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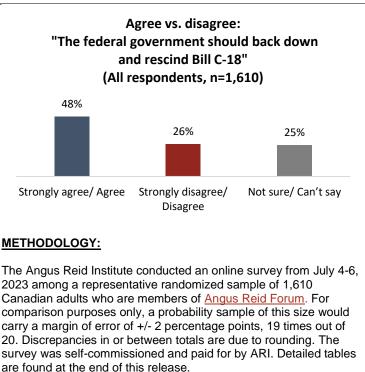
While Canadians say 'Big Tech' should pay to share Canadian news, few see Online News Act as the solution

Concern over backlash and blocked access to Canadian content drives pushback against Bill C-18

July 10, 2023 – An escalating tug of war between the Liberal government and Big Tech – with Canadian news content in the middle – is heating up an already hot summer in Canada.

New data from the non-profit Angus Reid Institute finds Canadians aligned in principle with the concept of going after so-called "Big Tech" to "pay their fair share", something touted by Prime Minister Justin Trudeau in recent weeks. But many are concerned about the consequences of the Liberal government's proposed solution, the Online News Act, which seeks to force Meta (Facebook), Alphabet (Google), and others, to <u>spend millions</u> to access and share Canadian content.

Three-in-five Canadians (61%) say Big Tech should compensate Canadian organizations when their content is shared, given that those platforms benefit from vast advertising dollars that



may have gone to the original creators, but are increasingly concentrated in the hands of tech companies.

That said, more than three-in-five (63%) are also concerned about losing access to Canadian news on Facebook and Google.

This in turn has half (48%) of Canadians directing the federal government to "back down" in its battle with Big Tech, while one-quarter say Ottawa should stand firm (26%) and the same number (25%) are unsure of the best path forward.

For Canadians, the loss of Google and Facebook as news vehicles would be considerable. Each is used by more than two-in-five Canadians daily for news, a proportion higher than all other platforms and websites.

More Key Findings:

- Asked what source they are most likely to go to first to look for Canadian news content if they had to choose one or two, national Canadian news sites (32%), Facebook (28%), and Google News (23%) are the top choices.
- Only about 15 per cent of Canadians say they currently pay for an online news subscription to a Canadian site.



Page 2 of 11

 Three-quarters of past Conservative voters (75%) would reverse course on Bill C-18, the Online News Act, while just one-in-three past Liberal (32%) and NDP (34%) voters would take this action.

About ARI

The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.

INDEX

Part One: Media consumption landscape

- Tech giants, Canadian news websites compete for clicks
- 85 per cent do not pay for any online news

Part Two: Should Big Tech pay?

- Three-in-five would force large tech companies to pay Canadian news organizations
- Division among different platform users on making tech pay for content
- Agreement that Big Tech holds too much power

Part Three: Bill C-18

- Half following C-18 conflict between government and Big Tech
- By two-to-one ratio, Canadians would walk back legislation to force payment
- Three-in-five concerned about backlash, cutting of access to Canadian news
- Majority say small broadcasters will face the worst repercussions

Part One: Media consumption landscape

Tech giants, national websites compete for clicks

Nearly every Canadian has access to the internet – 94 per cent, according to <u>the University of Oxford's</u> <u>Reuters Institute</u>. Thus, Canadians modern media consumption is largely a digital diet.

When it comes to their first choice when they are seeking out Canadian news online, Canadians are split where they land. One-third (32%) say they first visit a national news site such as the Globe and Mail or CBC. Social media sites such as Facebook (28%), Google News (23%) and Twitter (14%) are more popular first options than local community news sites (12%).

This preference varies by age. Two-in-five (38%) Canadians older than 64 say, if they're looking for news, they'll head to a national Canadian source. One-in-five (22%) 18- to 34-year-olds say the same, while nearly as many say they head to Reddit (21%) if they're looking for Canadian news. That age group is



Page **3** of **11**

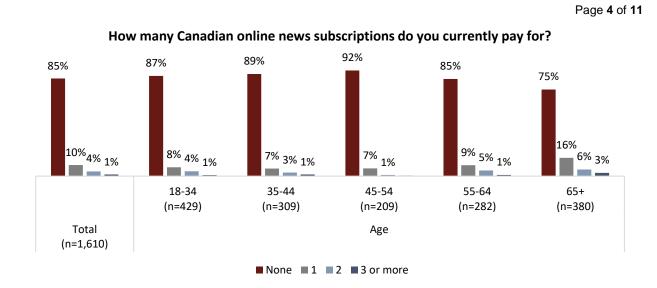
more likely to be going to Facebook (30%) or Google News (27%) than to the news sources themselves to find Canadian journalism:

