The comScore 2010 Canada Digital Year in Review offers a macro view of the overarching trends in digital media usage in Canada, and considers their implications for navigating the uncertainties of the year ahead. The report analyzes trends including overall Internet usage, high-growth categories, online display advertising, online video, search and mobile.
Digital in Canada: A Year in Review

2010 can be characterized as a year of recovery and strategic advancement. Marketers, advertisers, publishers and companies alike, shifted from skepticism to restored confidence and curiosity. As more time and budget dollars were invested back into the online space, companies and brands found new ways to integrate their content across varying platforms. In doing so, identifying and understanding ‘who’ their online visitor was, became paramount. The digital landscape also experienced a power shift in 2010, with consumers beginning to guide online trends.

The purpose of the comScore 2010 Canada Digital Year in Review is to identify these trends as they relate to categorical, video, search and mobile users. In order for brands to continue to market across diverse platforms, it is pertinent that prevailing trends are understood, providing brands, and companies alike, a competitive advantage. By understanding past trends and correlating them to the current, the online landscape becomes a tool that can be used to effectively make the online presence of brands successful and inventive.

Key questions to be addressed in this report include:
• How are Canadians consuming digital media, and how does this compare to other countries?
• Which trends dominated the digital landscape in 2010?
• How does media consumption differ across age and gender segments?
• What trends are we seeing in the social networking space, and what impact does that have on email activity?
• How has digital advertising shifted in the last year, and how has social media played a part?
• Which content categories are serving up the most videos? Who’s watching online video in Canada?
• What is the current state of the search market?
• How will mobile media consumption in Canada stack up against other markets?
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Country-to-Country Comparison
## Online Landscape Worldwide in 2010

Canada maintained its position as the most engaged online audience, ranking highest among the top markets in average hours and visits per visitor in Q4 2010.

<table>
<thead>
<tr>
<th>Location</th>
<th>Total Unique Visitors (000)</th>
<th>Average Hours/Visitor</th>
<th>Average Pages/Visitor</th>
<th>Average Visits/Visitor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4 2010</td>
<td>Q4 2009</td>
<td>Q4 2010</td>
<td>Q4 2009</td>
</tr>
<tr>
<td>Worldwide</td>
<td>1,314,031</td>
<td>1,206,146</td>
<td>23.1</td>
<td>23.7</td>
</tr>
<tr>
<td>China</td>
<td>287,451</td>
<td>232,037</td>
<td>13.5</td>
<td>15.6</td>
</tr>
<tr>
<td>U.S.</td>
<td>181,239</td>
<td>172,194</td>
<td>35.3</td>
<td>33.3</td>
</tr>
<tr>
<td>Japan</td>
<td>72,913</td>
<td>69,826</td>
<td>18.4</td>
<td>20.0</td>
</tr>
<tr>
<td>Germany</td>
<td>49,257</td>
<td>45,216</td>
<td>24.1</td>
<td>22.0</td>
</tr>
<tr>
<td>Russia</td>
<td>45,692</td>
<td>36,589</td>
<td>21.8</td>
<td>16.5</td>
</tr>
<tr>
<td>France</td>
<td>41,827</td>
<td>39,137</td>
<td>26.6</td>
<td>28.1</td>
</tr>
<tr>
<td>India</td>
<td>41,170</td>
<td>36,535</td>
<td>11.9</td>
<td>12.1</td>
</tr>
<tr>
<td>Brazil</td>
<td>39,335</td>
<td>32,849</td>
<td>25.8</td>
<td>27.0</td>
</tr>
<tr>
<td>UK</td>
<td>38,581</td>
<td>37,674</td>
<td>32.3</td>
<td>31.3</td>
</tr>
<tr>
<td>South Korea</td>
<td>30,155</td>
<td>29,424</td>
<td>27.7</td>
<td>35.6</td>
</tr>
<tr>
<td><strong>Canada</strong></td>
<td>22,945</td>
<td>23,138</td>
<td>43.5</td>
<td>42.2</td>
</tr>
</tbody>
</table>

Quick Glance at Canadians Online in 2010
Online Presence Continues to Grow and Persons 55+ Grew the Most in Q4 2010

