

CULTURE

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Periodicals Published in Canada

by *Fidelis Ifedi*, Periodical Publishing Project Manager

The continued growth of the number of Canadian periodicals seems to indicate a growing popularity of this medium as a means of communicating a distinct Canadian culture to the public. The number of periodicals published in Canada grew 37% from 1984-85 to reach 1,594 in 1987-88.

They provide a medium in which topics and issues can be aired and discussed from a Canadian point of view. Over the years, periodicals published in Canada have seen substantial growth in circulation and revenue.

Between the 1982-83 and 1987-88 fiscal years, total revenue from periodical publishing increased 66% to \$774 million in current dollars. In constant 1982 dollars, the growth in revenue for periodicals was 33% from 1982-83. By comparison, the Canadian economy as represented by the Gross Domestic Product in constant dollars grew by 23% over the same period. The total revenue for print publishing in Canada (which includes daily and non-daily newspapers, periodicals and books) registered a real growth of 39% from 1982-83.

The total revenue for print publishing in current dollars amounted to \$4.6 billion in 1987-88, and periodicals held 17% of this total. This compares with a share of 52% for daily newspapers, 16% for non-daily newspapers and 15% for books.

Types of Periodicals

Three basic types of periodicals split the total revenue for periodicals. These include the general interest, special interest and scholarly periodicals. The general interest periodicals try to inform or entertain the reader. They are aimed at a global market or one large portion of it. Special interest periodicals provide information to a specific target group that is usually professional, trade or technical. In contrast to the other two types, the scholarly periodical is restricted to academic subjects. It is usually published by universities, research institutes and learned societies to disseminate results of research in a specific field. In 1987-88, the number of periodicals published in the various categories were 480 in general interest, 932 in special interest and 182 in the scholarly category.

General interest periodicals, with an annual circulation of 344 million copies in 1987-88, took in \$440 million in revenue. Special interest periodicals had a revenue of \$322 million with 168 million copies in annual circulation. Scholarly periodicals received \$12 million while circulating nearly 2 million copies annually. Overall, the annual circulation of all Canadian periodicals was 512 million copies in 1987-88 (see Figure 1 on page 2).

In This Issue...

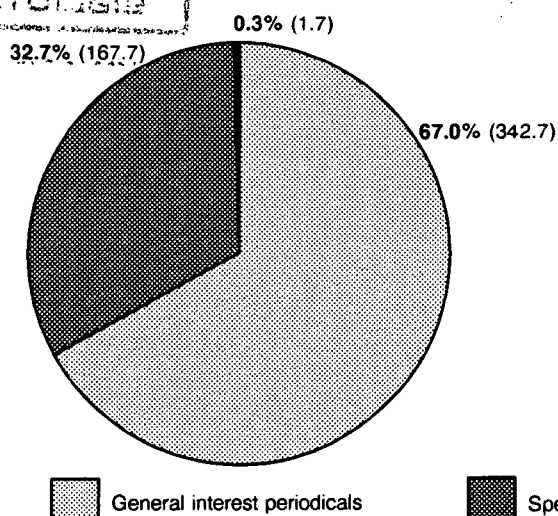
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The total circulation per issue (which represents the sum of the periodicals distributed for a typical issue of each periodical published in Canada) was 39 million copies in 1987-88. Over the period 1984-85 to 1987-88 for which these circulation data are available, the total circulation per issue increased 15% from 34 million copies. The popularity of special interest periodicals increased the most over this period since they registered the highest increase of the three types of periodicals. They grew by 67% to 15 million copies per issue over the period. Circulation data for scholarly periodicals increased 51% to 0.3 million copies per issue, while general interest periodicals declined 3% to 24 million copies per issue in 1987-88.

