

Digital economy, July 2017 to June 2018

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, August 29, 2018

The increasing digitalization of the economy is transforming the ways that Canadians buy, consume and sell goods and services. This survey was the first to focus on Canadians' use and purchases of digital products, such as music and video streaming services, e-books, online gaming, mobile apps and software. It also collected information on the types of payment methods Canadians use for all their personal spending, as well as ways of making money through digital platforms.

Nearly 80% of Canadians aged 18 and older reported using free versions or purchasing digital products, such as music and video streaming services, e-books, online games, mobile applications (apps) and computer software from July 2017 to June 2018. Over the same period, 28% of adults in Canada reported making money through online platforms. Digital payment methods, such as credit or debit cards and online banking, were used the most for all personal spending.

Younger Canadians more likely to use or purchase digital products

Roughly 90% of people aged 18 to 44 purchased or used free versions of digital products in the 12 months to June 2018. This rate dropped to 51% for those aged 65 and older.

Two-thirds of adults in Canada purchased digital products from July 2017 to June 2018. This proportion decreased with age, as 83% of Canadians aged 18 to 24 reported buying at least one digital product. The proportion fell to 40% for those aged 65 and older.

Income was also a factor, as 91% of those with an annual personal income of more than \$100,000 reported purchasing digital products. The rate dropped to 59% for people with an annual personal income of less than \$40,000.

Those who purchased digital products spent \$8.1 billion from July 2017 to June 2018 or an average of \$412 per purchaser. There was little difference in average spending between age groups, except for those 65 and older who had lower average spending. Men (\$505) spent more on average than women (\$312), and Canadians with annual personal incomes above \$100,000 spent roughly 50% more on average than lower income groups.

Two-thirds of Canadians used or purchased video downloads or streaming services

Nearly two-thirds of Canadians aged 18 and older reported using free versions or purchasing video downloads or streaming services from July 2017 to June 2018. Purchasers spent \$2.0 billion on these digital video products, with the average buyer spending \$148. Those aged 18 to 24 spent on average \$107 compared with \$156 for the average purchaser aged 35 to 44. Average spending varied across some income groups, with Canadians who had an annual personal income of less than \$40,000 spending \$136, while those who earned more than \$100,000 spent an average of \$193.

Canadians spend more on average on computer software, mobile apps and other online subscriptions than other digital products

Over half (57%) of adults in Canada used free versions or purchased computer software, mobile applications (apps), online courses and other online subscriptions such as fantasy sports leagues or dating sites from July 2017 to June 2018. Those that purchased these products spent \$3.1 billion, or an average of \$258 per person. Young Canadians aged 18 to 24 spent double on average than those 65 years of age and older, while men (\$316) also spent more than women (\$192). The most common types of products purchased were computer software, followed by mobile apps, online storage and other online subscriptions.



Younger Canadians most likely to use or purchase digital music

Over half of Canadians aged 18 and older either purchased or used free versions of digital music, including downloads and streaming services from July 2017 to June 2018. This proportion rose to 82% for people aged 18 to 24, and fell to 18% for those aged 65 and older. Canadians spent \$1.1 billion on music downloads and streaming services, with the average buyer spending \$111. While Canadians aged 18 to 24 were more likely to use or purchase digital music, when they did purchase they spent the least (\$97), while those aged 45 to 54 (\$133) spent the most.

E-books are the most popular digital reading product purchased by Canadians

E-books, audiobooks, podcasts, online newspapers and magazines were used for free or purchased by one-third of Canadians 18 years of age and older in the 12 months to June 2018. Total spending on these digital products reached \$0.7 billion, with the average purchaser spending \$136. There was little difference in average spending among gender, age or income groups. The most common products purchased were e-books, followed by subscriptions to online newspapers.

Online gaming most popular among young men

Online gaming, including game downloads, subscriptions and in game-purchases, were either used for free or purchased by 31% of Canadians aged 18 and older in the 12 months to June 2018. Total spending on these products reached \$1.4 billion, with the average buyer spending \$223. More young men reported using or purchasing online gaming and they spent more on average than other consumers. For example, 78% of men aged 18 to 24 reported using or purchasing online games, subscriptions or in-game purchases, spending on average \$380. In comparison, 27% of women in the same age group used or purchased online gaming, spending an average of \$101.

More than one-quarter of Canadians make money through online platforms

From July 2017 to June 2018, 28% of Canadians aged 18 and older reported making money through online platforms. The most common method of earning money was by selling new or used products through online bulletin boards such as Kijiji, eBay and Etsy. Other ways of making money included providing online freelance services, posting creative content online, such as YouTube videos, as well as offering peer-to-peer ride, delivery or accommodation services.

