



## Service bulletin

# Movie Theatres and Drive-ins: Data Tables

2005



### Movie Theatres and Drive-ins: Data Tables

Data for 2005 should not be compared with previously published data for the Motion Picture Theatres Survey since significant changes were made to the survey. Some key trends can still be determined, however, as this release includes data for the two previous survey years, 2004 and 2003, using the 2005 methodology.

The data are now collected using a sample that represents 95% of total revenues earned by the Motion Picture Theatre industry. The survey frame is based on a central Statistics Canada database of businesses that have been classified through the use of the North American Industry Classification System (NAICS).

This industry-based classification is a departure from the activity-based classification used previously by the Culture Statistics Program. Some Motion Picture Theatre activity which was previously excluded in the survey is now included due to differences introduced in adopting the NAICS classification. An example of these new inclusions is film festivals.

In addition, in the NAICS structure, data for drive-in theatres are no longer provided separately from data for indoor theatres. To facilitate the presentation of characteristics in this release, reference to motion picture theatres includes indoor theatres, drive-ins and film festivals.

The Motion Picture Theatre industry comprises establishments primarily engaged in exhibiting motion pictures. Establishments primarily engaged in providing occasional motion picture exhibition services, such as those provided during film festivals, are also included.

## Statistical tables

**Table 1**
**Selected financial statistics for the motion picture theatre industry<sup>1</sup>, by province, 2005**

	Number <sup>2</sup> of establishments	Total <sup>3</sup> operating revenue	Salaries, <sup>4</sup> wages and benefits	Total <sup>5</sup> operating expenses	Operating <sup>6</sup> profit margin
	thousands of dollars				percent
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	x	x	x	x	x
New Brunswick	x	x	x	x	x
Quebec	137	246,724	40,716	274,279	-11.2
Ontario	201	486,803	71,516	463,811	4.7
Manitoba	x	x	x	x	x
Saskatchewan	40	31,050	4,690	25,765	17.0
Alberta	84	173,076	22,848	164,712	4.8
British Columbia	115	172,381	24,785	162,561	5.7
Yukon Territory	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	.	.	.	.	.
<b>Canada</b>	<b>656</b>	<b>1,217,669</b>	<b>181,127</b>	<b>1,186,357</b>	<b>2.6</b>

1. Based on the North American Industry Classification System (NAICS) and includes all establishments classified to 512130 (indoor motion picture theatres, drive-ins and film festivals).
2. 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.
3. Operating revenue excludes investment income (dividends and interest).
4. Salaries, wages and benefits include employer contributions to pension, medical/life insurance plans, employment insurance, etc. for all employees who have been issued a T4 statement.
5. Operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.
6. Operating profit margin is derived as follows: total operating revenue minus total operating expenses, expressed as a percentage of total operating revenue.

**Source(s):** Statistics Canada: 2005 Survey of Service Industries: Motion Picture Theatres

**Table 2**  
**Selected statistics with backcasted<sup>1</sup> data for the motion picture theatre industry, Canada**

	2005	Backcasted <sup>1</sup> data	
		2004	2003
thousands of dollars			
<b>Industry estimates <sup>2</sup></b>			
Total operating revenue	1,217,669	1,286,478	1,235,270
Total operating expenses	1,186,357	1,171,340	1,172,110
Salaries and wages and benefits <sup>3</sup>	181,127	177,812	168,555
percent			
Operating profit margin <sup>4</sup>	2.6	8.9	5.1
thousands of dollars			
<b>Surveyed portion <sup>2</sup></b>			
Total admission receipts	757,898	829,094	808,619
Sales of food and beverages	334,238	345,709	333,658
All other operating revenue <sup>5</sup>	77,697	61,137	44,465
<b>Total operating revenue</b>	<b>1,169,833</b>	<b>1,235,940</b>	<b>1,186,742</b>
Salaries and wages and benefits	171,515	168,376	159,610
Film Rental and royalty payment expenses	379,320	417,741	412,920
Cost of Goods Sold	74,978	70,823	65,683
All other operating expenses <sup>6</sup>	515,045	469,477	488,944
<b>Total operating expenses</b>	<b>1,140,858</b>	<b>1,126,417</b>	<b>1,127,157</b>
<b>Operating Profit</b>	<b>28,975</b>	<b>109,522</b>	<b>59,585</b>
number			
<b>Theatre operations</b>			
Paid admissions (attendance)	105,190,134	114,050,875	111,639,269
Screens	2,826	2,779	2,745
percent			
Operating Profit margin <sup>4</sup>	2.5	8.9	5.0

