

# The Edgy Veg, Inc.

## Response to The Government of Canada's Request for Input Regarding Canadian Content in the Digital World

---

Thank you for taking the time to read our response. The Edgy Veg is a Canadian-made vegan cooking and lifestyle enterprise that promote plant-based lifestyle on [YouTube](https://www.youtube.com/EdgyVeg) and through our popular blog The Edgy Veg. We make vegan and vegetarian fast-food copycat recipes, and comfort food that you actually want to eat.

It is our belief that Canada has an enormous opportunity given the state of the global digital content market, the appetite for digital content in Canada versus the world, the Canadian telecom infrastructure, and the abundance of digital talent in Canada. Canada can easily become the world leader in digital content, which can become a huge exporter of Canadian culture in the world, and thus the gateway to enormous economic development in an industry poised to be the next frontier for global business.

However, Canada has so far failed to support this fledgling industry and the diverse creators that make it up. It so far has held to a broken, heavy, unproductive system that supports the development of outdated content simply to continue to divert funding to dinosaur broadcast corporations. It's a self-serving oligopoly that produces little stand-out content and hinders Canada's place in the global content market.

The Edgy Veg believes that to become a world leader in digital content, to enable the many small businesses and creators that have already developed captivating content and are exporting it to the world successfully, Canada must divert large portions of funds to this new economy, in a MUCH more distributed way than it has been used to. Canada must consider a more "uberized" approach, in micro-funding many small creators, enabling community, and fostering relations between small digital creators, legal firms, traditional media, and horizontal industries such as merchandise manufacturers, book publishers, PR and marketing agencies and the like. It is Canada's responsibility to create, protect, and enable an organization that administers funding and enables access to much needed resources for these small startups.

## Building a cultural system that supports creators

### *FUNDING*

**The most important and powerful thing that Canada can do to support its creators is to divert large sums of funding from broadcast to digital, and that doesn't mean giving it back to the same organizations (Bell, Rogers, etc.) who have been eating it up for years.** These companies are not creating content for Canada or the world (by and large), they are creating content for the grants. Canadian content creators are largely startups that are incredibly good with money, need one-time funding to achieve growth and either leave their day jobs or enable stability to get to the next level of business, or add staff to execute on key business functions that were otherwise unattainable. All of this funding creates and supports self-sustaining businesses that are ALREADY exporting culture and finding success globally.

### *AN ORGANIZATION THAT ADMINISTERS FUNDING AND PROTECTS*

**Canadian content creators need not only the funding, but a funding body that is specifically designed to fund and support small-mid-sized creators.**

Creators need access to vital resources such as legal protection and legal advice, as they are often preyed on by Multi-Channel Networks (MCNs), many of which are in bed with the large broadcast networks in Canada (MUCH, CBC-Fullscreen, Chorus-Kin, Studio71, etc). These networks often add very little value to creators, but promise to bring brand deals, only to take 30% of Canadian creator revenue, and hamstringing them from collaborating with brands or organizations that could be beneficial for them because they are a conflict of interest for the MCN. Canada must play a part in protecting Canadian creators from such predatory behavior, and instead promote collaboration and support. The Edgy Veg has been subject to such predatory behavior numerous times, and only now, when we have reached many millions of views, and hundreds of thousands of subscribers, yielding some limited economic success, can we afford the legal advice to protect ourselves from such predatory contract behavior.

### *COMMUNITY*

Since content creators are creators first, they need to be connected to many other industries which can support their growth, and in which collaboration is possible. These other industries have a vested interest in connecting with creators, as there's economic benefit in the long term, but these are areas where creators may not be used to working. Canada has the opportunity to play a role in connecting these industries as a neutral player, while showcasing Canadian talent both on the creator side, and on the industry side.

For example, Canada could create and support events where creators are connected with leaders who perhaps offer services at discounted rates in order to both support Canadian talent and also to ensure future business. Such industries that are important for creators to have access to are:

- Legal services
- Merchandisers and fulfilment companies
- Graphic designers / web designers

- Book publishers
- Production/Communication/business schools in universities
- Brands
- PR/marketing agencies
- Broadcast networks/producers

## Promoting Canada's creativity in the digital world

### *MANY BUSINESSES IN ONE*

Most Canadian creators are in need of additional marketing and promotion, and the support to have their voices heard to get to the next level. Usually this means funding for marketing/PR but also for travel to events, and the freedom to know that their business is stable for 6-12 months.