People who sold products via online bulletin boards made \$4.9 billion in the 12 months to June 2018, or an average of \$722 per person. This activity was most popular among Canadians under the age of 44 as well as those with an annual personal income above \$100,000. There was no significant difference in the average earnings from selling products via online bulletin boards between age or income groups.

Digital payment methods used for the majority of transactions

Digitization is affecting the way Canadians pay for the goods and services they buy. In the 12 months to June 2018, the bulk of total personal spending (76%) by Canadians aged 18 and older was done using digital payment methods, including debit and credit cards, preauthorized payments or online banking. At the same time, cash or cheque were used for 21% of all personal spending, while other payment methods, such as reward points and gift cards, accounted for the remainder. On average, Canadians 65 years of age and older used cash for 30% of their total personal spending, while those aged 35 to 44 years used digital methods for 80% of all their spending.

Note to readers

The Digital Economy Survey (DES) was a household survey targeting individuals aged 18 and older. It covered the use and purchase of various digital products, such as music and video streaming services, e-books, mobile apps, and online gaming subscriptions. It examined ways of earning money through the digital economy—for instance, by selling new or used products through online bulletin boards or platforms. There were also questions about what type of payment methods—for example, cash versus debit or credit card, Canadians use.

The information collected in this survey is being used to fill important statistical data gaps related to the digital economy.

For this survey the term digital product refers to goods and services that were both ordered and delivered online (that is, in digital format). Internet purchases of physical goods and in-store purchases of digitally formatted goods were not in scope for this survey.

The DES does not replace the Canadian Internet Use Survey (CIUS). In the fall of 2018, Statistics Canada will conduct the CIUS, which will have a broader focus. It will measure household access to the Internet and the online behaviour of Canadians 15 years of age or older, including use of online government services, use of social networking websites or apps, smartphone use, digital skills, online work, and security, privacy and trust.

Table 1
Users and purchasers of digital products,¹ from July 2017 to June 2018

	Music downloads or streaming services	Videos download or streaming services	E-books, audiobooks, online newspapers and magazines or podcasts	Online gaming subscriptions, game downloads and in-game purchases ²	Mobile apps, computer software and other online subscriptions	At least one digital product ¹
	proportion of the population (%)					
Total population 18 years and older	51	64	33	31	57	79
Age						
18 to 24 years	82	85	32	54	69	95
25 to 34 years	64	79	34	40	68	90
35 to 44 years	68	80	39	43	69	90
45 to 54 years	56	69	39	31	60	84
55 to 64 years	35	52	37	14	52	73
65 years and older	18	32	21	13	33	51
Gender						
Men	53	67	35	37	60	80
Women	49	62	32	24	55	77
Personal annual income						
Less than \$40,000	45	58	26	30	49	72
\$40,000 to less than \$70,000	52	65	35	31	62	82
\$70,000 to less than \$100,000	60	76	38	32	69	89
\$100,000 and over	71	83	59	37	78	95

1. Digital products refers to goods or services that were ordered and delivered online (that is, in digital format). Examples include, music or video downloads and streaming services, e-books, audiobooks, online gaming, mobile applications (that is, apps), software and other online subscriptions.

2. The category for online gaming subscriptions, game downloads and in-game purchases only includes computer and console based games. All mobile games (that is, games downloaded or played from a mobile phone) are included within the category for mobile apps.

Note(s): The Digital Economy Survey asked people aged 18 and older in Canada if they used free versions (including versions paid by someone else) or purchased various digital products from July 2017 to June 2018. The categories of used free version and purchased were not mutually exclusive. Those who said they purchased digital products were asked to report their total spending.

Source(s): Digital Economy Survey ([5265](#)).

Table 2
Purchasers of digital products,¹ from July 2017 to June 2018

	Music downloads or streaming services	Videos download or streaming services	E-books, audiobooks, online newspapers and magazines or podcasts	Online gaming subscriptions, game downloads and in-game purchases ²	Mobile apps, computer software and other online subscriptions	At least one digital product ¹
	proportion of the population (%)					
Total population 18 years and older	34	47	19	24	43	67
Age						
18 to 24 years	50	48	16 ^E	50	52	83
25 to 34 years	46	60	16	35	51	80
35 to 44 years	47	63	22	34	52	81
45 to 54 years	37	54	22	24	46	73
55 to 64 years	23	37	23	7	38	58
65 years and older	11	22	13	5	25	40
Gender						
Men	37	50	21	32	46	70
Women	32	45	17	16	40	65
Personal annual income						
Less than \$40,000	28	37	13	24	34	59
\$40,000 to less than \$70,000	34	50	20	22	47	72
\$70,000 to less than \$100,000	44	62	20	25	54	79
\$100,000 and over	56	71	39	31	70	91

^E use with caution

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Source(s): Digital Economy Survey ([5265](#)).

