

Service bulletin

Advertising and Related Services

2010



Highlights

- Operating revenues for the advertising and related services industry rose 2.2% in 2010 to nearly \$7.0 billion. Increases were registered in all provinces except Newfoundland and Labrador, Manitoba and Alberta, with the latter two posting a decrease for a second straight year.
- The national increase in revenues is primarily attributable to display advertising services for which revenue raised by 17.3%. The use of new technologies was in part behind this significant increase. The next largest increase in revenues was by specialty advertising distributors with a 6.4% raise followed by all other advertising services (6.1%).
- Operating expenses remained relatively stable in 2010 at \$6.2 billion. Salaries, wages and benefits, which represent 37.6% of operating expenses, fell 3.2% to \$2.3 billion.
- At the national level, the operating profit margin for the sector rose from 9.0% in 2009 to 11.0% in 2010. With the exception of Newfoundland and Labrador, New Brunswick and Ontario, the operating profit margin of all provinces was above the national level.
- As in previous years, firms in Ontario (58.7%) accounted for most of the revenues generated by the industry, followed by firms in Quebec (22.4%) and British Columbia (9.2%).
- Again in 2010, advertising agencies garnered the majority of the industry's operating revenues (41.2%), followed by display advertisers (13.0%), direct mail advertising and advertising material distribution services (12.1%), specialty advertising distributors (11.4%), all other services related to advertising public relations services (9.6%), public relations services (6.7%) and lastly, media buying agencies and media representatives (6.0%).
- Among the different types of advertising services, the largest decrease in revenues compared to 2009 was by advertising agencies (-2.8%). Media buying agencies and media representatives (-0.8%) also experienced a decline in revenue. All other advertising services saw an increase in their revenue.
- Advertising agencies registered the largest decline (-5.3%) in operating expenses compared to 2009, while display advertisers posted the largest increase (12.1%).

Statistical tables

Table 1

Summary statistics for the advertising and related services industry, provinces and territories, 2008 to 2010

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2010 ^p				
Newfoundland and Labrador	28.2	26.8	11.8	5.1
Prince Edward Island	x	x	x	x
Nova Scotia	65.9	55.6	23.8	15.7
New Brunswick	29.4	26.5	10.9	9.8
Quebec	1,563.2	1,383.6	510.8	11.5
Ontario	4,096.0	3,703.4	1,450.1	9.6
Manitoba	72.8	63.4	18.2	12.9
Saskatchewan	66.1	53.4	19.7	19.1
Alberta	405.1	347.7	110.7	14.2
British Columbia	643.3	545.4	177.8	15.2
Territories ¹	x	x	x	x
Canada	6,979.8	6,214.5	2,337.9	11.0
2009 ^r				
Newfoundland and Labrador	32.9	31.0	13.5	5.7
Prince Edward Island	x	x	x	x
Nova Scotia	62.6	54.3	21.5	13.3
New Brunswick	25.7	23.4	10.5	8.9
Quebec	1,522.8	1,372.3	512.3	9.9
Ontario	3,998.2	3,687.8	1,509.1	7.8
Manitoba	81.3	73.7	23.0	9.4
Saskatchewan	65.1	54.0	19.7	17.1
Alberta	414.8	373.6	124.1	10.0
British Columbia	616.6	539.1	177.8	12.6
Territories ¹	x	x	x	x
Canada	6,830.3	6,218.1	2,415.2	9.0
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	1,616.6	1,430.8	524.5	11.5
Ontario	3,970.3	3,605.6	1,475.6	9.2
Manitoba	86.9	77.5	27.5	10.8
Saskatchewan	63.2	53.1	19.2	16.0
Alberta	443.8	374.0	123.4	15.7
British Columbia	632.5	554.4	196.2	12.3
Territories ¹	x	x	x	x
Canada	6,954.0	6,226.4	2,421.0	10.5

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 2008 and 2009 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 definitions of terms. Due to rounding, components may not add to total.

