## Service bulletin

## Consumer Goods Rental

## 2009



## Highlights

- Total operating revenues for the consumer goods rental and leasing industry was $\$ 2.9$ billion in 2009 , a decline of $2.9 \%$ from 2008. The drop is attributable to the weakening operating revenue in the video, tape and disc rental industry.
- The major source of operating revenue earned in the consumer goods rental industry came from the rental of videos and DVDs ( $41 \%$ ), followed by rental and leasing of consumer electronics and appliances ( $28 \%$ ). The remainder was split amongst general rental centres ( $15 \%$ ), specialized rentals of home health, party or recreational equipment ( $15 \%$ ), and rentals of formal wear and costumes ( $2 \%$ ).
- In terms of operating expenses, total operating expenses increased $3.1 \%$ from the previous year, to reach $\$ 2.7$ billion. Labour cost accounted for the largest share of operating expenses, at $26.9 \%$, followed by Cost of goods sold (26.5\%).
- Operating profit margins for the industry were $8 \%$, up slightly from $7.7 \%$ in 2008.


## Statistical tables

Table 1
Summary statistics for the consumer goods rental industry, Canada

|  | Operating revenue | Salaries, wages and benefits | Operating expenses | Operating profit margin |
| :---: | :---: | :---: | :---: | :---: |
|  | millions |  |  | percent |
| Consumer goods rental (5322) |  |  |  |  |
| 2007 | 2,423.0 | 604.3 | 2,280.7 | 5.9 |
| 2008 r | 2,588.7 | 642.0 | 2,406.5 | 7.0 |
| 2009 p | 2,496.7 | 609.8 | 2,292.4 | 8.2 |
| General rental centres (5323) |  |  |  |  |
| 2007 | 412.5 | 107.1 | 381.0 | 7.6 |
| 2008 r | 437.2 | 110.6 | 386.1 | 11.7 |
| 2009 p | 441.8 | 107.1 | 412.4 | 6.7 |
| Total |  |  |  |  |
| 2007 | 2,835.5 | 711.4 | 2,661.8 | 6.1 |
| 2008 r | 3,025.9 | 752.6 | 2,792.6 | 7.7 |
| 2009 p | 2,938.5 | 716.9 | 2,704.8 | 8.0 |

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, 2009

|  | Operating <br> expenses |
| :--- | ---: |
|  | percent |
|  | 26.9 |
| Salaries and wages of employees who have been issued a T4 statement | 0.2 |
| Commissions paid to non-employees | 1.1 |
| Professional and business services fees | 1.5 |
| Sub-contract expenses | 1.1 |
| Charges for services provided by your head office | 26.5 |
| Cost of goods sold | 1.2 |
| Office supplies | 8.6 |
| Rental and leasing | 3.0 |
| Repair and maintenance | 0.8 |
| Insurance | 2.0 |
| Advertising, marketing and promotions | 0.7 |
| Travel, meals and entertainment | 1.9 |
| Utilities and telecommunications | 0.9 |
| Property and business taxes, licenses and permits | 1.4 |
| Royalties, rights, licensing and franchise fees | 0.8 |
| Delivery, warehousing, postage and courier | 0.8 |
| Financial service fees | 15.8 |
| Amortization and depreciation of tangible and intangible assets | 0.8 |
| Bad debts | 4.2 |
| All other expenses | 100.0 |
| Total operating expenses |  |

Note(s): According to the North American Industry Classification System (NAICS 5322 and 5323). Surveyed portion only. 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
Distribution of sales by type of client for the consumer goods rental industry, Canada, 2009

|  |  |
| :--- | ---: |
|  | Sales |
| Sales to businesses | percent |
| Sales to individuals | 20.6 |
| Sales to government, not-for-profit organizations and public institutions | 75.6 |
| Sales outside Canada | 3.1 |
| Total sales to all clients | 0.7 |

Note(s): According to the North American Industry Classification System (NAICS 5322 and 5323). Surveyed portion only. 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 Consumer Goods Rental industry 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 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 2007 (NAICS 2007) during the reference year. The Consumer Goods Rental sector covers four NAICS 2007: 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 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 2009 was 418 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

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 $84 \%$. CVs were calculated for each estimate and are available upon request.

## Related products

## Selected CANSIM tables from Statistics Canada

352-0010 Consumer goods rental, summary statistics, by North American Industry Classification System (NAICS), annual ( 15 series)
352-0013 Consumer goods rental, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (63 series)
352-0014 Consumer goods rental, sales by type of client based on the North American Industry Classification System (NAICS), annual (percent) ( 15 series)

## 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.

## Consumer Goods Rental

## Release date: February 2011

## 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
true zero or a value rounded to zero
value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
preliminary
revised
suppressed to meet the confidentiality requirements of the Statistics Act
use with caution
too unreliable to be published
```


## To access this product

This product, Catalogue no. 63-239-X, is available free in electronic format. To obtain a single issue, visit our website at www.statcan.gc.ca and browse by "Key resource" > "Publications."

## Frequency: Annual / ISSN 1916-6036

For information on the wide range of data available from Statistics Canada, please call our national inquiries line at 1-800-263-1136.
Cette publication est également disponible en français.
Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2011. All rights reserved. The content of this electronic publication may be reproduced, in whole or in part, and by any means, without further permission from Statistics Canada, subject to the following conditions: that it be done solely for the purposes of private study, research, criticism, review or newspaper summary, and/or for non-commercial purposes; and that Statistics Canada be fully acknowledged as follows: Source (or "Adapted from", if appropriate): Statistics Canada, year of publication, name of product, catalogue number, volume and issue numbers, reference period and page(s). Otherwise, no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, by any means-electronic, mechanical or photocopy-or for any purposes without prior written permission of Licensing Services, Client Services Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0 T6.

## Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed standards of service that its employees observe.

To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on www.statcan.gc.ca under "About us" > "The agency" > "Providing services to Canadians."

## Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

