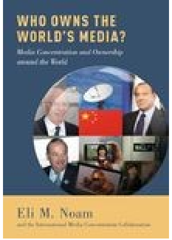

Who Owns the World's Media? Media Concentration and Ownership around the World

Eli M. Noam and The International Media Concentration Collaboration

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CHAPTER

17 Media Ownership and Concentration in Canada

Dwayne Winseck

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Abstract

With this chapter, the book moves to the Western Hemisphere. The chapter looks at media ownership and concentration in Canada. It analyzes the evolution of a dozen of the most significant media markets in Canada. The analysis is based on a body of data assembled for each sector from 1984 until 2011: wired and wireless telecom services, broadcast television, multichannel pay television, cable, satellite, and IPTV distributors, newspapers, magazines, music, radio, Internet access, and search engines and social network sites. It creates a systematic body of data covering the past two and a half decades. The main platform media firms are BCE, Rogers, Shaw, Telus, and Quebecor. These firms also participate in audiovisual media, in addition to the public CBC. In print media, major firms are Postmedia, Torstar, and Thompson.

Keywords: Canadian media market, social network, wireless telecom, telecom-media-Internet industries, BCE, Rogers, Shaw, Telus, Torstar, Postmedia, CBC, Thomson Canadian media market, social network, wireless telecom, telecom-media-Internet industries, BCE, Rogers, Shaw, Telus, Torstar, Postmedia, CBC, Thomson

Subject: Economic Sociology, Social Research and Statistics

Introduction

The media economy in Canada is typically cast as being dwarfed by the world's largest media economy on its doorstep, the United States. In fact, Canada is the eighth largest media economy on the planet. As with most countries, the media economy in Canada has been transformed by extraordinary growth and greater differentiation within the media ecology over the past quarter of a century. New services developed (pay television, wireless telephony, Internet) and, at least during the 1980s and early 1990s, more competition took hold in most sectors of the media economy. However, such trends soon yielded to higher levels of concentration from the late 1990s until the present.

In this chapter, I analyze the evolution of a dozen of the most significant media markets in Canada. I call the totality of these sectors the telecom-media-Internet (TMI) industries, and the analysis is based on a body of data assembled for each sector from 1984 until 2011: wired and wireless telecom services, broadcast television, multichannel pay television, cable, satellite, and IPTV distributors, newspapers, magazines, music, radio, Internet access, search engines, and social network sites. The aim is to create a systematic body of data covering the past two and a half decades where there is currently none. It is also to use standard concentration ratios (CR4) as well as the Herfindhahl-Hirschman Index (HHI) to examine whether media markets have become more or less concentrated over time.

In *Media Ownership and Concentration in America*, Eli Noam[1] laments the lack of a systematic, empirically p. 456 based portrait of the state ↳ of media concentration in the United States and points to two reasons for this: first, the issue is highly politicized and, second, gathering data on complex industries over long spans of time is not easy. Much the same can be said for Canada. Ultimately, the data collected for this element of the International Media Concentration Research project aim to help fill this gap. Furthermore, it will also serve as a stepping stone to a long-term effort to annually update the portrait, broaden and improve the scope and quality of its coverage, and to think long and hard about why we should study this issue in the first place.

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The Historical Record and Renewed Interest in Media Concentration in the 21st Century

Media ownership and concentration has emerged repeatedly, even if episodically, as a highly contested topic in Canada since the 19th and early 20th centuries. In the early 1900s, the Canadian Pacific Telegraph Company and Great Northwestern Telegraph Company (the latter an arm of the New York–based goliath, Western Union) dominated the telegraph industry west and east of Montreal, respectively. They also shared the exclusive Canadian distribution rights for the Associated Press news service. The two telegraph companies essentially freely gave away the American newswire service to the leading daily newspaper in each city they served as a means to fortify their dominant stake against smaller rivals in the vastly more lucrative telegraph business.

This was a boon to established members of the press and the AP. It helped the telegraph companies stitch up their lock on the telegraph business as well. Such arrangements stifled competition among newspapers and choked the flow of news on the wires. W. F. Maclean, the muckraking journalist, wrote in the *Toronto World*, "Attempts on the part of public service companies [the telegraph companies] to muzzle free expression of opinion by withholding privileges that are of general right cannot be too strongly condemned."[2]

The Winnipeg-based Western Associated Press learned the lessons of concentration and vertical integration the hard way when it established a rival news service in 1907. Its subscribers could not afford to pay two costs—telegraph transmission charges and the news service—and stay in business while the AP made its offering free. In 1910, the Board of Railway Commissioners (BRC), one of the first regulatory bodies in Canada, stepped in to effectively slay the "double-headed news monopoly."[3] In the face of much corporate bluster about the legitimacy of BRC's jurisdiction over this matter, the BRC shot back that the law required it to ensure that rates were just and reasonable because, unless they were, the "telegraph companies could put out of business every newsgathering agency that dared to enter the field of competition with them."[4] Thereafter, the three-fold alliance between the telegraph companies on the one side and Associated Press on the other unraveled with control over the medium forcefully separated from the message.

While there were other moments of concern in the interim, media concentration issues came to a head in the 1970s and early 1980s, when three inquiries were held: (1) the Special Senate Committee on Mass Media, *The Uncertain Mirror* (2 vols.);[5] (2) the Royal Commission on Corporate Concentration prompted partially by Gesca's (Power Corp) bid to acquire the Argus group of newspapers;[6] and (3) the Royal Commission on Newspapers[7] (otherwise known as the Kent Commission), which was called after a spate of newspaper consolidations and closures in 1980.

p. 457 Whatever meager measures did come out of these events soon passed, and there was little official interest in the subject for the following two decades. Instead, the realignment of political, technological, and economic forces evident worldwide took root in Canada. Markets were opened, new media technologies introduced, and regulatory restraints loosened. New media services (pay television, cable and satellite distribution, Internet) meant that the media ecology grew larger and more differentiated. The number of distinct media ownership groups rose in the 1980s and early 1990s, and there was more competition in many sectors but not all (more on this later). The gradual transformation of the media was strictly managed to minimize disrupting the industrial and regulatory status quo. This is mostly because large communication and media companies were seen as national champions with the deep pockets and wherewithal needed to build network infrastructure and fund the high cost of Canadian programming relative to the bargain basement cost of US cultural goods.

Many media players that were once central to the Canadian media system have since disappeared, including Southam, Hollinger, CHUM, Osprey, and many others. Most consolidated into larger groups, although a few such as Canwest Craig Media, and TQS collapsed in bankruptcy and financial disarray. Postmedia, Remstar, and Channel Zero are several new groups that formed in the traditional and emergent media sectors alike. Major players that were big in the 1980s, notably Bell, Rogers, Shaw, and TVA/Videotron (now part of Quebecor Media Inc., QMI), grew considerably and vertically integrated to a degree that is unique in the world.

Bell, Rogers, Shaw, and QMI have roots that reach deep back into the 20th century when they were granted local and regional telephone and cable monopolies. Since the 1990s, they have leveraged their incumbent monopoly status in one area to become competitors with one another. This happens in duopolistic markets for network infrastructure services (telephone, TV distribution, Internet access) and oligopolistic broadcasting markets alongside a few others such as CBC and Astral, and wireless cell phone services who have sizeable, and sometimes even bigger, stakes in such areas. However, there are areas where they do not compete with one another at all. This is also true for newspapers: QMI holds a dominant position alongside a handful of groups that are very strong in newspapers but not much else. This group includes Postmedia (12 dailies and *National Post*), Torstar (*Toronto Star* and Harlequin romance novels), Thomson family (*Globe & Mail*, Thomson Reuters), and Gesca (the La Presse chain of dailies). In areas such as search engines and social networking sites, none of these entities has much sway; Google, Yahoo, Facebook, and LinkedIn rule the roost.

While gradual transformation was the sign of the times in the 1980s and early 1990s, in the late-1990s circumstances shifted abruptly. A slew of mergers and acquisitions set in motion a wave of consolidation in the press, television, telecom, radio, and cable sectors, as well as cross-media ownership on an unprecedented scale (see evidence presented later). These changes thrust the issue of media concentration into the spotlight. While there had been no formal inquiries for more than two decades, three were called between 2003 and 2007: (1) the Standing Committee on Canadian Heritage, *Our Cultural Sovereignty*;[8] (2) the Standing Senate Committee on Transport and Communications, *Final Report on the Canadian News Media*;[9] and (3) the Canadian Radio-Television ↳ and Telecommunications Commission's *Diversity of Voices* inquiry in 2008.[10]

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None of these efforts helped stem the tide. The CRTC's response to its *Diversity of Voices* hearings at least had the merit of adopting, for the first time ever, a formal set of rules and thresholds to guide its decisions in the future about mergers, acquisitions, and consolidations. Its new rules on cross-media ownership also put an end to a situation in which Canada stood unique in the world, except for New Zealand, for having no formal limits on the matter at all. Drawing on lessons learned from Australia, the United Kingdom, and the United States, the CRTC's[11] rules are based on four central elements:

1. **2 out of 3 Rule**: "The Commission, as a general rule, will not approve applications . . . that would result in the ownership or control, by one person, of a radio station, a television station and a newspaper serving the same market."

2. **Ownership Caps**: The CRTC adopted thresholds originally developed by the Competition Bureau for measuring competition in banking services. According to the new rules, any transaction that results in a single ownership group controlling less than 35% of the television broadcasting pay and specialty markets will be seen as not diminishing diversity and approved. Those that fall into the 35–45% range will be considered as *potentially* lessening competition and reviewed. Anything over 45% will be seen as creating excessive concentration and rejected.

3. **Telco/Cable/DTH cross-ownership**: The Commission, as a general rule, will not approve consolidation among the incumbent telephone and cable companies that would result in one company being able to control Internet access and the delivery of programming services in any given local market.

4. **Vertical integration of programming services and producers**: "Access rules" were designed to limit vertically integrated media conglomerates' ability to foreclose access to their broadcast schedules to outside television and film producers. For conventional over-the-air television stations, three quarters of the programming broadcast has to be purchased from outside sources, while for digital specialty and pay services, at least 25% of Canadian programming other than news, sports, and current affairs must be produced and obtained from independent producers.

The results acknowledged that clear guidelines and limits to media concentration are important. They also recognized that concentration in traditional media—newspapers, television, and radio—is still important because traditional media are still the source of the majority of professionally produced media content that cascades across all media, including the Internet. Though the new rules may be better than no rules at all, they are weak. The thresholds adopted import criteria used to review mergers and consolidation in the banking industry, effectively disarming the potential for the regulator to encounter a merger it could not approve because of their extremely high levels. Such a standard also runs roughshod over the qualities that distinguish communications media companies from banks. Instead of striving to maximize the range of diversity and freedom of expression possible, the CRTC's guiding philosophy is the wholly uninspiring goal of achieving as much diversity "as practicable." In other words, it is a technocratic standard rather than a democratic one.

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Canadian Research and Perspectives on Media Ownership and Concentration

The revival of interest in the structure of the media industries stoked a revival in research on the subject.
p. 459 Marc Raboy and David Taras from McGill University and University of Calgary, ↳ respectively, played key roles in the proceedings that led to the *Our Cultural Sovereignty* report.[12] David Skinner and Mike Gasher[13] also published a good overview of the lay of the land historically and as it existed in the late 1990s and early 2000s. Monica Auer[14] has also written thoughtful, empirically rich critiques of television and radio concentration and the CRTC's convoluted reasoning that led to such outcomes. Lastly, Ken Goldstein's[15] intervention on behalf of Canwest during the *Diversity of Voices* hearings, and another study that he wrote on the contemporary state of the press, marshals an impressive body of evidence and argument to the effect that the Internet and proliferation of new distribution platforms have rendered media ownership more dispersed and markets more competitive than ever before. Consequently, the fragmentation of audiences and erosion of the economic base for traditional media as advertising shifts rapidly to the Internet are the real issues, according to Goldstein,[16] rather than anachronistic worries about media concentration.

The periodic attention given to media concentration has generated some important research. This research has tended to cover only short spans of time and is driven by the policy agenda of the day rather than an overarching effort by scholars to create a systematic and coherent portrait of the media industries covering long-term trends. Moreover, the focus has been mainly on the news media at the expense of a larger view of the media ecology and, crucially, the network infrastructure industries.

The CRTC publishes several annual reports, notably the *Communications Monitoring Report*. This and other publications by the regulator are useful sources of information, but they are also hamstrung by several factors. For instance, the CRTC publishes useful data on revenues and market shares for the biggest four or five players in radio, television, cable, and satellite distribution and telecoms, but the data are of relatively recent vintage and do not cover the rest of the players in the field. Moreover, its reports are inconsistent from one year to the next and sometimes appear to be deliberately designed to distract attention from unpleasant truths that might reflect badly on it or the industries it regulates. In addition, most of the information published by the CRTC and Statistics Canada is only done at the aggregate level out of deference to claims of corporate confidentiality and competitive secrets. Pressure on the CRTC by the industries it regulates to minimize disclosure even further for traditional telecoms and broadcasting sectors is growing and intense, and this is especially true for new media such as online video distributors. I have met with CRTC staff numerous times and filed a dozen requests under the Access to Information Act to obtain more detailed information, but to no avail. Just as troubling, the CRTC routinely and randomly discards data more than eight years old. Susan Crawford,[17] a professor at the Cardozo Law School in New York and an expert on media anti-trust issues, reveals the CRTC's minimalist approach to information disclosure overall when she refers to its website as being "truly primitive."

p. 460 Although debates on media ownership and concentration are commonplace and enduring, ↳ the evidentiary baseline of most of this discussion is rudimentary. The research that does exist is neither systematic nor empirically well grounded. Instead, ideology tends to carry the day, with three basic positions discernable. First, critics often assume a hyperbolic tone, claiming that media concentration is constantly going from bad to worse, robbing Canadians of "democracy's oxygen"[18] or creating "Canada's most dangerous media company," as the subtitle of one book suggests.[19] A second stance mocks concern with media concentration altogether. Writing on the *Final Report on the Canadian News Media*, Chris Dornan[20] set this tone in an article for the *Literary Review of Canada*: "Big Media Bad Thing: How a Senate Committee Wrote a Media Report with Its Head in the Sand." A third view strives to hug the middle ground, quantitatively analyzing reams of media content only to find the evidence "mixed and inconclusive"[21] as if this is the only or main concern and implying that preserving an already constrained status quo might not be a significant problem in its own right.

Ultimately, the episodic nature of policy-driven research agendas, the minimalist stance that the CRTC takes toward information disclosure, and the fact that media ownership and concentration is a highly politicized issue means that we do not have a systematic body of empirical evidence or a coherent portrait of the media industries over time. Philip Savage[22] sums up this state of affairs by stating, "The media ownership debate largely occurs in a vacuum, lacking evidence to ground arguments or potential policy creation either way."[23] Mike Gasher[24] concurs, asking rhetorically, "Who is really trying to measure media concentration and its impact in an empirical way? I honestly . . . cannot think of anyone who does that."[25]

Beyond this, another critically important constraint exists in terms of how the issues are framed. The focus on media content and news media tries to draw the proverbial camel through the eye of the needle but in doing so eclipses broader perspectives on the media ecology, as well as matters related to network infrastructure and the connectivity industries. Tim Wu's *The Master Switch*,[26] in contrast, reaches beyond these limits by illuminating the strong and recurring tendencies toward media consolidation that have existed for more than a century, including today's Internet access, search engines, and online music distribution. He also examines the potential for players to leverage their dominant power in one layer of the network media universe (networks, applications and content, devices) to influence what happens in others.[27] As we saw with the example in regards to the telegraph-news monopoly at the turn of the 20th century discussed earlier, this is not a novel insight, although how such processes manifest themselves in the digital, networked media environment is. Wu also stresses how market power can be transposed into the technological design of communication and media technologies in ways that are intended to buttress and extend market power from one medium to another. The conventional fixation on ideology and content ignores these issues completely.

p. 461 The extension of market dominance from one medium to another is also problematic because a more concentrated media is a more regulable media. The more regulable media are, the easier it is to require Internet Service Providers (ISPs), search engines (Google), social network sites (Facebook, Twitter), and device manufacturers (RIM, Apple, Hewlett Packard, Sony, etc.) to serve as intermediaries on others' behalf, notably in matters of copyright, sexually oriented content, law enforcement, and national security. The responses taken to consolidation within and across layers of the network media will ultimately shape whether the emergent Internet-centric media ecology turns out to be as open as possible. It also brings into question whether or not it will be guided by notions that human communication by Internet and any other media is a fundamental human right, as a recent UNESCO report affirms,[28] or used as a tool to backstop the interests of the media, entertainment, and software industries, as well as law, order, and national security.

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p. 460 Although debates on media ownership and concentration are commonplace and enduring, ↳ the evidentiary baseline of most of this discussion is rudimentary. The research that does exist is neither systematic nor empirically well grounded. Instead, ideology tends to carry the day, with three basic positions discernable. First, critics often assume a hyperbolic tone, claiming that media concentration is constantly going from bad to worse, robbing Canadians of "democracy's oxygen"[18] or creating "Canada's most dangerous media company," as the subtitle of one book suggests.[19] A second stance mocks concern with media concentration altogether. Writing on the *Final Report on the Canadian News Media*, Chris Dornan[20] set this tone in an article for the *Literary Review of Canada*: "Big Media Bad Thing: How a Senate Committee Wrote a Media Report with Its Head in the Sand." A third view strives to hug the middle ground, quantitatively analyzing reams of media content only to find the evidence "mixed and inconclusive"[21] as if this is the only or main concern and implying that preserving an already constrained status quo might not be a significant problem in its own right.