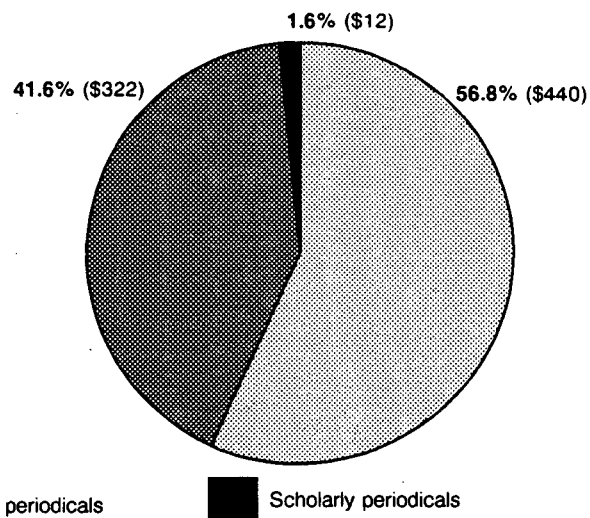
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Figure 1
Periodicals: Circulation and Revenue Breakdown, 1987-1988

Annual Circulation (in millions of copies)



Total Revenue (in \$ millions)



General interest periodicals

Special interest periodicals

Scholarly periodicals

Of the total circulation per issue, paid circulation (made up of single-copy and subscription sales) accounted for more than half. The remainder came from periodicals distributed free of charge. To make up for the lack of subscription and newsstand sales, the non-paid periodicals depend more on advertising sales for revenue.

Advertising Revenue

For most periodicals, whether paid or non-paid, the bottom line is the readership they attract. The more popular the periodical the wider the readership and hence the more it attracts advertisements. Advertisers will pay more for circulation to a wider audience or a specific target audience. This is true for periodicals as it is for all of the other print media and broadcast media. For these media, advertising sales are an important source of revenue. In some media, advertising sales are the lifeline. Periodicals are less reliant on advertising than radio (98% of total revenue), television (92%) or newspapers (79%). Still, almost two thirds of periodicals' revenue came from advertising. Periodicals obtained \$484 million in advertising revenue in 1987-88. This amount excludes

advertising revenue of directories, catalogues, flyers and newsletters.

In recent years, an increased amount of advertising revenue has found its way to periodicals despite the presence of other media such as newspapers, radio, television and quite recently telephone marketing. Over the years 1982-83 to 1987-88, the advertising revenue for periodicals grew by 69% in current dollars or 36% in constant dollars. Daily and non-daily newspapers combined recorded a 44% increase (in constant dollars) over this period. Broadcast media such as private television and private radio registered real growth rates of 17% and 12% respectively.

Within the periodical sector, the reliance on advertising sales for revenue varies from one type of periodical to another. Like radio, television and newspapers, some periodicals depend on advertising sales for the bulk of their revenue. For all periodicals combined, 63 cents on every dollar received in revenue came from advertising sales in 1987-88. This compares with 76 cents on every dollar for special interest periodicals, 54 cents for general interest periodicals and 16 cents for scholarly periodicals. Scholarly

publications rely mostly on paid circulation, especially subscription sales.

A breakdown of revenue data by language of publication shows English-language periodicals following the national pattern with two thirds of their revenue coming from advertising sales in 1987-88. For the French-language periodicals, advertising sales accounted for half of their total revenue. In contrast, the shares of advertising sales in the total revenues of French private radio and television stations were 97% and 90% respectively, about the same as the English stations (see Table 1).

Profitability

Periodicals that rely on advertising sales for much of their revenue tend to be more profitable (measured by profit before taxes as a percentage of total revenue). In 1987-88, special interest periodicals, which attract more advertising, recorded a profit of 6% of total revenue. General interest periodicals had a 5% profit. In contrast, scholarly periodicals, which depend more on subscription sales, had a loss of over 2% of total revenue in 1987-88. All Canadian periodicals combined recorded a profit of 5%. □

**Table 1:
Periodical and Broadcast Media – Revenue by Language, 1987-88**

	Advertising Revenue	Total Revenue
	\$ Million	\$ Million
Periodicals ¹ : English	368.1	552.2
French	82.4	165.0
Other	33.9	57.3
Total	484.4	774.5
Private Radio Stations:		
English	518.3	528.4
French	130.0	134.3
Total	648.3	662.7
Private Television Stations:		
English	814.1	880.7
French	166.0	185.2
Total	980.1	1,065.9

¹ Revenue data on periodicals includes an estimate of the total revenue of periodicals which did not respond to the survey.

