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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

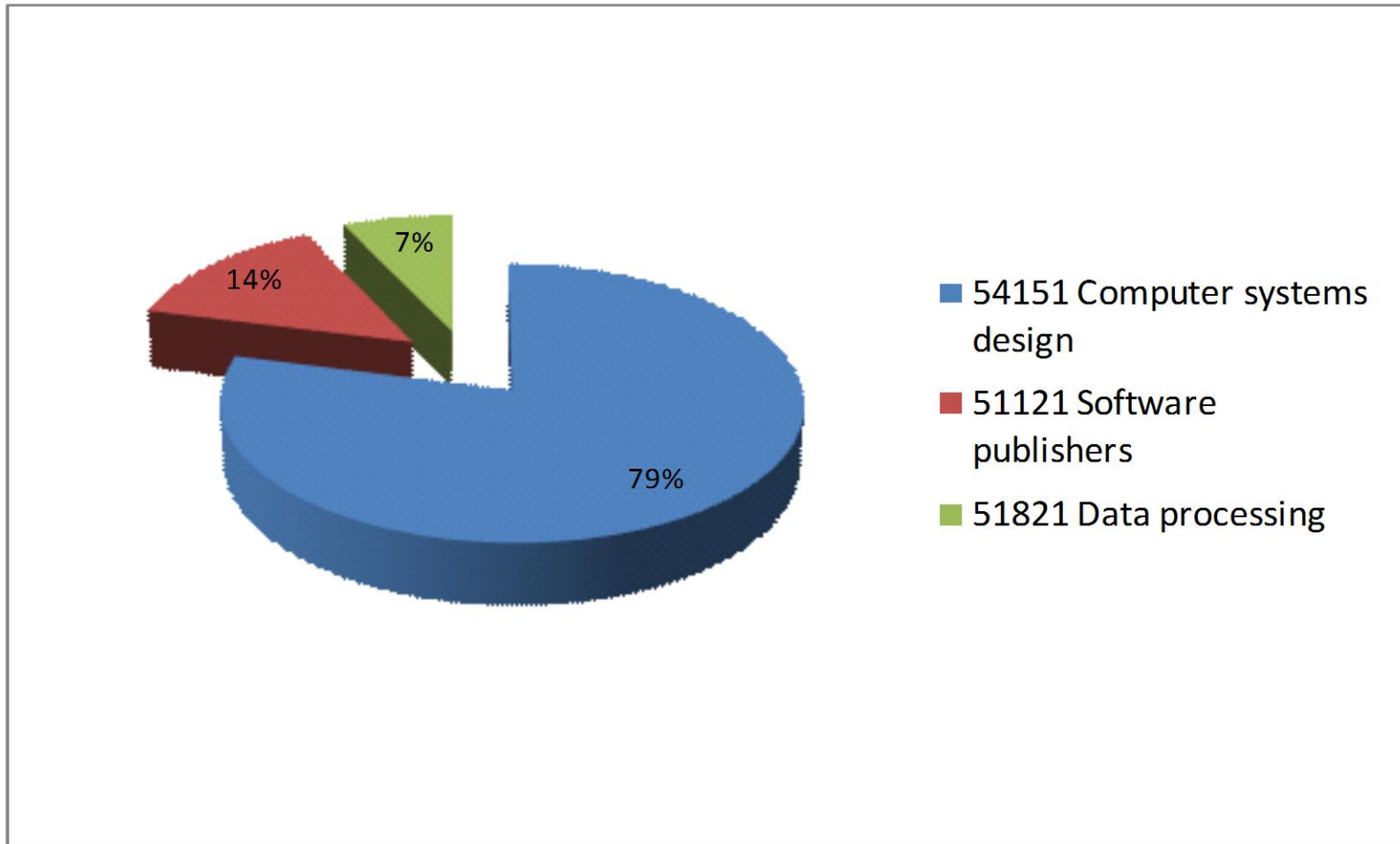


Survey coverage by industry

Industry Title	NAICS	ISIC concordance	Part of turn-over survey	SPPI
Computer Systems and Related Services	5415	J6201 J6202 J6209	Y	Y
Software Publishers	51121	J5820*	Y	Y
Data Processing, Hosting and Related Services	5182	J6311	Y	Y
Internet Publishing and Broadcasting, and Web Search Portals	519130	J6312 and internet component of each publishing industry	N	Y



