

Service bulletin

Motion Picture Theatres: Data Tables

2006



Motion Picture Theatres: Data Tables

Data for 2006 should not be compared with previously published data for the Motion Picture Theatres Survey, with the exception of 2005 data. This is because significant changes were made to the survey prior to the 2005 survey year.

The data are now collected using a sample that represents 95% of total revenues earned by the Motion Picture Theatre industry. The survey frame is based on a central Statistics Canada database of businesses that have been classified through the use of the North American Industry Classification System (NAICS).

This industry-based classification is a departure from the activity-based classification used previously by the Culture Statistics Program. Some Motion Picture Theatre activity which was previously excluded in the survey is now included due to differences introduced in adopting the NAICS classification. An example of these new inclusions is film festivals.

In addition, in the NAICS structure, data for drive-in theatres are no longer provided separately from data for indoor theatres. To facilitate the presentation of characteristics in this release, reference to motion picture theatres includes indoor theatres, drive-ins and film festivals.

The Motion Picture Theatre industry comprises establishments primarily engaged in exhibiting motion pictures. Establishments primarily engaged in providing occasional motion picture exhibition services, such as those provided during film festivals, are also included.

Statistical tables

Table 1

Selected financial statistics for the motion picture theatre industry, by province and territories, 2006 and 2005

| | Number of establishments | | Total operating revenue | | Salaries, wages and benefits | | Total operating expenses | | Operating profit margin | |
|---------------------------|--------------------------|-------------------|-------------------------|-------------------|------------------------------|-------------------|--------------------------|-------------------|-------------------------|-------------------|
| | 2006 | 2005 ^r | 2006 | 2005 ^r | 2006 | 2005 ^r | 2006 | 2005 ^r | 2006 | 2005 ^r |
| | number | | thousands of dollars | | | | | | percent | |
| Newfoundland and Labrador | x | x | x | x | x | x | x | x | x | x |
| Prince Edward Island | x | x | x | x | x | x | x | x | x | x |
| Nova Scotia | x | x | x | x | x | x | x | x | x | x |
| New Brunswick | x | x | x | x | x | x | x | x | x | x |
| Quebec | 141 | 137 | 223,529 | 243,693 | 40,339 | 40,498 | 213,936 | 272,755 | 4.3 | -11.9 |
| Ontario | 199 | 201 | 518,547 | 478,634 | 73,150 | 70,973 | 484,933 | 459,910 | 6.5 | 3.9 |
| Manitoba | x | x | x | x | x | x | x | x | x | x |
| Saskatchewan | 38 | 40 | 32,718 | 31,014 | 4,711 | 4,686 | 27,546 | 25,749 | 15.8 | 17.0 |
| Alberta | 79 | 84 | 176,889 | 171,285 | 22,063 | 22,732 | 141,904 | 163,783 | 19.8 | 4.4 |
| British Columbia | 114 | 115 | 170,054 | 168,496 | 22,618 | 24,560 | 153,436 | 160,819 | 9.8 | 4.6 |
| Yukon Territory | x | x | x | x | x | x | x | x | x | x |
| Northwest Territories | .. | x | .. | x | .. | x | .. | x | .. | x |
| Nunavut | x | .. | x | .. | x | .. | x | .. | x | .. |
| Canada | 664 | 656 | 1,228,161 | 1,199,433 | 178,632 | 179,971 | 1,116,657 | 1,177,857 | 9.1 | 1.8 |

Note(s): Based on the North American Industry Classification System (NAICS) and includes all establishments classified to 512130 (indoor motion picture theatres, drive-ins and film festivals). Due to rounding, components may not add to total. See "Methodology and definitions" at the end of tables for definition of terms.