1. Backcasted data have been created in order to be able to compare the data from 2003 to 2005. This is necessary because of the major changes to the survey including use of a new frame, a new definition of the Motion Picture Theatres industry and the use of a sample survey.
2. Industry estimates are based on the surveyed portion and are augmented by administrative data for establishments that were too small to be eligible for sampling. The **surveyed portion** includes only data for surveyed establishments weighted to represent other establishments that were eligible for sampling but were not selected. The surveyed portion represents approximately 95% of total industry revenue.
3. Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 supplementary form was completed.
4. Operating profit margin is derived as follows: total operating revenue minus total operating expenses, expressed as a percentage of total operating revenue.
5. All other operating revenue includes grants and subsidies, royalties, rights, licensing and franchise fees and other revenue.
6. All other expenses include commissions paid to non-employees, professional and business services fees, payments for services provided by head office, office supplies, rental and leasing, repair and maintenance, insurance, advertising, marketing and promotions, travel, meals and entertainment, utilities, telephone and telecommunication, property and business taxes, licences and permits, royalties, rights, licensing and franchise fees, delivery, warehousing, postage and courier, financial service fees, interest expenses, amortization of tangible and intangible assets, charitable donations, bad debts and all other expenses.

**Note(s):** Due to rounding, components may not add to total

**Source(s):** Statistics Canada: 2005 Survey of Service Industries: Motion Picture Theatres

**Table 3**  
**Profile of the Motion Picture Theatre Industry<sup>1</sup> (survey portion<sup>2</sup>), 2005, provinces and regions**

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
thousands of dollars						
<b>Operating revenue</b>						
Total admission receipts	x	x	x	x	149,805	305,372
Sales of food and beverages	x	x	x	x	62,089	130,532
All other operating revenue <sup>3</sup>	x	x	x	x	16,749	37,158
<b>Total operating revenue<sup>4</sup></b>	x	x	x	x	228,643	473,062
<b>Operating expenses</b>						
Salaries, wages and benefits	x	x	x	x	38,508	67,907
Cost of goods sold	x	x	x	x	18,924	25,170
Film rental and royalty payments	x	x	x	x	85,594	145,776
All other operating expenses <sup>5</sup>	x	x	x	x	114,468	211,724
<b>Total operating expenses</b>	x	x	x	x	257,494	450,577
number						
<b>Theatre operations</b>						
Paid admissions (attendance)	x	x	x	x	21,282,633	38,582,949
Screens	x	x	x	x	666	1,003
percent						
Operating profit margin (%) <sup>6</sup>	x	x	x	x	-12.6	4.8
	Manitoba	Saskat- chewan	Alberta	British Columbia	Yukon Territory and Northwest Territories	Canada
thousands of dollars						
<b>Operating revenue</b>						
Total admission receipts	x	18,469	108,809	109,151	x	757,898
Sales of food and beverages	x	10,067	50,713	45,993	x	334,238
All other operating revenue <sup>3</sup>	x	1,771	8,413	8,632	x	77,697
<b>Total operating revenue<sup>4</sup></b>	x	30,307	167,935	163,776	x	1,169,833
<b>Operating expenses</b>						
Salaries, wages and benefits	x	4,566	22,041	22,365	x	171,515
Cost of goods sold	x	1,972	12,348	9,493	x	74,978
Film rental and royalty payments	x	8,609	53,934	51,665	x	379,321
All other operating expenses <sup>5</sup>	x	9,967	71,554	70,538	x	515,045
<b>Total operating expenses</b>	x	25,114	159,877	154,061	x	1,140,858
number						
<b>Theatre operations</b>						
Paid admissions (attendance)	x	3,279,303	16,989,816	14,624,227	x	105,190,134
Screens	x	75	444	348	x	2,826
percent						
Operating profit margin (%) <sup>6</sup>	x	17.1	4.8	5.9	x	2.5

- Based on the North American Industry Classification System (NAICS) and includes all establishments classified to 512130 (indoor motion picture theatres, drive-ins and film festivals).
- Industry estimates are based on the surveyed portion and are augmented by administrative data for establishments that were too small to be eligible for sampling. The **surveyed portion** includes only data for surveyed establishments weighted to represent other establishments that were eligible for sampling but were not selected. The surveyed portion represents approximately 95% of total industry revenue.
- All other operating revenue includes grants and subsidies, royalties, rights, licensing and franchise fees and other revenue.
- Total Operating revenue is the sum of total sales and all other operating revenue. It excludes investment income (dividends and interest).
- All other operating expenses include commissions paid to non-employees, professional and business services fees, payments for services provided by head office, office supplies, rental and leasing, repair and maintenance, insurance, advertising, marketing and promotions, travel, meals and entertainment, utilities, telephone and telecommunication, property and business taxes, licences and permits, delivery, warehousing, postage and courier, financial service fees, charitable donations, bad debts and all other expenses.
- Operating profit margin is derived as follows: total operating revenue minus total operating expenses, expressed as a percentage of total operating revenue.

**Note(s):** Due to rounding, components may not add to total

**Source(s):** Statistics Canada: 2005 Survey of Service Industries: Motion Picture Theatres

## Methodology

### Description

This annual sample survey collects the financial and operating data needed to produce statistics on the Motion Picture Theatre industry in Canada. Commencing with reference year 2005, the survey also collects detailed information on the characteristics of the businesses, such as admissions and concession sales.

