

Service bulletin

Advertising and Related Services

2009



Highlights

- Operating revenues for the advertising and related services industry declined 0.8% in 2009 to just under \$6.8 billion. Decreases were registered in all provinces except Ontario and Saskatchewan, with the latter province showing an increase for a second consecutive year.
- Operating expenses for the sector reached \$6.2 billion, up 1.0% from the previous year. Employee salaries, wages and benefits, which represent 38.4% of the sector's operating expenses, rose 1.4%.
- At the national level, the operating profit margin for the sector fell from 10.5% in 2008 to 8.8% in 2009. Except for Newfoundland and Labrador, Ontario and Manitoba, all provinces posted a profit margin above the national rate.
- As in previous years, firms in Ontario accounted for most of the revenues generated by this industry (57.8%), followed by firms in Quebec (22.6%) and British Columbia (9.2%). In contrast, only 1.0% of the industry's revenues came from advertising firms in Saskatchewan.
- Again in 2009, advertising agencies garnered the majority of the industry's operating revenues (42.7%), followed by display advertisers (11.3%) and specialty advertising distributors (11.1%). As in the past, the smallest contribution to operating revenues was made by direct mail advertising providers (4.7%).
- Among the different types of advertising services, the largest decrease in revenues compared to 2008 was registered by specialty advertising distributors (-11.9%). Public relations services and display advertisers recorded the same level of decrease in revenues (-5.4%), followed by direct mail advertisers (-1.9%). All other advertising services saw an increase in their revenue.
- Specialty advertising distributors saw the steepest decline in operating expenses, at -10.6% compared to 2008. In contrast, the expenses of other advertising-related services registered the largest increase (7.6%).

Note: This survey covers establishments classified to the advertising and related services sector (NAICS category 5418 as defined by the North American Industry Classification System), during the reference year. This sector does not include advertising sales by newspapers, magazines, radio, television or the Internet, which accounts for the majority of the difference between results from this survey and calculations of total advertising spending in Canada.

Statistical tables

Table 1

Summary statistics for the advertising and related services industry, by province and territory, 2007 to 2009

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 p				
Newfoundland and Labrador	33.5	31.7	13.4	5.5
Prince Edward Island	x	x	x	x
Nova Scotia	62.6	54.4	20.9	13.0
New Brunswick	26.7	24.3	11.2	9.0
Quebec	1,528.2	1,379.7	501.4	9.7
Ontario	3,918.5	3,618.2	1,474.8	7.7
Manitoba	84.3	76.9	23.5	8.7
Saskatchewan	65.7	54.6	19.7	16.9
Alberta	420.8	379.4	125.4	9.8
British Columbia	622.9	547.0	179.0	12.2
Territories ¹	x	x	x	x
Canada	6,773.8	6,175.5	2,373.2	8.8
2008 r				
Newfoundland and Labrador	34.4	33.2	12.9	3.6
Prince Edward Island	x	x	x	x
Nova Scotia	66.9	62.1	25.1	7.1
New Brunswick	29.6	26.7	13.1	9.8
Quebec	1,592.6	1,412.7	511.6	11.3
Ontario	3,864.2	3,506.8	1,408.4	9.3
Manitoba	86.9	77.5	27.5	10.8
Saskatchewan	63.2	53.1	19.2	16.0
Alberta	445.8	376.0	123.4	15.7
British Columbia	632.5	554.4	196.2	12.3
Territories ¹	x	x	x	x
Canada	6,825.9	6,111.4	2,340.8	10.5
2007 r				
Newfoundland and Labrador	35.1	31.4	14.2	10.4
Prince Edward Island	x	x	x	x
Nova Scotia	60.2	52.0	21.4	13.5
New Brunswick	34.2	30.7	12.8	10.2
Quebec	1,454.0	1,266.5	463.0	12.9
Ontario	3,716.9	3,422.0	1,382.2	7.9
Manitoba	82.1	71.1	23.5	13.3
Saskatchewan	61.1	53.2	21.4	12.9
Alberta	424.8	360.6	120.0	15.1
British Columbia	580.5	521.4	187.2	10.2
Territories ¹	x	x	x	x
Canada	6,454.4	5,813.3	2,247.3	9.9

1. Territories include: Yukon Territory, Northwest Territories and Nunavut.

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2007 and 2008 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 5418. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 2
Summary statistics for advertising agencies, by province and territory, 2007 to 2009

