



# NETFLIX IS THE RUNAWAY WINNER OF CANADA'S STREAMING 'WARS'

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What has been dubbed the “streaming wars” in many markets—especially in the US—is more of a skirmish in Canada. Despite the influx of US-based services like Disney+ and Apple TV+ in the past year, and the presence of homegrown services like Bell Media’s Crave nationally and Vidéotron’s Club Illico in Quebec, Netflix is still by far the most popular subscription OTT service in Canada. We forecast there will be 16.5 million Netflix viewers this year in Canada, or 78.1% of all OTT users. By 2024, there will be 18.4 million Netflix viewers.

What’s striking is Netflix’s growth this year—in real terms and percentage share—from an already dominant position. The number of Netflix viewers will grow by 13.4% in 2020, up from 4.3% growth in 2019. Its 78.1% share of subscription OTT users this year is up from 74.8% in our previous forecast. We made this upward revision based on elevated viewership during the pandemic—Netflix reported record worldwide subscriber growth in both Q1 and Q2 2020, including in Canada.

The company’s dominance was expected to weaken at the onset of 2020 as major media players like Disney and Apple entered the streaming market in Canada and elsewhere. There’s also Amazon Prime Video, the second-most-watched streaming service in Canada. Amazon Prime Video’s viewership is expected to grow by 21.0% year over year to reach 6.5 million viewers, up from the 6.1 million we expected pre-pandemic. By 2024, we expect Amazon Prime Video to reach 8.8 million viewers in Canada.

Canada’s biggest domestic answer to streaming services from abroad is Bell Media’s Crave, which reached 2.8 million subscribers in Q2 2020. Crave secured licensing rights for HBO Max in Canada and launched a limited series from the service in May 2020. It’s a move that should help solidify its subscriber base, which saw a slight decline in 2019.

Disney+ and Apple TV+, both of which launched in Canada in late 2019, were expected to increase competition for Netflix and create a more fragmented OTT market. According to Mindshare’s “Stuff We Watch: Understanding Canadian Video Consumption Habits,” a consumer poll from March 2020, both services had gained a top-five position in adoption a few short months after launch—17% for Disney+, and 8% for Apple TV+.

Per May 2020 polling from Media Technology Monitor (MTM), Netflix topped the level of daily use among adults in Canada who paid for a subscription video-on-demand (SVOD) service, at 66%—ahead of Amazon Prime Video (45%), Disney+ (42%), Crave (41%), and Apple TV+ (29%).

The number of people in Canada who subscribed to at least three OTT services had grown from 12% in fall 2019 to 19% in spring 2020, an apparent impact of the pandemic, per another MTM study published in May 2020.

The pandemic's impact is also reflected by the fact that more than a quarter of subscribers signed up for a new OTT service during the lockdown, bringing total OTT subscribers to a 75% share of MTM respondents in spring 2020, up 2 percentage points from fall 2019.