These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the Motion Picture Theatre industry in Canada. The results from this survey provide data to businesses, governments, investors and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

Commencing with reference year 2005, this new survey is administered by the Service Industries Program, in collaboration with the Culture Statistics Program. Historical time series data from the previous Culture Statistics Program are available in The Guide to Culture Statistics (online, free of charge, at catalogue number 87-008-GIE). It should be noted that data from this historical time series should not be compared with data from this new survey due to significant differences in coverage and methodology.

The new 2005 survey covers a somewhat different set of businesses than in previous years so that data generally cannot be expected to be comparable. The list of names and addresses of businesses is now drawn from a central Statistics Canada data base. Also, a much more rigorous delineation of those companies that are considered part of the culture sector has been applied through the implementation of the North American Industry Classification System (NAICS). This industry-based classification is a departure from the activity-based classification that was used previously. In addition to these changes in coverage, commencing with 2005, the data are based on a sample of businesses.

Despite these changes, several data points for two earlier survey years have been produced so that key trends can still be determined. These data represent estimates of historical data that would have been produced using this new coverage and methodology for those years. This information is included in the 2005 data release.

### Data sources and methodology

#### Target population

The target population consists of all establishments classified to the motion picture theatre industry (NAICS 512130) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in exhibiting motion pictures. Establishments primarily engaged in providing occasional motion picture exhibition services, such as those provided during film festivals, are also included.

#### Instrument design

The annual survey questionnaire covers detailed financial and operating characteristics. In addition, questions on such topics as theatre facilities, admissions and sources of revenue are asked. The questionnaire was developed in consultation with potential respondents, data users and questionnaire design specialists.

#### Sampling

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

The survey design was based on probability sampling and only covered the portion of the frame subject to direct data collection.

The basic objective of the survey is to produce estimates for the whole industry. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold and administrative data for businesses with revenue below the threshold, which are excluded from sampling. The excluded portion represents a substantial proportion of the industry in terms of number of establishments, but its contribution to the overall industry revenue is only about 5%. It should be noted that for this excluded portion, only certain financial information is obtained from administrative sources; such as, total revenue, expenses such as depreciation and salaries, wages and benefits. Characteristics such as detailed revenue and employment are collected only for surveyed establishments.

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 other administrative information. The frame is referred to as the Business Register and is updated regularly using administrative data.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (for example, groups with the same industry, same geography (province/territory)). 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 on the basis of complex structure characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises), as well as selected establishments whose particular industry characteristics make it essential that they be included. All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

Finally, the sample size is inflated to compensate for firms that are found to no longer belong in the industry, such as those that have gone out of business, changed their primary business activity, are inactive, or are duplicates on the frame. After removing such firms, the sample size for the 2005 Motion Picture Theatre survey was 378 establishments out of a population of approximately 832 establishments.

### **Data sources**

Responding to this survey is mandatory. Data are collected directly from survey respondents.

Data are collected through a mail-out/mail-back process, while providing respondents with the option of other filing methods such as telephone or fax. Follow-up procedures are applied when a questionnaire has not been received after a pre-specified period of time or incomplete responses have been provided.

### **Error detection**

Data are examined for inconsistencies and errors using automated edits coupled with analytical review. Every effort is made to minimize the non-sampling errors of omission, duplication, reporting and processing. Several checks are performed on the collected data. These checks look for internal consistency such as: section totals must be equal to the components; if employees are reported, personnel costs must be greater than zero; the main source of income must be consistent with the assigned NAICS code; identification of extreme values; etc.

### **Imputation**

Where information is missing, imputation is performed using a "nearest neighbour" procedure (donor imputation), using historical data where available, using averages based on responses from a set of similar establishments, or using administrative data as a proxy for reported data.

## Estimation

As part of the estimation process, survey data are weighted and combined with administrative data to produce final industry estimates.

## Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

## Disclosure control

Statistics Canada is prohibited by law from releasing any data which 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

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.

The weighted response rate represents the proportion of the total revenue accounted for by units that responded to the survey. Of the sampled units contributing to the estimate, the weighted response rate was 85.5%, after accounting for firms that have gone out of business, have been reclassified to a different industry, are inactive, or are duplicates on the frame.

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.

For the 2005 Survey of Motion Picture Theatres, CVs were calculated for each estimate. Generally, the more commonly reported variables obtained very good CVs (10% or less), while the less commonly reported variables were associated with higher but still acceptable CVs (under 25%). Some data might not be released because of poor data quality. The CVs are available upon request.

The qualities of CVs are rated as follows:

- Excellent 0.01% to 4.99%

- Very good 5.00% to 9.99%
- Good 10.00% to 14.99%
- Acceptable 15.00% to 24.99%
- Use with caution 25.00% to 34.99%
- Unreliable 35.00% or higher

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**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 <sup>s</sup>	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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