

Service bulletin

Periodical Publishing

2011



Highlights

The periodical publishing industry earned total operating revenues of \$2.1 billion in 2011, a decline of 2.2% from 2010. Operating expenses declined 0.6% to reach \$1.9 billion. Salaries, wages and benefits representing the largest cost to periodical publishers, declined 4.6%. In 2011, the industry posted an operating profit margin of 7.1%, down from 8.5% in 2010.

Periodical publishing includes magazine publishers as well as publishers of shopping guides, real estate guides and custom periodical publishers.

Firms operating in Ontario and Quebec accounted for most of the industry's activity. Periodical publishers in Ontario earned 56.5% of the industry's total operating revenues in 2011, while Quebec firms accounted for 22.8%. Periodical publishers operating in the Prairies and in the Atlantic Provinces represented 11.4% and 2.0% of total operating revenues respectively, while British Columbia and the Territories accounted for the remaining 7.3%.

Sales revenue derived from advertising in 2011 accounted for 73.8% while 26.2% of operating revenues were attributed to circulation; virtually unchanged from the results witnessed in 2009. These sales revenues data are based on the core activities of producing and publishing periodicals and do not include data for other revenue generated by firms classified to this industry.

Respondents to the survey indicated that 87.3% of circulation (net of sales returns) came from general interest periodicals, while 12.7% came from business and trade periodicals. In these results, "other periodicals" have been grouped together with "general interest" periodicals. In addition to periodicals intended to appeal to a broad audience, this category also includes shoppers, real estate guides and religious periodicals.

In 2011, respondents indicated that controlled circulation periodicals accounted for 41.0% of total circulation, while subscription sales represented 24.3%. Sales from newsstands and other copies sold represented 15.5% of circulation and 19.3% of periodicals were distributed as complimentary copies.

Statistical tables

Table 1

Summary statistics for the periodical publishing industry, by province or region, 2009 to 2011

| | Operating revenue | Salaries, wages and benefits | Operating expenses | Operating profit margin |
|---|----------------------|------------------------------------|-----------------------|-------------------------------|
| | thousands of dollars | | | percent |
| 2011 ^p | | | | |
| Atlantic provinces ¹ | 41,478.5 | 14,179.8 | 40,500.2 | 2.4 |
| Quebec | 476,078.3 | 102,086.6 | 427,730.7 | 10.2 |
| Ontario | 1,180,500.7 | 362,070.4 | 1,118,547.9 | 5.2 |
| Prairie provinces ² | 237,562.8 | 64,812.0 | 207,277.7 | 12.7 |
| British Columbia and the Territories ³ | 152,378.8 | 48,810.8 | 146,302.6 | 4.0 |
| Canada | 2,087,999.0 | 591,959.6 | 1,940,359.0 | 7.1 |
| 2010 ^r | | | | |
| Atlantic provinces ¹ | 39,195.6 | 13,325.7 | 34,040.8 | 13.2 |
| Quebec | 487,047.2 | 110,130.1 | 432,348.2 | 11.2 |
| Ontario | 1,213,442.2 | 386,053.8 | 1,164,597.1 | 4.0 |
| Prairie provinces ² | 234,581.9 | 62,284.8 | 180,503.9 | 23.1 |
| British Columbia and the Territories ³ | 160,267.1 | 48,397.7 | 141,077.4 | 12.0 |
| Canada | 2,134,533.9 | 620,192.1 | 1,952,567.5 | 8.5 |
| 2009 | | | | |
| Atlantic provinces ¹ | 39,740.1 | 13,113.7 | 34,686.1 | 12.7 |
| Quebec | 490,796.0 | 112,678.3 | 452,569.4 | 7.8 |
| Ontario | 1,235,995.5 | 403,968.3 | 1,226,889.0 | 0.7 |
| Prairie provinces ² | 247,556.5 | 64,843.8 | 193,049.0 | 22.0 |
| British Columbia and the Territories ³ | 168,477.8 | 53,877.7 | 151,704.3 | 10.0 |
| Canada | 2,182,566.0 | 648,481.7 | 2,058,897.8 | 5.7 |