Source(s): Statistics Canada: 2005 and 2006 Survey of Service Industries: Motion Picture Theatres

Table 2
Profile of the Motion Picture Theatre Industry (survey portion), by province and territories, 2006 and 2005

| | Newfoundland and Labrador | Prince Edward Island | Nova Scotia | New Brunswick | Quebec | Ontario |
|----------------------------------|------------------------------|----------------------------|----------------|------------------|------------|------------|
| thousands of dollars | | | | | | |
| Operating revenue | | | | | | |
| Total admission receipts | | | | | | |
| 2006 | x | x | x | x | 136,426 | 316,556 |
| 2005 r | x | x | x | x | 145,053 | 292,566 |
| Sales of food and beverages | | | | | | |
| 2006 | x | x | x | x | 51,665 | 142,948 |
| 2005 r | x | x | x | x | 62,089 | 130,532 |
| All other operating revenue | | | | | | |
| 2006 | x | x | x | x | 22,456 | 48,690 |
| 2005 r | x | x | x | x | 18,470 | 41,795 |
| Total operating revenue | | | | | | |
| 2006 | x | x | x | x | 210,546 | 508,193 |
| 2005 r | x | x | x | x | 225,612 | 464,893 |
| Operating expenses | | | | | | |
| Salaries, wages and benefits | | | | | | |
| 2006 | x | x | x | x | 37,739 | 70,638 |
| 2005 r | x | x | x | x | 38,290 | 67,364 |
| Cost of goods sold | | | | | | |
| 2006 | x | x | x | x | 12,079 | 31,579 |
| 2005 r | x | x | x | x | 18,836 | 24,957 |
| Film rental and royalty payments | | | | | | |
| 2006 | x | x | x | x | 66,491 | 160,044 |
| 2005 r | x | x | x | x | 82,747 | 145,500 |
| All other operating expenses | | | | | | |
| 2006 | x | x | x | x | 85,096 | 212,105 |
| 2005 r | x | x | x | x | 116,096 | 208,855 |
| Total operating expenses | | | | | | |
| 2006 | x | x | x | x | 201,406 | 474,366 |
| 2005 r | x | x | x | x | 255,970 | 446,676 |
| number | | | | | | |
| Theatre operations | | | | | | |
| Paid admissions (attendance) | | | | | | |
| 2006 | x | x | x | x | 20,700,371 | 41,955,618 |
| 2005 r | x | x | x | x | 20,590,566 | 36,718,067 |
| Screens | | | | | | |
| 2006 | x | x | x | x | 633 | 1,056 |
| 2005 r | x | x | x | x | 666 | 1,003 |
| percent | | | | | | |
| Operating profit margin | | | | | | |
| 2006 | x | x | x | x | 4.3 | 6.7 |
| 2005 r | x | x | x | x | -13.5 | 3.9 |

Table 2 – continued

Profile of the Motion Picture Theatre Industry (survey portion), by province and territories, 2006 and 2005