Ultimately, the episodic nature of policy-driven research agendas, the minimalist stance that the CRTC takes toward information disclosure, and the fact that media ownership and concentration is a highly politicized issue means that we do not have a systematic body of empirical evidence or a coherent portrait of the media industries over time. Philip Savage[22] sums up this state of affairs by stating, "The media ownership debate largely occurs in a vacuum, lacking evidence to ground arguments or potential policy creation either way."[23] Mike Gasher[24] concurs, asking rhetorically, "Who is really trying to measure media concentration and its impact in an empirical way? I honestly . . . cannot think of anyone who does that."[25]

Beyond this, another critically important constraint exists in terms of how the issues are framed. The focus on media content and news media tries to draw the proverbial camel through the eye of the needle but in doing so eclipses broader perspectives on the media ecology, as well as matters related to network infrastructure and the connectivity industries. Tim Wu's *The Master Switch*,[26] in contrast, reaches beyond these limits by illuminating the strong and recurring tendencies toward media consolidation that have existed for more than a century, including today's Internet access, search engines, and online music distribution. He also examines the potential for players to leverage their dominant power in one layer of the network media universe (networks, applications and content, devices) to influence what happens in others.[27] As we saw with the example in regards to the telegraph-news monopoly at the turn of the 20th century discussed earlier, this is not a novel insight, although how such processes manifest themselves in the digital, networked media environment is. Wu also stresses how market power can be transposed into the technological design of communication and media technologies in ways that are intended to buttress and extend market power from one medium to another. The conventional fixation on ideology and content ignores these issues completely.

p. 461 The extension of market dominance from one medium to another is also problematic because a more concentrated media is a more regulable media. The more regulable media are, the easier it is to require Internet Service Providers (ISPs), search engines (Google), social network sites (Facebook, Twitter), and device manufacturers (RIM, Apple, Hewlett Packard, Sony, etc.) to serve as intermediaries on others' behalf, notably in matters of copyright, sexually oriented content, law enforcement, and national security. The responses taken to consolidation within and across layers of the network media will ultimately shape whether the emergent Internet-centric media ecology turns out to be as open as possible. It also brings into question whether or not it will be guided by notions that human communication by Internet and any other media is a fundamental human right, as a recent UNESCO report affirms,[28] or used as a tool to backstop the interests of the media, entertainment, and software industries, as well as law, order, and national security.

Key Trends and Dynamics

The Growth of the Network Media Economy, 1984–2011

The following section sketches the evolution and growth of the network media economy in Canada between 1984 and 2011, pointing to those sectors that have flourished, others that have stayed relatively stable, and the few cases in which they have declined. I then rank order Canada relative to the other large national media markets worldwide. As Figure 17.1 shows, the media economy grew immensely from $37.5 billion in 1984 to $55.4 billion in 2000 and to $69.3 billion in 2011 ("real dollars," CDN.)

Figure 17.1

The Growth of the Network Media Economy, 1984–2011 (Millions, in 2010 Dollars). All graphs in CDN currency unless otherwise stated

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The emergence of new media—pay television and wireless cell phone services since the 1980s followed by Internet access and Internet advertising in the latter period—has more than tripled the size of the media economy over the past quarter century. Wireless cell phone service alone is now a $19.3 (2011) billion sector, whereas it was not on the charts in 1984.

 Wireline telecom revenues (excluding Internet access) have fallen sharply by more than a third from $25.9 billion in 2000 to just under $16 billion in 2011, although this has been more than offset by gains from wireless and Internet access. Even with those sharp declines, revenues for the connectivity industries (wireline, wireless, Internet access) have risen sharply from $25.4 billion in 1984 to $34.6 billion in 2000 to just over $42 billion in 2011.

Bracketing wired and wireless telecoms services because they overshadow everything else because of their size in order to focus just on the Internet-centric and traditional media elements in the mix (the network media economy), a similar pattern emerges. Indeed, these 10 sectors grew greatly from $12.1 billion in revenues in 1984 to $23 billion in 2000 to $34.1 billion in 2011 (in real dollars) (Table 17.2).

Table 17-2. Top 10 Network Media, Entertainment, and Internet Markets by Country (US$ Millions), 1998–2010[1]

	1998	2000	2004	2008	2009	2010 (est.)	% Change
United States	336,885	395,695	395,936	420,397	406,733	411,357	+22%
Japan	94,255	100,799	114,330	141,340	156,120	157,985	+68%
Germany	59,919	68,981	79,877	84,635	84,100	89,905	+50%
China	23,057	27,599	32,631	66,310	72,024	81,005	+247%
United Kingdom	56,738	65,319	75,637	72,346	70,478	72,605	+28%
France	39,984	46,031	53,302	63,863	58,841	59,587	+49%
Italy	29,626	34,107	34,494	41,528	39,890	39,924	+35%
Canada	18,346	21,432	25,842	31,287	30,701	33,258	+70%
S. Korea	17,687	18,492	22,760	26,672	27,394	28,589	+62%
Spain	19,219	22,132	25,622	28,736	27,200	27,479	+43%
Total	695,716	797,358	860,431	977,114	973,481	999,665	+44%

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Yet broadcast television revenues—the poster child of a media sector in distress—did drift downward from a high of $3.6 billion in 2006 to $3.4 billion in 2011. Pay and specialty cable channel revenues, in contrast, nearly tripled in the past decade from $1.27 billion in 2000 to over $3.7 billion in 2011 (including the CBC's annual subsidy).

Combine this with the more significant growth in the means of television distribution—cable, satellite, IPTV, and other online video distributors (OVDs)—and the total television universe more than doubled in size between 1984 and 2000 and then grew again to roughly $15.4 billion last year. In short, television remains at the heart of the digital media universe and does not serve as exhibit A for an old medium imperiled by the new. To be sure, there are newcomers on the scene, notably Netflix and other OVDs, but with less than 1% of the television market, their stakes are limited rather than a mortal threat requiring the CRTC and policymakers to revamp the existing rules, as many incumbents are eager to have them do.

The ascent of the Internet has contributed greatly to growth in the size and complexity of the media universe. Internet access rose from $239 million in revenue in 1996 to $7.2 billion in 2011. Internet advertising started from next to nothing in 2000 to $2.5 billion in 2011.

Nonetheless, growth for the network media economy as a whole has stagnated since the economic downturn caused by the global financial crisis (2007 ff). This is typical of a long-term historical tendency for the fortunes of the media economy to hinge on the state of the economy in general, however, as Figure 17.1 and Table 17.1 show with respect to the comparatively milder recession years in the early 1990s when revenues for wireline telecoms and newspapers plummeted. Indeed, total revenues for all media combined in 1992 were down more than 20% from four years earlier.

Table 17-1. The Growth of the Network Media Economy (US$ Million), 1984–2011 (excluding wireline and wireless telecoms)

	1984	1988	1992	1996	2000	2004	2008	2010	2011
Internet Access				312	2,195	4,673	6,365	6,800	6,984.5
Cable, Satellite, IPTV	1,380	2,041	2,288	3,497	5,145	5,607	7,139	8,100	8,331
TV	3,535	3,694	4,057	4,854	5,012	5,802	6,371.4	6,865.0	7,007.8
Radio	1,595	1,623	1,533	1,576	1,655	1,784	2,009.2	1,916.7	1,891.2
Press	4,219	4,803	3,858	4,324	5,731	5,600	5,544	4,300	3,856.1
Magazines	1,369	1,272	1,401	1,362	1,585	2,055	2,458	2,202	2,071
Internet Advertising					134	406	1,643	2,230	2,522
					1,548	1,574	1,399	1,410	1,410.0
Total	12,098.5	13,433.5	13,136.4	15,925.2	23,004.7	27,500.2	32,928.7	33,823.3	34,074.2

The impact of the current economic downturn has varied. Revenues largely stagnated between 2008 and 2010, but some media have seen revenues rise substantially (wireless, cable, satellite and other video distribution platforms, Internet access, and Internet advertising) or decline slightly (radio, magazines, and music). When it comes to newspapers and wired telecom services revenues, however, there is no doubt that revenues dropped sharply.

Despite declining circulation and readership since the late-1950s,[29] the newspaper sector's revenues grew until reaching—and then roughly staying steady at—an all-time high between 2000 and 2006. They have fallen greatly since (about 30%). Events in Canada are still not quite nearly as severe as trends in Britain, the United States, and a few other, mostly European, countries. However, now it appears that trends in Canada
p. 463 may simply be drawn out over ↳ a deferred and slightly longer time frame than in these other countries. In the United States, for example, circulation and advertising revenue in 2010 were down 10 and 40%, respectively, from all-time highs in 2003 (see, for instance, PEJ, 2011; OECD, 2009).[30] The trend in Canada, nonetheless, has been harsh enough to tip the bloated Canwest, once one of the largest media conglomerates in the country, into bankruptcy. It also casts a shadow over prospects for Postmedia, the company that took over the Canwest chain of newspapers in 2010. A standing invitation to its journalists and editorial staff to take early retirement, its convoluted ownership structure designed to meet Canadian cultural policy objectives buried in the income tax code, and a shaky ride in the stock market after its initial IPO surge all raise questions about its long-term viability.

Newspaper Canada says there are 94 dailies across the country, with 66 belonging to four groups: Postmedia (13), Quebecor (36), Power Corp/Gesca (7), and Transcontinental (19). Only about a third actually publish daily. Several have cut their schedules to five or six days per week in the last two years. In addition, many small- to mid-size town dailies have cut back further yet to just one or two days per week, albeit refreshed daily (continuously) with content from regional content factories within these chains. This is significant because the press is the core of the content factory when it comes to news across the media system as a whole. Pound for pound, newspapers pack greater journalistic wallop than other media, so there is good reason for concern.

However, the news is not all bleak in light of the rise in revenue (3.7%) and readership in 2010.[31] The trend has been notable with younger readers who are beginning to obtain news online via social network sites
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The growth of the network media economy can also be seen relative to Canada's place in the world media economy. Table 17.2 illustrates that the media economy in Canada is actually the eighth largest in the world. In 1998, it accounted for 2.6% of the global media economy; it accounted for over 3% in 2010, all of which casts doubt on the notion that Canada's small media market requires big media to compete.

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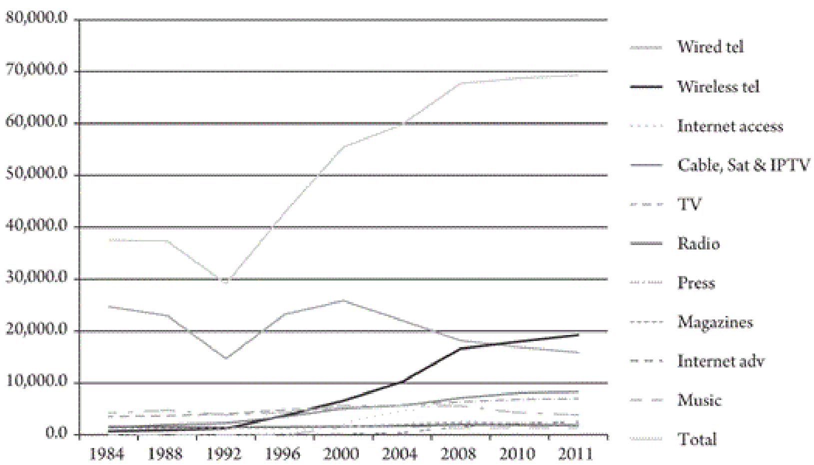

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The Two (or Three) Waves of Media Consolidation, 1984–2010

Trends in the telecom and media industries vary considerably over time. Between 1984 and 1996, the advent of new players led to greater diversity in all sectors, except for newspapers, cable, and satellite video distribution, where concentration levels climbed significantly. Concentration levels remained very high in wireline telecoms in the 1980s and early 1990s, too, and in wireless, which was being developed by two
p. 465 companies, Bell and Rogers. As had been the case in many countries, telecom competition moved ↳ slowly from the ends of the network into services and then into the network infrastructure. Only in the mid-1990s did competition begin to take hold, although for just a few years before the trend was reversed and concentration levels once again began to climb. Data on wired and wireless telecoms are provided in the tables.

Conventional as well as pay and subscription television channels were already expanding steadily. In terms of ownership it was mostly incumbents and a few newcomers such as Allarcom and Netstar that cultivated the field, with their reach and share of the market growing in tandem with the number of services available and minor shuffles along the way. Most transactions in the 1980s and early 1990s involved players within single sectors, with Conrad Black's takeover of the Southam newspaper chain in 1996 being the poster child of the times. In broadcast television, amalgamation among local and regional ownership groups in the late 1980s and early 1990s produced the large national companies that came to single-handedly own the leading commercial television networks such as CTV, Global, TVA, CHUM, and TQS by the late 1990s. While weighty in their own right, these amalgamations did not have a huge impact on the media as a whole. There were still significant levels of ownership and organizational diversity to be seen. The CBC also remained prominent but was eclipsed by commercial television during this time, as its share of all resources in the television system fell steadily from 46% in 1984 to 26% by 2000 to just above 20% today. Its audience share is under 10%.

This picture of significant, albeit mostly gradual, change shifted dramatically in the late 1990s. Investment poured into mergers and acquisitions, yielding huge media conglomerates with previously unheard of capitalization levels and debts. Figure 17.2 reveals the spike of acquisitions in the telecom and media industries between 1996 and 2000 and again, albeit more modestly, from 2003 until 2007.

Figure 17.2

Financial Investment in Mergers and Acquisitions in Media and Telecoms, 1984–2010 (Millions$)

Financial Investment in Mergers and Acquisitions in Media and Telecoms, 1984–2010 (Millions$)

We can see a clear trend toward mergers and acquisitions beginning in 1994, mounting steadily to unprecedented levels after that until 2000, a fallback after the collapse of the TMT bubble between 2000 and 2003, and a steady climb again until 2007, before falling off sharply in 2008 with the onset of the global financial crisis. These patterns closely parallel trends in the United States and globally. The processes of consolidation over this period can be seen as occurring in two, possibly three, relatively distinct waves. The results marked a watershed with the circumstances that had prevailed before.

p. 466

Wave 1—1994 to 2000

The first wave of consolidation began in 1994 when the largest cable company, Rogers, took over Maclean-Hunter, a leading magazine publisher that also had interests in broadcasting, cable, and a few other areas. The event inaugurated the rise of major media conglomerates in Canada. Two years later, Conrad Black's Hollinger group took over Southam, the largest and oldest chain of dailies at the time. However, both transactions were still a far cry from what was to follow a few years later.

In 2000, media transactions alone were worth $7.1 billion, more than eight times greater than five years earlier; telecom and Internet acquisitions were more than 10 times what they had been just a few years earlier. Primed by the easy cash of the Telecom-Media-Technology boom, visions of media convergence, and permissive policies of the then Liberal Government, media and telecom companies went on a buying spree. BCE acquired CTV and the *Globe & Mail* for $3.4 billion in 2000, while Quebecor bought the cable company Videotron, the largest French language television network, TVA, as well as the Sun newspaper chain for $7.4 billion between 1998 and 2001. The results were Quebec's biggest media conglomerate and the fourth largest in the country. In 1998, Canwest purchased Western International Communication ($800m) to become the second largest broadcast television network, Global, in Canada followed two years later by its acquisition of the Hollinger (Southam) newspaper chain and the *National Post* ($3.2 billion) from Conrad Black. There was significant consolidation among smaller and larger ISPs, cable companies, and between new wireless rivals and the incumbents.

Wave 2—2004–2007

As the TMT bubble collapsed in 2000, many of the telecom, media, and Internet firms created during the previous few years went bust or weretaken over by the incumbents. As an example, Telus acquired Clearnet (the second largest independent competitor in wireless) in 2000 and PsiNet, the largest independent ISP at the time, the following year. This caused a lull in activity, but by 2003–2004 the processes of consolidation regained steam. Rogers took over the only remaining independent wireless provider, Microcell (Fido), in 2004, which had built up a sizeable (10%) share of the industry.

Canwest was already struggling to bring its debt under control and sold several small dailies to two regional chains, Transcontinental and Osprey (2002–2003). Craig Media, with financing from the US-based private equity fund Providence Equity Partners, expanded its modest A-Channel and created a new station, Toronto One, in 2003. However, the effort failed and Craig was forced into bankruptcy, Toronto One was sold to Quebecor, and Craig's fledgling network of A-Channel stations sold to CHUM in 2004. The latter was the fifth largest broadcaster and owned a handful of television stations that made up the venerable and commercially and culturally innovative CityTV network in a half-dozen major Canadian cities. However, that, too, was short-lived. The debt-laden CHUM was sold after its founder's death to Bell Globemedia in 2006 ($1.6b). Even Bell Globemedia was in disarray, and it abandoned its convergence strategy by scaling back its stake in CTV and the *Globe and Mail* (71–15%) in late 2006.

It also sold its stake in the second French-language commercial network, TQS, the next year. A rebranded CTV Globemedia emerged after the restructuring, with the Thomson family (40%) at the helm and Ontario Teacher's Pension Fund (25%), Torstar (20%), and Bell (15%) all holding minority interests. The last step in this tangled web of affairs occurred when the CRTC allowed CTV Globemedia to keep the A-Channel stations, as well as the 30-odd pay and specialty television services that it had acquired from CHUM, but forced it to sell the CityTV stations. Rogers snapped them up ($375 million) within the year.[33]

p. 467 Three other transactions in 2007 marked the high point of the second wave of consolidation. The fifth largest pay and specialty television and radio broadcaster in the country, Astral Media, bought Standard Broadcasting. A small chain of newspapers, Osprey, was sold to Quebecor. Lastly, Canwest and the New York–based investment bank, Goldman Sachs, bought broadcaster and film and television production company Alliance Atlantis for $2.3 billion. Although the fact that Goldman Sachs held two-thirds of the equity in the television services would seem to have put the transaction afoul of Canada's foreign ownership rules, the regulator blessed the transaction based on the fiction that Canwest maintained control of the voting stock and board of directors. The deal gave Canwest ownership majority stakes in 13 specialty and pay television channels (e.g., BBC Canada, HGTV, National Geographic, Showcase, etc.) and a successful film and television production venture.[34] During this second wave of consolidation, media acquisitions neared their dot.com highs, with similar questionable outcomes as debt and capitalization levels soared.

Wave 3—2010 and Beyond

Whether events since 2010 constitute a third wave of consolidation or just the fallout from the collapse of Canwest is still too early to tell. However, in the past year Canwest's newspapers have been sold to Postmedia ($1.2 billion) and its TV assets sold to Shaw ($2 billion), already the largest video distribution provider and one of the top ISPs in Canada. Shaw also swapped some of the radio stations it owns, via Corus, in Quebec with Cogeco, a mid-size cable company, in return for others in predominantly English-speaking cities. Bell Canada renewed its convergence gambit by buying back CTV ($3.2 billion), giving it a second run to make vertical integration work between its telephone, satellite, and ISP (network infrastructure) businesses. This made it the largest media group in the country with its CTV and A-channel networks, 31 satellite and cable television channels, 28 local television stations, and 33 radio stations. The only real difference between now and 10 years ago when it first tried this strategy is that BCE scaled back its stake in the *Globe & Mail* (15%) and that media conglomerates have fallen out of fashion in most developed capitalist economies (albeit with the obvious exception of the Comcast/NBC–Universal merger approved in the United States in 2011).[35]

The idea that consolidation occurs in waves is important for several reasons. First, it shows that there is a certain periodicity to the run of events rather than a process leading constantly to either greater competition or more consolidation. Second, it shows that there is little that renders the telecom, media, and Internet industries immune to consolidation. In fact, powerful forces push them in the opposite direction. Notably, from the mid- to late 1990s the telecom, media, and Internet sectors have been destinations for capital investment at a rate far out of proportion to their weight in the real economy. In a way, they have been harbingers of the great transformation that has taken place during this time in which the importance of finance and financial markets in the general scheme of the economy as a whole has increased tremendously.