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfound and Labrador	21.0	19.7	10.1	6.3
Prince Edward Island	x	x	x	x
Nova Scotia	29.8	25.6	12.8	14.3
New Brunswick	10.2	9.7	5.4	4.7
Quebec	664.3	607.2	277.1	8.6
Ontario	1,790.1	1,647.0	852.3	8.0
Manitoba	21.4	19.5	8.4	8.8
Saskatchewan	24.5	19.5	10.7	20.3
Alberta	108.7	101.0	52.0	7.0
British Columbia	214.5	174.5	81.2	18.6
Territories ¹	x	x	x	x
Canada	2,892.1	2,630.8	1,312.6	9.0
2008 ^r				
Newfound and Labrador	23.1	22.1	10.0	4.3
Prince Edward Island	x	x	x	x
Nova Scotia	34.1	32.0	15.9	6.1
New Brunswick	15.8	13.8	7.8	12.5
Quebec	725.2	630.7	291.1	13.0
Ontario	1,649.1	1,454.5	787.1	11.8
Manitoba	34.3	32.1	15.6	6.5
Saskatchewan	22.0	16.9	10.2	23.3
Alberta	125.0	109.3	57.6	12.6
British Columbia	219.3	194.7	94.6	11.2
Territories ¹	x	x	x	x
Canada	2,855.2	2,512.9	1,292.5	12.0
2007 ^r				
Newfound and Labrador	26.7	23.3	11.7	12.5
Prince Edward Island	x	x	x	x
Nova Scotia	29.5	25.9	13.4	12.2
New Brunswick	20.7	18.9	8.6	8.6
Quebec	630.8	546.0	248.1	13.4
Ontario	1,649.2	1,504.0	748.7	8.8
Manitoba	28.0	22.9	10.9	18.1
Saskatchewan	25.1	21.4	13.2	14.7
Alberta	120.0	105.7	57.4	11.9
British Columbia	180.5	164.0	92.2	9.2
Territories ¹	x	x	x	x
Canada	2,713.4	2,434.4	1,205.1	10.3

1. Territories include: Yukon Territory, Northwest Territories and Nunavut.

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2007 and 2008 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541810. See "Data sources, definition and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 3
Summary statistics for public relations services, by province and territory, 2007 to 2009

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	5.1	4.0	2.0	21.8
New Brunswick	x	x	x	x
Quebec	85.5	75.9	36.1	11.2
Ontario	286.2	263.4	137.7	8.0
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	25.2	20.0	9.8	20.4
British Columbia	52.6	44.2	20.7	16.1
Territories ¹	x	x	x	x
Canada	466.8	418.2	211.8	10.4
2008 ^r				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	5.2	4.2	2.0	20.5
New Brunswick	x	x	x	x
Quebec	104.0	87.3	38.4	16.1
Ontario	290.5	260.8	134.2	10.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	26.5	20.8	10.6	21.4
British Columbia	56.7	46.8	23.5	17.5
Territories ¹	x	x	x	x
Canada	493.7	428.9	213.1	13.1
2007 ^r				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	4.7	3.9	2.1	16.7
New Brunswick	x	x	x	x
Quebec	81.2	70.0	28.9	13.8
Ontario	265.3	238.9	122.1	10.0
Manitoba	2.5	2.1	0.8	14.9
Saskatchewan	x	x	x	x
Alberta	20.0	16.5	8.8	17.5
British Columbia	60.4	54.3	24.6	10.0
Territories ¹	x	x	x	x
Canada	441.0	392.0	190.3	11.1

1. Territories include: Yukon Territory, Northwest Territories and Nunavut.

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2007 and 2008 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541820. See "Data sources, definition and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 4
Summary statistics for media buying agencies and media representatives, by province and territory, 2007 to 2009

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Atlantic provinces ¹	x	x	x	x
Quebec	91.9	84.1	39.9	8.5
Ontario	272.8	230.7	99.2	15.4
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	14.7	13.1	4.5	11.3
British Columbia	25.3	19.6	8.2	22.6
Territories ²	x	x	x	x
Canada	416.1	357.1	154.5	14.2
2008 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	83.9	85.8	39.2	-2.2
Ontario	263.1	231.4	99.5	12.0
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	13.9	12.4	4.3	10.8
British Columbia	17.2	14.6	6.4	15.0
Territories ²	x	x	x	x
Canada	385.3	349.9	151.5	9.2
2007 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	80.5	74.4	34.4	7.6
Ontario	247.3	213.7	107.3	13.6
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	9.8	8.6	2.9	12.2
British Columbia	16.9	15.5	8.3	8.6
Territories ²	x	x	x	x
Canada	361.5	317.9	155.1	12.1