| | Manitoba | Saskatchewan | Alberta | British Columbia | Yukon Territory, Northwest Territories and Nunavut | Canada |
|----------------------------------|----------|--------------|------------|------------------|--|-------------|
| thousands of dollars | | | | | | |
| Operating revenue | | | | | | |
| Total admission receipts | | | | | | |
| 2006 | x | 17,840 | 103,426 | 107,997 | x | 744,822 |
| 2005 r | x | 18,412 | 105,499 | 103,061 | x | 729,308 |
| Sales of food and beverages | | | | | | |
| 2006 | x | 11,118 | 57,389 | 45,273 | x | 343,547 |
| 2005 r | x | 10,067 | 50,929 | 45,993 | x | 334,238 |
| All other operating revenue | | | | | | |
| 2006 | x | 2,647 | 11,049 | 10,728 | x | 101,279 |
| 2005 r | x | 1,792 | 9,715 | 10,837 | x | 88,051 |
| Total operating revenue | | | | | | |
| 2006 | x | 31,605 | 171,863 | 163,997 | x | 1,189,647 |
| 2005 r | x | 30,270 | 166,144 | 159,891 | x | 1,151,597 |
| Operating expenses | | | | | | |
| Salaries, wages and benefits | | | | | | |
| 2006 | x | 4,456 | 21,207 | 21,171 | x | 170,256 |
| 2005 r | x | 4,563 | 21,924 | 22,141 | x | 170,359 |
| Cost of goods sold | | | | | | |
| 2006 | x | 2,702 | 13,178 | 7,703 | x | 74,031 |
| 2005 r | x | 1,972 | 12,296 | 9,394 | x | 74,503 |
| Film rental and royalty payments | | | | | | |
| 2006 | x | 8,782 | 50,587 | 55,322 | x | 374,144 |
| 2005 r | x | 8,660 | 53,957 | 52,547 | x | 377,098 |
| All other operating expenses | | | | | | |
| 2006 | x | 10,636 | 52,238 | 63,372 | x | 460,643 |
| 2005 r | x | 9,904 | 70,770 | 68,238 | x | 510,398 |
| Total operating expenses | | | | | | |
| 2006 | x | 26,576 | 137,210 | 147,569 | x | 1,079,074 |
| 2005 r | x | 25,098 | 158,948 | 152,320 | x | 1,132,358 |
| number | | | | | | |
| Theatre operations | | | | | | |
| Paid admissions (attendance) | | | | | | |
| 2006 | x | 3,130,483 | 14,418,135 | 13,326,854 | x | 102,927,624 |
| 2005 r | x | 3,271,005 | 16,582,369 | 13,737,322 | x | 101,026,816 |
| Screens | | | | | | |
| 2006 | x | 107 | 376 | 380 | x | 2,831 |
| 2005 r | x | 75 | 446 | 348 | x | 2,826 |
| percent | | | | | | |
| Operating profit margin | | | | | | |
| 2006 | x | 15.9 | 20.2 | 10.0 | x | 9.3 |
| 2005 r | x | 17.1 | 4.3 | 4.7 | x | 1.7 |

Note(s): Based on the North American Industry Classification System (NAICS) and includes all establishments classified to 512130 (indoor motion picture theatres, drive-ins and film festivals). Industry estimates are based on the surveyed portion and are augmented by administrative data for establishments that were too small to be eligible for sampling. The surveyed portion includes only data for surveyed establishments weighted to represent other establishments that were eligible for sampling but were not selected. The surveyed portion represents approximately 95% of total industry revenue. Due to rounding, components may not add to total. See "Methodology and definitions" at the end of tables for definition of terms.

Source(s): Statistics Canada: 2006 and 2005 Survey of Service Industries: Motion Picture Theatres

Methodology and definitions

Description

This annual sample survey collects the financial and operating data needed to produce statistics on the Motion Picture Theatre industry in Canada. Commencing with reference year 2005, the survey also collects detailed information on the characteristics of the businesses, such as admissions and concession sales.

These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the Motion Picture Theatre industry in Canada. The results from this survey provide data to businesses, governments, investors and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

Commencing with reference year 2005, this new survey is administered by the Service Industries Program, in collaboration with the Culture Statistics Program. Historical time series data from the previous Culture Statistics Program are available in *The Guide to Culture Statistics* (online, free of charge, at catalogue number 87-008-GIE). It should be noted that data from this historical time series should not be compared with data from this new survey due to significant differences in coverage and methodology.

The new 2005 survey covers a somewhat different set of businesses than in previous years so that data generally cannot be expected to be comparable. The list of names and addresses of businesses is now drawn from a central Statistics Canada data base. Also, a much more rigorous delineation of those companies that are considered part of the culture sector has been applied through the implementation of the North American Industry Classification System (NAICS). This industry-based classification is a departure from the activity-based classification that was used previously. In addition to these changes in coverage, commencing with 2005, the data are based on a sample of businesses.

Target population

The target population consists of all establishments classified to the motion picture theatre industry (NAICS 512130) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in exhibiting motion pictures. Establishments primarily engaged in providing occasional motion picture exhibition services, such as those provided during film festivals, are also included.

Instrument design

The annual survey questionnaire covers detailed financial and operating characteristics. In addition, questions on such topics as theatre facilities, admissions and sources of revenue are asked. The questionnaire was developed in consultation with potential respondents, data users and questionnaire design specialists.