Table 3
Total spending on digital products,¹ from July 2017 to June 2018

	Music downloads or streaming services	Videos download or streaming services	E-books, audiobooks, online newspapers and magazines or podcasts	Online gaming subscriptions, game downloads and in-game purchases ²	Mobile apps, computer software and other online subscriptions	All digital products ¹
millions of dollars						
Total population 18 years and older	1,070	1,955	668	1,354	3,072	8,119
Age						
18 to 24 years	131	135	46 ^E	413 ^E	489 ^E	1,214 ^E
25 to 34 years	308	549	100 ^E	471	817	2,246
35 to 44 years	237	446	108	229	522 ^E	1,542
45 to 54 years	223	423	148	176	695 ^E	1,665
55 to 64 years	114	267	161 ^E	39	352	933
65 years and older	57 ^E	136	104	25 ^E	196	519
Gender						
Men	628	1,067	375	1,067	2,004	5,141
Women	441	887	293	275	1,063	2,959
Personal annual income						
Less than \$40,000	351	683	202	727 ^E	1,161	3,124
\$40,000 to less than \$70,000	247	495	170	291	774	1,977
\$70,000 to less than \$100,000	202	325	70	139	335	1,070
\$100,000 and over	255	406	204 ^E	185	739 ^E	1,789

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2. The category for online gaming subscriptions, game downloads and in-game purchases only includes computer and console based games. All mobile games (that is, games downloaded or played from a mobile phone) are included within the category for mobile apps.

Note(s): The Digital Economy Survey asked people aged 18 and older in Canada if they used free versions (including versions paid by someone else) or purchased various digital products from July 2017 to June 2018. The categories of used free version and purchased were not mutually exclusive. Those who said they purchased digital products were asked to report their total spending.

Source(s): Digital Economy Survey ([5265](#)).

Table 4
Average spending on digital products,¹ from July 2017 to June 2018

	Music downloads or streaming services	Videos download or streaming services	E-books, audiobooks, online newspapers and magazines or podcasts	Online gaming subscriptions, game downloads and in-game purchases ²	Mobile apps, computer software and other online subscriptions	All digital products ¹
	dollars					
Total population 18 years and older	111	148	136	223	258	412
Age						
18 to 24 years	97	107	112 ^E	327 ^E	357 ^E	526 ^E
25 to 34 years	107	145	104 ^E	231	265	433
35 to 44 years	106	156	117	168	222 ^E	400
45 to 54 years	133	170	154	183	333 ^E	488
55 to 64 years	108	159	165 ^E	136	209	339
65 years and older	116 ^E	118	151	160 ^E	148	238
Gender						
Men	121	155	143	260	316	505
Women	98	141	129	140	192	312
Personal annual income						
Less than \$40,000	94	136	118	248 ^E	260	380
\$40,000 to less than \$70,000	105	143	124	217	241	384
\$70,000 to less than \$100,000	119	140	102	158	166	342
\$100,000 and over	156	193	207 ^E	221	368 ^E	655

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2. The category for online gaming subscriptions, game downloads and in-game purchases only includes computer and console based games. All mobile games (that is, games downloaded or played from a mobile phone) are included within the category for mobile apps.

Note(s): The Digital Economy Survey asked people aged 18 and older in Canada if they used free versions (including versions paid by someone else) or purchased various digital products from July 2017 to June 2018. The categories of used free version and purchased were not mutually exclusive. Those who said they purchased digital products were asked to report their total spending.

Source(s): Digital Economy Survey ([5265](#)).

Table 5
Payment methods as a proportion of total personal spending, from July 2017 to June 2018

	Digital payment methods ¹	Cash or cheque	Other ²
	proportion of total personal spending (%)		
Total population 18 years and older	76	21	3
Age			
18 to 24 years	75	21	4 ^E
25 to 34 years	79	18	2
35 to 44 years	80	17	3
45 to 54 years	79	18	3
55 to 64 years	74	23	3
65 years and older	68	30	2
Gender			
Men	77	21	3
Women	75	22	3
Personal annual income			
Less than \$40,000	71	27	3
\$40,000 to less than \$70,000	80	18	3
\$70,000 to less than \$100,000	82	16	2
\$100,000 and over	83	14	3

^E use with caution

1. Digital payment methods includes the use of credit or debit cards, online banking, automatic payments and withdrawals, e-transfers etc.

2. Other payment methods includes the use of reward points (for example, Air Miles, PC Optimum, Canadian Tire Money), gift cards and cryptocurrencies (for example, Bitcoin)

Source(s): Digital Economy Survey (5265).

Definitions, data sources and methods: survey number 5265.

The infographic "[Results from the Digital Economy Survey](#)" (11-627-M) is available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).