



Service bulletin

Film, Video and Audio-visual Distribution: Data Tables



2005

Film, Video and Audio-visual distribution

Data for 2005 should not be compared with previously published data for film, video, and audio-visual distribution since significant changes have been made to the survey. Key trends can still be determined as this release includes data for the two previous survey years, 2004 and 2003, using the new 2005 methodology.

The new survey of film and video distribution, and wholesaling of pre-recorded videos collects data using a sample, which represents 95% of total revenue earned by these companies. It also includes a limited set of financial data from administrative sources for firms whose combined revenues represent the remaining 5% of total industry revenues.

Data are collected using the Business Register, a central Statistics Canada database of businesses that have been classified using 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 film distribution activities which were previously included in the survey are now excluded due to differences introduced in adopting the NAICS classification. For example, establishments primarily engaged in wholesaling pre-recorded videos are excluded.

Despite these changes, a number of data points for two earlier survey years have been produced so that key trends can still be determined. These “backcasted” data represent estimates of historical data that would have been produced using this new coverage and methodology for those years.

These backcasted estimates should be used with caution. Nevertheless, they are our best estimates using all the information available of the data that would have been produced if we had collected data using the new methodology and coverage.

For further information on all survey changes and collection and processing methodologies, see “The new culture of the Culture Statistics Program” at 87-004-XIE.

Statistical tables

Table 1

Selected financial statistics for the film and video distribution and wholesaling of pre-recorded videos industry, by province, 2005

	Total operating revenue ¹	Salaries, wages and benefits ²	Total operating expenses ³	Operating profit margin ⁴
	thousands of dollars			percent
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	291,149	14,726	223,409	23.3
Ontario	1,308,482	59,613	1,110,234	15.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	x	x	x	x
British Columbia	x	x	x	x
Yukon Territory	...	...	...	...
Northwest Territories	...	...	...	...
Nunavut	...	...	...	...
Canada	1,664,496	76,641	1,353,702	18.7

1. Operating revenue excludes investment income (dividends and interest).

2. 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.

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

4. Operating profit margin is derived as follows: total operating revenue minus total operating expenses, expressed as a percentage of total operating revenue.

Note(s): Based on the North American Industry Classification System (NAICS) and includes all establishments classified to 512120.

Source(s): Statistics Canada: 2005 Survey of Service Industries: Film and video distribution and wholesaling of pre-recorded videos

Table 2
Selected statistics with backcasted data for the film and video distribution and wholesaling of pre-recorded videos industry, Canada, 2005

	2005	Backcasted data	
		2004	2003
thousands of dollars			
Industry estimates ¹			
Total Revenue	1,669,064	1,819,098	1,725,576
Salaries, wages and benefits ²	76,641	81,405	79,136
Total Expenses	1,366,559	1,261,823	1,184,470
Profit	302,505	557,275	541,106
percent			
Profit margin ³	18.1	30.6	31.4
thousands of dollars			
Surveyed portion ¹			
Distribution revenue to theatrical markets by type of production			
Revenue from Canadian productions	13,147	14,953	8,246
Revenue from non-Canadian productions	312,377	315,700	350,212
Total revenue from distribution to theatrical markets	325,524	330,654	358,457
Distribution revenue by type of domestic market			
Total revenue from distribution to theatrical markets	325,524	330,654	358,457
Total revenue from distribution to pay and specialty television markets	119,097	132,039	101,151
Total revenue from distribution to conventional television markets	204,829	310,387	329,668
Total revenue from distribution to home video markets	x	x	x
Total revenue from the distribution to other markets	x	x	x
Sub-total domestic distribution	991,482	1,014,004	992,623
Distribution to foreign clients	90,244	180,970	199,050
Total revenue from distribution of film and video titles to all markets	1,081,726	1,194,974	1,191,673
Wholesaling of pre-recorded videos ⁴	495,015	489,478	444,568
All other revenue ⁵	51,012	89,622	46,625
Total revenue	1,627,753	1,774,074	1,682,866
Total expenses	1,329,218	1,227,344	1,152,105
Profit	298,535	546,729	530,761
percent			
Profit margin ³	18.3	30.8	31.5

1. 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.

2. Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 supplementary form was completed.

