

## THE CRTC ORDER ON SIMSUB DURING THE SUPER BOWL IS A GOAL-LINE FUMBLE

Catherine MacLeod, President, thinktv | August 30, 2016



*The Tragically Hip lead singer Gord Downie PHOTO: CBC*

If we needed a reminder about the power of live television, we got it last Saturday night when **11.6 million Canadians** - an astounding one in three of us - tuned in to the **Tragically Hip concert**.

But Gord Downie and his bandmates weren't the only Canadians crushing it on live TV recently. Penny Oleksiak, Andre De Grasse and a few hundred other Olympians just spent two weeks in Rio giving our entire nation plenty to cheer about.

These communal broadcast moments are as electrifying as they are unifying - whether you're witnessing Olympic greatness, scrutinizing the red carpet on Oscar night or, of course, taking in the annual Super Bowl.

On that special Sunday, Canadians gather with family and friends, not around the dinner table, but in front of the TV - just like they did for the Hip and the 100m sprint - to share in a very collective experience. It's a four-hour time-out when we're brought together by what we're watching.

That's what makes the recent CRTC order on simsub during the Super Bowl such a goal-line fumble.

Simsub, or the simultaneous substitution of local ads for U.S. content, has provided advertisers on this side of the border with an exceptional opportunity to speak to millions of Canadians at once. But the CRTC, declaring the much-hyped U.S. ads an "integral element of the event," went ahead with the order despite an ongoing legal challenge. So, this begs the question:

## Who wins with this order?

**Not the broadcaster.** CTV - employer of thousands of Canadians - is in a multi-year deal with the NFL. Without simsub, it's paying for a program it cannot fully monetize.

**Not Canadian producers.** Reduced advertising revenue means reduced investment in Canadian programming.

**Not Canadian businesses.** Canadian companies have lost the chance to advertise to the same mass television audience - one of the biggest of the year - meaning they've also lost the brand lift and sales growth that go along with it.

## So, who does win?

1. **The 92 complainants** to the CRTC - a group that makes up 0.00025% of the population -who couldn't bear to miss the US commercials (and apparently don't have access to the internet).
2. **U.S. advertisers.** . They are now the beneficiaries of an insanely lucrative BOGO deal: buy a 30-second time slot to reach your U.S. customers and you'll get access to 36 million Canadians - over 8 million of whom who regularly tune-in to the Super Bowl - without paying another cent.

But it's the CRTC's rationale for the change that's the real head-shaker. The claim that the advertising is part of the Super Bowl experience wasn't defensible five years ago, let alone now, when all the ads are posted online, often long before the coin is even tossed.

In a world that has embraced timeshifting - via DVRs and on demand - live content is one of TV's greatest strengths. Yes, you could record the Tragically Hip show and watch it later. Yes, you would see the same iconic band playing the same beloved songs. But you wouldn't be part of that nationwide community of fans who will never forget watching that event live.

Live television events like the Olympics and the Hip concert matter, and the Super Bowl is no different. By issuing this order now, the CRTC have handed victory to U.S. advertisers before the game has even begun.

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