Turnover Statistics for Software Publishers in Canada

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Presentation overview

- Classification issues
- Primary and secondary products
- Market conditions
- Turnover data method
Classification issues

- NAICS identifies a separate industry that includes internet publishing
  - Internet Publishing and Broadcasting, and Web Search Portals
- Dynamic changing industry with new products and technology
- Both the turnover and prices surveys collect a variety of related industries and products together in one survey vehicle
## Survey coverage by industry

<table>
<thead>
<tr>
<th>Industry Title</th>
<th>NAICS</th>
<th>ISIC concordance</th>
<th>Part of turn-over survey</th>
<th>SPPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Systems and Related Services</td>
<td>5415</td>
<td>J6201, J6202, J6209</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Software Publishers</td>
<td>51121</td>
<td>J5820*</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Data Processing, Hosting and Related Services</td>
<td>5182</td>
<td>J6311</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Internet Publishing and Broadcasting, and Web Search Portals</td>
<td>519130</td>
<td>J6312 and internet component of each publishing industry</td>
<td>N</td>
<td>Y</td>
</tr>
</tbody>
</table>
Turnover by NAICS, Survey of Software Development & Computer Services, 2011

- 54151 Computer systems design: 79%
- 51121 Software publishers: 14%
- 51821 Data processing: 7%
Software Development and Computer Services – Products

- **Software publishing**
  - System software (include programming languages)
  - Application software
  - Video gaming software

- **Custom software design and development services**
  - Website design and development services
  - Database design and development services
  - Customization and integration of packaged software
  - Video game design and development services
  - Other custom software development services
Software Development and Computer Services – Products (Cont)

- Information technology (IT) technical consulting services

- Computer systems and network design and development services

  Network design and development services (include network security design)

  Computer system design, development and integration services

  Hosting and information technology (IT) infrastructure provisioning services (e.g., Website hosting, application service provisioning, business process management services, collocation, data storage and management)
Software Development and Computer Services – Products (Cont)

- IT infrastructure and network management services
  - Network management services
  - Computer systems management services
  - Information and document transformation services (e.g., imaging, data conversion, and migration)
  - IT technical support services (for hardware or software: include disaster recovery services)

- Re-sale of computer hardware and software (retail and wholesale; include resale of end-use software licenses)
  - Computer hardware
  - Computer software

- IT related training services
Distribution of Sales, by type of service: Software publishers industry

- **Computer systems design and related services**
- **Data processing and hosting services**
- **Other sales**
- **Software publishing**

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td>53%</td>
<td>63%</td>
<td>59%</td>
</tr>
</tbody>
</table>

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Market conditions

- Mergers and acquisitions
  - can lead to change in product distribution and thus different industry
- Diversification of services with implications on classification
  - Traditional concept of packaged software on the decline
  - Web publishing growing
  - Software as a service (SAAS)
  - Companies with establishments in multiple NAICS
- Innovation and new technologies
Turnover and profit margin

Turnover (in $billions), Profit margin (%): Software publishers industry, 2009 to 2011

$Billions

Revenue

Profit margin
**Turnover data method**

- Annual establishment survey
  - part of an integrated turnover program
  - generic modules
  - smallest firms not surveyed (tax-based estimate)
  - small firms in sample are covered with a combination of tax data (revenue and expenses) and a short characteristics survey to minimize burden
- Electronic reporting (Excel) since 2000
- Electronic questionnaire since 2008 (over 70% of sample respond electronically)