

Service bulletin

Advertising and Related Services

2011



Highlights

- Operating revenues for the advertising and related services industry rose 2.1% between 2010 and 2011 to \$6.9 billion. Increases were recorded in six provinces.
- The strongest increase in revenues was registered in Alberta, with 11.2%. New Brunswick ranked last with a 16.5% decrease in its revenues.
- Among the different industries, the strongest growth in revenue was posted by direct mail advertising and advertising material distribution services with a 4.2% increase followed by specialty advertising distributors with 3.2%, and then all other services related to advertising with 3.0%.
- Operating expenses also rose, climbing 2.0% to \$6.2 billion. Salaries, wages and benefits representing 40.4% of operating expenses, rose 3.8% to \$2.4 billion.
- At the national level, the operating profit margin for the sector remained stable at 10.7%. The largest profit margin was recorded in Saskatchewan with 19.1%, while New Brunswick ranked last with 6.4%.
- As in previous years, firms in Ontario accounted for most of the revenues generated by the industry with 57.9%, followed by firms in Quebec (23.4%) and British Columbia (8.4%).
- In 2011, advertising agencies continued to have the largest proportion of the industry's operating revenues (40.1%). Display advertisers shared second place with direct mail advertising and advertising material distribution services (both at 12.6%). Next came specialty advertising distributors (10.5%), all other services related to advertising (10.4%) and public relations services (7.8%). Media buying agencies and media representatives (6.1%) accounted for the smallest proportion of total revenues.
- Among the different types of advertising services, the only decrease in revenues was recorded by display advertisers (-1.7%). The decline for this industry was not unexpected as the Vancouver Olympics games had led to a sizable increase in 2010.

Statistical tables

Table 1

Summary statistics for the advertising and related services industry, provinces and territories, 2009 to 2011

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2011 ^p				
Newfoundland and Labrador	26.1	23.9	10.0	8.5
Prince Edward Island	x	x	x	x
Nova Scotia	61.0	51.9	22.5	14.9
New Brunswick	23.2	21.7	8.1	6.4
Quebec	1,620.5	1,432.1	523.1	11.6
Ontario	4,006.0	3,626.2	1,480.6	9.5
Manitoba	81.7	73.1	24.7	10.5
Saskatchewan	67.8	54.9	19.3	19.1
Alberta	437.5	370.8	116.6	15.2
British Columbia	581.7	512.0	168.6	12.0
Territories ¹	x	x	x	x
Canada	6,916.6	6,176.3	2,378.1	10.7
2010 ^r				
Newfoundland and Labrador	27.9	26.5	11.6	5.0
Prince Edward Island	x	x	x	x
Nova Scotia	60.2	51.1	22.1	15.1
New Brunswick	27.8	24.9	10.2	10.3
Quebec	1,536.0	1,365.8	498.1	11.1
Ontario	4,017.8	3,644.8	1,428.9	9.3
Manitoba	74.7	65.2	20.3	12.7
Saskatchewan	63.8	51.9	19.2	18.6
Alberta	393.5	335.1	111.4	14.9
British Columbia	565.7	480.5	166.1	15.1
Territories ¹	x	x	x	x
Canada	6,777.1	6,054.6	2,292.0	10.7
2009 ^r				
Newfoundland and Labrador	32.9	31.0	13.5	5.7
Prince Edward Island	x	x	x	x
Nova Scotia	61.0	53.3	20.8	12.6
New Brunswick	25.7	23.4	10.5	8.9
Quebec	1,493.4	1,355.0	495.8	9.3
Ontario	3,996.6	3,687.1	1,501.6	7.7
Manitoba	81.3	73.7	23.0	9.4
Saskatchewan	65.1	54.0	19.7	17.1
Alberta	423.7	381.1	128.0	10.0
British Columbia	558.2	485.7	174.2	13.0
Territories ¹	x	x	x	x
Canada	6,748.1	6,153.1	2,390.9	8.8

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

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 2
Summary statistics for advertising agencies, provinces and territories, 2009 to 2011