Third, consolidation has given rise to a new kind of entity now at the core of the network media ecology: the media conglomerate. Altogether, 4 massive media conglomerates and 6 large but more specialized companies that are half their size constitute the big 10 media firms in Canada, as outlined in Table 17.3.

Table 17-3. The “Big 10” Media Companies in Canada, 2011 (millions CAN$) (excluding wireline and wireless telecoms)[1]

2011	Ownership	Market Share	Total Rev.	Cable & Sat. Dist.	Internet Access	Total TV	Radio	Press/Mags*
Bell/CTV	Diversified	15.3	5,373.1	1,830.0	1,525.0	1,857.6	160.5	
Shaw	Shaw Family	15.3	5,356.1	2,432.7	968.6	1,759.1	195.7	
Rogers	Rogers Family	11.6	4,077.7	1,874.0	912.0	797.0	220.8	273.9
QMI	Péladeau	8.5	2,986.6	1,040.9	698.2	3,45.2		902.3
CBC	Public	5.2	1,838.8			1,501.9	336.9	
Postmedia	Godfrey, et. al.	*3.3*	*1,168.7*					*1,168.7*
Cogeco	Audet (60%), Rogers (40%)	3.2	1,130.8	639.7	315.6	61.9	113.6	
TELUS	Diversified	3.0	1,052.4	364.8	687.6			
Astral	Greenberg	2.6	922.5			582.2	340.3	
Bragg	Privately Held	1.6	558.5	326.5	232			
Others	Diversified	30.4	10,616.6					
Total NMI $			35,081.8					
C1	15.3							
C4	50.7							
C10	69.5							
N (>1%)	10							
HHI	738.5							
Noam Index	233.5							

1 While I have excluded wired and wireless from the present analysis for reasons explained earlier, I still include Bell and Telus among those on this list because both have very large Internet access providers, which is a topic covered by the present discussion, and the former (Bell) owns CTV.

p. 468 Table 17.3 shows the sheer size of the four leading TMI conglomerates and six specialized firms in broadcasting and newspapers that follow. It gives us a clear picture of who the key players are, and the media segments in which they operate. It does not, however, indicate whether the media have become more or less concentrated over time.[36] Others also argue that focusing on specific firms and who owns them is misleading because media companies are generally now owned by shareholders and controlled by managers. According to Noam,[37] owner-controlled media firms in the United States fell from 35% to just 20% between 1984 and 2005. Demers and Merskins[38] use such evidence to argue that the managerial p. 469 revolution has signaled the demise of the media mogul. They argue that this is a good thing because ↳ media managers do not have ideological axes to grind, although they do have deep pockets and the expertise needed to support better media performance and higher quality journalism than owner-controlled companies.

The upshot from of all this is that the media are more competitive and fragmented than ever. Or are they? The fact that all of the big 10 media firms, except Bell and the CBC, are owner controlled suggests that Demers and Merskins’ and Noam’s case does not fit the Canadian context. Such arguments usually suggest that the results are part of a steady process of incremental change, but events in Canada suggest that a sharp, dramatic bout of consolidation occurred in the last half of the 1990s and again in the mid-2000s that produced a sharp rise in concentration without altering the structure of media ownership.

The big 10 media firms' share of all revenues (excluding telecom services) reached a high point in 2000 at roughly 68% of all industry revenues—a fairly significant rise from 62% in 1996 and up substantially from 51% in 1992. However, with the collapse of the telecom-media-technology bubble in 2000, the big 10's share of all industry revenue fell to just below 60% in 2006. Thereafter, things reversed course, and by 2011 the big 10 players' share of the TMI ecology had set all-time highs to reach just under 70%. In short, while the TMI ecology has grown much larger and more structurally differentiated over time, the big 10 players' share of it has grown substantially relative to the early 1990s, or modestly if we take 2000 as our base year.

The Two (or Three) Waves of Media Consolidation, 1984–2010

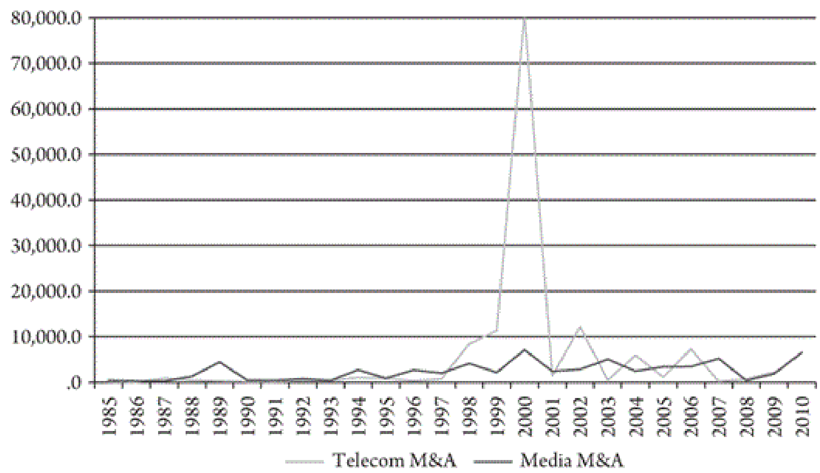
Trends in the telecom and media industries vary considerably over time. Between 1984 and 1996, the advent of new players led to greater diversity in all sectors, except for newspapers, cable, and satellite video distribution, where concentration levels climbed significantly. Concentration levels remained very high in wireline telecoms in the 1980s and early 1990s, too, and in wireless, which was being developed by two companies, Bell and Rogers. As had been the case in many countries, telecom competition moved slowly from the ends of the network into services and then into the network infrastructure. Only in the mid-1990s did competition begin to take hold, although for just a few years before the trend was reversed and concentration levels once again began to climb. Data on wired and wireless telecoms are provided in the tables.

p. 465

Conventional as well as pay and subscription television channels were already expanding steadily. In terms of ownership it was mostly incumbents and a few newcomers such as Allarcom and Netstar that cultivated the field, with their reach and share of the market growing in tandem with the number of services available and minor shuffles along the way. Most transactions in the 1980s and early 1990s involved players within single sectors, with Conrad Black's takeover of the Southam newspaper chain in 1996 being the poster child of the times. In broadcast television, amalgamation among local and regional ownership groups in the late 1980s and early 1990s produced the large national companies that came to single-handedly own the leading commercial television networks such as CTV, Global, TVA, CHUM, and TQS by the late 1990s. While weighty in their own right, these amalgamations did not have a huge impact on the media as a whole. There were still significant levels of ownership and organizational diversity to be seen. The CBC also remained prominent but was eclipsed by commercial television during this time, as its share of all resources in the television system fell steadily from 46% in 1984 to 26% by 2000 to just above 20% today. Its audience share is under 10%.

This picture of significant, albeit mostly gradual, change shifted dramatically in the late 1990s. Investment poured into mergers and acquisitions, yielding huge media conglomerates with previously unheard of capitalization levels and debts. Figure 17.2 reveals the spike of acquisitions in the telecom and media industries between 1996 and 2000 and again, albeit more modestly, from 2003 until 2007.

Figure 17.2



Financial Investment in Mergers and Acquisitions in Media and Telecoms, 1984–2010 (Millions$)

We can see a clear trend toward mergers and acquisitions beginning in 1994, mounting steadily to unprecedented levels after that until 2000, a fallback after the collapse of the TMT bubble between 2000 and 2003, and a steady climb again until 2007, before falling off sharply in 2008 with the onset of the global financial crisis. These patterns closely parallel trends in the United States and globally. The processes of consolidation over this period can be seen as occurring in two, possibly three, relatively distinct waves. The results marked a watershed with the circumstances that had prevailed before.

p. 466

Wave 1—1994 to 2000

The first wave of consolidation began in 1994 when the largest cable company, Rogers, took over Maclean-Hunter, a leading magazine publisher that also had interests in broadcasting, cable, and a few other areas. The event inaugurated the rise of major media conglomerates in Canada. Two years later, Conrad Black's Hollinger group took over Southam, the largest and oldest chain of dailies at the time. However, both transactions were still a far cry from what was to follow a few years later.

In 2000, media transactions alone were worth $7.1 billion, more than eight times greater than five years earlier; telecom and Internet acquisitions were more than 10 times what they had been just a few years earlier. Primed by the easy cash of the Telecom-Media-Technology boom, visions of media convergence, and permissive policies of the then Liberal Government, media and telecom companies went on a buying spree. BCE acquired CTV and the *Globe & Mail* for $3.4 billion in 2000, while Quebecor bought the cable company Videotron, the largest French language television network, TVA, as well as the Sun newspaper chain for $7.4 billion between 1998 and 2001. The results were Quebec's biggest media conglomerate and the fourth largest in the country. In 1998, Canwest purchased Western International Communication ($800m) to become the second largest broadcast television network, Global, in Canada followed two years later by its acquisition of the Hollinger (Southam) newspaper chain and the *National Post* ($3.2 billion) from Conrad Black. There was significant consolidation among smaller and larger ISPs, cable companies, and between new wireless rivals and the incumbents.

Wave 2—2004–2007

As the TMT bubble collapsed in 2000, many of the telecom, media, and Internet firms created during the previous few years went bust or weretaken over by the incumbents. As an example, Telus acquired Clearnet (the second largest independent competitor in wireless) in 2000 and PsiNet, the largest independent ISP at the time, the following year. This caused a lull in activity, but by 2003–2004 the processes of consolidation regained steam. Rogers took over the only remaining independent wireless provider, Microcell (Fido), in 2004, which had built up a sizeable (10%) share of the industry.

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Measuring Concentration Trends Over Time, 1984–2011

Taken individually, each media sector, except magazines, was highly concentrated in 2011 according to the CR method. HHI scores show similar trends, as Figure 17.3 reveals: wireline and wireless telecoms (3,513.4 and 2,923.7, respectively), conventional television (2,401.4), cable, satellite, and IPTV distribution (1,975.4), pay and specialty TV channels (2,329), and newspapers (1,742.5). Radio (1,218.9) is moderately concentrated, while Internet Access (1,013.4), online news sources (653.2), and the network media as a whole (738.5) are unconcentrated by HHI standards.

Figure 17.3

HHI Scores for the Network Media Industries, 1984–2011

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In the next few paragraphs, I begin by separating each of the sectors into two categories: one for the network infrastructure industries (wireline and wireless telecom services, ISPs, cable, satellite, and other OVDs) and another for the content industries (newspapers, TV, magazines, radio). At the end, I pool each of these categories together and examine the trends over time using CR and HHI standards.

p. 470

The Network Infrastructure Industries

Concentration levels have remained very high in wireline telecoms. They slid steadily from 1984 to 1996 as competition was gradually introduced, subscribers were allowed to attach their own equipment to the ends of the network, and competition in information services was opened up. By the mid-1990s, increased competition took hold in services and network infrastructure at the same time that the Telecom-Media-Technology boom was in full swing. HHI scores for wired telecoms dropped from 4,188 in 1992 to a much lower, but still concentrated, 3,123.9 in 2004. Table 17.4 illustrates the trends.

Table 17-4. Wired Ownership Groups, Revenue, Market Shares, and Concentration Levels from 1984 to 2011

	1984	1988	1992	1996	2000	2004	2006	2008	2010	2011
Bell	69.4	64.4	62.3	55.0	54.1	51.9	59.0	58.7	54.7	54.4
Mar. T&T	*2.2*	*2.6*	*3.7*	*3.3*	*Alliant*					
NB Tel	*1.8*	*2.0*	*2.4*	*2.5*	*Alliant*					
New Tel	*1*	*1.4*	*1.9*	*1.8*	*Alliant*					
Island Tel	*0.1*	*0.1*	*0.1*	*0.2*	*Alliant*					
Telus			8.6	9.3	20.3	18.9	20.2	20.8	22.5	21.9
BCTel	*11.6*	*13.7*	*13.5*	*13.7*	*Telus*					
AGT	*7.6*	*7.6*	*Telus*							
MTS Allstream	2.1	3.2	3.4	3.0	3.3	6.1	8.4	8.1	6.2	5.9
SaskTel	3.0	3.7	3.7	3.4	2.7	2.5	2.2	2.0	2.9	2.9
Rogers					1.0	2.2	1.9	2.7	2.9	3.0
Shaw				0.04	0.1	0.2	0.4	1.4	2.3	2.7
Quebecor/Videotron						0.05	0.6	2.0	2.4	2.7
Videotron				0.09	0.3 Quebecor					
Cogeco							0.1	0.4	0.7	1.3
Bragg/East-link (7)					0.009	0.1	0.3	0.7	0.7	1.3
AmTel (8)							*0.07*	*Bragg*		

Access Comm						0.05	0.05	0.08	0.08	0.8
Cooperative										
Small ILECS	1.2	1.2	1.2	1.2	1.3	1.9	2.0	2.4	2.4	1.7
AT&T (US)					6.9	MTS				
Call-Net (Sprint)			0.6	4.0	3.6	4.1	Rogers			
360 Networks					1.3	1.8	Bell			
Group Telecom					0.3	360 Networks				
FibreLink				0.04	0.1	GT Telecom (2000)				
Axxent (OCI Comm)					0.3	Telus (2002)				
Primus					0.4	1.0	0.8	0.7	0.8	0.8
London Telecom				0.4	Primus (1999)					
Cannect					0.3					
Futureway/FCI Broadband						0.01	0.1	Rogers (2007)		
Vonage						0.02	0.1	0.2	0.2	0.2
Cyberus (VOIP)							0.003	0.01	0.01	0.01
Skype										
Others*				2.0	4.0	9.2	3.8		1.2	
Total $	12,787	14,007	14,700	17,900	21,200	19,800	18,400	18,000	16,900	16,400
Total $US			12,174	13,126	14,279	15,251	16,225	16,995	16,405	16,588
C4	90.8	89.4	88.1	81.5	84.8	81.0	89.8	90.5	86.3	85.1
N (>1%)	9	9	9	10	9	9	6	8	8	10

HHI	5,032	4,430	4,187.6	3,357	3,422	3,123	3,973	3,968	3,572	3,513.4
Noam Index	1,677.5	1,477.0	1,395.9	1,061.8	1,140.9	1,041.3	1,622.1	1,402.9	1,262.9	111.0

As the telecoms and Internet boom gathered steam new players emerged to become significant competitors in Internet access, with four companies taking more than a third of the ISP market for themselves in 1996: for example, AOL (12.1%), Istar, (7.2%), Hook-Up (7.2%), and Internet Direct (6.2%.) However, the early competitive ISP era yielded to more concentration in the next decade. Although the big four ISPs accounted for a third of all revenues in 1996, by 2000 the number had grown to 54% and a few percentage points higher over the decade. HHI scores also show a significant leap in consolidation between 1996 and 2000, but these are still relatively low levels in comparison to most other sectors. Such an outcome is probably more an indicator of the limits of the HHI method in this particular case, since 94% of high-speed Internet subscribers rely on one or the other of the incumbent cable or telecom companies' ISPs to access the Internet (CRTC, 2011, p. 138).[39] Table 17.5 shows the market share for individual ISPs over time.

Table 17-5. ISP Market Shares and Concentration Levels from 1996 to 2011. Internet Service Providers, Market Shares (Based on Revenue) and Concentration Levels, 1996–2011 (1)

	1996	2000	2004	2006	2008	2010	2011
Bell (2)	10.5	21.4	24.7	28.9	22.1	20.7	21.2
Mar. T&T (3)	*0.8*	*Alliant*					
NBTel (4)	*0.8*	*Alliant*					
New Tel (5)	*0.5*						
Island Tel (6)	*0.05*	*Alliant*					
Shaw		12.3	10.1	11.4	11.7	13.5	13.5
Moffat		*0.8*	*Shaw (2001)*				
Rogers		12.4	9.0	10.5	11.2	12.4	12.7
Quebecor (9)			5.3	7.3	7.1	9.5	9.7
Videotron (10)	*3.8*	*4.1*	*Quebecor*				
Telus (7)	2.0	8.1	10.0	9.6	9.3	9.1	9.6
BCTel (8)	*2.7*	*Telus*					
Cogeco	1.0	2.5	2.5	3.0	3.4	4.1	4.4
Bragg/East-link/Persona		0.08	0.5	1.2	2.0	2.9	3.2
AmTel				0.9	Bragg		
SaskTel	1.1	1.7	1.6	1.7	1.6	1.7	1.6
MTS Allstream	0.8	1.2	1.1	1.7	1.6	1.4	1.4
AT&T (US)		*2.6*	*3.1*	*1.7*			
Access Comm Coop			0.2	1.3	0.2	0.2	
Omineca/Your-link (12)			0.04	MTS	0.07		
AOL (US)	12.1	3.8	2.9	0.2			
Primus (13)		1.1		0.04			
Call-Net (Sprint) (14)		3.3	0.3	Rogers (2004)			
Look		2.2	0.06 (15)	0.2	0.1		
Internet Direct (16)	*6.2*	*Look*					
PsiNet (17)		3.4					
Istar	7.2	PsiNet					
Technovision/Uniserve	0.3						
Pathway							
Rhythms (18)							
Hook-Up	6.3	(Netcom 1997)	Pathway (2001)				
Craig				0.02	0.01		

Cybersurf	0.2	0.1	0.2				
Others	43.7	18.9	28.5	20.3	29.6	24.5	22.7
Total Rev.	239	1,800	4,200	5,000	6,200	6,800	7,200
Total Rev $US	175	1,212	3,235	4,409	5,854	6,601	7,283
C4	33.6	54.2	53.8	54.7	54.3	56.1	57.1
N (>1%)	10	14	10	11	9	9	9
HHI	591.9	974.5	1,239.4	1,242.5	926.0	967.7	1,013.4
Noam Index	197.3	260.4	391.9	391.9	292.8	306.0	320.4

The situation with respect to high-speed Internet access reflects the fact that Canada has developed a framework in which it is mostly the incumbent telecom and cable companies that increasingly compete with one another in duopolistic markets, not just for Internet access but also for television (video) distribution. This means that there is some competition in these areas. Yet it is revealing of how limited that competition is once we realize that cable and satellite distribution is one of the only segments assessed for which instead of some early years of falling concentration and more competition, the levels of concentration have risen steadily from low levels in the 1980s (563.9). They peaked in the years between 1996 and 2006 before drifting slightly downward but are still at the top of the concentration scale ever since (high 1900s). Table 17.6 illustrates the trends for multichannel video distributors.

