

Service bulletin

Specialized Design Services

2008



Highlights

- Operating revenues for specialized design services reached \$2.8 billion in 2008, up 5.1% from 2007.
- Graphic design services, the largest of the four specialized design services industries accounted for \$1.3 billion, or 47.4% of total revenues. Interior design services represented another 37.1% of revenues, while the remainder was generated by industrial design services firms (8.7%), and by the other specialized design services industry (6.8%).
- Operating expenses for the four specialized design services industries totalled \$2.5 billion, up 4.7% from 2007. The overall operating profit margin was 12.7%.
- Firms in Ontario accounted for 53.8% of specialized design services revenues, followed by Quebec (17.7%), British Columbia (14.3%) and Alberta (10.2%).

Statistical tables

Table 1

Summary statistics for interior design services, by province and territory, 2006 to 2008

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2008 p					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	5.3	4.4	1.5	18.2	44
New Brunswick	4.0	3.3	1.0	17.7	34
Quebec	143.8	118.8	37.3	17.4	840
Ontario	575.9	527.6	149.1	8.4	2,398
Manitoba	11.8	9.1	3.3	22.6	83
Saskatchewan	x	x	x	x	x
Alberta	127.4	109.1	31.5	14.3	611
British Columbia	173.6	154.8	35.1	10.8	793
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	1,048.6	932.6	260.4	11.1	4,875
2007 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	3.6	3.1	1.5	15.2	39
New Brunswick	3.1	2.4	0.6	22.7	31
Quebec	126.5	107.5	33.8	15.1	854
Ontario	502.6	449.7	124.1	10.5	2,157
Manitoba	11.5	8.6	3.8	25.3	91
Saskatchewan	4.0	2.8	0.9	30.8	30
Alberta	120.2	104.1	29.6	13.4	500
British Columbia	161.3	144.9	35.0	10.2	766
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	936.7	826.5	230.1	11.8	4,498
2006 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	3.3	2.8	1.1	12.7	33
New Brunswick	2.6	2.1	0.5	18.3	25
Quebec	122.4	107.2	32.6	12.4	756
Ontario	436.8	397.1	110.4	9.1	1,642
Manitoba	10.5	8.4	3.0	20.1	58
Saskatchewan	3.9	2.8	0.9	26.9	28
Alberta	108.3	97.1	24.2	10.3	403
British Columbia	142.4	130.3	32.6	8.5	572
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	833.1	750.4	205.6	9.9	3,537

Note(s): According to the North American Industry Classification System (NAICS 54141). 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
Summary statistics for industrial design services, by province and territory, 2006 to 2008

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2008 p					
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	44.5	37.3	13.6	16.1	266
Ontario	116.2	107.8	34.5	7.2	623
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	50.0	38.1	14.7	23.7	256
British Columbia	28.1	26.3	9.8	6.7	164
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	246.0	215.1	75.0	12.6	1,371
2007 r					
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	x	x	x	x	x
Ontario	x	x	x	x	x
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	x	x	x	x	x
British Columbia	x	x	x	x	x
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	x	x	x	x	x
2006 r					
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	63.1	56.7	23.6	10.2	310
Ontario	95.1	84.9	27.9	10.8	571
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	48.0	41.4	15.0	13.7	196
British Columbia	15.7	13.1	6.1	16.6	109
Yukon Territory	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	226.2	199.6	74.0	11.7	1,232

Note(s): According to the North American Industry Classification System (NAICS 54142). 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 3
Summary statistics for graphic design services, by province and territory, 2006 to 2008

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2008 p					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	15.0	10.4	3.4	31.0	128
New Brunswick	10.8	9.0	2.7	16.9	66
Quebec	276.4	239.9	89.8	13.2	1,673
Ontario	735.0	630.5	224.2	14.2	3,607
Manitoba	25.1	21.1	8.2	16.2	131
Saskatchewan	6.5	5.0	2.2	23.7	45
Alberta	97.4	82.2	29.6	15.6	606
British Columbia	161.2	139.5	53.1	13.5	1,075
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	1,341.4	1,150.1	416.6	14.3	7,388
2007 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	13.5	9.3	2.1	31.2	109
New Brunswick	11.6	9.5	3.3	18.2	58
Quebec	277.5	229.2	83.5	17.4	1,675
Ontario	745.1	656.8	252.1	11.8	3,580
Manitoba	22.9	18.7	7.6	18.3	127
Saskatchewan	7.1	5.5	2.2	23.0	50
Alberta	92.3	77.5	26.0	16.0	606
British Columbia	163.3	139.2	51.4	14.7	1,070
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	1,343.2	1,156.7	431.7	13.9	7,330
2006 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	13.7	10.5	2.9	23.7	91
New Brunswick	11.6	10.2	2.9	12.4	57
Quebec	278.8	235.8	72.2	15.4	1,458
Ontario	709.2	630.8	223.2	11.0	3,233
Manitoba	20.3	17.9	7.3	11.9	94
Saskatchewan	4.9	3.6	1.9	25.7	42
Alberta	90.8	75.8	24.4	16.6	502
British Columbia	161.1	128.8	40.8	20.0	981
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	1,301.7	1,124.8	378.4	13.6	6,501