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2011^p				
Newfoundland and Labrador	15.2	13.9	6.7	8.7
Prince Edward Island	x	x	x	x
Nova Scotia	22.8	20.1	9.6	11.9
New Brunswick	9.0	8.4	4.1	6.0
Quebec	693.0	609.4	271.9	12.1
Ontario	1,640.5	1,446.3	761.8	11.8
Manitoba	27.2	25.3	12.3	7.0
Saskatchewan	23.5	17.9	10.7	23.7
Alberta	128.4	112.5	49.4	12.4
British Columbia	207.6	189.5	75.9	8.7
Territories ¹	x	x	x	x
Canada	2,773.8	2,449.0	1,205.8	11.7
2010^r				
Newfoundland and Labrador	17.2	16.1	8.3	6.6
Prince Edward Island	x	x	x	x
Nova Scotia	27.0	23.0	12.2	14.8
New Brunswick	11.4	10.3	5.7	9.4
Quebec	633.4	567.6	258.4	10.4
Ontario	1,649.3	1,479.6	727.7	10.3
Manitoba	23.3	19.5	8.9	16.2
Saskatchewan	22.8	17.3	10.7	24.1
Alberta	119.3	104.7	52.0	12.2
British Columbia	198.1	168.1	71.7	15.1
Territories ¹	x	x	x	x
Canada	2,708.2	2,412.2	1,158.8	10.9
2009^r				
Newfoundland and Labrador	20.3	19.0	10.1	6.5
Prince Edward Island	x	x	x	x
Nova Scotia	27.7	24.0	12.1	13.2
New Brunswick	10.2	9.7	5.4	4.7
Quebec	610.9	563.5	260.8	7.8
Ontario	1,759.1	1,607.6	819.2	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	200.1	164.6	75.0	17.7
Territories ¹	x	x	x	x
Canada	2,786.9	2,531.3	1,256.1	9.2

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

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 3
Summary statistics for public relations services, provinces and territories, 2009 to 2011

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2011 ^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	6.5	5.0	2.8	22.8
New Brunswick	x	x	x	x
Quebec	95.6	80.0	38.4	16.4
Ontario	325.8	280.9	149.6	13.8
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	28.7	22.2	10.3	22.6
British Columbia	65.8	54.8	22.6	16.7
Territories ¹	x	x	x	x
Canada	536.3	454.9	228.7	15.2
2010 ^r				
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	90.3	74.7	36.9	17.3
Ontario	326.5	288.4	158.5	11.7
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	25.6	21.4	10.1	16.2
British Columbia	65.0	51.8	22.6	20.2
Territories ¹	x	x	x	x
Canada	526.3	452.8	235.5	14.0
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	90.0	80.5	38.3	10.6
Ontario	319.3	287.2	150.6	10.1
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	32.4	26.3	12.8	18.8
British Columbia	59.9	50.3	24.0	16.1
Territories ¹	x	x	x	x
Canada	518.7	458.7	233.0	11.6

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

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 4
Summary statistics for media buying agencies and media representatives, provinces and territories, 2009 to 2011

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2011 p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	85.1	73.1	34.6	14.1
Ontario	282.3	229.3	120.8	18.8
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	9.0	8.0	3.7	11.3
British Columbia	37.4	36.7	16.0	1.9
Territories ¹	x	x	x	x
Canada	422.5	354.0	177.1	16.2
2010 r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	82.2	72.9	33.6	11.3
Ontario	290.5	239.6	106.7	17.5
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	7.6	6.9	3.4	8.9
British Columbia	31.6	26.7	11.3	15.3
Territories ¹	x	x	x	x
Canada	421.0	354.2	157.5	15.9
2009 r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	x	x	x	x
New Brunswick	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	33.2	27.7	11.1	16.4
Territories ¹	x	x	x	x
Canada	432.8	371.1	163.5	14.3

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

Note(s): 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.

Table 5
Summary statistics for display advertising, provinces and territories, 2009 to 2011

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2011 ^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	10.5	8.4	1.5	19.3
New Brunswick	x	x	x	x
Quebec	195.5	169.6	49.1	13.2
Ontario	451.9	440.6	97.6	2.5
Manitoba	15.9	13.5	3.4	15.5
Saskatchewan	16.6	12.3	1.9	26.1
Alberta	101.0	75.3	16.6	25.4
British Columbia	75.2	60.6	9.9	19.5
Territories ¹	x	x	x	x
Canada	869.6	782.8	180.7	10.0
2010 ^r				
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	188.1	160.2	42.0	14.9
Ontario	475.4	457.3	93.1	3.8
Manitoba	13.3	10.7	2.7	19.2
Saskatchewan	14.3	10.2	1.8	28.6
Alberta	91.7	67.4	14.1	26.5
British Columbia	89.3	61.7	11.6	30.9
Territories ¹	x	x	x	x
Canada	885.0	777.8	167.2	12.1
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

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

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 6
Summary statistics for direct mail advertising and advertising material distribution services, provinces and territories, 2010 and 2011