Table 17-6. Multichannel Video Distribution Platforms—Ownership Groups Market Shares and Concentration Levels, 1984–2011

	1984	1988	1992	1996	2000	2004	2006	2008	2010	2011
Shaw (1)	4.5	5.3	10.0	18.8	28.3	31.2	29.9	28.4	28.8	28.3
Star Choice				*3.4*	*Shaw (1998)*					
Moffat	*4.0*	*2.6*	*1.7*	*1.8*	*3.8*	*Shaw (2001)*				
Monarch Cablesystems	*0.2*	*0.2*	*0.4*	*0.4*	*0.7*	*Shaw (2001)*				
Okanagan						*Monarch (2001)*				
Skeena Group	0.2	0.2	0.3	0.3	0.3					
Dartmouth/Access Cable	*0.5*	*0.5*	*0.5*	*0.7*	*Shaw (1999)*					
Fundy			*2.0*	*2.6*	*Shaw (1999)*					
Cable 2000			*0.7*	*Fundy (1995)*						
Classic			*1.7*	*Fundy (1994)*						
CUC/Trillium	0.6	4.6	5.1	Shaw (1995)						
Cablecaster			*4.5*	*Shaw (1992/3)*						
Saskatoon Telecable		*0.9*	*Shaw (1990)*							
Rogers	21.3	22.4	30.8	35.6	26.6	24.7	22.0	23.0	21.8	21.3

Cable Atlantic/Avalon Cable	*0.6*	*0.9*	*1.0*	*1.0*	*0.1*	*Rogers/Metro Net (2000)*				
Maclean-Hunter	*6.6*	*6.7*	*10.6*							
Skyline	*2.2*	*1.4*	*Rogers (1990)*							
Selkirk	*2.9*	*Maclean-Hunter*								
Bell TV (DTH)					7.2	17.0	20.0	19.8	20.7	22.0
Quebecor/Videotron						12.7	12.4	11.6	12.1	12.1
Videotron		*19.7*	*17.7*	*18.8*	*17.9*	*Quebecor (2000)*				
CF Cable	*2.5*	*3.0*	*3.0*	*4.9*	*Videotron (1997)*					
Northern Cable	*1.9*	*1.6*	*2.1*	*CFCable (1993)*						
Telesag	*1.4*	*0.9*	*Videotron (1989)*							
Telecable			*0.4*	*CFCable (1994)*						
Cogeco	0.6	2.1	6.6	5.7	8.1	9.1	8.2	7.4	7.6	7.5
Cableworks/ Western Co-ax			*0.6*	*0.9*	*Cogeco*					
Bragg/East-Link/Persona				1.6	2.7	2.8	2.9	4.1	3.8	3.8
Telus								0.01	2.7	4.2

Regional Cablesystems	*1.9*	*1.7*	*2.1*	*1.5*	*2.7*	*Bragg/East- Link (2001)*				
AmTel							*0.1*	*Bragg*		
MTS Allstream						0.2	0.5	0.7	0.7	0.8
SaskTel						0.3	0.5	0.7	0.7	0.9
Access Comm. Coop				1.1	0.9	0.8	0.7	0.7	0.9	0.8
Mountain Cable	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	Shaw	
Omineca/Yourk-Link	0.2	0.2	0.3	0.3	0.1	0.1	0.1	0.1	0.05	0.06
Look (MDS)					0.8	0.4	0.2	0.2		
Craig							<1	<1	<1	
Others	47.4	24.6					2.1	2.89		
Total $	716.3	1,242.9	1,651.4	2,677.4	4,218.5	5,039.4	5,791.3	6,953.5	8,100	8,588.3
Total US$			1,367.6	1,963.3	2,841.2	3,881.5	5,106.6	6,565.3	7,862.7	8,686.8
No. of Systems	*18*	*19*	*22*	*18*	*15*	*13*	*14*	*13*	*10*	*10*
C4	35.3	54.1	69.1	78.9	80.9	85.6	84.3	82.8	83.4	83.7
N (>1%)	10	11	14	12	8	6	6	6	7	
HHI	563.9	1,014.6	1,594.6	2,061.2	1,977.5	2,125.6	2,008.6	1,935.4	1,960.9	1,975.4
Noam Index	178.3	305.9	426.2	595.0	699.2	867.8	820.0	790.1	741.2	

In contrast, greater competition in wireline telecom network infrastructure took hold in the late 1990s and into the early 2000s; the CR4 (81) and HHI (3,123.9) scores reached their lowest level ever in 2004. However, as the aftermath of the collapse of the TMT bubble played out, many of the companies created in the dot.com years collapsed and "ceased to exist" altogether and competition grew feeble as a result.[40] Much the same can be said with respect to wireless services; they have consistently been highly concentrated and continue to be so to this day, despite the advent of three newcomers in the last two years—Mobilicity, Wind Mobile, and Public. Two other competitors, Clearnet and Microcell, managed to garner 13.4% of the market between them, but they were then taken over by Telus and Rogers in 2000 and 2004, respectively. It is still too early to tell whether the newcomers of the last two years will fare any better, but with only 1.6 percent of the market as of 2011, they are a long way from the high tide of competition set a decade ago. Table 17.7 illustrates the trends for wireless telecom services.

Table 17-7. Wireless Telecommunications Ownership Groups and Market Shares, 1984–2011

	1985	1988	1992	1996	2000	2004	2006	2008	2010	2011
Rogers	34.2	25.9	25.7	50.7	30.4	29.2	36.1	39.1	38.7	37.0
Microcel/Fido				0.06	11.0	Rogers				
Bell	65.8	74.1	74.3	49.3	28.0	30.6	27.5	27.7	27.4	27.1
Telus					29.4	30.8	30.4	28.8	28.0	28.5
SaskTel							2.4	2.3	2.3	2.1
MTS Allstream							1.8	1.8	1.8	1.8
Quebecor/Videtron							0.1	0.3	0.3	0.6
Clearnet					2.4	Telus				
Other (Wind, Mobilicity, Public Mobile)						9.4	1.7		0.6	1.6
Total $	321.0	565.2	931.0	2,175.0	5,400.0	9,200.0	12,696.2	16,200.0	18,000.0	19,300.0
Total $US			771.0	1,594.9	3,637.0	7,086.2	11,195.2	15,295.6	18,206.4	19,953.4
(a) No. of Providers	*2*	*2*	*2*	*4*	*5*	*3*	*5*	*5*	*9*	*9*
C4	100.0	100.0	100.0	100.0	98.8	100.0	96.4	97.9	96.4	94.7
N (>1%)	2	2	2	2	5	3	5	5	5	5
HHI	5,499.3	6,161.6	6,181.0	5,001.0	2,699.3	2,737.6	2,992.6	3,134.2	3,041.1	2,923.7
Noam Index	3,888.6	4,356.9	4,370.6	2,500.5	1,207.2	1,580.6	1,338.3	1,401.6	1,360.0	1,307.5

Table 17.8 aggregates and presents the data for the CR and HHI scores for each sector of the network infrastructure industries since 1984. Attention then turns to an examination of the data and trends for the
p. 471 content and online segments of the network media industries covered in this study. ↳

p. 472 ↳

p. 473 ↳

p. 474 ↳

p. 475 ↳

p. 476 ↳

p. 477 ↳

Table 17-8. CR and HHI Scores for the Network Infrastructure Industries, 1984–2011

CR	1984	1988	1992	1996	2000	2004	2008	2010	2011
Wireless	100.0	100.0	100.0	100.0	98.8	100.0	97.9	96.4	94.7
Wired	90.8	89.4	88.1	81.5	84.8	81.0	90.5	86.3	85.1
Internet Access				33.6	54.2	53.8	55.3	54.3	56.1
Cable & Sat. Dist.	35.3	54.1	69.1	78.9	80.9	85.6	82.8	83.4	83.7
HHI	1,984	1,988	1,992	1,996	2,000	2,004	2,008	2,010	2,011
Wireless	5,499.3	6,161.6	6,181.0	5,001.0	2,699.3	2,737.6	3,134.2	3,041.1	2,923.7
Wired Telecom	5,033.0	4,431.0	4,187.6	3,358.0	3,423.0	3,124.0	3,968.0	3,572.0	3,513.4
Internet Access				416.8	906.4	949.7	926.0	967.7	1,013.4
Cable & Sat. Dist.	563.9	1,014.6	1,594.6	2,061.2	1,977.5	2,125.6	1,935.4	1,960.9	1,975.4

p. 478

The Content Industries

Until the mid-1990s, all aspects of the television industry were moderately concentrated by HHI standards and significantly so by CR measures, with the top four firms, including the CBC, accounting for between 50% and 60% or more of revenues. Competition and diversity made some modest inroads from 1998 to 2004, but the trend abruptly reversed course and levels have climbed steadily since. Shaw's takeover of Canwest's television assets and Bell's buyback of CTV pushed the levels to new extremes by 2011. The four largest commercial television companies—CTV, Global, TVA, and CityTV—as well as more than 100 of the most important cable and satellite channels available are owned by Bell, Shaw, Rogers, and Astral. Together, these four players control 69% of all television revenue (excluding distribution). The CBC accounts for almost 21% and QMI 5% of television revenues, meaning that the top six television groups account for 94% of the entire television industry, with each of its subcomponents (conventional television, pay and specialty channels) each also having high levels of concentration. Tables 17.9 and 17.10 illustrate the trends for conventional television, as well as pay and specialty television services, respectively.

Table 17-9. Broadcast Television Ownership Groups, Market Shares, and Concentration Levels 1984–2011

	1984	1988	1990	1996	2000	2004	2008 (2)	2010	2011
CBC/Radio Canada (3)	48.5	40.3	43.1	31.8	33.8	33.4	36.8	37.0	38.3
Bell									24.0
CTV Globemedia							*24.8*	*27.4*	*Bell*
Bell Globemedia (8)					*0.43*	*21.6*	*CTVgm*		
Baton/CTB (14)	*8.3*	*10.5*	*6.9*	*7.6*	*17.5 BCE*				
Electrohome (16)	*1.0*	*2.2*	*2.3*	*2.2*					
Moffat (17)	*0.8*	*0.8*	*0.8*	*0.7*					
Blackburn (22) (CFPL London)	*0.9*	*0.8*	*0.8*	*Baton (1993)*					
MidCanada Comm (23)	*0.9*	*0.8*	*Baton (1989)*						
Huron Broadcasting	*0.3*	*2*	*Baton (1989)*						
Yorkton TV	*0.3*	*0.3*	*Baton (1989)*						
Sunwapta	*0.5*	*0.5 Electrohome*							
CHUM	4.2	5.1	4.9	4.2	4.4	6.0	Bellgm (2007) (10)		
Craig (11)					*1.6*	*1.8 CHUM & QBC (12)*			
Shaw								14.5	15
Canwest (5)	4.9	6.7	8.9	11.9	21.2	21.3	17.3	Shaw	
WIC (18)	3.3	3.4	5.8	9.7					
Quebecor TVA (2000Pres)					8.9	8.6	7.3	7.4	7.5
Videotron (13)		6.2	6.7	7.0	QMI				
TeleMetropole (TVA) (27)	4.9	Videotron							
Pathonic (24)	1.0	0.9	Videotron (25)						
Rogers (7)	0.9	0.9	1.9	5.3	2.7	2.4	6.1	7.3	8.5
Maclean Hunter	*1.3*	*4.9*	*5.2 (21)*						
Selkirk (26)		5.8							
Remstar							1.8	1.8	1.9

Cogeco TQS (200,108) (40% CTVgm)	0.4	0.9	1.8	2.5	1.3	3.6	Remstar		
TQS (Quebecor 1997–2001)					1.8				
TQS (CFCF/Pouliot) (19)	4.3	3.3	4.6	2.3					
Radio Nord (9)	0.4	0.5	0.6	0.6	0.8	1.0	1.0	1.2	1.2
Other	7.5	1.6	6.0	4.9	9.3	6.7	3.0	2.9	
Conventional TV $	1,747.9	2,127.4	2,378.8	2,831.6	2,840	3,159.9	3,381.4	3,405.6	3,491.9
Conventional TV $US			2,039.1	2,076.3	1,912.8	2,433.9	3,192.6	3,305.8	3,531.9
Conventional TV Owners #	*41*	*34*	*27*	*24*	*20*	*16*	*15*	*13*	
C4	66.6	63.7	65.6	61.0	81.4	84.9	86.2	86.3	85.8
HHI	2,524	1,938	2,149	1,417	2,012	2,169	2,363	2,443	2,401
N (>1%)	10	11	10	10	8	8	7	7	7
Noam Index	798	584	680	448	711	767	893	923	908

Table 17-10. Pay TV and Specialty Ownership Groups, Market Shares, and Concentration Levels from 1984 to 2011

	1984	1988	1992	1996	2000	2004	2008 (2)	2010	2011
Shaw/Corus (4)				3.7	11.3	18.7	17.5	31.7	33.9
Canwest					*1.1*	*2.1*	*16.1*	*Shaw*	
WIC			*7.4*	*5.1*	*Canwest (1998)*				
Alliance Atlantis (9)				*2.7*	*8.0*	*11.7*	*Canwest (2007)*		
Atlantis			*2.3*	*5.2*					
Allarcom		*13.1*	*WIC (1991)*						
Bell									27.4
CTV Globemedia							28.4	26.3	Bell
Bell Globemedia (8)					*0*	*15.7*	*CTVgm (2007)*		
CHUM		*3.5*	*4.0*	*6.5*	*8.8*	*10.5*	*CTVgm/Rogers (2007) (8)*		
Baton/CTV (10)					*18.9*				
Netstar (11)		*21.8*	*24.1*	*30.6*	*CTV (12)*				
Rogers		14.1	22.5	15.4	13.5	15.8	10.9	11.4	12.3
Astral		12.6	2.6	3.0	5.9	5.9	17.0	15.9	15.6
CBC/Radio Canada			7.5	8.5	7.5	6.4	5.1	4.3	4.1
Quebecor (5)					0.7	1.6	2.5	3.5	3.9
Craig						*0.4 CHUM & QMI*			
Videotron				*4.1*	*QMI*				
Pelmorex			4.5	3.7	2.5	1.9	1.7	1.4	1.3
Fairchild (Chinavision)		1.5	0.9	2.3	1.7	1.2	1.0	0.8	0.7
MusicPlus/MusiqueMax (7)				0.7	0.6	0.6	0.5	0.6	0.4
Cogeco (as TQS from 2001–08)							0.1 (Remstar)		
Other		4.1	24.2	8.5	18.5	8.1	1.7	5.0	
Spec and Pay TV $ (14)	93.8	142.4	395.2	664.5	1,270.2	2,050.0	2,929.9	3,459.4	3,732.1
Spec and Pay TV in $US			290.6	520.2	738.3	1,509.6	2,499.7	3,181.6	3,858.4
Conventional TV $	1,747.9	2,127.4	2,531.8	2,831.6	2,840	3,159.9	3,381.4	3,405.6	3,491.9
Total TV $	1,841.7	2,269.8	2,927.0	3,496.1	4,110.2	5,209.9	6,311.3	6,865.0	7,224.0
Total TV $US			2,424.0	2,563.6	2,768.3	4,012.8	5,959.0	6,663.9	7,306.8
Owners # (15)		8	14	18	18	37	47	39	

C4	61.6	61.5	61.0	52.5	61.9	72.9	85.3	89.2
HHI	1,019	1,247	1,407	912	1,181	1,816	2,113	2,329
N (>1%)	7	9	13	11	12	9	8	8
Noam Index	385	416	390	275	341	605	747	823

Like the cable industries, there has never been a moment when diversity and competition flourished in the newspaper sector. Consolidation rose steadily from 1984, when the top four players accounted for two-thirds of all revenues, to 1996, when they accounted for nearly three-quarters. It has held fairly steady at three-quarters despite periodic shuffling among the main players at the top. Data on the Newspaper Sector are provided in Table 17.11.

Table 17-11. Newspaper Ownership Groups, Revenue, Market Shares, and Concentration Levels from 1984 to 2011

	1984 (2)	1988	1992	1996	2000	2004 (3)	2008 (4)	2010	2011
Postmedia								31	29.4
Hollinger		*4.1*	*4.1*	*41.2 (7)*	*31.2 (5) Hollinger/Southam*	*28.4*	*27.7*	*Postmedia*	
Southam	*27.0*	*27.0*	*27.6*	*Hollinger*	*8.9 (8)*				
Quebecor	8.5	8.5	8.5	8.6	20.3	21.0	25.9	23.6	22.7
Osprey						*5.9*	*Quebecor (2007)*		
Toronto Sun Pub./ Sun Media	*8.8*	*11.0*	*11.1*	*11.2*	*Quebecor (1997)*				
Torsta	9.8	9.8	9.8	9.8	13.5	13.9	13.9	11.6	11.0
Power Corp/Gesca/Unimedia	5.8	5.8	5.8	5.7	8.7	9.8	9.8	10.9	11.7
Thomson	20.5	20.5	20.5	12.3 (11)	3.7				
CTV Globemedia							*7.2*	*7.4 Thomson*	*8.2*
Bell Globemedia (BCE/Thomson)					*6.5*	*6.3*	*CTV Globemedia*		
FP CDN Newspapers						3.1	3.5	3.9	3.4
Transcontinental						3.1	3.2	2.3	2.4
Horizon (now Glacier Cdn. Newspapers)					1.2	1.9	2.9	1.5	*2.2*
Halifax Herald					2.1	2.2	2.2	2.9	*2.9*
Brunswick News					2.3	1.9	2.1	2.1	*2.2*

Irving Group	2.5	2.5	2.5	2.6	Brunswick News				
Sterling	0.9	Hollinger (1986)							
St. Catherines Group	0.9	0.9	0.9	1.0 Southam					
Armadale (Sifton)	2.4	2.4	2.4	Hollinger					
Unimedia	3.2	Hollinger (1987)							
Trinity (Black Press)						0.4	0.3	0.4	0.6
Annex					0.3	QMI (2003)			
Nfld. Capital				0.9	Hollinger (1997)				
Bowes Publ.	0.3	Toronto Sun (1987)							
Independents	9.5	9.2	7.5	7.4	1.1	1.0	1.2	1.2	1.4
# of Independents	20	16	13	12	5	4	4	3	
Avg. Daily Circ. (mill)	5.6	5	5.5	5	5	4	4.7	4.7	5.5
Revenues	2,190.0	2,925.0	2,790.0	3,310.0	4,700.0	5.033.0	5,400.0	4,300.0	3,975.0
Revenues $US			2,310.5	2,427.1	3,165.5	3,876.6	5,098.5	4,174.0	4,020.6
C4	66.1	68.3	70.3	74.3	51.4	73.1	77.3	77.1	74.8
HHI	1,451.3	1,487.3	1,536.9	2,183	1,710.1	1,643.7	1,819.3	1,861.8	1,742.5
N (>1%)	9	9	9	8	9	11	10	9	10
Noam Index	484	496	512	772	570	496	575	621	551

Of all media sectors, magazines are the least concentrated. This has been the case throughout the time frame covered here, and it has become more evident over time with concentration levels falling by one-half on the basis of CR scores and two-thirds for the HHI. Table 17.12 illustrates the trends.