3. Profit margin is derived as follows: total revenue minus total expenses, expressed as a percentage of total revenue.

4. Wholesale revenue included in this table are from film distribution establishments classified under NAICS 512120. Wholesaling of pre-recorded videos is reported as a secondary revenue source. Establishments primarily engaged in wholesaling pre-recorded video cassettes are classified under NAICS 41445.

5. All other revenue includes sales from production of film and video titles, grants and subsidies and other revenue.

Note(s): 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 film and video distribution and wholesaling of pre-recorded videos industry and the use of a sample survey. Due to rounding, components may not add to total.

Source(s): Statistics Canada: 2005 Survey of Service Industries: Film and video distribution and wholesaling of pre-recorded videos.

Table 3
Distribution revenue for the film and video distribution and wholesaling of pre-recorded videos industry, by Canadian and non-Canadian productions, primary market, Canada, 2005

	2005
	thousands of dollars
Distribution revenue of Canadian productions by domestic market	
Theatrical market	13,147
Pay TV market	47,607
Conventional TV market	12,335
Home video market	x
Other markets	x
Sub-total of domestic distribution revenue of Canadian productions	86,330
Distribution of Canadian productions to foreign clients	79,504
Total distribution revenue of Canadian productions	165,834
Distribution revenue of non-Canadian productions by domestic market	
Theatrical market	312,377
Pay TV market	71,490
Conventional TV market	192,495
Home video market	x
Other markets	x
Sub-total of domestic distribution revenue of non-Canadian productions	905,152
Distribution of non-Canadian productions to foreign clients	10,740
Total distribution revenue of non-Canadian productions	915,892
	percent
Percentage share by domestic market	
Revenue from distribution of Canadian productions to theatrical markets (percentage of total revenue from distribution to theatrical markets)	4.0
Domestic distribution revenues from Canadian productions (percentage of total domestic distribution revenues)	8.7

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

Source(s): Statistics Canada: 2005 Survey of Service Industries: Film and video distribution and wholesaling of pre-recorded videos.

Table 4
Profile of the film and video distribution and wholesaling of pre-recorded videos industry, Canada, 2005

	2005
	thousands of dollars
Operating revenue	
Total revenue from distribution of film and video titles	1,081,726
Wholesaling of pre-recorded videos ¹	495,015
All other operating revenue ²	47,296
Total operating revenue	1,624,036
Operating expenses	
Salaries, wages and benefits	71,494
Licensing costs (rights, royalties & other fees)	238,402
Cost of goods sold	590,271
Advertising, marketing and promotions	167,350
All other operating expenses ³	249,649
Total operating expenses	1,317,166
	percent
Operating profit margin (percentage of total revenue)	18.9
	number
Employment	
Full-time	1,259
Part-time	48
Contract Workers	x

- Wholesale revenue included in this table are from film distribution establishments classified under NAICS 512120. Wholesaling of pre-recorded videos is a reported as a secondary revenue source. Establishments primarily engaged in in wholesaling pre-recored video cassettes are classified under NAICS 41445.
 - All other operating revenue includes sales from production of film and video titles, grants and subsidies and other revenue.
 - 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, 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.
- Note(s):** 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. Due to rounding, components may not add to total.
- Source(s):** Statistics Canada: 2005 Survey of Service Industries: Film and video distribution and wholesaling of pre-recorded videos

Methodology

Survey Overview

This annual sample survey collects the financial and operating data needed to produce statistics on the film and video distribution and wholesaling of pre-recorded videos industry in Canada. Commencing with reference year 2005, the survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client.

These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the film and video distribution and wholesaling of pre-recorded videos 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.

Statistical data reference period

January 2005 to December 2005

Collection date(s)

March 6, 2006 to September 15, 2006

Data release date

November 1, 2007

Survey population

The target population consists of all establishments classified to the film and video distribution industry (NAICS 512120) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in acquiring distribution rights and distributing film and video productions to motion picture theatres, television networks and stations, and other exhibitors.

Instrument design

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

Sample Design

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

Even though the basic objective of the survey is to produce estimates for the whole industry - all incorporated and unincorporated businesses - not all businesses are surveyed. Rather, a census of businesses with revenue above a certain threshold are surveyed. 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%. 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, and is updated using administrative data.

Collection

Responding to this survey is mandatory. Data are collected directly from survey respondents and extracted from administrative files.

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 / Editing

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 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 measures

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 89.4%, 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 film and video distribution, 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

Release date: November 2007

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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