Sources: *Periodical Publishing*, Statistics Canada Catalogue no. 87-203.
Radio and Television Broadcasting, Statistics Canada Catalogue no. 56-204, and unpublished special tabulations from the Radio and Television Survey, Culture Statistics Program.

Book Publishing in Canada, 1987-88

by Michel Frève, Book Publishing and Distribution Project Manager

While book publishing and periodical publishing share printing techniques and a reliance on paper, they differ in many respects. Books are generally more durable and are usually the work of one person. There is also the matter of revenue: in the absence of any advertising, books rely almost entirely on their sales to make money. Sales figures from 284 publishers reached almost \$1.1 billion in 1987-88, including \$685 million for books published in Canada. Included in these figures are foreign sales of \$209 million.

What's being published

First, let us consider what publishers have to offer. In 1987-88, almost 7,300 titles were published in Canada. Of these, more than half were in the tradebook category (usually titles of a literary nature). Textbooks and professional and technical titles each accounted for nearly 20% of total production, while general reference and scholarly books made up 5% and 3% respectively of total production.

In the category of reprints, textbooks led the way (especially at the

elementary-secondary level) with close to 60% of the 4,500 titles reprinted.

Publishers have more to offer than just new books, however. There were 49,500 titles in print, including 23,400 tradebooks and 16,700 textbooks.

Nearly 80% of these textbooks were aimed at the elementary-secondary level. The general reference and professional and technical categories numbered 2,700 and 4,000 titles respectively.

What's being sold

But what sells? According to the 1987-88 survey, nearly two thirds of Canadian publishers' own title sales (\$476 million) came from frontlist titles (titles published or reprinted during the current year), although these accounted for only 24% of titles in print. However, this figure is inflated by tradebook sales, of which 75% came from frontlist titles. For the other categories, frontlist and backlist market shares of sales were almost identical. Nevertheless, the percentage of titles in print made up

Business Periodicals

The highest increase in circulation of all periodicals in 1987-88 was the special interest periodicals, especially those that contain information on business and finance. Business-content publications have become for consumers a good source of information ranging from how to handle personal finances to what to look for when making major purchases. Between 1984-85 and 1987-88, the number of Canadian periodicals containing business information expanded greatly. It grew by 44% to 163 periodicals in 1987-88.

In 1987-88:

- Business-content periodicals had 3 million copies in circulation per typical issue and 38 million copies annually, up 24% from 1986-87.
- They earned close to \$100 million in revenue, almost 14% of the total revenue for all periodicals published in Canada.
- Eighty-two cents on every dollar of the revenue of business-content periodicals came from advertising.
- They registered the highest profit at 9% of total revenue. ☐

of frontlist titles varied widely by category: 40% for professional and technical books, nearly 25% for textbooks and general reference titles and only 9% for scholarly books.

Since frontlist titles make up over 60% of total sales but account for only a quarter of the titles in print, it is safe to say that a good number of titles sell poorly or remain on the shelves. Indeed, sales figures per title in print for textbook and general reference backlist titles were only \$7,970 and \$1,660 respectively. Frontlist title sales figures for the same categories were \$22,860 and \$18,420 respectively.