1. Atlantic provinces include: Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick.

2. Territories include: Yukon Territory, Northwest Territories and Nunavut.

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2007 and 2008 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 541830 and 541840. See "Data sources, definition and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 5
Summary statistics for display advertising, by province and territory, 2007 à 2009

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	9.4	8.2	1.1	12.6
New Brunswick	x	x	x	x
Quebec	151.4	130.3	35.2	14.0
Ontario	389.3	383.7	80.3	1.5
Manitoba	15.4	12.7	3.0	17.9
Saskatchewan	13.0	9.8	1.7	24.2
Alberta	103.2	87.1	22.1	15.6
British Columbia	72.9	62.0	10.2	14.9
Territories ¹	x	x	x	x
Canada	762.6	700.4	155.2	8.1
2008 ^r				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	10.2	9.3	2.4	8.3
New Brunswick	x	x	x	x
Quebec	182.5	160.3	36.4	12.2
Ontario	392.9	372.2	72.4	5.3
Manitoba	13.3	10.5	2.9	20.7
Saskatchewan	11.9	8.4	1.5	28.9
Alberta	105.4	74.5	17.1	29.4
British Columbia	84.8	66.6	11.4	21.4
Territories ¹	x	x	x	x
Canada	806.0	706.9	145.2	12.3
2007 ^r				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	9.6	7.4	1.9	22.5
New Brunswick	x	x	x	x
Quebec	173.0	149.9	34.2	13.3
Ontario	367.3	343.5	70.0	6.5
Manitoba	13.6	11.4	2.8	15.6
Saskatchewan	10.9	8.4	1.6	23.1
Alberta	101.7	73.5	16.7	27.8
British Columbia	81.0	68.0	10.7	16.1
Territories ¹	x	x	x	x
Canada	759.7	664.4	138.5	12.5

1. Territories include: Yukon Territory, Northwest Territories and Nunavut.

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2007 and 2008 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541850. See "Data sources, definition and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 6
Summary statistics for direct mail advertising, by province and territory, 2007 to 2009

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Atlantic provinces ¹	x	x	x	x
Quebec	70.6	65.0	17.7	7.9
Ontario	189.0	182.4	57.3	3.5
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	x	x	x	x
British Columbia	39.5	38.6	11.7	2.4
Territories ²	x	x	x	x
Canada	319.7	305.8	93.9	4.4
2008 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	54.5	51.5	16.9	5.5
Ontario	214.5	212.5	71.7	0.9
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	x	x	x	x
British Columbia	35.9	34.5	12.5	3.8
Territories ²	x	x	x	x
Canada	326.0	319.0	108.7	2.2
2007 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	60.1	56.5	18.0	6.0
Ontario	212.1	206.9	76.3	2.5
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	5.0	5.0	1.7	0.1
British Columbia	34.1	30.3	9.9	11.2
Territories ²	x	x	x	x
Canada	327.7	314.2	112.0	4.1

1. Atlantic provinces include: Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick.

2. Territories include: Yukon Territory, Northwest Territories and Nunavut.

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2007 and 2008 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541860. See "Data sources, definition and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 7
Summary statistics for advertising material distribution services, by province and territory, 2007 to 2009

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Atlantic provinces ¹	x	x	x	x
Quebec	238.6	210.8	39.9	11.6
Ontario	217.0	177.5	33.3	18.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	x	x	x	x
British Columbia	27.1	29.0	9.2	-7.1
Territories ²	x	x	x	x
Canada	522.3	448.0	90.3	14.2
2008 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	218.8	190.6	35.7	12.9
Ontario	214.9	184.4	30.9	14.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	x	x	x	x
British Columbia	27.2	25.7	8.1	5.5
Territories ²	x	x	x	x
Canada	498.6	431.7	82.4	13.4
2007 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	200.8	164.8	44.3	17.9
Ontario	164.3	147.9	43.8	10.0
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	30.0	24.6	5.7	17.9
British Columbia	20.4	19.4	6.9	5.0
Territories ²	x	x	x	x
Canada	421.1	361.8	101.9	14.1

1. Atlantic provinces include: Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick.

2. Territories include: Yukon Territory, Northwest Territories and Nunavut.

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2007 and 2008 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541870. See "Data sources, definition and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 8
Summary statistics for specialty advertising distributors, by province and territory, 2007 to 2009

