

Service bulletin

Periodical Publishing



2007

Highlights

The periodical publishing industry earned total operating revenues of \$2.28 billion in 2007, a 1.8% increase from \$2.24 billion in 2006.

Periodical publishing, as defined by North American Industrial Classification System (NAICS) category 51112, includes traditional magazine publishers as well as publishers of shopping guides, real estate guides and custom periodical publishers.

The ten largest periodical publishing companies accounted for 57% of the industry's operating revenues and 85% of industry profits in 2007. These ten companies recorded an operating profit margin of 16.8%, up from the previous year's margin of 13.2%. By comparison, the remaining companies posted an operating profit margin of 3.9% in 2007, down from 6.9% in 2006.

Firms in Ontario and Quebec accounted for most of the industry's activity. Periodical publishers in Ontario earned 57.3% of the industry's total operating revenues in 2007, Quebec firms accounted for 21.6%, while those in the Prairies represented 10.4%.

Operating expenses rose 0.8% to reach \$2.03 billion. Salaries, wages and benefits represented the largest cost, comprising 28% of all operating expenses.

The industry posted an operating profit margin of 11.3% in 2007, up from 10.4% in 2006.

Sales of advertising space accounted for 68% of total sales, followed by circulation sales (23%) and other sales (9%). These sales revenues data are based on establishments whose combined revenues accounted for about 96% of the industry's total revenues.

One factor affecting paid circulation is that Canadian households spent less on magazines. According to the Survey of Household Spending the average household, in 2007, spent \$52 on magazines, the lowest amount in at least ten years.

Note

Statistics Canada's Annual Survey of Periodical Publishers will alternate 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.

Custom periodical publishing is typically done on behalf of a single company, brand, association or institution for magazines destined for a specific audience.



Statistical tables

Table 1

Summary statistics for periodical publishing industry, by province or region, 2005 to 2007

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	thousands of dollars			percent
2007				
Atlantic provinces ¹	48,287	13,869	42,911	11.1
Quebec	494,221	88,268	433,154	12.4
Ontario	1,307,979	350,850	1,203,139	8.0
Prairie provinces ²	236,860	56,603	174,029	26.5
British Columbia and the Territories ³	196,041	57,732	173,071	11.7
Canada	2,283,388	567,322	2,026,304	11.3
2006 ^r				
Atlantic provinces ¹	44,102	13,196	40,542	8.1
Quebec	485,731	86,937	433,165	10.8
Ontario	1,327,116	357,254	1,205,665	9.2
Prairie provinces ²	209,682	58,940	176,931	15.6
British Columbia and the Territories ³	176,805	53,824	154,315	12.7
Canada	2,243,435	570,151	2,010,616	10.4
2005 ^r				
Atlantic provinces ¹	42,246	13,879	40,967	3.0
Quebec	485,338	91,386	448,440	7.6
Ontario	1,254,953	349,655	1,121,547	10.6
Prairie provinces ²	199,606	57,904	185,933	6.8
British Columbia and the Territories ³	176,963	52,255	154,841	12.5
Canada	2,159,106	565,079	1,951,729	9.6

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

	thousands of dollars
Advertising revenue	
Atlantic provinces ¹	26,457
Quebec	301,445
Ontario	796,864
Prairie provinces ²	182,470
British Columbia and the Territories ³	154,040
Canada	1,461,275
Circulation revenue	
Atlantic provinces ¹	10,609
Quebec	148,173
Ontario	304,286
Prairie provinces ²	25,373
British Columbia and the Territories ³	12,735
Canada	501,176

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. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Methodology

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 survey collects the financial and operating data needed to produce statistics on the Canadian periodical publishers. These data are aggregated with information from other sources to produce official estimates of national and provincial economic production in Canada. The estimates are used by government for national and regional programs and policy planning and by the private sector for industry performance measurement and market development.

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 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. Characteristics such as client base and revenue by type of service 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 (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 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 2007 was 177 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 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

Of the sampled units contributing to the estimate the weighted response rate was 91.1%. CVs were calculated for each estimate and are available upon request.

Related products

CANSIM

Available on CANSIM: table 361-0010 - Periodical publishers, summary statistics, by North American Industry Classification System (NAICS), annual

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: June 2009

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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