Sales of all titles in print were: textbooks, which account for 41% of Canadian publishers' own title sales

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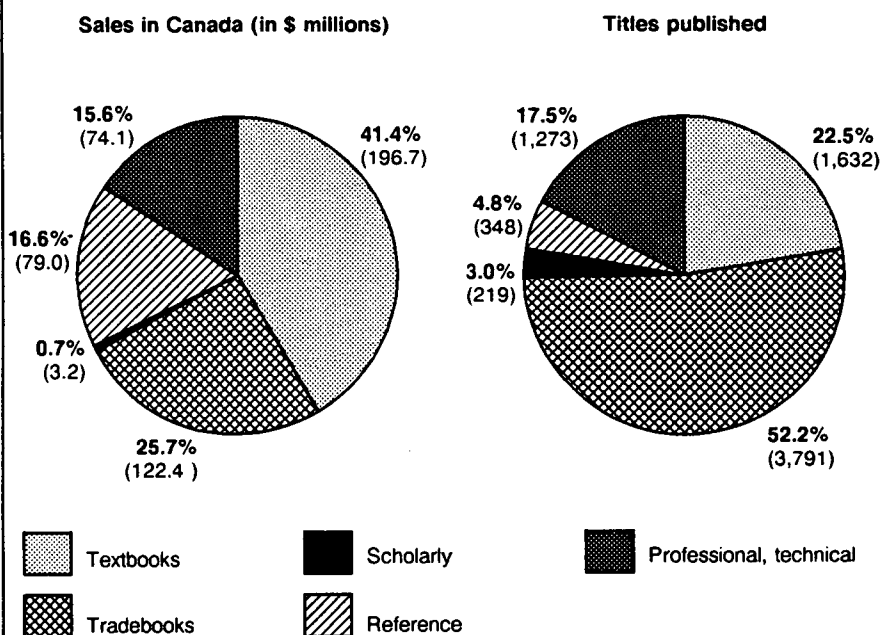
(\$197 million), had sales of \$11,820 per title in print; tradebooks, with 26% of own title sales (\$122 million), had sales of \$5,230 per title in print. The number one sellers were general reference works, with sales of \$29,290 per title. Still, these account for only 17% of Canadian publishers' own title sales.

Other sources of revenue

Own title sales are not the only source of revenue for publishers. Over one hundred publishers are authorized to act as exclusive agents for other publishers, most of them foreign. The sales value for exclusive agency titles is quite significant: 46% of the \$887 million in total Canadian sales reported by publishing firms.

Financial aid also represents a substantial source of revenue for some publishers. For the most part, this aid is provided by public institutions. In 1987-88, publishers received nearly \$20 million in grants, of which \$14 million was awarded by the federal government. Small firms received only 14% of this total, but grants had a major impact on their profitability: on average, financial aid accounted for 26% of revenue for small publishing firms, while their losses totalled 2%. By comparison, aid given to large firms accounted for less than 1% of their revenue, on average, and they showed a profit of nearly 10%. For the industry as a whole, firms reported an average profit before taxes of just over 9% of total revenue. □

Figure 2
Book Publishing in Canada, by Commercial Category, 1987-1988



adventurous and dynamic programs. The Orchestre symphonique de Montréal is a case in point. The O.S.M. is not only striking a new note in terms of repertoire, but it also is working on an active recording schedule, with a number of releases to its credit.

Non-personnel production-related expenditures play a relatively minor role in orchestras' total budgets. This combined with the predominantly auditory nature of an orchestral performance may continue to encourage more Canadian orchestras to further explore the possibilities of balancing their financial scores with recording revenues. It has been suggested that the more exposure an orchestra receives through recordings, the more likely it is to attract new audiences and to be perceived as an accessible leisure time activity by more people.

Individual orchestras are being encouraged by various organizations to develop a mission statement, artistic policy and both short- and long-term plans. For example, a July 1988 report submitted to the Ontario Arts Council on its orchestral support programs clearly set this out as a vital step in helping orchestras improve their budget situations.