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	6.1	5.7	0.7	6.5
New Brunswick	x	x	x	x
Quebec	107.9	104.7	17.7	3.0
Ontario	351.3	353.9	69.8	-0.7
Manitoba	22.4	21.1	4.1	5.9
Saskatchewan	13.4	12.6	2.7	6.4
Alberta	95.0	94.1	18.9	1.0
British Columbia	147.8	140.6	24.7	4.9
Territories ¹	x	x	x	x
Canada	752.5	740.9	140.5	1.5
2008 ^r				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	7.1	6.6	0.9	6.8
New Brunswick	x	x	x	x
Quebec	102.1	102.2	17.3	-0.1
Ontario	447.5	443.5	86.0	0.9
Manitoba	23.3	21.7	4.6	7.1
Saskatchewan	15.2	14.9	2.9	1.7
Alberta	103.1	96.9	17.3	6.0
British Columbia	147.3	134.0	24.0	9.0
Territories ¹	x	x	x	x
Canada	854.6	828.7	154.7	3.0
2007 ^r				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	6.9	6.4	0.9	7.7
New Brunswick	x	x	x	x
Quebec	98.2	88.8	13.7	9.5
Ontario	469.8	488.2	99.0	-3.9
Manitoba	23.8	22.4	4.5	6.1
Saskatchewan	13.4	12.5	2.8	6.7
Alberta	98.9	92.7	17.4	6.2
British Columbia	148.7	131.6	23.8	11.5
Territories ¹	x	x	x	x
Canada	868.4	851.1	164.1	2.0

1. Territories include: Yukon Territory, Northwest Territories and Nunavut.

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2007 and 2008 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541891. See "Data sources, definition and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 9
Summary statistics for all other services related to advertising, by province and territory, 2007 to 2009

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	3.2	2.8	1.2	10.6
New Brunswick	3.2	2.8	1.6	11.2
Quebec	118.1	101.8	37.7	13.8
Ontario	422.7	379.7	144.9	10.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	36.5	35.4	10.9	3.2
British Columbia	43.2	38.6	13.2	10.8
Territories ¹	x	x	x	x
Canada	641.6	574.1	214.5	10.5
2008 ^r				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	2.3	2.0	0.9	14.0
New Brunswick	3.4	3.3	1.9	5.0
Quebec	121.5	104.3	36.5	14.2
Ontario	391.7	347.5	127.0	11.3
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	35.2	33.0	9.4	6.1
British Columbia	44.1	37.4	15.8	15.1
Territories ¹	x	x	x	x
Canada	606.5	533.5	192.6	12.0
2007 ^r				
Newfound and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	2.4	2.1	0.9	14.9
New Brunswick	4.4	3.2	1.5	27.7
Quebec	129.4	116.1	41.5	10.3
Ontario	341.6	278.9	115.0	18.4
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	39.4	34.0	9.3	13.7
British Columbia	38.5	38.4	10.9	0.2
Territories ¹	x	x	x	x
Canada	561.6	477.4	180.3	15.0

1. Territories include: Yukon Territory, Northwest Territories and Nunavut.

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2007 and 2008 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541899. See "Data sources, definition and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 10
Expenditures as a percentage of operating expenses, for the advertising and related services industry,
Canada, 2008 to 2009

Industry expenditures	2008 ¹	2009 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	40.3	40.4
Commissions paid to non-employees	1.5	1.4
Professional and business services fees	3.2	2.9
Subcontract expenses	7.3	7.3
Charges for services provided by head office	F	F
Cost of goods sold	20.3	19.9
Office supplies	2.3	1.9
Rental and leasing	4.4	5.1
Repair and maintenance	3.4	3.9
Insurance	F	F
Advertising, marketing and promotions	2.0	1.8
Travel, meals and entertainment	1.9	1.9
Utilities and telecommunications expenses	1.5	1.5
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	1.4	F
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	2.8	2.9
Bad debts	F	F
All other expenses	4.2	4.9

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. 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 5418. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 11
Expenditures as a percentage of operating expenses, for advertising agencies, Canada, 2008 to 2009

Industry expenditures	2008 ¹	2009 ¹
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	55.5	54.5
Commissions paid to non-employees	F	F
Professional and business services fees	4.4	3.3
Subcontract expenses	5.5	4.2
Charges for services provided by head office	1.5	1.3
Cost of goods sold	5.6	6.2
Office supplies	2.3	1.9
Rental and leasing	4.6	5.0
Repair and maintenance	4.4	6.0
Insurance	F	F
Advertising, marketing and promotions	2.8	2.5
Travel, meals and entertainment	2.3	2.3
Utilities and telecommunications expenses	1.3	1.1
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	F	F
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	2.0	2.0
Bad debts	F	F
All other expenses	4.6	6.9