Growth of Online Users by Age
Q4 2009 vs. Q4 2010

-4%
0%
+1%
+12%

Q4 - 2009 Q4 - 2010

Persons: 2-17 4,895 4,690
Persons: 18-34 6,750 6,760
Persons: 35-54 8,708 8,767
Persons: 55+ 4,225 4,747

Canada’s Online Demographics: Gender, Region, HH Income

% Composition Unique Visitors by Age Segments

- 2-17: 9% Males, 10% Females
- 18-24: 5% Males, 5% Females
- 25-34: 9% Males, 9% Females
- 35-44: 9% Males, 9% Females
- 45-54: 9% Males, 8% Females
- 55+: 9% Males, 10% Females

% Composition UV Regional Breakout

- Ontario: 38%
- British Columbia: 13%
- Praries: 18%
- Quebec: 24%
- Atlantic: 7%
- Other: 13%

% Composition Household Income Breakout

- Less than $40,000: 24%
- $40,000 - $74,999: 31%
- $75,000 - $99,999: 20%
- $100,000 or more: 26%

Source: comScore Inc., Media Metrix, CA, All Locations, Persons: 2+, 3 MO. AVG Q4 2010
Share of Browsers Online
Internet Explorer Continues to Have the Largest Reach in Canada

As Microsoft’s Internet Explorer continues to dominate browser reach at more than 93% of the online population, other browsers are building reach too – especially with the introduction of new browsers like Google’s Chrome which has a 24% reach in Canada.

While the Mozilla Firefox browser reaches a larger percentage of the online population, Google’s Chrome browser has a larger proportion of time spent, accounting for more than 11.4 billion minutes.

Source: comScore Inc., CA, All Locations, Persons: 2+, December 2010
Categorical Comparison
More Canadians were accessing Community and Entertainment sites in Q4 2010. Political News sites saw the strongest growth, up 47 percent versus year ago.
More women were accessing Food, Beauty/Fashion/Style and Health sites in Q4 2010, while men were drawn to Humor, Incentives and Movie sites.

**Top Gaining Site Categories by Unique Visitors: Gender Breakout**

Canadian males spent the greatest amount of time on Directories sites, averaging more than 94 minutes per month in Q4 2010. Online Trading and Career Training/Education sites saw significantly more time spent by males during the quarter.

Top Gaining Site Categories by Average Time Spent per Male Visitor

Women spent double the amount of time on Photos and Directories sites when compared to Q4 2009. Beauty/Fashion/Style and Religion/Spirituality sites also saw an increase in time spent by female visitors.

Top Gaining Site Categories by Average Time Spent per Female Visitor


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Social Networking
Conversational Media Continues its Climb

Even though Social Networking had a strong reach in 2009, we continued to see growth in unique visitors in 2010. Likewise, UV growth was also seen on Blog sites as Canadians spent 58% more time and consumed 36% more pages in Q4 2010 compared to that of Q4 2009.

Most Conversational Media sites saw an increase in unique visitors and time spent in Q4 2010 compared to last year.

**Top gainers included:**
- Technorati Media (40%)
- Federated Media Publishing (31%)
- Twitter.com (11%)
- LinkedIn.com (35%)