Table 2
Summary statistics for advertising agencies, provinces and territories, 2008 to 2010

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2010 ^p				
Newfoundland and Labrador	17.2	16.1	8.3	6.6
Prince Edward Island	x	x	x	x
Nova Scotia	31.2	26.1	14.0	16.2
New Brunswick	11.4	10.3	5.7	9.4
Quebec	668.6	591.3	285.3	11.6
Ontario	1,770.0	1,577.1	790.9	10.9
Manitoba	19.1	15.8	6.2	17.1
Saskatchewan	22.8	17.3	10.7	24.1
Alberta	115.6	102.3	49.8	11.5
British Columbia	213.3	172.8	78.4	19.0
Territories ¹	x	x	x	x
Canada	2,875.6	2,535.2	1,252.4	11.8
2009 ^r				
Newfoundland and Labrador	20.3	19.0	10.1	6.5
Prince Edward Island	x	x	x	x
Nova Scotia	29.3	25.0	12.8	14.6
New Brunswick	10.2	9.7	5.4	4.7
Quebec	669.5	609.6	293.4	9.0
Ontario	1,856.2	1,697.5	881.0	8.6
Manitoba	23.6	21.0	9.3	11.0
Saskatchewan	23.8	18.8	10.7	20.9
Alberta	104.0	96.4	50.8	7.4
British Columbia	215.1	174.1	81.5	19.1
Territories ¹	x	x	x	x
Canada	2,959.3	2,677.7	1,357.7	9.5
2008 ^r				
Newfoundland 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	740.0	644.9	300.7	12.8
Ontario	1,746.4	1,546.9	849.0	11.4
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	2,967.3	2,619.5	1,364.1	11.7

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 2008 and 2009 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, definitions and methodology" at the end of tables for definitions of terms. Due to rounding, components may not add to total.

Table 3
Summary statistics for public relations services, provinces and territories, 2008 to 2010

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2010 ^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	5.1	4.0	2.2	21.4
New Brunswick	x	x	x	x
Quebec	79.6	64.5	30.0	18.9
Ontario	287.0	260.5	139.6	9.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	18.9	15.9	7.0	16.1
British Columbia	63.9	50.5	21.0	20.9
Territories ¹	x	x	x	x
Canada	468.7	408.1	205.1	12.9
2009 ^r				
Newfoundland 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	75.1	66.2	31.5	11.9
Ontario	284.4	258.7	137.2	9.0
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	23.6	18.8	8.8	20.3
British Columbia	52.6	44.2	20.7	16.1
Territories ¹	x	x	x	x
Canada	452.8	402.2	205.5	11.2
2008 ^r				
Newfoundland 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

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 2008 and 2009 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, definitions and methodology" at the end of tables for definitions of terms. Due to rounding, components may not add to total.

Table 4
Summary statistics for media buying agencies and media representatives, provinces and territories, 2008 to 2010

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2010 ^p				
Atlantic provinces ¹	x	x	x	x
Quebec	84.8	75.0	35.7	11.5
Ontario	293.8	243.4	109.4	17.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	7.6	6.9	3.3	9.3
British Columbia	20.1	16.5	6.7	17.9
Territories ²	x	x	x	x
Canada	415.9	349.7	157.5	15.9
2009 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	91.9	84.1	39.9	8.5
Ontario	283.6	238.5	105.2	15.9
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	12.7	11.1	4.5	13.1
British Columbia	19.6	15.2	6.3	22.6
Territories ²	x	x	x	x
Canada	419.2	358.5	158.7	14.5
2008 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	93.1	89.6	42.5	3.7
Ontario	271.9	237.9	104.9	12.5
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	11.9	10.4	4.3	12.6
British Columbia	17.2	14.6	6.4	15.0
Territories ²	x	x	x	x
Canada	401.3	358.3	160.2	10.7

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 2008 and 2009 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, definitions and methodology" at the end of tables for definitions of terms. Due to rounding, components may not add to total.

Table 5
Summary statistics for display advertising, provinces and territories, 2008 to 2010

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2010 ^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	9.8	7.8	1.4	20.3
New Brunswick	x	x	x	x
Quebec	185.5	159.1	42.6	14.2
Ontario	474.1	451.7	88.5	4.7
Manitoba	14.5	11.9	3.1	18.0
Saskatchewan	15.9	11.4	2.2	28.4
Alberta	111.3	86.1	19.5	22.7
British Columbia	90.9	63.4	12.3	30.2
Territories ¹	x	x	x	x
Canada	906.6	795.3	170.7	12.3
2009 ^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	9.8	8.6	1.5	11.8
New Brunswick	x	x	x	x
Quebec	154.5	134.0	36.7	13.3
Ontario	393.8	388.9	80.9	1.2
Manitoba	14.7	12.0	2.9	18.3
Saskatchewan	13.1	10.0	1.7	24.0
Alberta	104.4	88.0	22.3	15.7
British Columbia	75.0	61.2	10.9	18.3
Territories ¹	x	x	x	x
Canada	773.0	709.2	158.4	8.2
2008 ^r				
Newfoundland 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

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 2008 and 2009 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, definitions and methodology" at the end of tables for definitions of terms. Due to rounding, components may not add to total.