When you open your phone or computer for the first time each day – and assuming you're interested in checking the news – where do you go first? (Choose up to two)						
	Total (n=1,610)	Age				
		18-34 (n=429)	35-44 (n=309)	45-54 (n=209)	55-64 (n=282)	65+ (n=380)
A Canadian news website (such as the Globe and Mail, Global News, CBC, etc.)	32%	22%	36%	31%	34%	38%
Facebook	28%	30%	25%	32%	24%	30%
Google News	23%	27%	30%	19%	20%	19%
Twitter	14%	17%	15%	20%	14%	7%
Your local community news site	12%	8%	11%	8%	17%	18%
Reddit	8%	21%	7%	1%	2%	1%
Apple News	7%	9%	9%	6%	7%	4%
Other	11%	8%	6%	15%	12%	15%
Don't look for news	8%	6%	5%	9%	10%	9%

85 per cent do not pay for any online news

The reported proportion of Canadians <u>paying for online news</u> rose from nine per cent in 2016 to 13 per cent in 2020. In 2023, that number appears to have risen to 15 per cent, representing a glimmer of hope in a dark time for news organizations in Canada. Seniors are the most likely age group to be paying for Canadian news, at one-quarter. For all other cohorts, more than four-in-five say they are not paying for any subscriptions from Canadian news sites:





Part Two: Should Big Tech pay?

Canadian media companies face an existential problem: as subscription and advertising revenues fall from traditional sources, they are increasingly reliant on ad revenues from internet operations. However, that <u>market is dominated</u> by Meta, the parent company of Facebook, and Google. In Canada, Google and Facebook receive <u>80 per cent</u> of digital advertising revenue.

In response, the federal government drafted <u>Bill C-18</u>, forcing tech companies like Google and Meta to pay Canadian media companies for content that appears on their platforms. Bill C-18 became law on June 22.

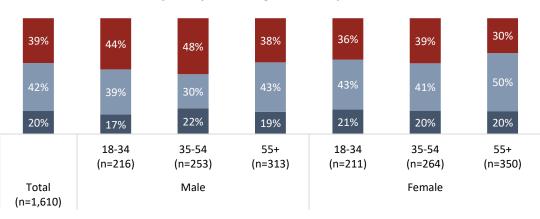
Three-in-five would force large tech companies to pay Canadian news organizations

A majority of Canadians (61%) say tech companies should compensate Canadian news organizations in some way for using their content. Two-in-five (42%) believe the compensation should come in the form of an annual payment, while one-in-five (20%) believe Google and Meta should pay each time a link is clicked on their platforms.

Half (48%) of men aged 35 to 54 believe tech companies shouldn't have to pay Canadian news organizations to access their content, the most of any demographic. Older Canadians, and especially women over the age of 54, are more likely to believe Canadian news companies should be compensated somehow when their content appears on Facebook and Google:



Page 5 of 11



Would you say these large tech companies should:

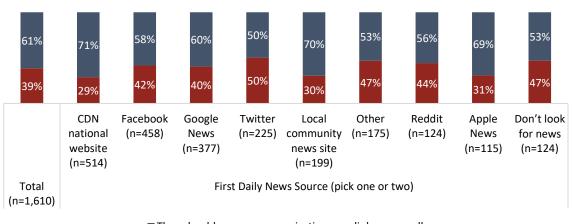
They should not have to pay news organizations at all

Pay news organizations an agreed upon amount each year for access to their content

Pay news organizations each time a link is used/clicked on their platform

Division among different platform users on making tech pay for content

Those whose go-to source for news is a news organization are much more likely than others to believe Canadian news companies should be compensated by the tech companies for accessing their content. Those who are more likely to land on social media sites first when they're searching for Canadian news are more likely to believe Meta and Google shouldn't have to pay to link Canadian news content:



Would you say these large tech companies should pay news organizations or not:

They should pay news organizations per link or annually

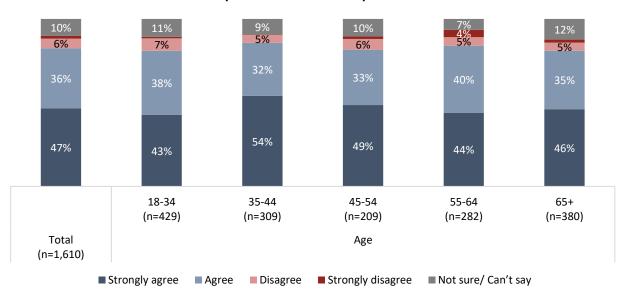
They should not have to pay news organizations at all



Agreement that Big Tech holds too much power

The dominance of advertising revenue on the internet has made tech companies like Meta and Alphabet, the parent company of Google, profitable and valuable. Meta made more than <u>\$23 billion in profits</u> in 2022; Alphabet made close to <u>\$60 billion in profits</u>.