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. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold and administrative data for businesses with revenue below the threshold, which are excluded from sampling. The excluded portion represents a substantial proportion of the industry in terms of number of establishments, but its contribution to the overall industry revenue is only about 5%. It should be noted that for this excluded portion, only certain financial

information is obtained from administrative sources; such as, total revenue, expenses such as depreciation and salaries, wages and benefits. Characteristics such as detailed revenue and employment 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 other administrative information. The frame is referred to as the Business Register and is updated regularly using administrative data.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (for example, groups with the same industry, same geography (province/territory)). 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 on the basis of complex structure characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises), as well as selected establishments whose particular industry characteristics make it essential that they be included. All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

Finally, the sample size is inflated to compensate for firms that are found to no longer belong in the industry, such as those that have gone out of business, changed their primary business activity, are inactive, or are duplicates on the frame. After removing such firms, the final sample size for the 2006 Motion Picture Theatre survey was 135 collection entities.

Data sources

Responding to this survey is mandatory. Data are collected directly from survey respondents.

Data are collected through a mail-out/mail-back process, while providing respondents with the option of other filing methods such as telephone or fax. Follow-up procedures are applied when a questionnaire has not been received after a pre-specified period of time or incomplete responses have been provided.

Error detection

Data are examined for inconsistencies and errors using automated edits coupled with analytical review. Every effort is made to minimize the non-sampling errors of omission, duplication, reporting and processing. Several checks are performed on the collected data. These checks look for internal consistency such as: section totals must be equal to the components; if employees are reported, personnel costs must be greater than zero; the main source of income must be consistent with the assigned NAICS code; identification of extreme values; etc.

Imputation

Where information is missing, imputation is performed using a "nearest neighbour" procedure (donor imputation), using historical data where available, using averages based on responses from a set of similar establishments, or using administrative data as a proxy for reported data.

Estimation

As part of the estimation process, survey data are weighted and combined with administrative data to produce final industry estimates.

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

While considerable effort is 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 is not related to sampling and may occur 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.

The weighted response rate represents the proportion of the total revenue accounted for by units that responded to the survey. Of the sampled units contributing to the estimate, the weighted response rate was 77.5%, after accounting for firms that have gone out of business, have been reclassified to a different industry, are inactive, or are duplicates on the frame.

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.

For the 2005 Survey of Motion Picture Theatres, CVs were calculated for each estimate. Generally, the more commonly reported variables obtained very good CVs (10% or less), while the less commonly reported variables were associated with higher but still acceptable CVs (under 25%). Some data might not be released because of poor data quality. The CVs are available upon request.

The qualities of CVs are rated as follows:

- Excellent 0.01% to 4.99%
- Very good 5.00% to 9.99%
- Good 10.00% to 14.99%
- Acceptable 15.00% to 24.99%
- Use with caution 25.00% to 34.99%
- Unreliable 35.00% or higher

Definitions

The **establishment**, as a statistical unit, is defined as the most homogeneous unit of production for which the business maintains accounting records from which it is possible to assemble all the data elements required to compile the full structure of the gross value of production (total sales or shipments, and inventories), the cost of materials and services, and labour and capital used in production.

Operating revenue excludes investment income, capital gains, extraordinary gains and other non-recurring items.

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

Operating profit margin is derived as follows: total operating revenue minus total operating expenses, expressed as a percentage of total operating revenue.

Salaries, wages and benefits include employer contributions to pension, medical/life insurance plans, employment insurance, etc. for all employees who have been issued a T4 statement.

Industry estimates are based on the surveyed portion and are augmented by administrative data for establishments that were too small to be eligible for sampling.

The **surveyed portion** includes only data for surveyed establishments weighted to represent other establishments that were eligible for sampling but were not selected. The surveyed portion represents approximately 95% of total industry revenue.

All other operating revenue includes grants and subsidies, royalties, rights, licensing and franchise fees and other revenue.

All other operating expenses include commissions paid to non-employees, professional and business services fees, payments for services provided by head office, office supplies, rental and leasing, repair and maintenance, insurance, advertising, marketing and promotions, travel, meals and entertainment, utilities, telephone and telecommunication, property and business taxes, licences and permits, delivery, warehousing, postage and courier, financial service fees, charitable donations, bad debts and all other expenses.

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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 |

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