Table 6

Summary statistics for direct mail advertising and advertising material distribution services, provinces and territories, 2010

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2010 p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	6.1	6.0	2.1	2.1
New Brunswick	x	x	x	x
Quebec	304.5	274.1	56.4	10.0
Ontario	417.9	368.6	95.2	11.8
Manitoba	4.9	4.5	1.8	7.2
Saskatchewan	x	x	x	x
Alberta	33.1	24.4	5.9	26.4
British Columbia	63.6	62.7	20.3	1.4
Territories ¹	x	x	x	x
Canada	843.7	753.2	185.7	10.7

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. Starting in 2010, the results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541860 and 541870. See "Data sources, definitions and methodology" at the end of tables for definitions of terms. Due to rounding, components may not add to total.

Table 7
Summary statistics for specialty advertising distributors, provinces and territories, 2008 to 2010

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2010 ^p				
Newfoundland and Labrador	6.7	6.6	1.5	1.8
Prince Edward Island	x	x	x	x
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	106.8	102.8	17.2	3.7
Ontario	414.9	405.9	75.0	2.2
Manitoba	22.3	20.9	4.2	6.6
Saskatchewan	12.8	11.7	2.1	8.5
Alberta	78.3	75.6	14.4	3.4
British Columbia	149.0	141.9	24.5	4.8
Territories ¹	x	x	x	x
Canada	798.5	772.4	139.9	3.3
2009 ^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	6.0	5.6	0.7	6.6
New Brunswick	x	x	x	x
Quebec	108.8	104.1	17.8	4.4
Ontario	352.7	354.7	70.9	-0.6
Manitoba	22.1	20.8	4.1	6.0
Saskatchewan	13.2	12.4	2.7	6.4
Alberta	93.6	92.7	18.7	1.0
British Columbia	145.7	138.5	24.3	4.9
Territories ¹	x	x	x	x
Canada	750.8	737.2	140.8	1.8
2008 ^r				
Newfoundland 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

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 2008 and 2009 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, definitions and methodology" at the end of tables for definitions of terms. Due to rounding, components may not add to total.

Table 8
Summary statistics for all other services related to advertising, provinces and territories, 2008 to 2010

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2010 ^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	4.7	3.8	2.1	17.6
New Brunswick	x	x	x	x
Quebec	133.5	116.7	43.6	12.6
Ontario	438.2	396.3	151.6	9.6
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	40.3	36.6	10.8	9.0
British Columbia	42.6	37.5	14.6	12.1
Territories ¹	x	x	x	x
Canada	670.8	600.6	226.6	10.5
2009 ^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	3.5	3.0	1.5	14.1
New Brunswick	x	x	x	x
Quebec	115.3	100.0	35.7	13.3
Ontario	420.4	388.3	143.3	7.6
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	36.0	34.9	10.7	3.0
British Columbia	43.8	40.0	13.3	8.7
Territories ¹	x	x	x	x
Canada	632.4	578.1	209.5	8.6
2008 ^r				
Newfoundland 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	x	x	x	x
Quebec	121.5	104.3	36.5	14.2
Ontario	391.7	347.5	126.6	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	606.4	533.5	192.6	12.0

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 2008 and 2009 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, definitions and methodology" at the end of tables for definitions of terms. Due to rounding, components may not add to total.

Table 9
Expenditures as a percentage of operating expenses, for the advertising and related services industry,
Canada, 2009 to 2010

Industry expenditures	2009 ^r	2010 ¹
	percent	
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	40.9	39.7
Commissions paid to non-employees	1.3	1.5
Professional and business services fees	2.8	2.7
Subcontract expenses	7.3	7.6
Charges for services provided by head offices	F	F
Cost of goods sold	19.7	20.5
Office supplies	1.9	1.5
Rental and leasing	5.5	5.4
Repair and maintenance	3.9	3.4
Insurance	F	F
Advertising, marketing and promotions	1.8	1.4
Travel, meals and entertainment	1.9	1.8
Utilities and telecommunications expenses	1.5	1.4
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	2.9	2.9
Bad debts	F	F
All other expenses	4.5	5.6

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total. 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 definitions of terms.

