

Service bulletin

Consumer Goods Rental

2008



Highlights

- Total operating revenues for the consumer goods rental and leasing industry stood at \$2.6 billion in 2008, up 4% from 2007.
- More than half (54%) of the revenue earned in the consumer goods rental industry came from the rental of videos and DVDs. The remainder was split amongst general rental centres (16%), specialized rentals of home health, party or recreational equipment (16%), rentals of consumer electronics and appliances (11%), and rentals of formal wear and costumes (3%).
- In terms of operating expenses, total operating expenses increased 3.7% from the previous year, to reach \$2.5 billion. Cost of goods sold accounted for the largest share of operating expenses, at 33%, followed by labour cost represented of the total, the largest share(28%).
- Operating profit margins stood at for the industry were 5.1%, up from 4.9% in 2007.

Note to readers

No publication was produced for 2007. Data for 2007 can be found in the 2008 edition of this publication in the Statistical tables section.

Statistical tables

Table 1

Summary statistics for the consumer goods rental industry, Canada, 2006 to 2008

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	millions of dollars			percent
Consumer goods rental				
2008 ^p	2,198.7	562.5	2,115.5	3.8
2007 ^r	2,123.0	533.2	2,030.7	4.3
2006	2,114.3	501.8	2,002.6	5.3
General rental centres				
2008 ^p	437.2	110.6	386.1	11.7
2007 ^r	412.5	107.1	381.0	7.6
2006	385.5	110.4	357.9	7.2
Total				
2008 ^p	2,635.9	673.1	2,501.6	5.1
2007 ^r	2,535.5	640.4	2,411.8	4.9
2006	2,499.8	612.3	2,360.5	5.6

Note(s): According to the North American Industry Classification System (NAICS 5322 and 5323). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 2

Operating expenses for the consumer goods rental industry, Canada, 2008

	percent
Salaries and wages of employees who have been issued a T4 statement	28
Commissions paid to non-employees	0
Professional and business services fees	1
Sub-contract expenses	0
Charges for services provided by your head office	1
Cost of goods sold	33
Office supplies	1
Rental and leasing	9
Repair and maintenance	3
Insurance	1
Advertising, marketing and promotions	2
Travel, meals and entertainment	1
Utilities and telecommunications	2
Property and business taxes, licenses and permits	1
Royalties, rights, licensing and franchise fees	2
Delivery, warehousing, postage and courier	1
Financial service fees	1
Amortization and depreciation of tangible and intangible assets	9
Bad debts	0
All other expenses	4
Total operating expenses	100

Note(s): According to the North American Industry Classification System (NAICS 5322 and 5323). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. 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
Distribution of sales by type of client for the consumer goods rental industry, Canada, 2008

	percent
Sales to businesses	19
Sales to individuals	79
Sales to government, not-for-profit organizations and public institutions	2
Sales outside Canada	0
Total sales to all clients	100

Note(s): According to the North American Industry Classification System (NAICS 5322 and 5323). Due to rounding, components may not add to total. 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.

Data sources, definitions and methodology

Description

The survey objective is the collection and dissemination of data necessary for the statistical analysis of the consumer goods rental industry.

The information from the survey can be used by businesses for market analysis, by trade associations to study performance and other characteristics of their industry, by government to develop national and regional economic policies, and by other users involved in research or policy making.

Target population

The target population consists of all statistical establishments (sometimes referred to as firms or units) classified as Consumer Goods Rental (NAICS 5322) or General Rental Centres (NAICS 5323) according to the North American Industry Classification System 2002 (NAICS 2002) during the reference year. The Consumer Goods Rental sector covers four NAICS 2002: Consumer Electronics and Appliance Rental (NAICS 53221), Formal Wear and Costume Rental (NAICS 53222), Video Tape and Disc Rental (NAICS 53223), Other Consumer Goods Rental (NAICS 53229). The General Rental Centres (NAICS 5323) covers just one class.

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—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 provinces in the same survey) and administrative data for businesses with revenue below the specified threshold. It should be noted that only financial information is obtained from administrative sources; e.g., revenue, 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.

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.

Finally the sample size is increased, mostly to compensate for firms that no longer belong in the industry: i.e., they have gone out of business, changed their primary business activity, they are inactive or are duplicates on the frame. After removing such firms, the sample size for 2008 was 394 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.

Quality evaluation

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 sample is surveyed and the portion eligible for sampling is defined as all statistical establishments with revenue above a certain threshold. (Note: the threshold varies between surveys and sometimes between provinces in the same survey). The excluded portion represents a substantial proportion of the industry in terms of number of establishments (58%), but its contribution to the overall industry revenue is only about 9%. These excluded establishments are accounted for in the final estimates through the use of administrative data. However, only basic information is obtained from administrative sources; i.e., total revenue, expenses, depreciation and salaries, wages and benefits. Detailed characteristics such as client base, revenue by type of service, and detailed expense items are collected only for surveyed establishments.

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 89.3%. CVs were calculated for each estimate and are available upon request.

Related products

CANSIM

Table 352-0010: Consumer goods rental, summary statistics, by North American Industry Classification System (NAICS), annual

Table 352-0013: Consumer goods rental, operating expenses, by North American Industry Classification System (NAICS), annual (percent)

Table 352-0014: Consumer goods rental, sales by type of client based on the North American Industry Classification System (NAICS), annual (percent)

Survey(s)

Definitions, data sources and methods: survey number 2434 - Annual Survey of Service Industries: Consumer Goods Rental

Publications

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

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

Release date: April 2010

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

To access this product

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