The dominant view among Canadians is there is too much market concentration of the internet among tech companies. Four-in-five (82%) agree that "too few tech companies have too much power over the internet"; more are unsure (10%) than disagree (7%):



Agree vs. disagree -"Too few tech companies have too much power over the internet"

Part Three: Bill C-18

As noted above, last month saw Canada's Bill C-18 become law. It requires the "Big Tech" companies to compensate Canadian news organizations for the content that appears on sites such as Google, Instagram and Facebook. Though the law has <u>yet to take effect</u>, the response from Meta and Google was immediate. Both said <u>they would block Canadian news content from their websites</u> once the law comes into effect, following through on a warning the companies issued as the bill was being discussed.

Half following C-18 conflict between government and Big Tech

A majority (54%) of Canadians say they have been discussing C-18 and the response from Google and Meta with friends and family. Three-in-ten say they have been following the news through headlines, while one-in-six (16%) say they aren't aware of Bill C-18.

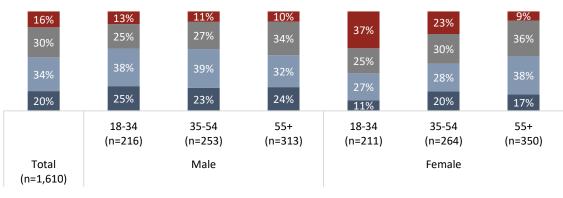
Past CPC voters are more likely than others to say they have been following developments closely (31%). Nearly nine-in-ten (87%) of those who voted for the governing Liberal party in 2021 also say they've been keeping track of the story, but they are more likely than those who voted Conservative to say they have only been scanning headlines (37%, see detailed tables).

CONTACT: Shachi Kurl, President: 604.908.1693 <u>shachi.kurl@angusreid.org</u> @shachikurl Dave Korzinski, Research Director: 250.899.0821 <u>dave.korzinski@angusreid.org</u>



Page 7 of 11

Approaching two-in-five (37%) women under 35 say they had not heard about the conflict over Bill C-18 between the federal government and the tech giants, the most of any demographic. Men are more likely than women to say they've been conversing about the topic regularly:



How closely have you been following the news of this Bill C-18 and the response from Google and Meta?

- Haven't heard anything about it
- Just scanning the headlines

Seeing some media coverage and having the odd conversation about it

■ Following it in the news and discussing it with friends and family

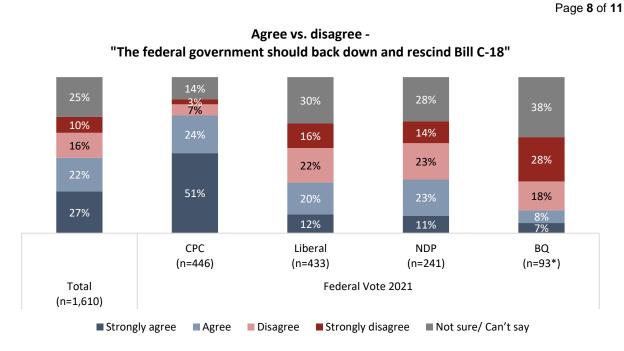
By two-to-one ratio, Canadians would walk back legislation to force payment

Development of Canada's Bill C-18 follows <u>Australia's own journey</u> to force Google and Meta to pay for that country's news content. In 2021, the Australian government passed a law that required Google and Facebook to compensate Australian news organizations for content that appears on their platforms. Google and Meta opposed the move in that country, initially blocking news from their platforms in protest. The two companies eventually relented, however, and now Australia is touting the legislation as a success, as <u>more than 30 deals</u> have been signed between Google and Meta and Australia media outlets.

Half of Canadians (49%) feel their government should back down, while one-quarter (26%) disagree. Nearly as many (25%) are uncertain what the government should do.