Note(s): According to the North American Industry Classification System (NAICS 54143). 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 4
Summary statistics for other specialized design services, by province and territory, 2006 to 2008

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2008 p					
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	36.6	28.9	7.2	21.1	274
Ontario	94.2	86.4	32.8	8.3	595
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	13.9	10.9	3.7	21.5	107
British Columbia	42.0	40.6	10.8	3.5	277
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	192.3	170.9	56.1	11.1	1,320
2007 r					
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	x	x	x	x	x
Ontario	x	x	x	x	x
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	x	x	x	x	x
British Columbia	x	x	x	x	x
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	x	x	x	x	x
2006 r					
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	44.2	40.3	9.3	8.8	212
Ontario	67.7	59.5	15.7	12.2	500
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	11.9	10.4	3.9	12.2	100
British Columbia	41.2	36.6	11.3	11.2	275
Yukon Territory	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	169.5	150.5	41.4	11.2	1,141

Note(s): According to the North American Industry Classification System (NAICS 5419). 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 5
Operating expenses for interior design services, Canada, 2007 and 2008

	2007 ^r	2008 ^p
	percent	
Total labour remuneration	28.9	29.6
Commissions paid to non-employees	F	F
Professional and business service fees	3.9	3.1
Subcontract expenses	12.6	11.7
Charges for services provided by your head office	F	F
Cost of goods sold	35.0	34.2
Office supplies	2.1	2.7
Rental and leasing	3.5	3.8
Repair and maintenance expenses	2.5	2.1
Insurance	F	F
Advertising, marketing and promotions	1.0	1.2
Travel, meals and entertainment	2.2	2.0
Utilities and telecommunications	1.4	1.3
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	F	F
Delivery, warehousing, postage and courier	F	F
Financial service fees	F	F
Amortization and depreciation of tangible and intangible assets	1.3	1.3
Bad debts	F	F
All other expenses	3.2	4.1

Note(s): According to the North American Industry Classification System (NAICS 54141). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 6
Operating expenses for industrial design services, Canada, 2007 and 2008

	2007 ^r	2008 ^p
	percent	
Total labour remuneration	40.5	38.1
Commissions paid to non-employees	F	F
Professional and business service fees	3.6	2.7
Subcontract expenses	8.6	9.3
Charges for services provided by your head office	F	F
Cost of goods sold	24.2	23.8
Office supplies	1.9	2.6
Rental and leasing	4.3	4.2
Repair and maintenance expenses	4.1	3.6
Insurance	1.0	1.0
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	2.3	2.1
Utilities and telecommunications	1.7	1.7
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	F	F
Delivery, warehousing, postage and courier	F	F
Financial service fees	F	F
Amortization and depreciation of tangible and intangible assets	2.3	2.3
Bad debts	F	F
All other expenses	2.7	5.7

Note(s): According to the North American Industry Classification System (NAICS 54142). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 7
Operating expenses for graphic design services, Canada, 2007 and 2008

	2007 ^r	2008 ^p
	percent	
Total labour remuneration	39.2	37.8
Commissions paid to non-employees	F	F
Professional and business service fees	4.7	3.3
Subcontract expenses	6.9	7.4
Charges for services provided by your head office	F	F
Cost of goods sold	22.1	23.4
Office supplies	2.5	3.2
Rental and leasing	4.4	4.3
Repair and maintenance expenses	3.5	3.3
Insurance	F	F
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	2.1	2.0
Utilities and telecommunications	1.7	1.9
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	F	F
Delivery, warehousing, postage and courier	F	F
Financial service fees	F	F
Amortization and depreciation of tangible and intangible assets	2.5	2.3
Bad debts	F	F
All other expenses	6.3	6.7

Note(s): According to the North American Industry Classification System (NAICS 54143). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 8
Operating expenses for other specialized design services, Canada, 2007 and 2008