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. 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 541810. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 12
Expenditures as a percentage of operating expenses, for public relations services, Canada, 2008 to 2009

Industry expenditures	2008 ¹	2009 ¹
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	51.6	52.6
Commissions paid to non-employees	x	x
Professional and business services fees	5.0	4.7
Subcontract expenses	7.3	6.0
Charges for services provided by head office	F	F
Cost of goods sold	8.1	9.3
Office supplies	2.8	2.0
Rental and leasing	5.7	6.7
Repair and maintenance	2.4	2.0
Insurance	F	F
Advertising, marketing and promotions	1.9	1.9
Travel, meals and entertainment	3.6	3.6
Utilities and telecommunications expenses	1.7	1.9
Property and business taxes, licences and permits	x	F
Royalties, rights, licensing and franchise fees	x	F
Delivery, warehousing, postage and courier	F	x
Financial services fees	F	x
Amortization and depreciation of tangible and intangible assets	1.7	1.7
Bad debts	F	F
All other expenses	4.9	3.9

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. 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 541820. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 13
Expenditures as a percentage of operating expenses, for media buying agencies and media representatives,
Canada, 2008 to 2009

Industry expenditures	2008 ¹	2009 ¹
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	51.6	51.3
Commissions paid to non-employees	1.0	1.7
Professional and business services fees	4.9	4.1
Subcontract expenses	5.0	4.1
Charges for services provided by head office	1.2	1.9
Cost of goods sold	2.7	2.8
Office supplies	1.9	1.8
Rental and leasing	4.4	4.3
Repair and maintenance	5.5	7.8
Insurance	F	F
Advertising, marketing and promotions	1.0	1.5
Travel, meals and entertainment	2.4	2.2
Utilities and telecommunications expenses	1.3	1.4
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	2.1	F
Delivery, warehousing, postage and courier	F	x
Financial services fees	3.5	x
Amortization and depreciation of tangible and intangible assets	2.4	2.0
Bad debts	1.6	x
All other expenses	6.5	6.3

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

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

Note(s): Comprises the following standard North American Industry Classification System (NAICS) codes: 54183 and 54184.

Table 14
Expenditures as a percentage of operating expenses, for display advertising, Canada, 2008 to 2009

Industry expenditures	2008 ¹	2009 ¹
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	20.6	22.3
Commissions paid to non-employees	3.9	3.4
Professional and business services fees	1.5	1.6
Subcontract expenses	5.0	4.3
Charges for services provided by head office	F	x
Cost of goods sold	22.3	23.8
Office supplies	2.2	F
Rental and leasing	8.3	12.0
Repair and maintenance	5.3	4.0
Insurance	F	F
Advertising, marketing and promotions	1.0	F
Travel, meals and entertainment	1.3	1.3
Utilities and telecommunications expenses	1.7	2.0
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	8.1	x
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	9.3	10.1
Bad debts	F	F
All other expenses	6.5	6.6

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. 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 541850. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 15
Expenditures as a percentage of operating expenses, for direct mail advertising, Canada, 2008 to 2009

Industry expenditures	2008 ¹	2009 ¹
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	34.5	31.0
Commissions paid to non-employees	x	x
Professional and business services fees	1.9	2.0
Subcontract expenses	2.6	3.3
Charges for services provided by head office	x	F
Cost of goods sold	40.8	44.5
Office supplies	2.7	2.6
Rental and leasing	3.6	3.5
Repair and maintenance	1.8	1.7
Insurance	F	F
Advertising, marketing and promotions	F	1.1
Travel, meals and entertainment	1.0	1.0
Utilities and telecommunications expenses	1.1	1.0
Property and business taxes, licences and permits	x	F
Royalties, rights, licensing and franchise fees	F	x
Delivery, warehousing, postage and courier	2.4	2.2
Financial services fees	F	x
Amortization and depreciation of tangible and intangible assets	1.6	2.0
Bad debts	x	x
All other expenses	1.9	1.8

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. 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 541860. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 16
Expenditures as a percentage of operating expenses, for advertising material distribution services,
Canada, 2008 to 2009