Turnover by NAICS, Survey of Software Development & Computer Services, 2011





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**

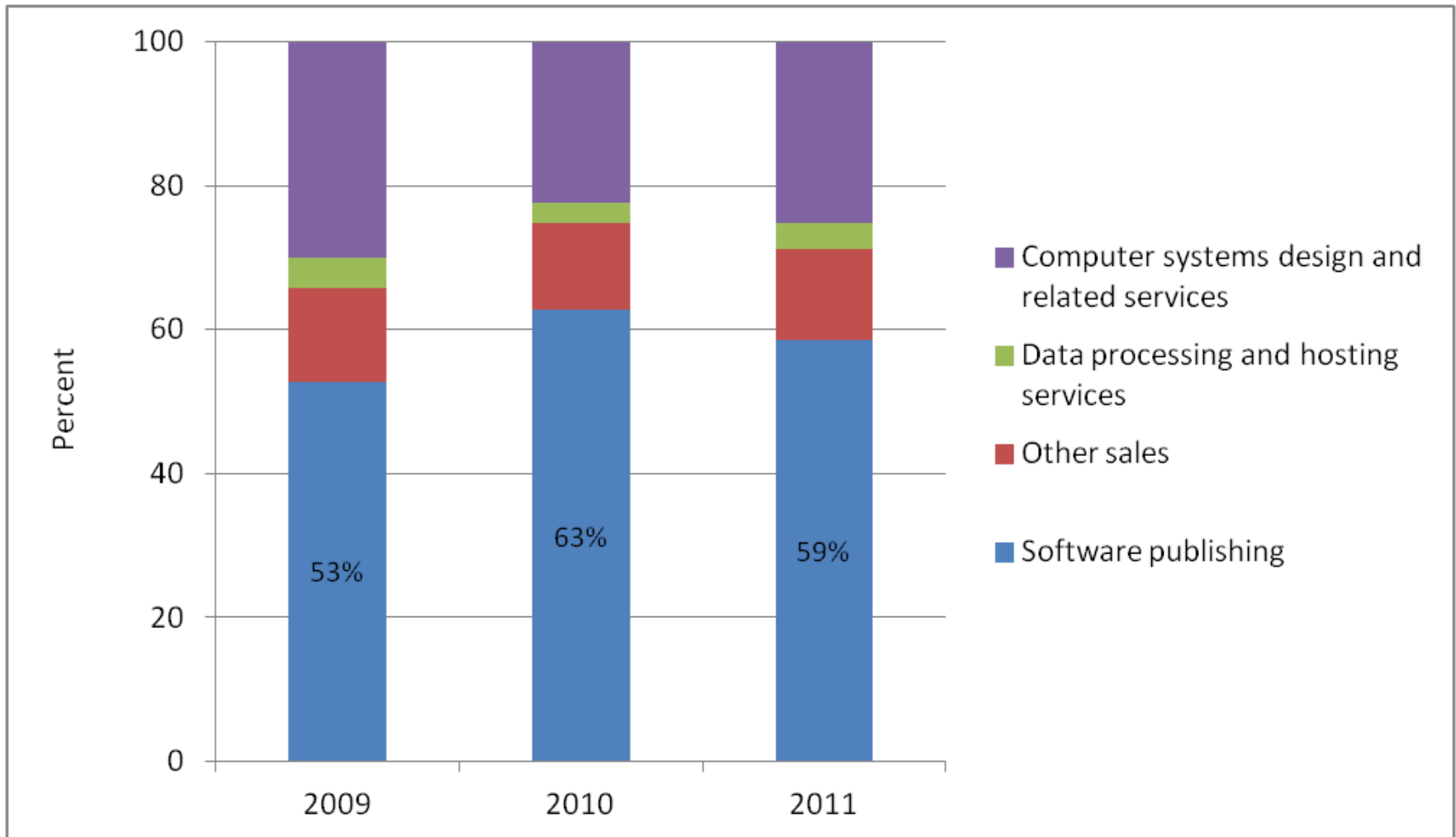
Computer hardware

Computer software

➤ **IT related training services**