<table>
<thead>
<tr>
<th>Top Conversational Media Sites</th>
<th>Q4 2010</th>
<th>Q4 2009</th>
<th>% Change Unique Visitors</th>
<th>% Change Total Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook.com</td>
<td></td>
<td></td>
<td>+7%</td>
<td>-4%</td>
</tr>
<tr>
<td>Blogger</td>
<td></td>
<td></td>
<td>-3%</td>
<td>+11</td>
</tr>
<tr>
<td>Windows Live Profile</td>
<td></td>
<td></td>
<td>-25%</td>
<td>-34%</td>
</tr>
<tr>
<td>Technorati Media</td>
<td></td>
<td></td>
<td>+40%</td>
<td>+161%</td>
</tr>
<tr>
<td>WordPress</td>
<td></td>
<td></td>
<td>-16%</td>
<td>-1%</td>
</tr>
<tr>
<td>Federated Media Publishing</td>
<td></td>
<td></td>
<td>+31%</td>
<td>+138%</td>
</tr>
<tr>
<td>Twitter.com</td>
<td></td>
<td></td>
<td>+11%</td>
<td>+26%</td>
</tr>
<tr>
<td>LinkedIn.com</td>
<td></td>
<td></td>
<td>+35%</td>
<td>+79%</td>
</tr>
<tr>
<td>Gawker Media</td>
<td></td>
<td></td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>HubPages.com</td>
<td></td>
<td></td>
<td>+63%</td>
<td>+107%</td>
</tr>
<tr>
<td>Myspace</td>
<td></td>
<td></td>
<td>-42%</td>
<td>-76%</td>
</tr>
<tr>
<td>Squidoo.com</td>
<td></td>
<td></td>
<td>+19%</td>
<td>+26%</td>
</tr>
<tr>
<td>BlogHer</td>
<td></td>
<td></td>
<td>+1%</td>
<td>+34%</td>
</tr>
<tr>
<td>DeviantArt.com</td>
<td></td>
<td></td>
<td>-24%</td>
<td>+8%</td>
</tr>
<tr>
<td>Typepad</td>
<td></td>
<td></td>
<td>-25%</td>
<td>-2%</td>
</tr>
</tbody>
</table>
Social Networking continues to be consumed by many different demographics of the Canadian population. As this category continues to grow, older age segments are increasingly more engaged in this content.

Persons 55+ were the Strongest Drivers of Social Networking Growth

**Social Media Growth Q4 2009 vs. Q4 2010**

<table>
<thead>
<tr>
<th>Persons - Age</th>
<th>% Change Unique Visitors</th>
<th>% Change Total Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-17</td>
<td>-9%</td>
<td>-18%</td>
</tr>
<tr>
<td>18-24</td>
<td>-1%</td>
<td>-7%</td>
</tr>
<tr>
<td>25-34</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>35-44</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>45-54</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>55-64</td>
<td>36%</td>
<td>48%</td>
</tr>
<tr>
<td>65+</td>
<td>34%</td>
<td>45%</td>
</tr>
</tbody>
</table>

As 2010 drew to a close, certain Social Networks were more likely to attract specific age groups in Canada.

The Social Networks listed here, indexed the highest for each of these Canadian age segments.
Email Landscape
E-Mail Experiences Slight Decrease in Unique Visitors

E-mail sites have traditionally reached over 80% of all Canadians online. In Q4 2010, the E-mail subcategory displayed a 79.5-percent reach, compared to 82 percent in Q4 2009. Average daily unique visitors saw a 28 percent decline since December 2009.

Engagement with E-mail Sites Also Sees Decline in 2010

The most noticeable impact was seen with engagement metrics. Total visits posted an 18-percent decline year over year, while total minutes and pages declined 11 and 15 percent, respectively.

However, E-mail Experienced Growth Within Certain HH Income Segments

Taking a deeper look into the changes of the E-mail category, growth is evident within certain segments. High income households of $100K+ actually grew in unique visitors to E-mail sites, as did household incomes of $40K - $59K. Lower income households were drivers of declines within the E-mail category.

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Total Unique Visitors (000) to E-mail Sites</th>
<th>Q4 2009</th>
<th>Q4 2010</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $25K</td>
<td></td>
<td>2,476</td>
<td>2,199</td>
<td>-11%</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td></td>
<td>2,191</td>
<td>1,732</td>
<td>-21%</td>
</tr>
<tr>
<td>$25,000 - $39,999</td>
<td></td>
<td>2,863</td>
<td>2,256</td>
<td>-21%</td>
</tr>
<tr>
<td>$40,000 - $59,999</td>
<td></td>
<td>3,672</td>
<td>3,918</td>
<td>+7%</td>
</tr>
<tr>
<td>$60,000 - $74,999</td>
<td></td>
<td>2,519</td>
<td>2,555</td>
<td>+1%</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td></td>
<td>3,914</td>
<td>3,832</td>
<td>-2%</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td></td>
<td>4,674</td>
<td>5,087</td>
<td>+9%</td>
</tr>
</tbody>
</table>

Advertising Effectiveness
Ad Dollars Continue to Flow Online in 2010

The number of total display ad impressions has grown 3% in 2010, with the majority of the ad impressions delivered in the final quarter of the year. In 2010, the top two advertisers online were Procter & Gamble, followed by GMAC/Ally. Together they accounted for nearly 17 billion display ad impressions throughout the year.