Table 17-12. Magazine Publishing Groups, Market Shares, and Concentration Levels 1984–2008

	1984	1988	1992	1996	2000	2004	2008	2010 Est
Rogers				13.0	11.7	7.6	6.3	6.3
Maclean Hunter	13.8	17.0	11.5	Rogers 1994				
Transcontinental	1.7	2.5	3.3	4.3	9.4	7.0	6.2	6.2
Telemedia	14.4	16.3	17.8	1.4	Transcont.			
Time Warner (US)	1.9	2.2	2.1	5.6	5.6	6.5	4.7	4.7
American Media (US)	6.9	7.9	7.7	7.3	5.4	3.7	2.8	2.8
Hearst (US)	1.9	2.0	1.8	2.1	3.0	3.1	2.6	2.6
Bauer Media (Germany)	1.9	2.1	1.9	2.1	2.4	2.1	2.4	2.4
Readers Digest (US)	3.5	4.0	3.9	4.5	4.0	2.8	2.1	2.1
National Geographic (US)	1.7	2.0	1.9	2.0	2.2	1.9	1.7	1.7
Quebecor	3.7	4.9	3.3	4.3	3.4	1.3	1.7	1.7
Condé Nast (US)	1.1	1.2	1.2	1.7	1.9	2.4	1.6	1.6
House & Home	0.2	0.2	0.3	1.2	3.8	1.7	1.5	1.5
St. Joseph Media	0.8	0.9	0.9	2.1	1.7	1.0	1.0	1.0
Meredith (US)	0.6	0.7	0.7	0.9	3.8	1.3	1.0	1.0
Wenner (US)	0.3	0.3	0.3	0.2	3.8	0.9	0.7	0.7
Air Canada (En Route)						3.6	0.5	0.5
Now						0.5	0.5	0.5
Shaw (Movie Entertainment Magazine)						0.5	0.4	0.4
CDN Geographic						0.5	0.4	0.4
Buzz Media (US)						0.2	0.3	0.3
CTVgm						0.4	0.3	0.3
Znaimer (Zoomer)							0.3	0.3
Bonnier (Sweden)				0.5			0.3	0.3
Postmedia (Financial Post)						*0.3*	*0.3*	*0.3*
LCBO (Food & Drink)						0.3	0.3	0.3
Torstar (Eye Weekly)						0.3	0.2	0.2
Alpha (Australia)						0.4	0.2	0.2
Cottage Life						0.2	0.2	0.2
Cineplex (Famous)							0.2	0.2
Pearson (UK)						0.2	0.2	0.2
DecorMag						0.2	0.1	0.1
Q on Q Media						0.5	0.1	0.1
Other	45.6	35.8	41.4	46.8	37.9	48.6	58.9	58.9

Total Revenue	711	775	994	1,011	1,300	1,847	2,394	2,394
Total Revenue (USD)			823.1	741.5	875.6	1,422.7	2,260.4	2,323.9
C4	38.8	46.0	40.9	30.4	32.1	24.8	20.0	20.0
HHI	490	684	563	335	383	217	160	160
N (>1%)	11	11	11	13	14	14	13	13
Noam Index	148	206	170	93	102	58	44	44

Note: Based on "total revenues": advertising, subscriptions, and news-stand sales.

Radio is also among the most diverse and competitive among all of the media sectors on the basis of HHI scores, although the C4 measure suggests that the big four in the sector still dominate. Table 17.13 illustrates the trends.

Table 17-13. Radio Ownership Groups, Market Shares, and Concentration Levels from 1984 to 2011

	1984	1988	1992	1996/97	2000	2004	2008	2010	2011
Astral Media					3.0	7.5	16.4	17.0	17.5
Standard	*9.6*	*8.2*	*7.6*	*7.3*	*6.7*	*10.1*	*Astral (2007)*		
Telemedia	*2.7*	*3.3*	*4.2*	*5.5*	*9.2*	*Standard/Astral (2002)*			
Radio-mutuel	1.6	2.0	2.5	3.3	Astral				
Rogers	2.8	2.5	3.3	6.5	8.0	11.1	12.1	10.7	11.3
Maclean Hunter	*2.3*	*2.6*	*3.2*	*Rogers (1994)*					
Selkirk	*2.9*	*2.6*	*M-H (1989)*						
CBC/Radio Canada	32.7	27.4	30.6	32.2	24.6	23.4	19.9	21.8	17.3
Shaw Corus	0.6	0.4	0.5	4.0	12.3	13.5	13.4	12.6	10.0
Metro-media	*0.9*	*1.1*	*1.4*	*1.9*	*2.5*	*Shaw (2001)*			
Western Int'l Comm	2.9	3.4	4.4	5.8	Shaw				
Bell									8.2
CTV Globemedia							*8.7*	*8.4*	*Bell*
Bell Globemedia									
CHUM	3.6	5.1	6.7	5.8	7.3	7.6	BGM (2006)		
NewCap		0.9	1.2	1.6	2.4	3.6	4.8	5.5	5.8
Moffatt	1.5	1.7	2.4 Rogers (1991)						
Cogeco							1.7	2.2	5.8
Jim Pattison						2.1	2.1	2.0	2.0
Rawlco	0.6	0.7	0.9	1.3	1.3	1.3	1.3	2.0	2.0
Maritime Broadcast	0.7	0.8	1.0	1.4	1.7	1.4	1.3	1.6	1.6
Golden West	0.6	0.8	1.0	1.3	1.6	1.7	1.7	1.5	1.5
Okanagen Skeena	0.3	0.4	0.4	0.4					
Other	33.7	36.1	28.7	21.7	15.0	11.4	16.7	3.6	17.0
All $	831.1	997.1	1,106.2	1,201.5	1,356.8	1,601.6	1,990.3	1,916.7	1,949.5
All $US			916.1	881.0	913.8	1,233.6	1,879.2	1,860.5	1,971.8
C4	48.8	44.1	49.3	51.8	54.1	58.1	61.8	62.1	56.1
N (>1%)	10	11	13	13	12	11	11	12	11

HHI	1,218.9	897.2	1,115.8	1,268.5	1,028.9	1,090.1		1,103.2	1,156.0	980.6
Noam Index	385.5	270.5	309.5	351.8	297.0	328.7		332.6	333.7	295.7

The trends for each of the content industries are shown in Table 17.14.

Table 17-14. CR and HHI Scores for the Content Industries, 1984–2011

CR	**1984**	**1988**	**1992**	**1996**	**2000**	**2004**	**2008**	**2010**	**2011**
All TV	64.1	59.3	57.0	52.1	66.3	62.2	75.7	79.7	81.4
Pay & Spec. TV		61.6	61.5	61.0	52.5	61.9	72.9	85.3	89.2
Conv. TV	66.6	63.7	63.5	61.0	81.4	84.9	86.2	86.3	85.8
Radio	48.8	44.1	49.3	51.8	54.1	58.1	62.1	56.1	48.8
Press	66.1	68.3	70.3	74.3	51.4	73.1	77.3	77.1	
Mags	38.8	46.0	40.9	30.4	32.1	24.8	20.0	20.0	
HHI									
All TV	2,287.0	1,692.4	1,474.4	1,086.6	1,348.6	1,258.5	1,750.3	1,791.7	1,890.7
Pay & Spec. TV		1,018.9	1,247.2	1,407.3	911.8	1,181.3	1,816.2	2,113.1	2,329.0
Conv. TV	2,523.7	1,937.6	1,843.6	1,416.7	2,012.3	2,168.7	2,363.3	2,442.7	2,401.4
Radio	1,218.9	897.1	1,115.8	1,268.5	1,028.9	1,090.1	1,156.0	980.6	1,218.9
Press	1,451.3	1,487.3	1,536.9	2,183	1,710.1	1,643.7	1,819.3	1,861.8	1,742.5
Magazines	490.0	684.0	563.0	335.0	383.0	217.0	160.0	160.0	160.0

The Network Media as a Whole (Excluding Wired and Wireless Telecoms)

Adding the network infrastructure industries (except wired and wireless telecoms because their revenues tend to overshadow everything else) and the content industries together allows us to chart concentration levels for the pooled network media over time. It is a particularly good indicator of long-term trends.

p. 479 Throughout the 1980s and early 1990s, the HHI for the network media as a whole fell, but by 1996 trends ↳

p. 480 ↳

p. 481 ↳

p. 482 ↳

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had reversed and levels were even a little bit higher than they had been a dozen years earlier. Thereafter, the number rose steadily to 584 in 2000, where it hovered until dropping to 511.5 in 2008 before once again rising substantially to 600 in 2010 after Shaw took over Global TV from the bankrupt Canwest and an even higher to 693 in 2011 after Bell reacquired CTV (see Figure 17.3). The CR4 standard shows the trend more starkly with the big four media conglomerates, Bell, Shaw, Rogers, and QMI, accounting for more than half of all revenues in 2011, a significant increase in a much larger media universe from the 40% held by the big four media companies in 1984. Over time, some media giants have collapsed (Canwest) and some new players have emerged (Channel Zero, Postmedia, and Remstar), but the long-term trend has been for a substantial rise in concentration levels across the network media as a whole. Figure 17.4 illustrates the trends on the basis of CR4 standards.

Figure 17.4

CR Scores for the Network Media Industries, 1984–2011

CR Scores for the Network Media Industries, 1984–2011

This portrait understates media concentration. The national measure used does not fully capture the extent to which QMI dominates the French language media. The shares of media conglomerates in English language markets would be much higher as well if this factor were taken into account.[41] A web of alliances between the big players also blunts the sharp edge of competition. Rogers owns 40% of Cogeco and Bell retains a residual 15% stake in the *Globe and Mail*, while Bell Media, Rogers, QMI, Shaw (Corus), Astral, and Cogeco co-own a dozen or so cable and satellite television channels. There are also several instances of directors from the big 10 sitting on one another's boards, as is the case with Astral and Torstar, as well as Postmedia and Astral.

As we have seen, the Internet neither obviates concerns with concentration within traditional media nor is immune to such tendencies itself. Beyond the network layer represented by ISPs, we can look at search engines, social media, and online news sources. When we do so, the answers are quite clear. Google not only dominates the search engine market, but its dominance is growing. By 2010, it accounted for 81% of searches. Microsoft (6.8%), Yahoo! (5%), and Ask.com (4%) trail far behind, yielding a CR4 of 97% and an HHI of 6,713. The information on market shares with respect to Search Engines is shown in Table 17.15.

Table 17-15. Search Engines: Market Share of Searches

	2004	2005	2006	2008	2009	2010
Google (US)	62.0	60.0	66.0	79.0	81.1	82.4
Microsoft (US)	12.0	17.0	14.0	5.0	4.4	5.9
Yahoo (US)	15.0	16.0	13.0	4.0	3.9	4.2
eBay (US)				2.0	2.2	
Ask (US)	4.0	4.0	2.0	2.0	1.9	
Facebook (US)				4.0	1.5	1.5
Other	7.0	3.0	5.0	4.0	5.0	4.5
CR4	93.0	97.0	93.0	93.0	91.6	98.4
HHI	4,229	4,161	4,725	6,306	6,622	6,879
N (>1%)	4	4	4	6	6	4
Noam Index	2,115	2,081	2,363	2,574	2,703	3,440

p. 489 Social media sites display a similar trend, with Facebook accounting for 63.2% of time spent on such sites in 2010, trailed by Google's YouTube (20.4%), Microsoft (1.2%), Twitter (0.7%), and News Corp.'s MySpace (0.6%).[42] Again, the CR4 score of 86% and HHI score of 4,426 reveal that social networking sites are highly concentrated.

Similar patterns emerge across the layers of the media ecology, including the interfaces and devices used to access the Internet. The top four web browsers used in Canada, Microsoft's Explorer (52.8%), Google's
p. 490 Chrome (17.7%), Firefox (17.1%), and Apple's Safari (3%), have a combined market share of just over 90%.[43] ↳ While there are no data available for Canada with respect to smartphone operating systems, US data show that the top four players in 2010 accounted for 93% of all revenues: Google's Android OS (29%), Apple's iOS (27%), RIM (27%), and Microsoft's Windows 7 (10%).[44]

The patterns for websites and online news sources in Canada are somewhat more mixed and ambiguous. With respect to the top 10 websites in Canada, we see a pattern similar to those just described, with the amount of time spent on such sites nearly doubling from 20 to 38% between 2003 and 2008, and with most of the top 15 online news sites belonging to established media companies: cbc.ca, Quebecor, CTV, Globe & Mail, Radio Canada, Toronto Star, Postmedia, and Power Corp. Accounting for almost all of the rest are CNN, BBC, Reuters, MSN, Google, and Yahoo.[45] The picture becomes more mixed and perhaps a bit more ambiguous when we turn to using the CR4 and HHI analyses. On the basis of these measures, we see relatively high levels of concentration with the CR4 method that have stayed mostly constant between 2004 and 2011, while the HHI scores suggest that online news sources have remained relatively diverse and with little change across the period assessed. The trends are illustrated in Table 17.16.

Table 17-16. Online News Sources, 2004–2011

News Website	2004 (*N* = 1,482)	2007 (*N* = 1,306)	2011 (*N* = 1,651)
CBC	10.6	18.3	13.8
Google (US)	5.3	9.2	10.4
MSN / Sympatico (US)	18.2	11.0	14.7
Yahoo (US)	9.3	7.4	6.5
CNN (US)	9.3	9.4	6.1
CTV	—	6.2	2.9
Canoe	2.4	7.6	2.9
Cyberpresse	3.5	3.3	3.9
Globe and Mail	4.1	5.9	3.6
BBC (UK)	—	4.9	2.8
Toronto Star	2.6	2.4	1.5
Global	—	—	2.0
Other	32.6	14.4	31.1
Total (CAD)	97.9	100.0	100.2
Total (USD)	75.0	93.0	101.0
CR4	43.4	45.9	45.4
HHI	686	855	649
N (>1%)	9	11	12
Noam Index	229	258	187

Source: Table calculated by Fred Fletcher, York University, from the Canadian Internet Project data sets (Charles Zamaria, director). Reports on the 2004 and 2007 surveys are available at www.ciponline.ca.

p. 491 Ultimately, relatively new online media domains appear to be no more impervious to the forces of consolidation than media in the past. As is evident in every one of the online segments just assessed, the CR4 analysis shows generally high levels of concentration. While four giants may compete ferociously among themselves in each sector, four players do not make a competitive market. As Tim Wu[46] shows, new players at different layers in the network media ecology, networks, content and applications, and devices are amassing significant clout and the ability to set the terms of trade for the music industries (Apple), for revenue distribution in the linked economy (Google, an especially important matter for newspapers, television, film, apps, books, and blogs), as well as the conditions for the harvesting and sale of personal information and user-created content (Google, Facebook, and Apple). Noam[47] argues similarly that digitization magnifies the power of economies of scale and that this is leading to a two-tiered digital media system organized around a few large integrator firms, which in turn are surrounded by many smaller, specialist firms. These are the gateways—or better, the sluices—that exist at key junctures across the digital media terrain.

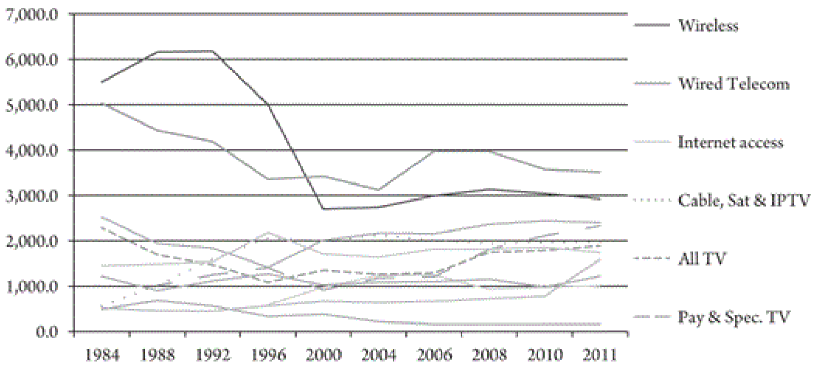
This does not mean that it is time for a massive trust-busting initiative on the digital media frontier, but it is essential to know the empirical trends one way or the other, and to at least keep an open mind, if not altogether vigilant. This is especially true when dominant market power amassed in one layer of the network media ecology is used to lock in users, inhibit information flows, or stifle competition in other layers. This is the crux of debates over network neutrality. It has also been the crux of vertical integration issues since the time of the telegraph and, indeed, time immemorial. As Andrew Odlyzko[48] observes, the crux of the issues revolves around a centuries' old conflict between society's drives for economic efficiency and for fairness that has never been adequately resolved.

> There is no reason to expect that this conflict [between efficiency and fairness] will lessen, and instead there are arguments that suggest it will intensify. Should something like net neutrality prevail, the conflict would likely move to another level. That level might become search neutrality . . . or . . . if 'cloud computing' does become as significant as its enthusiasts claim . . . there might have a push for 'cloud neutrality,' and so on it goes. Obviously, there are gateways and constellations of media power criss-crossing the terrain, but whether and if anything will be done to address those issues will turn on politics and where we place the values of a free press and democracy in the general scheme of things.

Measuring Concentration Trends Over Time, 1984–2011

Taken individually, each media sector, except magazines, was highly concentrated in 2011 according to the CR method. HHI scores show similar trends, as Figure 17.3 reveals: wireline and wireless telecoms (3,513.4 and 2,923.7, respectively), conventional television (2,401.4), cable, satellite, and IPTV distribution (1,975.4), pay and specialty TV channels (2,329), and newspapers (1,742.5). Radio (1,218.9) is moderately concentrated, while Internet Access (1,013.4), online news sources (653.2), and the network media as a whole (738.5) are unconcentrated by HHI standards.

Figure 17.3



HHI Scores for the Network Media Industries, 1984–2011

In the next few paragraphs, I begin by separating each of the sectors into two categories: one for the network infrastructure industries (wireline and wireless telecom services, ISPs, cable, satellite, and other OVDs) and another for the content industries (newspapers, TV, magazines, radio). At the end, I pool each of these categories together and examine the trends over time using CR and HHI standards.

p. 470 The Network Infrastructure Industries

Concentration levels have remained very high in wireline telecoms. They slid steadily from 1984 to 1996 as competition was gradually introduced, subscribers were allowed to attach their own equipment to the ends of the network, and competition in information services was opened up. By the mid-1990s, increased competition took hold in services and network infrastructure at the same time that the Telecom-Media-Technology boom was in full swing. HHI scores for wired telecoms dropped from 4,188 in 1992 to a much lower, but still concentrated, 3,123.9 in 2004. Table 17.4 illustrates the trends.