Industry expenditures	2008 ¹	2009 ¹
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	21.3	20.1
Commissions paid to non-employees	1.2	x
Professional and business services fees	1.1	1.1
Subcontract expenses	34.3	42.3
Charges for services provided by head office	1.3	x
Cost of goods sold	18.4	13.2
Office supplies	3.5	4.3
Rental and leasing	2.9	3.4
Repair and maintenance	1.4	1.5
Insurance	F	1.2
Advertising, marketing and promotions	F	1.1
Travel, meals and entertainment	1.3	1.2
Utilities and telecommunications expenses	1	1.1
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	x	x
Delivery, warehousing, postage and courier	5.2	1.5
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	2.5	2.8
Bad debts	x	x
All other expenses	1.6	2.2

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. 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 541870. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 17
Expenditures as a percentage of operating expenses, for specialty advertising distributors, Canada, 2008 to 2009

Industry expenditures	2008 ¹	2009 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	18.7	19.3
Commissions paid to non-employees	2.8	2.3
Professional and business services fees	1.7	2.7
Subcontract expenses	F	1.1
Charges for services provided by head office	F	x
Cost of goods sold	59.7	59.8
Office supplies	1.2	1.4
Rental and leasing	1.9	2.0
Repair and maintenance	1.6	1.3
Insurance	F	F
Advertising, marketing and promotions	2.0	1.6
Travel, meals and entertainment	1.0	1.1
Utilities and telecommunications expenses	2.5	2.5
Property and business taxes, licences and permits	x	F
Royalties, rights, licensing and franchise fees	x	x
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	1.2	1.4
Bad debts	F	F
All other expenses	2.9	1.9

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. 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 541891. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 18
Expenditures as a percentage of operating expenses, for all other services related to advertising, Canada, 2008 to 2009

Industry expenditures	2008 ¹	2009 ¹
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	38.1	39.0
Commissions paid to non-employees	F	1.8
Professional and business services fees	3.2	2.5
Subcontract expenses	8.2	7.9
Charges for services provided by head office	x	x
Cost of goods sold	30.0	28.2
Office supplies	2.3	1.9
Rental and leasing	2.4	2.5
Repair and maintenance	1.7	1.8
Insurance	F	F
Advertising, marketing and promotions	1.5	1.4
Travel, meals and entertainment	1.5	2.0
Utilities and telecommunications expenses	1.1	1.2
Property and business taxes, licences and permits	x	F
Royalties, rights, licensing and franchise fees	x	x
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	x
Amortization and depreciation of tangible and intangible assets	1.8	1.9
Bad debts	x	F
All other expenses	2.9	2.9

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. 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 541899. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 19
Sales by type of client for the advertising and related services industry, Canada, 2008 to 2009

	Advertising and related services	Advertising agencies	Public relations services	Media buying agencies and media representatives ²	Display advertising	Direct mail advertising	Advertising material distribution services	Specialty advertising distributors	All other services related to advertising
	percent								
2009 ^{p1}									
Sales to businesses	85.7	85.4	69.2	81.7	91.6	81.4	97.3	81.4	90.9
Sales to individuals	F	x	F	x	F	x	F	F	F
Sales to governments, not-for-profit organizations and public institutions	F	F	F	x	F	x	x	F	F
Sales outside Canada (exports)	6.1	x	12.3	12.9	F	12.0	x	4.0	4.5
Total sales to all clients	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2008 ^r									
Sales to businesses	85.1	82.6	80.7	83.9	90.1	74.1	97.1	83.9	90.4
Sales to individuals	F	F	F	F	F	x	x	F	F
Sales to governments, not-for-profit organizations and public institutions	F	F	F	x	F	x	x	F	F
Sales outside Canada (exports)	6.2	7.5	4.2	x	3.5	19.3	x	5.4	4.8
Total sales to all clients	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Comprises the following standard North American Industry Classification System (NAICS) codes: 54183 and 54184.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 5418, 541810, 541820, 541830 and 541840, 541850, 541860, 541870, 541891, 541899. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for the Advertising and Related Services 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 advertising and related services industry (NAICS 5418) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in advertising and related services.

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 2009 was 1,038 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.

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 86.2%. CVs were calculated for each estimate and are available upon request.

Related products

Selected CANSIM tables from Statistics Canada

Table 360-0003 - Advertising and related services, summary statistics, by North American Industry Classification System (NAICS), annual

Table 360-0014 - Advertising and related services, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (189 series)

Table 360-0015 - Advertising and related services, sales by type of client based on the North American Industry Classification System (NAICS), annual (percent) (45 series)

Survey(s)

Definitions, data sources and methods: survey number 2437 - Annual Survey of Service Industries: Advertising and Related Services

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: April 2011

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

To access this product

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