Table 10
Expenditures as a percentage of operating expenses, for advertising agencies, Canada, 2009 to 2010

Industry expenditures	2009 ^r	2010 ¹
	percent	
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	55.4	54.3
Commissions paid to non-employees	F	F
Professional and business services fees	3.2	2.5
Subcontract expenses	4.1	4.9
Charges for services provided by head offices	1.4	F
Cost of goods sold	5.8	5.3
Office supplies	1.9	2.0
Rental and leasing	4.9	4.5
Repair and maintenance	5.8	5.6
Insurance	F	F
Advertising, marketing and promotions	2.5	1.8
Travel, meals and entertainment	2.3	2.3
Utilities and telecommunications expenses	1.2	F
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	2.2
Bad debts	F	F
All other expenses	6.8	8.9

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total. 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 definitions of terms.

Table 11
Expenditures as a percentage of operating expenses, for public relations services, Canada, 2009 to 2010

Industry expenditures	2009 ^r	2010 ¹
	percent	
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	53.2	52.3
Commissions paid to non-employees	x	x
Professional and business services fees	4.7	5.1
Subcontract expenses	6.3	5.9
Charges for services provided by head offices	F	F
Cost of goods sold	8.5	8.6
Office supplies	1.9	2.1
Rental and leasing	6.9	6.3
Repair and maintenance	1.8	2.1
Insurance	x	F
Advertising, marketing and promotions	1.6	1.5
Travel, meals and entertainment	3.4	3.5
Utilities and telecommunications expenses	1.9	2.0
Property and business taxes, licences and permits	x	F
Royalties, rights, licensing and franchise fees	F	x
Delivery, warehousing, postage and courier	x	x
Financial services fees	x	x
Amortization and depreciation of tangible and intangible assets	1.9	1.7
Bad debts	F	F
All other expenses	4.5	5.3

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total. 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 definitions of terms.

Table 12
Expenditures as a percentage of operating expenses, for media buying agencies and media representatives,
Canada, 2009 to 2010

Industry expenditures	2009 ^r	2010 ¹
	percent	
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	52.7	56.3
Commissions paid to non-employees	x	x
Professional and business services fees	4.4	6.5
Subcontract expenses	4.1	5.9
Charges for services provided by head offices	1.9	2.5
Cost of goods sold	2.0	F
Office supplies	1.8	1.6
Rental and leasing	4.4	4.4
Repair and maintenance	7.8	3.0
Insurance	x	F
Advertising, marketing and promotions	1.5	1.2
Travel, meals and entertainment	2.2	2.0
Utilities and telecommunications expenses	1.4	F
Property and business taxes, licences and permits	x	F
Royalties, rights, licensing and franchise fees	F	x
Delivery, warehousing, postage and courier	x	F
Financial services fees	x	x
Amortization and depreciation of tangible and intangible assets	2.0	4.2
Bad debts	F	F
All other expenses	5.4	7.0

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total. 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 standard North American Industry Classification System (NAICS) codes: 541830 and 541840. See "Data sources, definitions and methodology" at the end of tables for definitions of terms.

Table 13
Expenditures as a percentage of operating expenses, for display advertising, Canada, 2009 to 2010

Industry expenditures	2009 ^r	2010 ¹
	percent	
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	22.5	21.4
Commissions paid to non-employees	3.3	3.6
Professional and business services fees	1.6	1.9
Subcontract expenses	4.3	5.0
Charges for services provided by head offices	x	F
Cost of goods sold	24.3	25.6
Office supplies	F	F
Rental and leasing	15.2	15.2
Repair and maintenance	3.9	3.0
Insurance	F	F
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	1.3	1.0
Utilities and telecommunications expenses	1.9	1.7
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	x	x
Delivery, warehousing, postage and courier	x	x
Financial services fees	F	x
Amortization and depreciation of tangible and intangible assets	10.0	8.0
Bad debts	F	F
All other expenses	3.3	4.3

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total. 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 definitions of terms.