Canadian digital creators are usually small businesses made up of 1-2 people. Most in their early phases are working 2 jobs to allow their businesses to grow. This means they cannot fully commit to their businesses and are hamstrung in their ability to focus and grow their businesses. Those who have been fortunate enough to find success typically still struggle with growth and often one person still works a separate job, or they cannot afford to hire new staff for all of the necessary tasks to take the business to the next level. These businesses are especially in need of support in the small-intermediate stages of success.

The Edgy Veg fits squarely into the intermediate digital success tier, and struggles with these issues currently. Digital content creators are actually many businesses in one, and so even a two person shop (like the Edgy Veg) finds itself working 18hour days every day to compete in all the following business areas: Youtube, blog, merch, SEO, marketing, talent, production...] they badly need good staff to shift the burden. The thing is that once these organizations have grown to the point that they have success, they are self sustaining, and do not need to return to the grantor for more funds.

### *A LITTLE FUNDING GOES A LONG WAY*

Digital creators are already masters of marketing and promotion, but they don't have access to funds so they have to innovate. With a little bit of funding they can grow much faster.

The Edgy Veg, with **>180,000 subscribers, and 6 Million views on YouTube, and ~200,000 pageviews a month** on our website is still **growing at roughly 18% month over month**. We are masters of SEO, we come from marketing agency backgrounds, and so have figured out the smartest ways to market and have our audience find us. But we still need funds to compete with US-based creators who have massive backing in promotion from brands, we need to be able to engage with global brands (not just Canadian ones that our MCN shackles us to), and we need to be able to have the PR access and travel funds to get on shows like Good Morning America, The Late Show, the Tonight Show, as well as Canadian shows like The Social and Marilyn Dennis, which open us up to wider audiences. In the meantime, Canadian creators have to struggle working with individual other creators to grow each subscriber one by one.

The great thing about the business model when if the Canadian government funds creators, is that that bridge funding allows us to grow our audiences (and break through the noise) versus US or other countries creators, globally, and once those audiences are there, they enable self-sustaining businesses.

### BRANDS LOVE US

Because these growing businesses have massive, engaged audiences with and the means and technology to instantly buy, brands love us, and with great reason. Every day more brands realize that they are significantly better served by investing in integrations with influencers and digital creators than any other marketing strategy from an ROI perspective. The cost of working with a digital creator versus broadcast advertising is on average 1/20<sup>th</sup>.

Here is a simple objective example of the difference of digital versus broadcast:  
Cost of a 30 second video ad

DIGITAL VIDEO AD (CPM) YOUTUBE	BROADCAST AD (CPM) The Walking Dead (AMC)	PRIMETIME AD (CPM)
~\$3	~\$32	~\$47
Source: Google Analytics	Source: Variety, 2015	Source: Variety, 2015

*CPM: Cost Per Mille, or Cost Per Thousand Views*

While branded content integrations with creators are not exactly the same as a simple digital ad, the cost differential from broadcast to digital retains the same ratios today, even though the audiences on digital are SIGNIFICANTLY more engaged, and by all objective measures more ready to buy. Early examples this year of branded integrations (\$10,000-type brand investments) with influencers have yielded 20-40% product sale growth for brands. These are stats that are unheard of for such campaigns in the broadcast world.

### SELF SUSTAINING AND DIVERSIFIED BUSINESSES

This means that with moderate investment from Canada to enable these businesses to stabilize on their feet, there is infinite future access to revenue the brand side. Branded integration accounts for largest revenue for digital creators BY FAR. Which is why it's also important to protect creators legally from predatory action from MCNs, while supporting new Canadian agencies who can be middle-men for global brands and creators without similarly creating or forcing exclusivity. Digital creators also find revenue from a variety of other sources such as video ad revenue, website ad revenue, affiliate marketing revenue, and merchandise sales. These varied sources allow creators to be diversified and thus more stable as they grow. They are all recurrent revenue streams.

## Supporting entrepreneurs to export culture

### *WE'RE ALREADY EXPORTING CANADIAN CULTURE*

Most digital creators including YouTubers already are exporting Canada's culture. By definition, the internet is a gigantic equalizer of content and it forces us to develop compelling content that the world can enjoy and consume. It forces us to create content that is accessible in our language, but that can be easily translated, it forces us to make our content accessible by those that are learning English, or that are hearing impaired. (The Edgy Veg, for example, closed-captions all of our content because it enables access to those with hearing challenges, or those learning English, and therefore increases our views and subscribers and it also is beneficial for SEO).

### ***Canada is the second-largest consumer of English-speaking content and the highest per capita.***

This means that we are not only making content that people watch in our country, we're good at it and people globally love it.

Most YouTubers have an audience breakdown that is broken down by English-speaking countries according to population, so by definition we are exporting primarily but not entirely.

