

Service bulletin

Film and Video Distribution

2010



Highlights

- Total operating revenues in the film and video distribution industry declined 4.5% to \$2.0 billion in 2010. Total operating expenses declined 9.6% to \$1.5 billion in 2010. As a result, the operating profit margin for the industry rose to 24.4% in 2010, up from 20.2% in 2009.
- The largest expense item reported by surveyed firms was licensing costs, which represented 40.5% of total operating expenses. Cost of goods sold accounted for 31.0% of expenses, while advertising, marketing and promotions accounted for 13.0%.
- Film and video distributors in both Ontario and Quebec accounted for the vast majority (98.6%) of the national operating revenue. Ontario firms earned 87.2% of total operating revenues in 2010, while Quebec firms accounted for 11.4%.
- The two primary sources of revenue for the industry are distribution of film and video titles and wholesaling of pre-recorded videos. Revenues from the distribution of film and video titles accounted for 65.8% of total national operating revenues in 2010, while wholesaling revenues accounted for 32.6%.

Statistical tables

Table 1

Summary statistics for film and video distribution industry, provinces and territories, 2008 to 2010

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	thousands of dollars			percent
2010 p				
Newfoundland and Labrador	..	..	..	..
Prince Edward Island	..	..	..	..
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	223,011	204,423	14,286	8.3
Ontario	1,709,730	1,253,922	69,476	26.7
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	x	x	x	x
British Columbia	x	x	x	x
Yukon	x	x	x	x
Northwest Territories	x	x	x	x
Nunavut	x	x	x	x
Canada	1,959,746	1,481,138	84,453	24.4
2009 r				
Newfoundland and Labrador	..	..	..	..
Prince Edward Island	..	..	..	..
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	256,860	247,836	16,206	3.5
Ontario	1,768,541	1,363,793	72,860	22.9
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	x	x	x	x
British Columbia	x	x	x	x
Yukon	x	x	x	x
Northwest Territories	x	x	x	x
Nunavut	x	x	x	x
Canada	2,051,645	1,637,678	89,872	20.2
2008 r				
Newfoundland and Labrador	..	..	..	..
Prince Edward Island	..	..	..	..
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	253,483	244,929	19,302	3.4
Ontario	1,680,769	1,341,526	81,864	20.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	x	x	x	x
British Columbia	x	x	x	x
Yukon	x	x	x	x
Northwest Territories	x	x	x	x
Nunavut	x	x	x	x
Canada	1,996,230	1,643,374	102,524	17.7

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512120. See "Data sources, definitions and methodology" at the end of tables for definitions of terms.

Table 2

Distribution revenue for the film and video distribution industry, by Canadian and non-Canadian productions, primary market, Canada, 2008 to 2010

	2008 ^r	2009 ^r	2010 ^r
	thousands of dollars		
Distribution revenue of Canadian productions to the following domestic markets:			
Theatrical market	11,228	12,414	13,440
Specialty pay and TV market	36,399	38,838	37,213
Conventional TV market (includes cable, satellite and digital stations)	27,883	28,814	30,612
Home video	x	x	x
Other markets	x	x	x
Sub-total of domestic distribution revenue of Canadian productions	100,443	101,708	104,192
Distribution of Canadian productions to foreign clients	70,750	77,102	73,803
Total distribution revenue of Canadian productions	171,193	178,810	177,996
Distribution revenue of non-Canadian productions to the following domestic markets:			
Theatrical market	366,231	366,157	396,389
Specialty pay and TV market	54,409	58,987	63,922
Conventional TV market (includes cable, satellite and digital stations)	490,911	589,442	598,786
Home video	x	x	x
Other markets	x	x	x
Sub-total of domestic distribution revenue of non-Canadian productions	957,761	1,050,240	1,096,288
Distribution of non-Canadian productions to foreign clients	17,350	4,554	5,286
Total distribution revenue of non-Canadian productions	975,112	1,054,794	1,101,574

Note(s): Data presented in this table is from the surveyed portion only. Industry estimates are based on a weighted sample 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 is designed to cover approximately 95% of total industry revenue. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512120. See "Data sources, definitions and methodology" at the end of tables for definitions of terms.

Table 3

Profile of the film and video distribution industry, Canada, 2008 to 2010

	2008 ^r	2009 ^r	2010 ^p
	thousands of dollars		
Operating revenue			
Total revenue from distribution of film and video titles	1,146,305	1,233,604	1,279,569
Wholesaling of pre-recorded videos ¹	786,743	777,698	633,831
All other operating revenue ²	42,010	17,725	29,776
Total operating revenue	1,975,059	2,029,028	1,943,177

1. Wholesale revenue included in this table are from film distribution establishments classified under NAICS 512120. Wholesaling of pre-recorded videos is reported as a secondary revenue source. Establishments primarily engaged in wholesaling pre-recorded video cassettes are classified under NAICS 414450.

2. All other operating revenue includes sales from production of film and video titles, grants and subsidies and other revenue.

Note(s): Data presented in this table is from the surveyed portion only. Industry estimates are based on a weighted sample 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 is designed to cover approximately 95% of total industry revenue. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512120. See "Data sources, definitions and methodology" at the end of tables for definitions of terms. 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 Film and Video Distribution 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 establishments classified to the film and video distribution industry (NAICS 512120) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in acquiring distribution rights and distributing film and video productions to motion picture theatres, television networks and stations, and other exhibitors.

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 2010 was 61 collection entities.

Definition

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 78.5%. CVs were calculated for each estimate and are available upon request.

Related products

Selected CANSIM tables from Statistics Canada

361-0014	Film and video distribution, summary statistics, by North American Industry Classification System (NAICS), annual (dollars unless otherwise noted) (44 series)
361-0026	Film and video distribution, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (21 series)

Survey(s)

Definitions, data sources and methods: survey number 2414 - Annual Survey of Service Industries: Film and Video Distribution Publications

Release date: April 2012

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 ($p < 0.05$)

Note to users

Revisions have been made to this product.

The publication has been reloaded on April 1st, 2012

Please take note that the 2010 data have changed in the following table:

Table 2 - "Distribution revenue for the film and video distribution industry, by Canadian and non-Canadian productions, primary market, Canada, 2008 to 2010"

Resolution: Table 2 data in both the HTML and PDF versions have been revised.

We regret any inconvenience this may have caused.

To access this product

This product, Catalogue no. 87F0010X, 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."

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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.