Table 14

Expenditures as a percentage of operating expenses, for direct mail advertising and advertising material distribution services, Canada, 2010

Industry expenditures	2010 ¹
	percent
Total operating expenses ²	100.0
Salaries, wages and benefits	24.9
Commissions paid to non-employees	F
Professional and business services fees	1.5
Subcontract expenses	26.7
Charges for services provided by head offices	F
Cost of goods sold	26.0
Office supplies	1.2
Rental and leasing	3.3
Repair and maintenance	1.7
Insurance	F
Advertising, marketing and promotions	1.0
Travel, meals and entertainment	1.1
Utilities and telecommunications expenses	1.0
Property and business taxes, licences and permits	F
Royalties, rights, licensing and franchise fees	F
Delivery, warehousing, postage and courier	4.4
Financial services fees	F
Amortization and depreciation of tangible and intangible assets	2.4
Bad debts	F
All other expenses	2.0

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total. 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): Starting in 2010, the results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541860 and 541870. See "Data sources, definitions and methodology" at the end of tables for definitions of terms.

Table 15
Expenditures as a percentage of operating expenses, for specialty advertising distributors, Canada, 2009 to 2010

Industry expenditures	2009 ^r	2010 ¹
	percent	
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	19.4	18.5
Commissions paid to non-employees	2.3	3.0
Professional and business services fees	2.7	3.8
Subcontract expenses	1.0	F
Charges for services provided by head offices	x	x
Cost of goods sold	59.8	58.7
Office supplies	1.4	1.5
Rental and leasing	2.0	2.2
Repair and maintenance	1.3	1.1
Insurance	F	F
Advertising, marketing and promotions	1.6	1.5
Travel, meals and entertainment	1.1	1.0
Utilities and telecommunications expenses	2.5	2.4
Property and business taxes, licences and permits	x	x
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	1.4	1.3
Bad debts	F	F
All other expenses	1.8	2.4

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total. 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 definitions of terms.

Table 16

Expenditures as a percentage of operating expenses, for all other services related to advertising, Canada, 2009 to 2010

Industry expenditures	2009 ^r	2010 ¹
	percent	
Total operating expenses ²	100.0	100.0
Salaries, wages and benefits	37.8	39.2
Commissions paid to non-employees	1.2	1.3
Professional and business services fees	2.7	1.9
Subcontract expenses	8.6	7.9
Charges for services provided by head offices	x	x
Cost of goods sold	29.2	31.2
Office supplies	2.0	1.2
Rental and leasing	2.7	2.4
Repair and maintenance	1.7	1.6
Insurance	F	F
Advertising, marketing and promotions	1.3	1.3
Travel, meals and entertainment	1.9	1.6
Utilities and telecommunications expenses	1.2	1.3
Property and business taxes, licences and permits	x	x
Royalties, rights, licensing and franchise fees	x	F
Delivery, warehousing, postage and courier	x	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	1.9	1.8
Bad debts	F	F
All other expenses	2.9	3.4

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total. 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 definitions of terms.

Table 17
Sales by type of client for the advertising and related services industry, Canada, 2009 to 2010

	Advertising and related services	Advertising agencies	Public relations services	Media ² buying agencies and media representatives	Display advertising	Direct ³ mail advertising and advertising material distribution services	Specialty advertising distributors	All other services related to advertising
	percent							
2010 p ¹								
Sales to businesses	84.6	82.9	75.4	81.7	92.1	88.7	79.1	90.0
Sales to individuals	F	x	F	x	x	F	F	F
Sales to governments, not-for-profit organizations and public institutions	F	8.4	F	5.4	F	F	F	F
Sales outside Canada (exports)	6.4	x	7.0	x	x	F	5.6	F
Total sales to all clients	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2009 r								
Sales to businesses	84.9	84.5	70.8	80.1	89.9	..	81.6	87.5
Sales to individuals	F	x	F	x	F	..	F	F
Sales to governments, not-for-profit organizations and public institutions	F	F	F	x	F	..	F	F
Sales outside Canada (exports)	6.1	x	8.1	12.2	F	..	3.9	4.5
Total sales to all clients	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. 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: 541830 and 541840.

3. Comprises the following standard North American Industry Classification System (NAICS) codes: 541860 and 541870.

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 and 541870, 541891, 541899. See "Data sources, definitions and methodology" at the end of tables for definitions 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 2010 was 1,100 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 80.7%. 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 (640 series)

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: February 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 ($p < 0.05$)

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This product, Catalogue no. 63-257-X, 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."

Frequency: Annual / ISSN 1916-9914

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