Distribution of Sales, by type of service: Software publishers industry



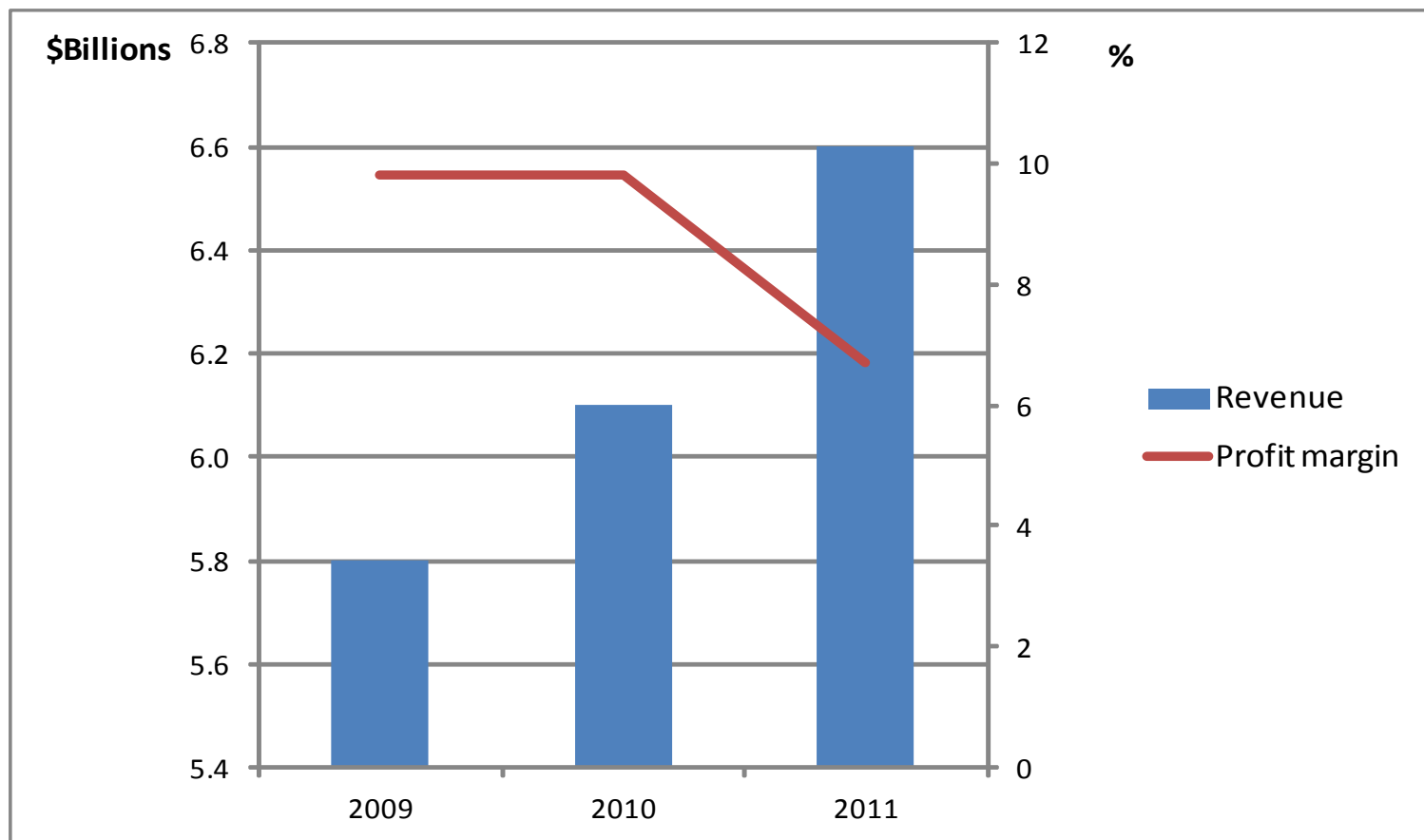
Market conditions

- 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



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)



Questions?