

Service bulletin

Periodical Publishing

2009



Highlights

Total operating revenues earned by periodical publishers fell 9.2% in 2009 to \$2.17 billion. Operating expenses for the industry reached \$2.0 billion, down 2.4% from a year earlier.

Although the industry managed to reduce its operating expenses, this did not keep pace with the steeper decline in operating revenues. As a result, the industry's operating profit margin fell from 12.3% in 2008 to 5.6% in 2009.

Firms in Ontario generated 56.4% of total operating revenues in 2009, followed by Quebec firms at 22.6%, and those in the Prairies at 11.4%.

The largest expense item for periodical publishers continued to be salaries, wages and benefits, which comprised 30.9% of the industry's operating expenses in 2009. Salaries, wages and benefits rose 2.0% over the year to \$634.4 million.

In 2009, sales of advertising space accounted for 64.0% of total sales, followed by circulation sales (22.7%) and other sales (13.3%).

Note

Statistics Canada's Annual Survey of Periodical Publishers alternates between releasing basic financial statistics in even survey years and more comprehensive data, including advertising and circulation revenues, in odd years.

The periodical publishing industry consists of magazine or periodical publishers whose main activities include gathering, writing, soliciting and editing articles, and preparing and selling advertisements. Periodicals are published at regular intervals, typically on a weekly, monthly or quarterly basis.

Since 2004, survey estimates have been produced for the industry as defined by the North American Industry Classification System (NAICS). Periodical publishing industry estimates of 2004 and beyond should not be compared with survey results prior to 2004 due to significant differences in definitions of the survey populations.

Statistical tables

Table 1

Summary statistics for periodical publishing industry, by province or region, 2007 to 2009

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	thousands of dollars			percent
2009 p				
Atlantic provinces ¹	39,740	13,114	34,686	12.7
Quebec	490,796	102,028	452,569	7.8
Ontario	1,226,351	400,584	1,218,353	0.7
Prairie provinces ²	247,556	64,844	193,049	22.0
British Columbia and the Territories ³	168,478	53,878	151,704	10.0
Canada	2,172,922	634,448	2,050,362	5.6
2008				
Atlantic provinces ¹	45,370	13,088	41,997	7.4
Quebec	531,256	97,666	454,845	14.4
Ontario	1,390,386	387,525	1,265,070	9.0
Prairie provinces ²	247,582	64,348	178,735	27.8
British Columbia and the Territories ³	179,772	59,448	159,489	11.3
Canada	2,394,366	622,074	2,100,136	12.3
2007				
Atlantic provinces ¹	48,287	13,824	43,169	10.6
Quebec	528,330	94,594	466,995	11.6
Ontario	1,362,360	375,852	1,248,130	8.4
Prairie provinces ²	236,860	59,351	174,029	26.5
British Columbia and the Territories ³	186,291	56,889	162,330	12.9
Canada	2,362,128	600,510	2,094,652	11.3

1. Atlantic provinces include: Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick.

2. Prairie provinces include: Manitoba, Saskatchewan and Alberta.

3. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): Due to rounding, components may not add to total. Based on the North American Industry Classification System (NAICS) and includes all establishments classified under 51112 periodical publishers.

Table 2
Operating expenses for the periodical publishing industry, Canada, 2009

	2009
	percent
Industry expenditures	
Salaries, wages and benefits	31.4
Commissions paid to non-employees	2.9
Professional and business services fees	1.3
Subcontract expenses	16.8
Charges for services provided by Head Office	2.6
Cost of goods sold	12.6
Office supplies	1.3
Rental and leasing	2.5
Repair and maintenance	F
Insurance	F
Advertising, marketing and promotions	4.4
Travel, meals and entertainment	1.3
Utilities and telecommunications expenses	F
Property and business taxes, licences and permits	F
Royalties, rights, licensing and franchise fees	F
Delivery, warehousing, postage and courier	5.6
Financial services fees	F
Amortization and depreciation of tangible and intangible assets	4.5
Bad debts	F
All other expenses	8.8
Total operating expenses ¹	100.0

1. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): Due to rounding, components may not add to total. Based on the North American Industry Classification System (NAICS) and includes all establishments classified to 511120 (periodical publishers). Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). The smallest firms, in terms of revenues earned, are not included in these estimates. These firms account for a relatively small portion of total industry revenues.