And the Largest Delivered Ad Creative is...

**GMAC**

**Creative Impressions: 740,469,000**

Ally (formerly GMAC, Inc.), an Internet Bank operated atop the ResMor Trust Company, delivered the second most display ad impressions (behind Procter & Gamble) in 2010, with the above creative ranking first. Microsoft Sites was the top Publisher, displaying this creative with over one-third of all impressions that ran from early February to the end of the year.
While the number of total display ad impressions grew 3% in 2010, the Social Networking category has shown the largest increase in ad impressions delivered, accounting for more than 58 billion impressions in Q4 2010. This is the result of increased social media sites that have the ability to deliver ad impressions and shifting ad impressions delivered on categories like: E-mail (-34%) and Business/Finance (-28%).
Video in Canada
Top Video Content Categories

Multimedia sites like YouTube accounted for the large majority of videos viewed online with more than 6.6 billion in Q4 2010. Blogs and Music sites posted the strongest gains, while other types of Entertainment sites, News and Sports sites made the top 10 list.

<table>
<thead>
<tr>
<th>Category</th>
<th>Q4 2009</th>
<th>Q4 2010</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment - Multimedia</td>
<td>9,818,795</td>
<td>6,642,727</td>
<td>-32%</td>
</tr>
<tr>
<td>Entertainment - Music</td>
<td>83,077</td>
<td>315,136</td>
<td>279%</td>
</tr>
<tr>
<td>General News</td>
<td>238,737</td>
<td>272,104</td>
<td>14%</td>
</tr>
<tr>
<td>Entertainment - TV</td>
<td>217,257</td>
<td>165,691</td>
<td>-24%</td>
</tr>
<tr>
<td>Social Networking</td>
<td>314,393</td>
<td>156,233</td>
<td>-50%</td>
</tr>
<tr>
<td>Sports</td>
<td>177,397</td>
<td>148,537</td>
<td>-16%</td>
</tr>
<tr>
<td>Retail</td>
<td>112,701</td>
<td>106,718</td>
<td>-5%</td>
</tr>
<tr>
<td>Games</td>
<td>162,045</td>
<td>93,651</td>
<td>-42%</td>
</tr>
<tr>
<td>Blogs</td>
<td>9,411</td>
<td>64,088</td>
<td>581%</td>
</tr>
<tr>
<td>Entertainment - Humor</td>
<td>72,452</td>
<td>49,859</td>
<td>-31%</td>
</tr>
</tbody>
</table>
Persons ages 55+ represent 18 percent of the online video audience, but account for only 11 percent of videos viewed.

Video reaches all age groups online, with persons over the age of 35 accounting for more than half of all viewers in Q4 2010. This matches the percent composition of the total Internet audience, where 52.8% of Unique Visitors are over the age of 35.

While the younger audience (under 35) comprises less of the total viewing audience, they account for 54% of all videos viewed online.

Source: comScore Inc., Video Metrix, CA, All Locations, Persons: 2+, 3 MO. AVG Q4 2010.
Online Video Consumption by Age Segments

Persons 18-24 were spending the most time watching videos online; watching an average of 267 videos and spending more than 20 hours per month in Q4 2010.

Source: comScore Inc., Video Metrix, CA, All Locations, Persons: 2+, 3 MO. AVG Q4 2010.
Search in Canada
The Search Market in Canada

Total searches by Canadians leveled-off in 2010, with little change from Q4 2009 to Q4 2010. The number of active monthly searchers grew slightly, with a 2% increase over the same period. Given that consumer growth alone is no longer driving the market, gaining share and optimizing rankings becomes more important than ever for search engines and marketers, respectively.

