Services conducted and its overall approach to children's programming.





## CONTEXT

s.18(a)  
s.68.1(b)  
s.21(1)(b)  
s.68.1

It is relevant to begin with a review of the changes in our landscape in the past five years. The current decline can be attributed in part to the cumulative impact of these changes.

### » **Kids' CBC audience has declined gradually due to funding cuts & changes to telecast**

- Two years ago, budget was cut from almost halving number of original shows aired
- The most recent cut from significantly impacted the 11/12, 12/13 seasons
- To compare, in 13/14 purchase of original programming was in 08/09 (when telecast was
- Research shows that when new shows are launched (on our network or others) it can significantly increase audiences

»

### » **Awareness**



# Analysis of CBC Kids Performance (11/12-12/13)

- » **The most significant factor from all the data we have looked at is the competitive environment**
  - There is an increasing number of competitors (from Disney to Netflix), making it a more fragmented environment
  - Well known brands (i.e. Disney) are launching new stations/services and are heavily promoting services
- » **There is a declining tuning universe**
  - The overall available viewing audiences (hours viewed) for kids 2-11 is declining (drop of 10% overall YOY)
  - Internet usage among children (2-11 years) is growing (closing in on 50%)
- » **Kids' CBC offer is limited because it is part of the network schedule**
  - CBC currently offers 28.5 hours of children's programming each week (27 hrs as of mid-September/13)
  - A reduction of 5 hours per week was implemented due to funding cuts – this impacted half of the year in 12/13. We are reducing the schedule by an additional hour as of mid-September (Saturday at 6-7am)
  - Kids' CBC is NOT 24 hours per day, 7 days a week which impacts awareness among both parents and children. Because Kids' CBC offering is part of the overall network schedule it makes the demand by children/parents less as it requires scheduled tuning
  - Many of our competitors (including Treehouse, Disney, Family, Teletoon, YTV, Disney Junior, Nick) offer 24 hours per day, 7 days a week programming
- » **Overall decline in the network schedule**
  - CBC saw declines in our overall network schedule due to the funding cuts as well as the NHL lockout – these factors affected the entire CBC schedule and programs, including Kids' CBC.



# Analysis of CBC Kids Performance (continued)

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## » Pre-emptions

- When Kids' CBC is pre-empted, the audience develops new viewing habits & routines, and without external ad campaigns, it is difficult to recover.

## » Original content

- While repeats among the 2-11 children are not a significant factor in viewing, airing new and fresh content provides opportunities to promote and reach out to audiences.



# CBC's Approach to Kids Content

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## » Impact of Funding Cuts

- During the most recent round of funding reductions, CBC had to reduce funding to its children's programming by 55%. In addition, the digital channel that had been planned for children's content was eliminated.

## » Current Situation

## » Next Steps

- CBC recognizes that audience habits are changing rapidly and we will continue to monitor these trends and ensure our content is offered on all platforms.
- CBC will reassess its overall investment and resources in children's content as part of Beyond 2015.