Table 17-4. Wired Ownership Groups, Revenue, Market Shares, and Concentration Levels from 1984 to 2011

	1984	1988	1992	1996	2000	2004	2006	2008	2010	2011
Bell	69.4	64.4	62.3	55.0	54.1	51.9	59.0	58.7	54.7	54.4
Mar. T&T	*2.2*	*2.6*	*3.7*	*3.3*	*Alliant*					
NB Tel	*1.8*	*2.0*	*2.4*	*2.5*	*Alliant*					
New Tel	*1*	*1.4*	*1.9*	*1.8*	*Alliant*					
Island Tel	*0.1*	*0.1*	*0.1*	*0.2*	*Alliant*					
Telus			8.6	9.3	20.3	18.9	20.2	20.8	22.5	21.9
BCTel	*11.6*	*13.7*	*13.5*	*13.7*	*Telus*					
AGT	*7.6*	*7.6*	*Telus*							
MTS Allstream	2.1	3.2	3.4	3.0	3.3	6.1	8.4	8.1	6.2	5.9
SaskTel	3.0	3.7	3.7	3.4	2.7	2.5	2.2	2.0	2.9	2.9
Rogers					1.0	2.2	1.9	2.7	2.9	3.0
Shaw				0.04	0.1	0.2	0.4	1.4	2.3	2.7
Quebecor/Videotron						0.05	0.6	2.0	2.4	2.7
Videotron				0.09	0.3 Quebecor					
Cogeco							0.1	0.4	0.7	1.3
Bragg/East-link (7)					0.009	0.1	0.3	0.7	0.7	1.3
AmTel (8)							*0.07*	*Bragg*		

Access Comm						0.05	0.05	0.08	0.08	0.8
Cooperative										
Small ILECS	1.2	1.2	1.2	1.2	1.3	1.9	2.0	2.4	2.4	1.7
AT&T (US)					6.9	MTS				
Call-Net (Sprint)			0.6	4.0	3.6	4.1	Rogers			
360 Networks					1.3	1.8	Bell			
Group Telecom					0.3	360 Networks				
FibreLink				0.04	0.1	GT Telecom (2000)				
Axxent (OCI Comm)					0.3	Telus (2002)				
Primus					0.4	1.0	0.8	0.7	0.8	0.8
London Telecom				0.4	Primus (1999)					
Cannect					0.3					
Futureway/FCI Broadband						0.01	0.1	Rogers (2007)		
Vonage						0.02	0.1	0.2	0.2	0.2
Cyberus (VOIP)							0.003	0.01	0.01	0.01
Skype										
Others*				2.0	4.0	9.2	3.8		1.2	
Total $	12,787	14,007	14,700	17,900	21,200	19,800	18,400	18,000	16,900	16,400
Total $US			12,174	13,126	14,279	15,251	16,225	16,995	16,405	16,588
C4	90.8	89.4	88.1	81.5	84.8	81.0	89.8	90.5	86.3	85.1
N (>1%)	9	9	9	10	9	9	6	8	8	10

HHI	5,032	4,430	4,187.6	3,357	3,422	3,123	3,973	3,968	3,572	3,513.4
Noam Index	1,677.5	1,477.0	1,395.9	1,061.8	1,140.9	1,041.3	1,622.1	1,402.9	1,262.9	111.0

As the telecoms and Internet boom gathered steam new players emerged to become significant competitors in Internet access, with four companies taking more than a third of the ISP market for themselves in 1996: for example, AOL (12.1%), Istar, (7.2%), Hook-Up (7.2%), and Internet Direct (6.2%.) However, the early competitive ISP era yielded to more concentration in the next decade. Although the big four ISPs accounted for a third of all revenues in 1996, by 2000 the number had grown to 54% and a few percentage points higher over the decade. HHI scores also show a significant leap in consolidation between 1996 and 2000, but these are still relatively low levels in comparison to most other sectors. Such an outcome is probably more an indicator of the limits of the HHI method in this particular case, since 94% of high-speed Internet subscribers rely on one or the other of the incumbent cable or telecom companies' ISPs to access the Internet (CRTC, 2011, p. 138).[39] Table 17.5 shows the market share for individual ISPs over time.

Table 17-5. ISP Market Shares and Concentration Levels from 1996 to 2011. Internet Service Providers, Market Shares (Based on Revenue) and Concentration Levels, 1996–2011 (1)

	1996	2000	2004	2006	2008	2010	2011
Bell (2)	10.5	21.4	24.7	28.9	22.1	20.7	21.2
Mar. T&T (3)	*0.8*	*Alliant*					
NBTel (4)	*0.8*	*Alliant*					
New Tel (5)	*0.5*						
Island Tel (6)	*0.05*	*Alliant*					
Shaw		12.3	10.1	11.4	11.7	13.5	13.5
Moffat		*0.8*	*Shaw (2001)*				
Rogers		12.4	9.0	10.5	11.2	12.4	12.7
Quebecor (9)			5.3	7.3	7.1	9.5	9.7
Videotron (10)	*3.8*	*4.1*	*Quebecor*				
Telus (7)	2.0	8.1	10.0	9.6	9.3	9.1	9.6
BCTel (8)	*2.7*	*Telus*					
Cogeco	1.0	2.5	2.5	3.0	3.4	4.1	4.4
Bragg/East-link/Persona		0.08	0.5	1.2	2.0	2.9	3.2
AmTel				0.9	Bragg		
SaskTel	1.1	1.7	1.6	1.7	1.6	1.7	1.6
MTS Allstream	0.8	1.2	1.1	1.7	1.6	1.4	1.4
AT&T (US)		*2.6*	*3.1*	*1.7*			
Access Comm Coop			0.2	1.3	0.2	0.2	
Omineca/Your-link (12)			0.04	MTS	0.07		
AOL (US)	12.1	3.8	2.9	0.2			
Primus (13)		1.1		0.04			
Call-Net (Sprint) (14)		3.3	0.3	Rogers (2004)			
Look		2.2	0.06 (15)	0.2	0.1		
Internet Direct (16)	*6.2*	*Look*					
PsiNet (17)		3.4					
Istar	7.2	PsiNet					
Technovision/Uniserve	0.3						
Pathway							
Rhythms (18)							
Hook-Up	6.3	(Netcom 1997)	Pathway (2001)				
Craig				0.02	0.01		

Cybersurf	0.2	0.1	0.2				
Others	43.7	18.9	28.5	20.3	29.6	24.5	22.7
Total Rev.	239	1,800	4,200	5,000	6,200	6,800	7,200
Total Rev $US	175	1,212	3,235	4,409	5,854	6,601	7,283
C4	33.6	54.2	53.8	54.7	54.3	56.1	57.1
N (>1%)	10	14	10	11	9	9	9
HHI	591.9	974.5	1,239.4	1,242.5	926.0	967.7	1,013.4
Noam Index	197.3	260.4	391.9	391.9	292.8	306.0	320.4

The situation with respect to high-speed Internet access reflects the fact that Canada has developed a framework in which it is mostly the incumbent telecom and cable companies that increasingly compete with one another in duopolistic markets, not just for Internet access but also for television (video) distribution. This means that there is some competition in these areas. Yet it is revealing of how limited that competition is once we realize that cable and satellite distribution is one of the only segments assessed for which instead of some early years of falling concentration and more competition, the levels of concentration have risen steadily from low levels in the 1980s (563.9). They peaked in the years between 1996 and 2006 before drifting slightly downward but are still at the top of the concentration scale ever since (high 1900s). Table 17.6 illustrates the trends for multichannel video distributors.

Table 17-6. Multichannel Video Distribution Platforms—Ownership Groups Market Shares and Concentration Levels, 1984–2011

	1984	1988	1992	1996	2000	2004	2006	2008	2010	2011
Shaw (1)	4.5	5.3	10.0	18.8	28.3	31.2	29.9	28.4	28.8	28.3
Star Choice				*3.4*	*Shaw (1998)*					
Moffat	*4.0*	*2.6*	*1.7*	*1.8*	*3.8*	*Shaw (2001)*				
Monarch Cablesystems	*0.2*	*0.2*	*0.4*	*0.4*	*0.7*	*Shaw (2001)*				
Okanagan						*Monarch (2001)*				
Skeena Group	0.2	0.2	0.3	0.3	0.3					
Dartmouth/Access Cable	*0.5*	*0.5*	*0.5*	*0.7*	*Shaw (1999)*					
Fundy			*2.0*	*2.6*	*Shaw (1999)*					
Cable 2000			*0.7*	*Fundy (1995)*						
Classic			*1.7*	*Fundy (1994)*						
CUC/Trillium	0.6	4.6	5.1	Shaw (1995)						
Cablecaster			*4.5*	*Shaw (1992/3)*						
Saskatoon Telecable		*0.9*	*Shaw (1990)*							
Rogers	21.3	22.4	30.8	35.6	26.6	24.7	22.0	23.0	21.8	21.3

Cable Atlantic/Avalon Cable	*0.6*	*0.9*	*1.0*	*1.0*	*0.1*	*Rogers/Metro Net (2000)*				
Maclean-Hunter	*6.6*	*6.7*	*10.6*							
Skyline	*2.2*	*1.4*	*Rogers (1990)*							
Selkirk	*2.9*	*Maclean-Hunter*								
Bell TV (DTH)					7.2	17.0	20.0	19.8	20.7	22.0
Quebecor/Videotron						12.7	12.4	11.6	12.1	12.1
Videotron		*19.7*	*17.7*	*18.8*	*17.9*	*Quebecor (2000)*				
CF Cable	*2.5*	*3.0*	*3.0*	*4.9*	*Videotron (1997)*					
Northern Cable	*1.9*	*1.6*	*2.1*	*CFCable (1993)*						
Telesag	*1.4*	*0.9*	*Videotron (1989)*							
Telecable			*0.4*	*CFCable (1994)*						
Cogeco	0.6	2.1	6.6	5.7	8.1	9.1	8.2	7.4	7.6	7.5
Cableworks/ Western Co-ax			*0.6*	*0.9*	*Cogeco*					
Bragg/East-Link/Persona				1.6	2.7	2.8	2.9	4.1	3.8	3.8
Telus								0.01	2.7	4.2

Regional Cablesystems	*1.9*	*1.7*	*2.1*	*1.5*	*2.7*	*Bragg/East- Link (2001)*				
AmTel							*0.1*	*Bragg*		
MTS Allstream						0.2	0.5	0.7	0.7	0.8
SaskTel						0.3	0.5	0.7	0.7	0.9
Access Comm. Coop				1.1	0.9	0.8	0.7	0.7	0.9	0.8
Mountain Cable	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	Shaw	
Omineca/Yourk-Link	0.2	0.2	0.3	0.3	0.1	0.1	0.1	0.1	0.05	0.06
Look (MDS)					0.8	0.4	0.2	0.2		
Craig							<1	<1	<1	
Others	47.4	24.6					2.1	2.89		
Total $	716.3	1,242.9	1,651.4	2,677.4	4,218.5	5,039.4	5,791.3	6,953.5	8,100	8,588.3
Total US$			1,367.6	1,963.3	2,841.2	3,881.5	5,106.6	6,565.3	7,862.7	8,686.8
No. of Systems	*18*	*19*	*22*	*18*	*15*	*13*	*14*	*13*	*10*	*10*
C4	35.3	54.1	69.1	78.9	80.9	85.6	84.3	82.8	83.4	83.7
N (>1%)	10	11	14	12	8	6	6	6	7	
HHI	563.9	1,014.6	1,594.6	2,061.2	1,977.5	2,125.6	2,008.6	1,935.4	1,960.9	1,975.4
Noam Index	178.3	305.9	426.2	595.0	699.2	867.8	820.0	790.1	741.2	

In contrast, greater competition in wireline telecom network infrastructure took hold in the late 1990s and into the early 2000s; the CR4 (81) and HHI (3,123.9) scores reached their lowest level ever in 2004. However, as the aftermath of the collapse of the TMT bubble played out, many of the companies created in the dot.com years collapsed and "ceased to exist" altogether and competition grew feeble as a result.[40] Much the same can be said with respect to wireless services; they have consistently been highly concentrated and continue to be so to this day, despite the advent of three newcomers in the last two years—Mobilicity, Wind Mobile, and Public. Two other competitors, Clearnet and Microcell, managed to garner 13.4% of the market between them, but they were then taken over by Telus and Rogers in 2000 and 2004, respectively. It is still too early to tell whether the newcomers of the last two years will fare any better, but with only 1.6 percent of the market as of 2011, they are a long way from the high tide of competition set a decade ago. Table 17.7 illustrates the trends for wireless telecom services.

Table 17-7. Wireless Telecommunications Ownership Groups and Market Shares, 1984–2011

	1985	1988	1992	1996	2000	2004	2006	2008	2010	2011
Rogers	34.2	25.9	25.7	50.7	30.4	29.2	36.1	39.1	38.7	37.0
Microcel/Fido				0.06	11.0	Rogers				
Bell	65.8	74.1	74.3	49.3	28.0	30.6	27.5	27.7	27.4	27.1
Telus					29.4	30.8	30.4	28.8	28.0	28.5
SaskTel							2.4	2.3	2.3	2.1
MTS Allstream							1.8	1.8	1.8	1.8
Quebecor/Videtron							0.1	0.3	0.3	0.6
Clearnet					2.4	Telus				
Other (Wind, Mobilicity, Public Mobile)						9.4	1.7		0.6	1.6
Total $	321.0	565.2	931.0	2,175.0	5,400.0	9,200.0	12,696.2	16,200.0	18,000.0	19,300.0
Total $US			771.0	1,594.9	3,637.0	7,086.2	11,195.2	15,295.6	18,206.4	19,953.4
(a) No. of Providers	*2*	*2*	*2*	*4*	*5*	*3*	*5*	*5*	*9*	*9*
C4	100.0	100.0	100.0	100.0	98.8	100.0	96.4	97.9	96.4	94.7
N (>1%)	2	2	2	2	5	3	5	5	5	5
HHI	5,499.3	6,161.6	6,181.0	5,001.0	2,699.3	2,737.6	2,992.6	3,134.2	3,041.1	2,923.7
Noam Index	3,888.6	4,356.9	4,370.6	2,500.5	1,207.2	1,580.6	1,338.3	1,401.6	1,360.0	1,307.5

Table 17.8 aggregates and presents the data for the CR and HHI scores for each sector of the network infrastructure industries since 1984. Attention then turns to an examination of the data and trends for the
p. 471 content and online segments of the network media industries covered in this study. ↳

p. 472 ↳

p. 473 ↳

p. 474 ↳

p. 475 ↳

p. 476 ↳

p. 477 ↳

Table 17-8. CR and HHI Scores for the Network Infrastructure Industries, 1984–2011

CR	1984	1988	1992	1996	2000	2004	2008	2010	2011
Wireless	100.0	100.0	100.0	100.0	98.8	100.0	97.9	96.4	94.7
Wired	90.8	89.4	88.1	81.5	84.8	81.0	90.5	86.3	85.1
Internet Access				33.6	54.2	53.8	55.3	54.3	56.1
Cable & Sat. Dist.	35.3	54.1	69.1	78.9	80.9	85.6	82.8	83.4	83.7
HHI	1,984	1,988	1,992	1,996	2,000	2,004	2,008	2,010	2,011
Wireless	5,499.3	6,161.6	6,181.0	5,001.0	2,699.3	2,737.6	3,134.2	3,041.1	2,923.7
Wired Telecom	5,033.0	4,431.0	4,187.6	3,358.0	3,423.0	3,124.0	3,968.0	3,572.0	3,513.4
Internet Access				416.8	906.4	949.7	926.0	967.7	1,013.4
Cable & Sat. Dist.	563.9	1,014.6	1,594.6	2,061.2	1,977.5	2,125.6	1,935.4	1,960.9	1,975.4

p. 478

The Content Industries

Until the mid-1990s, all aspects of the television industry were moderately concentrated by HHI standards and significantly so by CR measures, with the top four firms, including the CBC, accounting for between 50% and 60% or more of revenues. Competition and diversity made some modest inroads from 1998 to 2004, but the trend abruptly reversed course and levels have climbed steadily since. Shaw's takeover of Canwest's television assets and Bell's buyback of CTV pushed the levels to new extremes by 2011. The four largest commercial television companies—CTV, Global, TVA, and CityTV—as well as more than 100 of the most important cable and satellite channels available are owned by Bell, Shaw, Rogers, and Astral. Together, these four players control 69% of all television revenue (excluding distribution). The CBC accounts for almost 21% and QMI 5% of television revenues, meaning that the top six television groups account for 94% of the entire television industry, with each of its subcomponents (conventional television, pay and specialty channels) each also having high levels of concentration. Tables 17.9 and 17.10 illustrate the trends for conventional television, as well as pay and specialty television services, respectively.