Mobile Coming Soon to Canada in 2011
Age Demographics for Mobile Subscribers

Mobile Subscribers for Reportable Countries
Q4 2010

- Japan Leads the Age Group: 55+
- Spain Leads the Age Group: 25-44
- Germany Leads the Age Group: 45-54
- United States Leads the Age Group: 18-24
- France Leads the Age Group: 13-17

% Composition

United States, Japan, United Kingdom, Spain, Italy, Germany, France

Smartphone Penetration by Market

% Change Mobile Platforms for Reportable Countries
Q4 2009 vs. Q4 2010

Mobile Platforms for Reportable Countries
Q4 2010

Platform Share of Smartphone Subscribers

- **RIM**
- **Google**
- **Apple**
- **Microsoft**
- **Palm**
- **Symbian**

**Total Subscribers (000s)**

**JP**
- RIM: 32%
- Google: 29%
- Apple: 8%
- Microsoft: 4%
- Palm: 3%
- Symbian: 3%

**US**
- RIM: 32%
- Google: 29%
- Apple: 25%
- Microsoft: 8%
- Palm: 4%
- Symbian: 3%

**UK**
- RIM: 12%
- Google: 55%
- Apple: 28%
- Microsoft: 5%
- Palm: 9%
- Symbian: 5%

**SP**
- RIM: 19%
- Google: 66%
- Apple: 17%
- Microsoft: 7%
- Palm: 7%
- Symbian: 7%

**IT**
- RIM: 10%
- Google: 68%
- Apple: 13%
- Microsoft: 10%
- Palm: 13%
- Symbian: 5%

**GE**
- RIM: 12%
- Google: 48%
- Apple: 21%
- Microsoft: 13%
- Palm: 12%
- Symbian: 5%

**FR**
- RIM: 20%
- Google: 31%
- Apple: 31%
- Microsoft: 10%
- Palm: 20%
- Symbian: 8%

***Note: 3MO. AVG Q4 2010 data is not available for Japan***

A Look Ahead to 2011
Key Insights into 2011

The following are some of the key digital media trends that businesses should consider as part of their broader strategies if they want to position themselves for success in this arena in 2011:

1) Mobile is helping to carve out the next frontier of marketing. With the development of savvy mobile technologies, consumers are updating their device more frequently and will access online content habitually in 2011. The mobile platform is an extension to the laptop and PC platform. They are not one and of the same. Mobiles and tablets are transportable, unlike any device to date, and the capabilities are endless. Users will be able to scan barcodes in-store as an augmented way to interact with a brand; conceivably pay for their purchase via their phone and continue to click through advertisements while on the go. Advertisers have the opportunity to steer the path of the mobile frontier and engage the game changers.

2) Video permeated the online space in 2010 and will continue to do so in 2011. Not only are users streaming their favorite TV series and movies online, but advertisers and social networking sites are reaching their audience through videos as well.
3) As predicted, the digital display advertising market grew in 2010 through ad targeting techniques and with the development of niche audience ad networks. For 2011, the focus will be calculating pre and post ad effectiveness of their online campaign. Measurement, good creative and using the right measures is instrumental in this area.

4) Engagement in the Social Networking category grew again this quarter when compared to last. The focus for 2011 will be to continue to incorporate social networking capabilities into sites and marketing plans. The introduction of tools like Facebook’s “Like” button and the ability to directly post comments and synergize with multiple social networking engines, will only increase customer interaction, and the power of social media.

Each of these facets of online marketing will impact the development and evolution of the online digital landscape. Opportunities are infinite. The key will be to understand and recognize what works best for your brand and actively measuring the return on investment.
**About comScore**

**comScore, Inc.** (NASDAQ: SCOR) is a global leader in measuring the digital world and preferred source of digital business analytics. comScore helps its clients better understand, leverage and profit from the rapidly evolving digital marketing landscape by providing data, analytics and on-demand software solutions for the measurement of online ads and audiences, media planning, website analytics, advertising effectiveness, copy-testing, social media, search, video, mobile, cross-media, e-commerce, and a broad variety of emerging forms of digital consumer behavior. comScore services, which now include the product suites of recent acquisitions Nedstat, Nexius XPlore, ARSGroup and Certifica, are used by more than 1,600 clients around the world, including global leaders such as AOL, Baidu, BBC, Best Buy, Carat, Deutsche Bank, ESPN, Facebook, France Telecom, Financial Times, Fox, Microsoft, MediaCorp, Nestle, Starcom, Terra Networks, Universal McCann, Verizon Services Group, ViaMichelin and Yahoo!. For more information, please visit [www.comScore.com](http://www.comScore.com).
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