	2007 ^r	2008 ^p
	percent	
Total labour remuneration	33.4	34.7
Commissions paid to non-employees	F	F
Professional and business service fees	3.7	3.0
Subcontract expenses	12.3	14.9
Charges for services provided by your head office	F	F
Cost of goods sold	25.6	22.4
Office supplies	1.8	1.9
Rental and leasing	5.0	3.8
Repair and maintenance expenses	3.4	2.2
Insurance	F	F
Advertising, marketing and promotions	1.1	1.3
Travel, meals and entertainment	3.0	3.4
Utilities and telecommunications	2.1	1.7
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	F	F
Delivery, warehousing, postage and courier	F	F
Interest expenses	F	F
Amortization and depreciation of tangible and intangible assets	1.7	1.6
Bad debts	F	F
All other expenses	3.1	4.5

Note(s): According to the North American Industry Classification System (NAICS 54149). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 9
Distribution of operating revenue by type of client, for specialized design services, Canada, 2007 and 2008

	Clients in Canada	Businesses (incl. architectural firms)	Individuals and households	Governments and public institutions	Clients outside Canada
	percent				
Interior design services					
2008 ^p	95.3	50.3	40.4	4.6	4.7
2007 ^r	95.3	49.1	40.7	5.5	4.7
Industrial design services					
2008 ^p	81.3	72.5	4.7	4.1	18.6
2007 ^r	83.9	75.4	4.2	4.3	16.0
Graphic design services					
2008 ^p	92.2	76.1	1.4	14.7	7.8
2007 ^r	92.4	77.9	1.5	13.0	7.5
Other specialized design services					
2008 ^p	F	F	14.0	6.9	F
2007 ^r	F	F	9.3	7.0	F

Note(s): According to the North American Industry Classification System (NAICS 54141, 54142, 54143 and 54149). Based on a sample of firms (weighted). 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. Due to rounding, components may not add to total.

Table 10
Distribution of sales by type of service provided for specialized design services, Canada, 2007 and 2008

	2008 ^P	2007 ^r
	percent	
Interior design services (54141)		
Residential interior design	44	48
Non-residential interior design	27	26
Interior decorating	12	11
All other	17	15
Total	100	100
Industrial design services (54142)		
Product industrial design	47	54
Model design and fabrication	19	21
All other	34	25
Total	100	100
Graphic design services (54143)		
Corporate identity and communication	22	25
Advertising graphic design	16	19
Commercial illustration	3	2
Graphic interface and interaction design	2	2
Book, magazine and newspaper graphic design	4	4
Broadcast and motion graphic design	3	2
Other graphic design	19	19
All other	31	27
Total	100	100
Other specialized design services (54149)		
Clothing, shoe, textile, jewellery, and other design	90	92
All other	10	8
Total	100	100

Note(s): According to the North American Industry Classification System (NAICS 54141, 54142, 54143 and 54149). Based on a sample of firms (weighted). 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. Due to rounding, components may not add to total.

Table 11
Distribution of sales by type of service provided for specialized design services, Canada, 2007 and 2008

	2008 ^P	2007 ^r
	percent	
Interior design services	32	30
Industrial design services	6	6
Graphic design services	37	41
Other specialized design services	6	6
Related services and products	19	17

Note(s): According to the North American Industry Classification System (NAICS 54141, 54142, 54143 and 54149). Based on a sample of firms (weighted). 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. Due to rounding, components may not add to total.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for the Specialized Design 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 establishments classified to Specialized Design Services industry group (5414) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in interior design services (54141), industrial design services (54142), graphic design services (54143) and other specialized design services (54149).

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 2008 was 1,303 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.

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 units contributing to the estimate, the weighted response rate was 86.4%. CVs were calculated for each estimate and are available upon request.

Related products

CANSIM

Available on CANSIM: table 360-0002- Specialized design services, summary statistics, by North American Industry Classification System (NAICS), annual

Available on CANSIM: table 360-0008- Specialized design services, sales by type of client based on the North American Industry Classification System (NAICS), annual

Available on CANSIM: table 360-0009- Specialized design services, operating expenses, by North American Industry Classification System (NAICS), annual

Survey(s)

Definitions, data sources and methods: survey number 4719 - Annual Survey of Service Industries: Specialized Design

Publications

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

Release date: April 2010

Symbols

The following standard symbols are used in Statistics Canada publications:

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..	not available for a specific reference period
...	not applicable
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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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