Table 3
Advertising and circulation revenue for periodical publishing industry, by province and region, 2007 and 2009

	2007 ^r	2009
	thousands of dollars	
Advertising revenue		
Atlantic provinces ¹	26,457	24,708
Quebec	320,538	281,587
Ontario	796,864	672,550
Prairie provinces ²	182,470	181,365
British Columbia and the Territories ³	142,995	120,451
Canada	1,469,324	1,280,661
Circulation revenue		
Atlantic provinces ¹	10,609	8,077
Quebec	161,829	110,128
Ontario	304,286	280,046
Prairie provinces ²	25,373	32,480
British Columbia and the Territories ³	12,588	22,631
Canada	514,686	453,362

1. Atlantic provinces include: Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick.

2. Prairie provinces include: Manitoba, Saskatchewan and Alberta.

3. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): Due to rounding, components may not add to total. Based on the North American Industry Classification System (NAICS) and includes all establishments classified under 51112 periodical publishers.

Data sources, definitions and methodology

The following information is to ensure a clear understanding of the basic concepts that are being measured, the underlying survey methodology (how the concepts are measured), and key aspects of data quality. This information will provide a better understanding of the strengths and limitations of the data, and of how they can be effectively analysed and used. The information may be of particular importance when making comparisons with data from other surveys or sources of information, and in drawing conclusions regarding changes over time.

Description

This annual sample survey collects data required to produce economic statistics for the periodical publishing industry in Canada.

Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry.

Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

Target population

The target population consists of all statistical establishments (sometimes referred to as firms or units) classified as Periodical Publishers according to the North American Industry Classification System (NAICS) during the reference year.

Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register Division and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2009 was 273 collection entities.

Definitions

Operating revenue excludes investment income, capital gains, extraordinary gains and other non-recurring items.

Operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Operating profit margin is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Quebec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogeneous a set of goods and/or services as possible; which does not cross provincial boundaries; and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

Data quality

While considerable effort is made to ensure high standards throughout all stages of collection and processing, the resulting estimates are inevitably subject to a certain degree of error. These errors can be broken down into two major types: non-sampling and sampling.

Non-sampling error is not related to sampling and may occur for many reasons. For example, non-response is an important source of non-sampling error. Population coverage, differences in the interpretation of questions, incorrect information from respondents, and mistakes in recording, coding and processing data are other examples of non-sampling errors.

Sampling error occurs because population estimates are derived from a sample of the population rather than the entire population. Sampling error depends on factors such as sample size, sampling design, and the method of estimation. An important property of probability sampling is that sampling error can be computed from the sample itself by using a statistical measure called the coefficient of variation (CV). The assumption is that over repeated surveys, the relative difference between a sample estimate and the estimate that would have been obtained from an enumeration of all units in the universe would be less than twice the CV, 95 times out of 100. The range of acceptable data values yielded by a sample is called a confidence interval. Confidence intervals can be constructed around the estimate using the CV. First, we calculate the standard error by multiplying the sample estimate by the CV. The sample estimate plus or minus twice the standard error is then referred to as a 95% confidence interval.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for comparability. In general, this includes a detailed review of individual responses (especially for the largest companies), general economic conditions, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data that would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the sampled units contributing to the estimate the weighted response rate was 87.2%. CVs were calculated for each estimate and are available upon request.

Related products**Selected CANSIM tables from Statistics Canada**

361-0010	Periodical publishers, summary statistics, by North American Industry Classification System (NAICS), annual (dollars unless otherwise noted) (24 series)
361-0031	Periodical publishers, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (21 series)

Survey(s)

Definitions, data sources and methods: survey number 5091 - Annual Survey of Service Industries: Periodical Publishers

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: April 2011

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

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