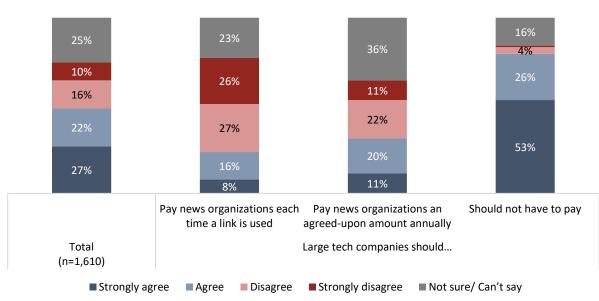
Past Conservative voters are the most likely to believe the Liberal government should walk back Bill C-18. Three-quarters (75%) among that group believe it should back down from the legislation. Those who voted NDP and Liberal in 2021 are nearly evenly divided between uncertainty, wanting the government to hold its ground, and concede to the tech giants:





*Smaller sample size, interpret with caution

A majority of Canadians who believe tech companies should compensate Canadian news organizations in the way legislated in Bill C-18 also say the government should hold fast. However, one-quarter (23%) in that group instead say the government should rescind Bill C-18:



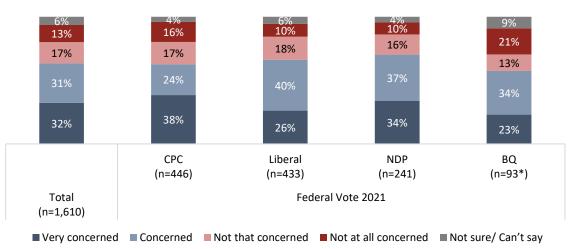
Agree vs. disagree -"The federal government should back down and rescind Bill C-18"

Page 9 of 11

Three-in-five concerned about backlash, cutting of access to Canadian news

As detailed in Part One, half (51%) of Canadians say either Google or Facebook is where they head first when they're looking for Canadian news. At some point this year before Bill C-18 is fully enacted, that will no longer be an option. This is generating a significant amount of concern among Canadians. Three-in-five (63%) are worried about tech companies blocking Canadian news content.

This is the case across the political spectrum:



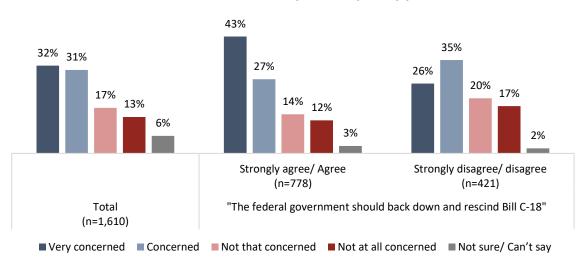
How concerned are you about tech companies cutting off access to Canadian news in such a way? Would you say you are...

*Smaller sample size, interpret with caution

This concern over Facebook and Google blocking Canadian news is perhaps driving how Canadians feel about Bill C-18. Canadians who want the government to rescind the bill are much more likely to say they are very concerned than those who feel the government should leave Bill C-18 in place:



Page 10 of 11

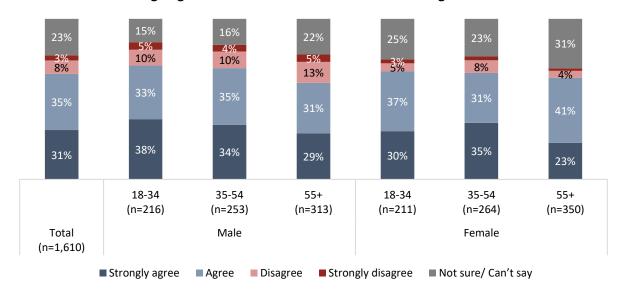


How concerned are you about tech companies cutting off access to Canadian news in such a way? Would you say you are...

Majority say small broadcasters will face the worst repercussions

Though Meta and Google's response to Bill C-18 will affect all media publishers in Canada, there is concern that smaller publishers could suffer more as <u>they previously relied on social media to build an</u> <u>audience</u>.

Two-thirds (66%) of Canadians believe smaller media companies will suffer the most from Bill C-18. Few (11%) disagree:



Agree vs. disagree -"Bill C-18 is going to hurt smaller broadcasters and news organizations most"



Page 11 of 11 For detailed results by age, gender, region, education, and other demographics, <u>click here</u>.

For detailed results by which news source Canadians visit daily, how closely they are following Bill C-18 and other cross tabulations, <u>click here</u>.