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): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 511120. 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 2
Operating expenses for the periodical publishing industry, Canada, 2010 and 2011

| | 2010 ^r | 2011 ^p |
|---|-------------------|-------------------|
| | percent | |
| Industry expenditures | | |
| Salaries, wages and benefits | 32.3 | 30.9 |
| Commissions paid to non-employees | 2.4 | 2.5 |
| Professional and business services fees | 1.7 | 1.3 |
| Subcontract expenses | 10.7 | 14.5 |
| Charges for services provided by head offices | 2.1 | 1.6 |
| Cost of goods sold | 16.5 | 14.3 |
| Office supplies | 1.3 | F |
| Rental and leasing | 2.3 | 2.3 |
| Repair and maintenance | F | F |
| Insurance | x | F |
| Advertising, marketing and promotions | 3.8 | 3.9 |
| Travel, meals and entertainment | 1.3 | 1.2 |
| Utilities and telecommunications expenses | F | F |
| Property and business taxes, licences and permits | x | F |
| Royalties, rights, licensing and franchise fees | x | F |
| Delivery, warehousing, postage and courier | 5.7 | 6.7 |
| Financial services fees | x | F |
| Amortization and depreciation of tangible and intangible assets | 3.4 | 4.0 |
| Bad debts | x | F |
| All other expenses | 8.1 | 6.6 |
| Total operating expenses ¹ | 100.0 | 100.0 |

1. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 511120. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 3
Advertising and circulation revenue for the periodical publishing industry, by province and region, 2009 and 2011

| | 2009 | 2011 ^p |
|---|----------------------|--------------------|
| | thousands of dollars | |
| Advertising revenue | | |
| Atlantic provinces ¹ | 24,708.3 | 25,794.7 |
| Quebec | 281,587.2 | 275,734.6 |
| Ontario | 672,549.9 | 644,518.9 |
| Prairie provinces ² | 181,364.8 | 182,877.0 |
| British Columbia and the Territories ³ | 120,450.6 | 113,607.2 |
| Canada | 1,280,660.8 | 1,242,532.4 |
| Circulation revenue | | |
| Atlantic provinces ¹ | 8,076.6 | 7,106.1 |
| Quebec | 110,128.2 | 112,273.1 |
| Ontario | 280,045.6 | 282,244.7 |
| Prairie provinces ² | 32,480.2 | 23,890.5 |
| British Columbia and the Territories ³ | 22,631.0 | 15,498.1 |
| Canada | 453,361.7 | 441,012.5 |

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): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 511120. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 4
Circulation net of returns by type for the periodical publishing industry, by province and region, 2011

| | Distribution by type of publication | |
|---|--|--------------------------------|
| | General interest and other periodicals | Business and trade periodicals |
| | percent | |
| 2011 p | | |
| Atlantic provinces ¹ | 92.4 | 7.6 |
| Quebec | 94.4 | 5.6 |
| Ontario | 84.6 | 15.4 |
| Prairie provinces ² | 79.6 | 20.4 |
| British Columbia and the Territories ³ | 90.9 | 9.1 |
| Canada | 87.3 | 12.7 |

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): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 511120. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Data presented in this table are from the surveyed portion only. Due to rounding, components may not add to total. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 5
Circulation net of returns by channel of distribution for the periodical publishing industry, by province and region, 2011

| | Subscription | Newsstand and other copies sold | Controlled circulation | Complimentary |
|---|--------------|---------------------------------|------------------------|---------------|
| | percent | | | |
| 2011 p | | | | |
| Atlantic provinces ¹ | 7.1 | 13.1 | 70.3 | 9.5 |
| Quebec | 31.1 | 14.8 | 38.7 | 15.4 |
| Ontario | 23.5 | 20.5 | 37.2 | 18.8 |
| Prairie provinces ² | 20.8 | 7.6 | 46.1 | 25.5 |
| British Columbia and the Territories ³ | 23.3 | 11.0 | 42.8 | 22.9 |
| Canada | 24.3 | 15.5 | 41.0 | 19.3 |

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): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 511120. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Data presented in this table are from the surveyed portion only. Due to rounding, components may not add to total. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

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 annual sample survey collects data required to produce economic statistics for the periodical publishing 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 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 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 2011 was 273 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 efforts are 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 occurs 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 comparability. In general, this includes a detailed review of individual responses (especially for the largest companies), general economic conditions, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data that 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 72.0%. CVs were calculated for each estimate and are available upon request.

Related products

Selected CANSIM tables from Statistics Canada

| | |
|----------|--|
| 361-0010 | Periodical publishers, summary statistics, by North American Industry Classification System (NAICS), annual (dollars unless otherwise noted) (24 series) |
| 361-0031 | Periodical publishers, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (21 series) |

Release date: January 2013

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 |
| * | significantly different from reference category ($p < 0.05$) |

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