Orchestras: Striving for Middle 'C'

by Mary Cromie, Performing Arts Project Manager

"Vancouver mayor sets up trust fund to help rescue symphony". "National Arts Centre Orchestra will not be privatized". "Orchestras in trouble across U.S.". Recent headlines such as these have made us question once again how assured the future may be for orchestras across North America generally, as a sustainable cultural activity.

The Vancouver Symphony Orchestra suspended operations completely for several months in 1988 and the National Arts Centre Orchestra's mandate has recently been under close scrutiny. Several American

orchestras, such as those in New Orleans and Oakland, have been forced to close their doors permanently.

The former head of music at the Canada Council, Franz Kraemer, has said that "continuously safe programming is boring programming" and "if an orchestra's programming is conservative ... the record shows that things haven't turned out too well for them".

It has been suggested that some orchestras which are experiencing renewed success in attendance and box office revenues, do offer

Continued p. 5

While there may be reason for concern about the well-being of our orchestras, data from Statistics Canada's annual Survey of Performing Arts Companies do not point to an increasingly bleak future.

A brief analysis of the last ten years of data for the reporting orchestras (averaging about 60 per year), shows that, overall, expenditures have increased only 4% more than revenues. In fact, the two most recent data years (1986 and 1987) show expenditures increasing at a slower rate than revenues.

In addition, ticket sales are playing an increasing role in total company revenues. Correspondingly, income from public grants and private donations has, over the decade, come to assume a slightly smaller proportion of revenue. Throughout the early 1980s, the ratio of earned to unearned revenues steadily increased, reaching a high of \$48 earned to each \$52 unearned in 1984. While the years since then have seen some fluctuation in the trend, the 1987 figure of 45:55 still shows slight improvement over the 1977 ratio or 43:57. Theatre companies on the other hand, reached a 55:45 split in 1987, while dance companies were at the opposite end of the scale at 38:62. The opera company ratio was just slightly better than that of the music companies.

Performing arts companies in general have recently been facing the issue of whether or not to adopt more flexible ticket options for the convenience of their patrons. There is concern that in today's society, where leisure options are so numerous and varied, and the time to enjoy them has not increased as we might have anticipated ten years ago, the constraints imposed by subscription series are making them less attractive to consumers.

Over the years, music companies more than the other performing disciplines have taken advantage of the "up-front" revenue guaranteed by such packages. Data from the performing arts surveys show us that between 1978 and 1987 subscription sales by music companies outweighed

single ticket sales by, on average, more than 2 to 1.

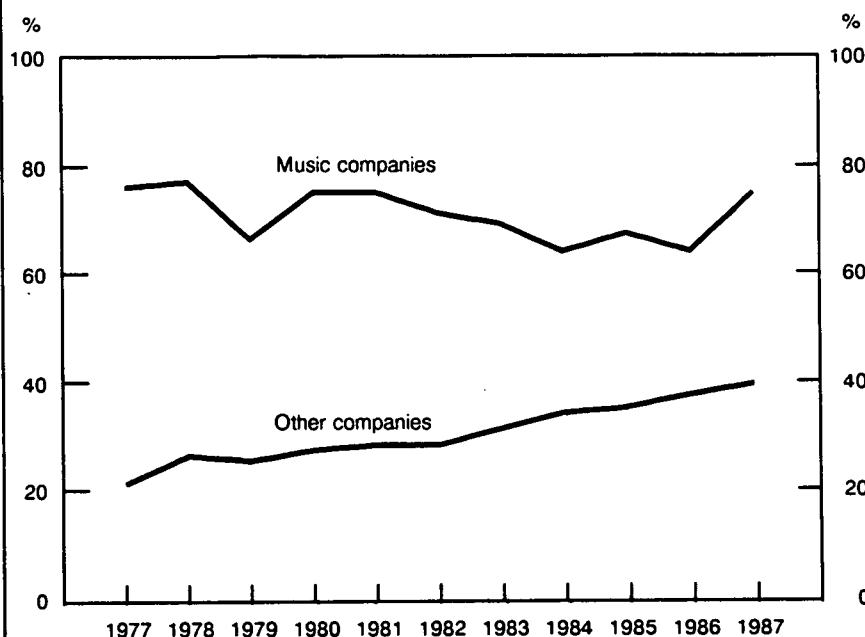
This ratio can be compared with the other disciplines of theatre, dance and opera, where over the same period, subscription series tickets have consistently accounted for less than 40 per cent of all sales, and for the first six years of that period, even less than 30 per cent. However, while the proportion of subscription sales is increasing for the other disciplines (see Figure 3), the ratio for music