Table 17-9. Broadcast Television Ownership Groups, Market Shares, and Concentration Levels 1984–2011

	1984	1988	1990	1996	2000	2004	2008 (2)	2010	2011
CBC/Radio Canada (3)	48.5	40.3	43.1	31.8	33.8	33.4	36.8	37.0	38.3
Bell									24.0
CTV Globemedia							*24.8*	*27.4*	*Bell*
Bell Globemedia (8)					*0.43*	*21.6*	*CTVgm*		
Baton/CTB (14)	*8.3*	*10.5*	*6.9*	*7.6*	*17.5 BCE*				
Electrohome (16)	*1.0*	*2.2*	*2.3*	*2.2*					
Moffat (17)	*0.8*	*0.8*	*0.8*	*0.7*					
Blackburn (22) (CFPL London)	*0.9*	*0.8*	*0.8*	*Baton (1993)*					
MidCanada Comm (23)	*0.9*	*0.8*	*Baton (1989)*						
Huron Broadcasting	*0.3*	*2*	*Baton (1989)*						
Yorkton TV	*0.3*	*0.3*	*Baton (1989)*						
Sunwapta	*0.5*	*0.5 Electrohome*							
CHUM	4.2	5.1	4.9	4.2	4.4	6.0	Bellgm (2007) (10)		
Craig (11)					*1.6*	*1.8 CHUM & QBC (12)*			
Shaw								14.5	15
Canwest (5)	4.9	6.7	8.9	11.9	21.2	21.3	17.3	Shaw	
WIC (18)	3.3	3.4	5.8	9.7					
Quebecor TVA (2000Pres)					8.9	8.6	7.3	7.4	7.5
Videotron (13)		6.2	6.7	7.0	QMI				
TeleMetropole (TVA) (27)	4.9	Videotron							
Pathonic (24)	1.0	0.9	Videotron (25)						
Rogers (7)	0.9	0.9	1.9	5.3	2.7	2.4	6.1	7.3	8.5
Maclean Hunter	*1.3*	*4.9*	*5.2 (21)*						
Selkirk (26)		5.8							
Remstar							1.8	1.8	1.9

Cogeco TQS (200,108) (40% CTVgm)	0.4	0.9	1.8	2.5	1.3	3.6	Remstar		
TQS (Quebecor 1997–2001)					1.8				
TQS (CFCF/Pouliot) (19)	4.3	3.3	4.6	2.3					
Radio Nord (9)	0.4	0.5	0.6	0.6	0.8	1.0	1.0	1.2	1.2
Other	7.5	1.6	6.0	4.9	9.3	6.7	3.0	2.9	
Conventional TV $	1,747.9	2,127.4	2,378.8	2,831.6	2,840	3,159.9	3,381.4	3,405.6	3,491.9
Conventional TV $US			2,039.1	2,076.3	1,912.8	2,433.9	3,192.6	3,305.8	3,531.9
Conventional TV Owners #	*41*	*34*	*27*	*24*	*20*	*16*	*15*	*13*	
C4	66.6	63.7	65.6	61.0	81.4	84.9	86.2	86.3	85.8
HHI	2,524	1,938	2,149	1,417	2,012	2,169	2,363	2,443	2,401
N (>1%)	10	11	10	10	8	8	7	7	7
Noam Index	798	584	680	448	711	767	893	923	908

Table 17-10. Pay TV and Specialty Ownership Groups, Market Shares, and Concentration Levels from 1984 to 2011

	1984	1988	1992	1996	2000	2004	2008 (2)	2010	2011
Shaw/Corus (4)				3.7	11.3	18.7	17.5	31.7	33.9
Canwest					*1.1*	*2.1*	*16.1*	*Shaw*	
WIC			*7.4*	*5.1*	*Canwest (1998)*				
Alliance Atlantis (9)				*2.7*	*8.0*	*11.7*	*Canwest (2007)*		
Atlantis			*2.3*	*5.2*					
Allarcom		*13.1*	*WIC (1991)*						
Bell									27.4
CTV Globemedia							28.4	26.3	Bell
Bell Globemedia (8)					*0*	*15.7*	*CTVgm (2007)*		
CHUM		*3.5*	*4.0*	*6.5*	*8.8*	*10.5*	*CTVgm/Rogers (2007) (8)*		
Baton/CTV (10)					*18.9*				
Netstar (11)		*21.8*	*24.1*	*30.6*	*CTV (12)*				
Rogers		14.1	22.5	15.4	13.5	15.8	10.9	11.4	12.3
Astral		12.6	2.6	3.0	5.9	5.9	17.0	15.9	15.6
CBC/Radio Canada			7.5	8.5	7.5	6.4	5.1	4.3	4.1
Quebecor (5)					0.7	1.6	2.5	3.5	3.9
Craig						*0.4 CHUM & QMI*			
Videotron				*4.1*	*QMI*				
Pelmorex			4.5	3.7	2.5	1.9	1.7	1.4	1.3
Fairchild (Chinavision)		1.5	0.9	2.3	1.7	1.2	1.0	0.8	0.7
MusicPlus/MusiqueMax (7)				0.7	0.6	0.6	0.5	0.6	0.4
Cogeco (as TQS from 2001–08)							0.1 (Remstar)		
Other		4.1	24.2	8.5	18.5	8.1	1.7	5.0	
Spec and Pay TV $ (14)	93.8	142.4	395.2	664.5	1,270.2	2,050.0	2,929.9	3,459.4	3,732.1
Spec and Pay TV in $US			290.6	520.2	738.3	1,509.6	2,499.7	3,181.6	3,858.4
Conventional TV $	1,747.9	2,127.4	2,531.8	2,831.6	2,840	3,159.9	3,381.4	3,405.6	3,491.9
Total TV $	1,841.7	2,269.8	2,927.0	3,496.1	4,110.2	5,209.9	6,311.3	6,865.0	7,224.0
Total TV $US			2,424.0	2,563.6	2,768.3	4,012.8	5,959.0	6,663.9	7,306.8
Owners # (15)		8	14	18	18	37	47	39	

C4	61.6	61.5	61.0	52.5	61.9	72.9	85.3	89.2
HHI	1,019	1,247	1,407	912	1,181	1,816	2,113	2,329
N (>1%)	7	9	13	11	12	9	8	8
Noam Index	385	416	390	275	341	605	747	823

Like the cable industries, there has never been a moment when diversity and competition flourished in the newspaper sector. Consolidation rose steadily from 1984, when the top four players accounted for two-thirds of all revenues, to 1996, when they accounted for nearly three-quarters. It has held fairly steady at three-quarters despite periodic shuffling among the main players at the top. Data on the Newspaper Sector are provided in Table 17.11.

Table 17-11. Newspaper Ownership Groups, Revenue, Market Shares, and Concentration Levels from 1984 to 2011

	1984 (2)	1988	1992	1996	2000	2004 (3)	2008 (4)	2010	2011
Postmedia								31	29.4
Hollinger		*4.1*	*4.1*	*41.2 (7)*	*31.2 (5) Hollinger/Southam*	*28.4*	*27.7*	*Postmedia*	
Southam	*27.0*	*27.0*	*27.6*	*Hollinger*	*8.9 (8)*				
Quebecor	8.5	8.5	8.5	8.6	20.3	21.0	25.9	23.6	22.7
Osprey						*5.9*	*Quebecor (2007)*		
Toronto Sun Pub./ Sun Media	*8.8*	*11.0*	*11.1*	*11.2*	*Quebecor (1997)*				
Torsta	9.8	9.8	9.8	9.8	13.5	13.9	13.9	11.6	11.0
Power Corp/Gesca/Unimedia	5.8	5.8	5.8	5.7	8.7	9.8	9.8	10.9	11.7
Thomson	20.5	20.5	20.5	12.3 (11)	3.7				
CTV Globemedia							*7.2*	*7.4 Thomson*	*8.2*
Bell Globemedia (BCE/Thomson)					*6.5*	*6.3*	*CTV Globemedia*		
FP CDN Newspapers						3.1	3.5	3.9	3.4
Transcontinental						3.1	3.2	2.3	2.4
Horizon (now Glacier Cdn. Newspapers)					1.2	1.9	2.9	1.5	*2.2*
Halifax Herald					2.1	2.2	2.2	2.9	*2.9*
Brunswick News					2.3	1.9	2.1	2.1	*2.2*

Irving Group	2.5	2.5	2.5	2.6	Brunswick News				
Sterling	0.9	Hollinger (1986)							
St. Catherines Group	0.9	0.9	0.9	1.0 Southam					
Armadale (Sifton)	2.4	2.4	2.4	Hollinger					
Unimedia	3.2	Hollinger (1987)							
Trinity (Black Press)						0.4	0.3	0.4	0.6
Annex					0.3	QMI (2003)			
Nfld. Capital				0.9	Hollinger (1997)				
Bowes Publ.	0.3	Toronto Sun (1987)							
Independents	9.5	9.2	7.5	7.4	1.1	1.0	1.2	1.2	1.4
# of Independents	20	16	13	12	5	4	4	3	
Avg. Daily Circ. (mill)	5.6	5	5.5	5	5	4	4.7	4.7	5.5
Revenues	2,190.0	2,925.0	2,790.0	3,310.0	4,700.0	5.033.0	5,400.0	4,300.0	3,975.0
Revenues $US			2,310.5	2,427.1	3,165.5	3,876.6	5,098.5	4,174.0	4,020.6
C4	66.1	68.3	70.3	74.3	51.4	73.1	77.3	77.1	74.8
HHI	1,451.3	1,487.3	1,536.9	2,183	1,710.1	1,643.7	1,819.3	1,861.8	1,742.5
N (>1%)	9	9	9	8	9	11	10	9	10
Noam Index	484	496	512	772	570	496	575	621	551

Of all media sectors, magazines are the least concentrated. This has been the case throughout the time frame covered here, and it has become more evident over time with concentration levels falling by one-half on the basis of CR scores and two-thirds for the HHI. Table 17.12 illustrates the trends.

Table 17-12. Magazine Publishing Groups, Market Shares, and Concentration Levels 1984–2008

	1984	1988	1992	1996	2000	2004	2008	2010 Est
Rogers				13.0	11.7	7.6	6.3	6.3
Maclean Hunter	13.8	17.0	11.5	Rogers 1994				
Transcontinental	1.7	2.5	3.3	4.3	9.4	7.0	6.2	6.2
Telemedia	14.4	16.3	17.8	1.4	Transcont.			
Time Warner (US)	1.9	2.2	2.1	5.6	5.6	6.5	4.7	4.7
American Media (US)	6.9	7.9	7.7	7.3	5.4	3.7	2.8	2.8
Hearst (US)	1.9	2.0	1.8	2.1	3.0	3.1	2.6	2.6
Bauer Media (Germany)	1.9	2.1	1.9	2.1	2.4	2.1	2.4	2.4
Readers Digest (US)	3.5	4.0	3.9	4.5	4.0	2.8	2.1	2.1
National Geographic (US)	1.7	2.0	1.9	2.0	2.2	1.9	1.7	1.7
Quebecor	3.7	4.9	3.3	4.3	3.4	1.3	1.7	1.7
Condé Nast (US)	1.1	1.2	1.2	1.7	1.9	2.4	1.6	1.6
House & Home	0.2	0.2	0.3	1.2	3.8	1.7	1.5	1.5
St. Joseph Media	0.8	0.9	0.9	2.1	1.7	1.0	1.0	1.0
Meredith (US)	0.6	0.7	0.7	0.9	3.8	1.3	1.0	1.0
Wenner (US)	0.3	0.3	0.3	0.2	3.8	0.9	0.7	0.7
Air Canada (En Route)						3.6	0.5	0.5
Now						0.5	0.5	0.5
Shaw (Movie Entertainment Magazine)						0.5	0.4	0.4
CDN Geographic						0.5	0.4	0.4
Buzz Media (US)						0.2	0.3	0.3
CTVgm						0.4	0.3	0.3
Znaimer (Zoomer)							0.3	0.3
Bonnier (Sweden)				0.5			0.3	0.3
Postmedia (Financial Post)						*0.3*	*0.3*	*0.3*
LCBO (Food & Drink)						0.3	0.3	0.3
Torstar (Eye Weekly)						0.3	0.2	0.2
Alpha (Australia)						0.4	0.2	0.2
Cottage Life						0.2	0.2	0.2
Cineplex (Famous)							0.2	0.2
Pearson (UK)						0.2	0.2	0.2
DecorMag						0.2	0.1	0.1
Q on Q Media						0.5	0.1	0.1
Other	45.6	35.8	41.4	46.8	37.9	48.6	58.9	58.9

Total Revenue	711	775	994	1,011	1,300	1,847	2,394	2,394
Total Revenue (USD)			823.1	741.5	875.6	1,422.7	2,260.4	2,323.9
C4	38.8	46.0	40.9	30.4	32.1	24.8	20.0	20.0
HHI	490	684	563	335	383	217	160	160
N (>1%)	11	11	11	13	14	14	13	13
Noam Index	148	206	170	93	102	58	44	44

Note: Based on “total revenues”: advertising, subscriptions, and news-stand sales.

Radio is also among the most diverse and competitive among all of the media sectors on the basis of HHI scores, although the C4 measure suggests that the big four in the sector still dominate. Table 17.13 illustrates the trends.

Table 17-13. Radio Ownership Groups, Market Shares, and Concentration Levels from 1984 to 2011

	1984	1988	1992	1996/97	2000	2004	2008	2010	2011
Astral Media					3.0	7.5	16.4	17.0	17.5
Standard	*9.6*	*8.2*	*7.6*	*7.3*	*6.7*	*10.1*	*Astral (2007)*		
Telemedia	*2.7*	*3.3*	*4.2*	*5.5*	*9.2*	*Standard/Astral (2002)*			
Radio-mutuel	1.6	2.0	2.5	3.3	Astral				
Rogers	2.8	2.5	3.3	6.5	8.0	11.1	12.1	10.7	11.3
Maclean Hunter	*2.3*	*2.6*	*3.2*	*Rogers (1994)*					
Selkirk	*2.9*	*2.6*	*M-H (1989)*						
CBC/Radio Canada	32.7	27.4	30.6	32.2	24.6	23.4	19.9	21.8	17.3
Shaw Corus	0.6	0.4	0.5	4.0	12.3	13.5	13.4	12.6	10.0
Metro-media	*0.9*	*1.1*	*1.4*	*1.9*	*2.5*	*Shaw (2001)*			
Western Int'l Comm	2.9	3.4	4.4	5.8	Shaw				
Bell									8.2
CTV Globemedia							*8.7*	*8.4*	*Bell*
Bell Globemedia									
CHUM	3.6	5.1	6.7	5.8	7.3	7.6	BGM (2006)		
NewCap		0.9	1.2	1.6	2.4	3.6	4.8	5.5	5.8
Moffatt	1.5	1.7	2.4 Rogers (1991)						
Cogeco							1.7	2.2	5.8
Jim Pattison						2.1	2.1	2.0	2.0
Rawlco	0.6	0.7	0.9	1.3	1.3	1.3	1.3	2.0	2.0
Maritime Broadcast	0.7	0.8	1.0	1.4	1.7	1.4	1.3	1.6	1.6
Golden West	0.6	0.8	1.0	1.3	1.6	1.7	1.7	1.5	1.5
Okanagen Skeena	0.3	0.4	0.4	0.4					
Other	33.7	36.1	28.7	21.7	15.0	11.4	16.7	3.6	17.0
All $	831.1	997.1	1,106.2	1,201.5	1,356.8	1,601.6	1,990.3	1,916.7	1,949.5
All $US			916.1	881.0	913.8	1,233.6	1,879.2	1,860.5	1,971.8
C4	48.8	44.1	49.3	51.8	54.1	58.1	61.8	62.1	56.1
N (>1%)	10	11	13	13	12	11	11	12	11

HHI	1,218.9	897.2	1,115.8	1,268.5	1,028.9	1,090.1		1,103.2	1,156.0	980.6
Noam Index	385.5	270.5	309.5	351.8	297.0	328.7		332.6	333.7	295.7

The trends for each of the content industries are shown in Table 17.14.

Table 17-14. CR and HHI Scores for the Content Industries, 1984–2011

CR	**1984**	**1988**	**1992**	**1996**	**2000**	**2004**	**2008**	**2010**	**2011**
All TV	64.1	59.3	57.0	52.1	66.3	62.2	75.7	79.7	81.4
Pay & Spec. TV		61.6	61.5	61.0	52.5	61.9	72.9	85.3	89.2
Conv. TV	66.6	63.7	63.5	61.0	81.4	84.9	86.2	86.3	85.8
Radio	48.8	44.1	49.3	51.8	54.1	58.1	62.1	56.1	48.8
Press	66.1	68.3	70.3	74.3	51.4	73.1	77.3	77.1	
Mags	38.8	46.0	40.9	30.4	32.1	24.8	20.0	20.0	
HHI									
All TV	2,287.0	1,692.4	1,474.4	1,086.6	1,348.6	1,258.5	1,750.3	1,791.7	1,890.7
Pay & Spec. TV		1,018.9	1,247.2	1,407.3	911.8	1,181.3	1,816.2	2,113.1	2,329.0
Conv. TV	2,523.7	1,937.6	1,843.6	1,416.7	2,012.3	2,168.7	2,363.3	2,442.7	2,401.4
Radio	1,218.9	897.1	1,115.8	1,268.5	1,028.9	1,090.1	1,156.0	980.6	1,218.9
Press	1,451.3	1,487.3	1,536.9	2,183	1,710.1	1,643.7	1,819.3	1,861.8	1,742.5
Magazines	490.0	684.0	563.0	335.0	383.0	217.0	160.0	160.0	160.0

The Network Media as a Whole (Excluding Wired and Wireless Telecoms)

Adding the network infrastructure industries (except wired and wireless telecoms because their revenues tend to overshadow everything else) and the content industries together allows us to chart concentration levels for the pooled network media over time. It is a particularly good indicator of long-term trends.
p. 479 Throughout the 1980s and early 1990s, the HHI for the network media as a whole fell, but by 1996 trends ↳

p. 480 ↳

p. 481 ↳

p. 482 ↳

p. 483 ↳

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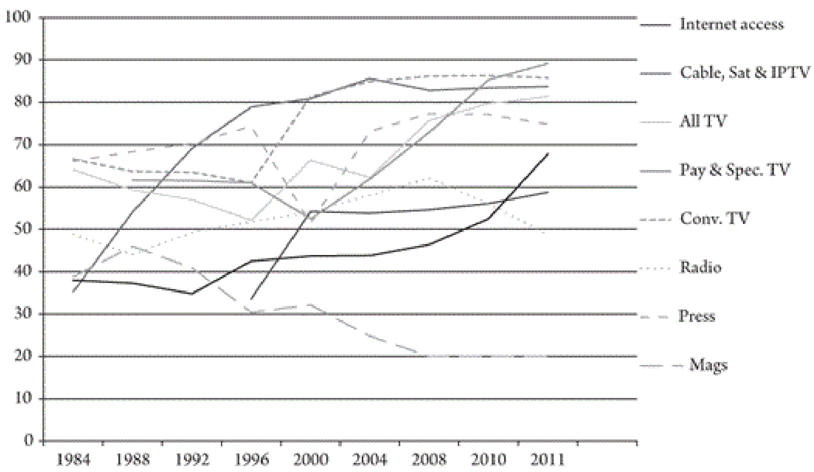
p. 488 ↳

had reversed and levels were even a little bit higher than they had been a dozen years earlier. Thereafter, the number rose steadily to 584 in 2000, where it hovered until dropping to 511.5 in 2008 before once again rising substantially to 600 in 2010 after Shaw took over Global TV from the bankrupt Canwest and an even higher to 693 in 2011 after Bell reacquired CTV (see Figure 17.3). The CR4 standard shows the trend more starkly with the big four media conglomerates, Bell, Shaw, Rogers, and QMI, accounting for more than half of all revenues in 2011, a significant increase in a much larger media universe from the 40% held by the big four media companies in 1984. Over time, some media giants have collapsed (Canwest) and some new players have emerged (Channel Zero, Postmedia, and Remstar), but the long-term trend has been for a substantial rise in concentration levels across the network media as a whole. Figure 17.4 illustrates the trends on the basis of CR4 standards.