For example,

### ***The Edgy Veg audience breakdown is as follows:***

- US: 52%
- Canada: 12%
- UK: 7%
- Australia: 4%
- Germany 3%
- Sweden, France, Netherlands, Mexico, Spain, New Zealand, Denmark: ~1% each

### *THE CULTURAL COMPONENT*

By definition, Canadian YouTubers and other digital content creators are exporting Canadian identity. On our channel, "[The Edgy Veg](#)" we make Canadian recipes, we talk about Canadian Thanksgiving and other holidays, we discuss Canadian social issues and our take on world views. We are unquestionably Canadian and we promote Canada in the world. We are ambassadors of Canadian culture at all turns. Most Canadian digital creators we have met reflect similar actions on their channels.

To catalyze social and economic innovation associated with this export of culture, Canada must support and invest in the digital creators. They are all start-ups, many have proven their ability on their own with success, though that success has been stunted by their inability to compete with the funding that exists in the US, and the difficult access to funds in Canada at their size. Canadian creators can create merchandize shops, sell books, sell training courses, etc. But these all require time,

resources, and staff. Successful US creators have been able to do this with support from MCNs and large US brands, and occasionally other private and public funding sources.

The Edgy Veg, for example, has been successful because one of its founders, James Aita, is continuing to fund it through his main job. The other founder, Candice Hutchings, quit her job in 2015 to focus on it fulltime. We have 3 other part-time staff that work as we make business, but we would love to be able to bring them on full time. We have not yet created a merch shop because we don't have time and James works fulltime. We haven't executed on the book deal that we have had in waiting for over a year, because of time, we have many needs in terms of equipment that we have not been able to invest in because of lack of funding, we would like to do promotion of our content digitally and travel to more events to get the word out because we know they result in growth, but we cannot because of lack of access to funding. Even though our statistics in growth have been wonderful, we know that they could have been MUCH MUCH better had we had more access to funding, and had we been able to dedicate more time to being more strategic about how much content is delivered and how it's promoted.

## THE BIG PICTURE

The digital revolution is in full swing. Large broadcast networks worldwide are moving their operations to digital (such as DirectTV's big announcement just a few weeks ago), the content war in the music and movie business is already almost done, and the smart brands are just now figuring out that their media dollars are best spent on digital, and with digital content creators who have access to engaged audiences.

Canada has an enormous opportunity in this world. With the second-largest English speaking audience in the world, the largest per capita consumer of digital content, one of the best digital infrastructures, and an abundance of incredible talent that has already proven itself globally, Canada is poised to be a world leader if not the world leader in digital content. But to do that, it needs to support its creators both financially and with the critical infrastructure and community for growth. And it has to do that now, before other countries with similar stats capitalize on the opportunity. The United States is not lagging in this regard, but it has some struggles of its own on the horizon.

Canada must support these small businesses who have proven that the world has an appetite for the content, but who are by and large struggling to grow because they need the bridge financing and infrastructure to support growth to become moderately sized sustainable businesses. All of these businesses are self-sustainable by design when they reach a certain size, which means they will not be reliant on the government long term, they are diversified in their revenue streams, and they are sought-after by brands. They are ideal candidates for investment, but they are distributed and require less investment than traditional broadcast networks needed 30 years ago. That means that Canada must create an organization that is specifically designed to handle large numbers of these small businesses and coordinate large amounts of micro-funds for

these enterprises. It's a much more distributed approach that Canada must get used to and organize for in a VERY short period of time.

Thank you so much for your consideration.

**About the Edgy Veg:**

The Edgy Veg is a delicious vegan and vegetarian movement catering to the forward-thinking meal-creators of the often-boring veg community. It is a channel on a journey to revolutionize the food we define as “vegan”. Instead of salads and smoothies, Candice & James choose to re-purpose familiar favorites, by recreating childhood cravings for an audience with sophisticated palettes and food-nerd obsessions. Decadent desserts, trendy dishes, and fast food favourites-- nothing is off-limits and everything is vegan. Every recipe can be enjoyed by vegans, vegetarians and omnivores alike—they're Carnivore Approved!

The Edgy Veg Inc.

Please LIKE, comment and subscribe! :)

New recipes and vegan cooking every Monday - vlogs, grocery hauls, taste tests and everything else on Wednesday!

For business inquiries:

e: [edgyveg@gmail.com](mailto:edgyveg@gmail.com)

t: [+1.416.729.9449](tel:+14167299449)

w: <http://www.theedgyveg.com>

**Founders of the Edgy Veg:**

Candice Hutchings

James Aita

700 King Street, #614

Toronto, ON,

M5V 2Y6

CANADA