companies has been gradually declining. This is so despite the apparent reversal shown in the 1987 data: indications are that the 1987 figures are a temporary anomaly.

Bold new marketing strategies and innovative subscription options, especially with smaller series, are now being tried in all disciplines. Perhaps these initiatives and the increased flexibility they offer, combined with

Continued p. 6

Figure 3
Subscription Ticket Sales as a Percentage of Total Ticket Sales - Music Companies and Other Companies, 1977 to 1987



Focus on Data

Per capita government spending on culture, 1987-88

\$185

Total Reported Revenue:

Film producers, 1987-88	\$459 million
Film distributors, 1987-88	\$646 million
Film laboratories and post-production services companies, 1987-88	\$206 million
Motion picture theatres, 1987-88	\$481 million
Record label companies, 1987-88	\$468 million
Book publishers and exclusive agents, 1987-88	\$1,268 million
Periodical publishers, 1987-88	\$774 million
Broadcasters, 1988	\$2,901 million

Reported Operating Revenue:

Performing arts companies, 1987	\$266 million
Heritage institutions, 1987-88	\$774 million
Public libraries, 1987-88	\$527 million

reduced ticket prices, will be successful in further stimulating people to commit themselves ahead of time to a number of evenings throughout the year. And that would indeed be music to our orchestras' ears. ☐

Most Recent Data Available

Sound Recording: 1987-88
 Periodical Publishing: 1987-88
 Film and Video Producers: 1988-89
 Film and Video Distributors: 1988-89
 Film laboratories and post-production services: 1988-89
 Motion Picture Theatres: 1987-88
 Public Libraries: 1987-88
 Government Expenditures on Culture: 1988-89
 Heritage Institutions: 1987-88
 Television Viewing: 1988
 Performing Arts Companies: 1987-88
 Book Publishing: 1987-88

New Publications

87-203 Periodical Publishing, 1987-88
 87-205 Public Libraries in Canada, 1987
 87-206 Government Expenditures on Culture in Canada, 1987-88
 87-207 Heritage Institutions, 1986-87
 87-209 Performing Arts, 1987
 87-001 Vol. 13, No. 1 Government Expenditures on Culture in Canada, 1987-88

Still Available

87-202 Sound Recording, 1987-88
 87-208 Television Viewing in Canada, 1987
 87-210 Book Publishing in Canada, 1987-88
 87-517 Government Expenditures on Culture in Canada, 1982-83 to 1986-87

Government Spent Over \$18 Billion on Culture in Five Years

Did you know that:

- annual spending by federal, provincial and municipal governments on culture has represented about 1.6% of their budgets over the last four years?
- in 1986-87, spending on the cultural industries represented \$1.8 billion or two fifths of all government expenditures, with the federal government accounting for most (89%) of the budget for the cultural industries?
- government spending on film and video has grown over 100% in the last five years?
- in 1986-87, Prince Edward Island reported the highest level of per capita federal and provincial spending on the performing arts, while Saskatchewan reported the lowest?

These questions, and many more, are answered in the newly released analytical publication *Government Expenditures on Culture in Canada, 1982-83 to 1986-87* (catalogue no. 87-517).

Get all the facts. To order your copy of this publication, phone or write: Publications Sales, Statistics Canada, Ottawa, Ontario, K1A 0T6, (613) 951-7277, or use the national toll-free order line, 1-800-267-6677. ☐

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