Figure 17.4



CR Scores for the Network Media Industries, 1984–2011

This portrait understates media concentration. The national measure used does not fully capture the extent to which QMI dominates the French language media. The shares of media conglomerates in English language markets would be much higher as well if this factor were taken into account.[41] A web of alliances between the big players also blunts the sharp edge of competition. Rogers owns 40% of Cogeco and Bell retains a residual 15% stake in the *Globe and Mail*, while Bell Media, Rogers, QMI, Shaw (Corus), Astral, and Cogeco co-own a dozen or so cable and satellite television channels. There are also several instances of directors from the big 10 sitting on one another's boards, as is the case with Astral and Torstar, as well as Postmedia and Astral.

As we have seen, the Internet neither obviates concerns with concentration within traditional media nor is immune to such tendencies itself. Beyond the network layer represented by ISPs, we can look at search engines, social media, and online news sources. When we do so, the answers are quite clear. Google not only dominates the search engine market, but its dominance is growing. By 2010, it accounted for 81% of searches. Microsoft (6.8%), Yahoo! (5%), and Ask.com (4%) trail far behind, yielding a CR4 of 97% and an HHI of 6,713. The information on market shares with respect to Search Engines is shown in Table 17.15.

Table 17-15. Search Engines: Market Share of Searches

	2004	2005	2006	2008	2009	2010
Google (US)	62.0	60.0	66.0	79.0	81.1	82.4
Microsoft (US)	12.0	17.0	14.0	5.0	4.4	5.9
Yahoo (US)	15.0	16.0	13.0	4.0	3.9	4.2
eBay (US)				2.0	2.2	
Ask (US)	4.0	4.0	2.0	2.0	1.9	
Facebook (US)				4.0	1.5	1.5
Other	7.0	3.0	5.0	4.0	5.0	4.5
CR4	93.0	97.0	93.0	93.0	91.6	98.4
HHI	4,229	4,161	4,725	6,306	6,622	6,879
N (>1%)	4	4	4	6	6	4
Noam Index	2,115	2,081	2,363	2,574	2,703	3,440

p. 489 Social media sites display a similar trend, with Facebook accounting for 63.2% of time spent on such sites in 2010, trailed by Google's YouTube (20.4%), Microsoft (1.2%), Twitter (0.7%), and News Corp.'s MySpace (0.6%).[42] Again, the CR4 score of 86% and HHI score of 4,426 reveal that social networking sites are highly concentrated.

Similar patterns emerge across the layers of the media ecology, including the interfaces and devices used to access the Internet. The top four web browsers used in Canada, Microsoft's Explorer (52.8%), Google's p. 490 Chrome (17.7%), Firefox (17.1%), and Apple's Safari (3%), have a combined market share of just over 90%.[43] ↳ While there are no data available for Canada with respect to smartphone operating systems, US data show that the top four players in 2010 accounted for 93% of all revenues: Google's Android OS (29%), Apple's iOS (27%), RIM (27%), and Microsoft's Windows 7 (10%).[44]

The patterns for websites and online news sources in Canada are somewhat more mixed and ambiguous. With respect to the top 10 websites in Canada, we see a pattern similar to those just described, with the amount of time spent on such sites nearly doubling from 20 to 38% between 2003 and 2008, and with most of the top 15 online news sites belonging to established media companies: cbc.ca, Quebecor, CTV, Globe & Mail, Radio Canada, Toronto Star, Postmedia, and Power Corp. Accounting for almost all of the rest are CNN, BBC, Reuters, MSN, Google, and Yahoo.[45] The picture becomes more mixed and perhaps a bit more ambiguous when we turn to using the CR4 and HHI analyses. On the basis of these measures, we see relatively high levels of concentration with the CR4 method that have stayed mostly constant between 2004 and 2011, while the HHI scores suggest that online news sources have remained relatively diverse and with little change across the period assessed. The trends are illustrated in Table 17.16.

Table 17-16. Online News Sources, 2004–2011

News Website	2004 (*N* = 1,482)	2007 (*N* = 1,306)	2011 (*N* = 1,651)
CBC	10.6	18.3	13.8
Google (US)	5.3	9.2	10.4
MSN / Sympatico (US)	18.2	11.0	14.7
Yahoo (US)	9.3	7.4	6.5
CNN (US)	9.3	9.4	6.1
CTV	—	6.2	2.9
Canoe	2.4	7.6	2.9
Cyberpresse	3.5	3.3	3.9
Globe and Mail	4.1	5.9	3.6
BBC (UK)	—	4.9	2.8
Toronto Star	2.6	2.4	1.5
Global	—	—	2.0
Other	32.6	14.4	31.1
Total (CAD)	97.9	100.0	100.2
Total (USD)	75.0	93.0	101.0
CR4	43.4	45.9	45.4
HHI	686	855	649
N (>1%)	9	11	12
Noam Index	229	258	187

Source: Table calculated by Fred Fletcher, York University, from the Canadian Internet Project data sets (Charles Zamaria, director). Reports on the 2004 and 2007 surveys are available at www.ciponline.ca.

p. 491 Ultimately, relatively new online media domains appear to be no more impervious to the forces of consolidation than media in the past. As is evident in every one of the online segments just assessed, the CR4 analysis shows generally high levels of concentration. While four giants may compete ferociously among themselves in each sector, four players do not make a competitive market. As Tim Wu[46] shows, new players at different layers in the network media ecology, networks, content and applications, and devices are amassing significant clout and the ability to set the terms of trade for the music industries (Apple), for revenue distribution in the linked economy (Google, an especially important matter for newspapers, television, film, apps, books, and blogs), as well as the conditions for the harvesting and sale of personal information and user-created content (Google, Facebook, and Apple). Noam[47] argues similarly that digitization magnifies the power of economies of scale and that this is leading to a two-tiered digital media system organized around a few large integrator firms, which in turn are surrounded by many smaller, specialist firms. These are the gateways—or better, the sluices—that exist at key junctures across the digital media terrain.

This does not mean that it is time for a massive trust-busting initiative on the digital media frontier, but it is essential to know the empirical trends one way or the other, and to at least keep an open mind, if not altogether vigilant. This is especially true when dominant market power amassed in one layer of the network media ecology is used to lock in users, inhibit information flows, or stifle competition in other layers. This is the crux of debates over network neutrality. It has also been the crux of vertical integration issues since the time of the telegraph and, indeed, time immemorial. As Andrew Odlyzko[48] observes, the crux of the issues revolves around a centuries' old conflict between society's drives for economic efficiency and for fairness that has never been adequately resolved.

> There is no reason to expect that this conflict [between efficiency and fairness] will lessen, and instead there are arguments that suggest it will intensify. Should something like net neutrality prevail, the conflict would likely move to another level. That level might become search neutrality . . . or . . . if 'cloud computing' does become as significant as its enthusiasts claim . . . there might have a push for 'cloud neutrality,' and so on it goes. Obviously, there are gateways and constellations of media power criss-crossing the terrain, but whether and if anything will be done to address those issues will turn on politics and where we place the values of a free press and democracy in the general scheme of things.

Concluding Thoughts

Based on the aims of the International Media Concentration Research Project and my reading of Noam's *Media Ownership and Concentration in America*, four key things from this chapter stand out. First, historically and theoretically informed yet empirically driven research is badly needed. Second, the trajectory of events in Canada is similar to patterns in the United States. Concentration levels declined in the 1980s, rose sharply in the late 1990s until peaking around 2000, when they stayed relatively stable until rising significantly again between 2007 and 2011. All of this took place amidst a major increase in the size of the total network media economy. The strongest players have obtained a bigger piece of a larger pie. Third, media concentration levels in Canada are roughly double those in the United States and high by global standards, at least when compared to most developed capitalist democracies. Fourth, the decades-old vision of media convergence, where a small clutch of large media conglomerates operate across the medium and the message, appears to be far more prominent in mid-size markets such as Canada, Brazil, and Spain versus the situation in countries that have large media markets such as the United States, Germany, Japan, China, and the United Kingdom.

Changes in media ownership during the past two years have mainly been about shuffling the assets from one large but bankrupt company (Canwest) to others. Canwest's demise magnified concentration levels for newspapers because some of the smaller papers that it had previously sold off (Osprey) were later taken over by some of the largest players (QMI). The Postmedia Group's acquisition of Canwest's newspapers means that there is a new name on the ownership papers, but it does not add to diversity because there has been no net increase in the number of publishers. It does add a new voice to the overall media economy, although in terms of market share, that benefit has been negated by trends elsewhere, notably in television. Whether Postmedia will even survive is an open question, but the standing offer of buyouts to all of its journalists and editors and its precarious stock market valuation do not auger well for the company, the investors, or the future of journalism in Canada.

Concentration in conventional as well as pay and specialty cable and satellite channels has also grown significantly since 2008, mostly because Canwest's television holdings were acquired by a company that was already a big player in the industry, Shaw Media. Bell's takeover of CTV in 2011 pushed the market share of the four biggest television providers (Bell, Shaw, CBC, and Rogers) to a little over 81% in 2011, from 62% just five years earlier. Bell, Shaw, Rogers, and QMI (but not Astral) are all vertically integrated, meaning that they have substantial operations in both distribution networks (telecom, wireless, cable and satellite, and Internet) and broadcasting, and in magazines and newspapers in the case of the latter two, respectively. There is really no debate in Canada about whether these companies use their control over the medium (networks) to influence the flow of messages through them. They do, by throttling the availability of bandwidth to users and hobbling the ability of competitive OVDs such as Netflix to survive, since the bandwidth caps restrict the number of film and television programs that subscribers can download per month (about 10 hours). In contrast, online video services offered by Bell and Shaw are exempt from the bandwidth caps. The only debate in Canada is whether they should be able to act in this way or if there should be a mandatory set of principles and/or structures put into place to separate control over the medium from the message, in the form of network neutrality, common carrier principles, or structural separation. In this one cannot help but have a sense of déjà vu, with the CRTC standing exactly where its predecessor, the BRC, stood a century ago, albeit far less likely to act.

In sum, media concentration has not gone away and, furthermore, this helps explain why ISPs, Google, Facebook, Apple, and (for a time) RIM have become the powerful forces that they are, standing at crucial junctures in the digital media ecology, between traditional and new media, and all along the way. If media history tells us anything, it is that once the structures of a new medium are cemented into place they stay that way for a long time. Indeed, the structure of the industrial media age set down in the late 19th and early 20th centuries has only begun to give way to the network media ecology of the 21st century in the past decade with no small amount of resistance from entrenched interests all along the line.

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p. 492 message, appears to be far more ↳ prominent in mid-size markets such as Canada, Brazil, and Spain versus the situation in countries that have large media markets such as the United States, Germany, Japan, China, and the United Kingdom.

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Canada—Data Summaries

CANADA'S INDIVIDUAL MEDIA INDUSTRIES are not particularly highly concentrated if international comparison is the yardstick (Table 17.17). It is the cross-ownership among industries that is high. Four companies—Bell Canada, Telus, Rogers, and Shaw—account for 69.1% of the overall media sector, the highest among the more developed countries in this study. Bell Canada Enterprises/CTV is the largest (28.8%) and most diversified, with holdings in nine media industries, especially in the platform industries of telecom, cable, and ISP. Bell/CTV is both the largest platform company (34.8% of the platform sector) and content company (16.5% of the content sector) in Canada, well ahead of its competitors.

Table 17-17. National Media Industries Concentration in Canada

	2004/5		2011 or Most Recent		% Change Annual Average	
	Company Power Index in Country	**Company Share of the Overall National Media Market (%)**	**Company Power Index in Country**	**Company Share of the Overall National Media Market**	**Company Power Index in Country**	**Company Share of the Overall National Media Market (%)**
Bell Canada Enterprises/CTV	1,231.1	30.1	1,837.5	28.8	7.0	–0.2
Rogers	225.0	10.4	465.0	16.6	15.2	0.9
Telus	290.1	12.5	338.9	14.1	2.4	0.2
Shaw	122.0	5.4	241.3	9.6	14.0	0.6
Google (US)	14.0	0.2	99.2	1.2	87.2	0.1
Canadian Broadcasting Corporation (CBC) (public)	82.7	3.2	80.2	2.7	–0.4	–0.06
Quebecor	59.0	4.0	60.7	5.2	0.4	0.2
Postmedia	72.6	2.6	47.1	1.6	–5.0	–0.1
Canwest	26.0	1.4	0.0	0.0	–14.3	–0.2
Astral	4.9	0.8	32.3	2.0	80.8	0.2
Torstar	17.4	1.3	6.6	0.6	–8.9	–0.09
Time Warner (US)	12.2	0.7	4.8	0.2	–8.6	–0.06
Murdoch Interests (US)	10.6	0.5	2.1	0.2	–0.1	–0.04
Microsoft (Bing) (US)	1.1	0.08	0.8	0.1	–3.8	0.004
Yahoo! (US)	0.8	0.05	0.3	0.06	–9.8	0.001

Media Concentration Index	**2004/5**	**2011 or Most Recent**	**% Change Annual Average**
Total Revenue: Nat’l Media Industry (mil US$)	43,072	73,733	10.2
Total Voices (*n*)	81	78	–0.5
Net Voices (*n*)	54	50	–1.1
Public Ownership (%)	3.2	2.7	–0.06
Foreign Ownership (%)	2.6	2.5	–0.03
C4 Average—Weighted	77.5	81.7	0.6
HHI Average—Weighted	2,283	2,506	1.4
C1 Average—Weighted	36	37	0.0
Noam Index Average—Weighted	492	767	8.0
Pooled Overall Sector C4	58.4	69.1	1.5
Pooled Overall Sector HHI	1,245	1,449	2.4
Pooled Overall Sector Noam Index	68	119	10.9
Market Share of Top 10 Companies: Nat’l Media Industry (%) (Pooled C10)	73.1	84.4	1.6

National Power Index	2,211	3,251	6.7

Concentration measures increased in the 1990s as these two major telecom and cable companies consolidated their market positions. Bell Canada's company power index increased to 1,873.5 from 1,231.1, while Rogers' grew from 225 to 465. Rogers displaced Telus as the second largest media provider in Canada in 2004 thanks to its wireless business, but in platform media, Telus is the larger company (20.7% compared to 20.2%) because its wireline business is 10 times larger than Shaw's by revenue (Table 17.19).

Table 17-19. Top Platform Media Companies in Canada

	2004/5		2011 or Most Recent		% Change Annual Average	
	Company Power Index in Country	Company Share of the National Platform Media Market (%)	Company Power Index in Country	Company Share of the National Platform Media Market (%)	Company Share of the National Platform Media Market (%)	Company Power Index in Country
Bell Canada Enterprises/CTV	1,807.7	40.5%	2,507.1	34.8	5.5	−0.8
Rogers	278.6	11.7	630.1	20.2	18.0	1.2
Telus	448.6	19.4	502.3	20.7	1.7	0.2
Shaw	91.1	3.8	123.1	6.2	5.0	0.3
Quebecor	16.4	1.7	33.5	4.0	14.9	0.3

Media Concentration Index	2004/5	2011 or Most Recent	% Change Annual Average
Public Ownership (%)	0.0	0.0	0.0%
Foreign Ownership (%)	0.0	0.0	0.0%
C4 Average—Weighted	83.0	84.7	0.2%
HHI Average—Weighted	2,725.0	2,729	0.02%
C1 Average—Weighted	42.0	39.0	0.0%
National Power Index	2,675	3,828	6.2%

Shaw's position increased slightly when it acquired the broadcasting arm of the bankrupt Canwest, which had previously operated Canadian video channels such as the Global Television Network and HGTV Canada. Canwest's newspapers division, which included the *National Post*, was sold to a group of investors who founded Postmedia. Postmedia also owns regional newspapers, including the *Vancouver Sun*, the *Ottawa Citizen*, and the *Gazette* (in Montreal), as well as the online news site Canada.com.

Another major player in the Canadian newspapers industry is Torstar, best known for its flagship
p. 495 publication, the *Toronto Star*. ↳

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Through its Metroland Media Group branch, Torstar also publishes regional daily newspapers, including the *Hamilton Spectator*, the *Waterloo Region Record*, and the *Guelph Mercury*. Outside of newspapers, Torstar operates Harlequin Enterprises, a book publisher that specializes in paperback romantic novels. Canadian companies frequently operate across several media as a result of Canadian policy toward concentration and cross-ownership. Canada permits high domestic concentration in order to deal with US firms, which are basically excluded from the market. This double insulation has yielded and shielded large Canadian media firms.

Between 2004 and the most recent period, the average C4 increased from 77.5% to 81.7%, and the weighted HHI increased by 1.4% per annum in the period from 2004 to the most recent period, but the rate of growth is slower than it was in the 1990s.

On the positive side, smaller voices have not been extinguished. Compared to the rest of the countries surveyed, Canada has one of the higher sets of net voices with 50 in 2009 or most recent. And once one looks only at content companies (which include, to remind the reader, one-third of overall cable TV revenues as the share of content, while two-thirds are allocated to platforms), there are two fairly equal-sized large companies, Bell Canada with 16.5%, and Rogers with 16.7%, and there are four fairly equal-sized companies, only one of whom has more than 10% (Table 17.18).

Table 17-18. Top Content Media Companies in Canada

	2004/5		2011 or Most Recent		% Change Annual Average	
	Company Power Index in Country	Company Share of the National Content Media Market (%)	Company Power Index in Country	Company Share of the National Content Media Market (%)	Company Power Index in Country	Company Share of the National Content Media Market (%)
Bell Canada Enterprises/CTV	175.6	11.1	611.9	16.5	35.5	0.8
Google (US)	39.5	0.7	303.7	3.7	95.4	0.4
CBC (public)	234.2	9.0	245.5	8.3	0.7	−0.09
Quebecor	136.9	8.2	116.6	7.7	−2.1	−0.08
Postmedia	205.5	7.3	144.3	4.9	−4.3	−0.3
Shaw	178.4	8.3	485.1	16.7	24.6	1.2
Rogers	126.9	8.0	124.8	9.0	−0.2	0.2
Canwest (until 2010)	73.7	4.0	0.0	0.0	−14.3	−0.6
Astral	13.7	2.2	99.0	6.2	88.5	0.6
Torstar	49.3	3.6	20.2	1.8	−8.4	−0.2
Murdoch Interests (US)	30.1	1.3	6.4	0.5	−0.1	−0.1

Media Concentration Index	**2004/5**	**2011 or Most Recent**	**% Change Annual Average**
Public Ownership (%)	9.0	8.3	−0.09%
Foreign Ownership (%)	7.5	97.5	0.01%
C4 Average—Weighted	67.4	75.4	1.2%
HHI Average—Weighted	1,475	2,046	5.5%

C1 Average—Weighted	24	31	1%
National Power Index	1,363	2,215	8.9%

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Notes

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