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2011 ^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	6.4	5.8	2.0	8.6
New Brunswick	x	x	x	x
Quebec	295.9	260.6	56.4	11.9
Ontario	460.4	426.4	98.2	7.4
Manitoba	4.6	4.2	1.7	8.7
Saskatchewan	x	x	x	x
Alberta	33.9	27.3	5.7	19.5
British Columbia	54.6	46.7	17.0	14.5
Territories ¹	x	x	x	x
Canada	869.6	783.9	185.0	9.9
2010 ^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	6.0	5.9	2.0	2.2
New Brunswick	x	x	x	x
Quebec	297.1	265.4	56.6	10.7
Ontario	431.0	387.8	96.2	10.0
Manitoba	4.8	4.4	1.8	7.3
Saskatchewan	x	x	x	x
Alberta	33.1	24.4	5.9	26.4
British Columbia	49.4	48.5	16.4	1.7
Territories ¹	x	x	x	x
Canada	834.7	749.2	182.8	10.2

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

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

Table 7
Summary statistics for specialty advertising distributors, provinces and territories, 2009 to 2011

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2011 ^p				
Newfoundland and Labrador	6.3	6.0	1.4	4.2
Prince Edward Island	x	x	x	x
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	103.5	100.8	17.8	2.6
Ontario	385.9	377.1	80.7	2.3
Manitoba	23.1	21.1	4.8	8.5
Saskatchewan	14.3	13.0	2.4	9.2
Alberta	88.2	82.4	16.5	6.6
British Columbia	100.2	91.0	17.3	9.2
Territories ¹	x	x	x	x
Canada	727.3	696.5	141.7	4.2
2010 ^r				
Newfoundland and Labrador	6.5	6.4	1.4	1.9
Prince Edward Island	x	x	x	x
Nova Scotia	F	F	F	F
New Brunswick	x	x	x	x
Quebec	97.7	93.6	15.5	4.2
Ontario	392.4	380.9	72.8	2.9
Manitoba	22.0	20.5	4.2	6.5
Saskatchewan	12.5	11.4	2.1	8.5
Alberta	75.9	73.3	14.1	3.4
British Columbia	91.7	87.9	18.9	4.2
Territories ¹	x	x	x	x
Canada	705.0	679.9	129.9	3.6
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	81.4	76.0	19.2	6.6
Territories ¹	x	x	x	x
Canada	686.5	674.7	135.7	1.7

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

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 8
Summary statistics for all other services related to advertising, provinces and territories, 2009 to 2011

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2011 ^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	151.9	138.6	54.9	8.7
Ontario	459.2	425.7	171.9	7.3
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	48.3	43.1	14.5	10.7
British Columbia	40.7	32.8	9.8	19.4
Territories ¹	x	x	x	x
Canada	717.5	655.0	259.0	8.7
2010 ^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	4.6	3.8	2.1	17.7
New Brunswick	x	x	x	x
Quebec	147.2	131.5	55.2	10.7
Ontario	452.8	411.1	173.9	9.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	40.4	37.0	11.8	8.4
British Columbia	40.7	35.7	13.6	12.3
Territories ¹	x	x	x	x
Canada	696.9	628.4	260.4	9.8
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	129.6	114.3	44.9	11.8
Ontario	481.0	448.9	184.2	6.7
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	707.3	653.1	259.6	7.7

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

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 9
Expenditures as a percentage of operating expenses, for the advertising and related services industry, Canada, 2010 to 2011

Industry expenditures	2010 ^r	2011 ^p
	percent	
Total operating expenses ¹	100.0	100.0
Salaries, wages and benefits	40.0	40.4
Commissions paid to non-employees	1.5	1.4
Professional and business services fees	2.4	2.9
Subcontract expenses	8.1	8.4
Charges for services provided by head offices	F	F
Cost of goods sold	19.4	19.6
Office supplies	1.5	1.5
Rental and leasing	5.7	5.6
Repair and maintenance	3.1	2.6
Insurance	F	F
Advertising, marketing and promotions	1.4	1.7
Travel, meals and entertainment	1.7	1.9
Utilities and telecommunications expenses	1.4	1.5
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	3.0	2.9
Bad debts	F	F
All other expenses	6.0	5.0

1. 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. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 10
Expenditures as a percentage of operating expenses, for advertising agencies, Canada, 2010 to 2011

Industry expenditures	2010 ^r	2011 ^p
	percent	
Total operating expenses ¹	100.0	100.0
Salaries, wages and benefits	52.9	53.9
Commissions paid to non-employees	F	F
Professional and business services fees	2.4	3.0
Subcontract expenses	6.1	6.9
Charges for services provided by head offices	F	F
Cost of goods sold	5.1	6.5
Office supplies	2.0	1.9
Rental and leasing	4.5	4.5
Repair and maintenance	5.0	3.3
Insurance	F	F
Advertising, marketing and promotions	1.8	2.0
Travel, meals and entertainment	2.2	2.2
Utilities and telecommunications expenses	F	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	2.2	1.9
Bad debts	F	F
All other expenses	10.2	7.5

1. 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. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 11
Expenditures as a percentage of operating expenses, for public relations services, Canada, 2010 to 2011

Industry expenditures	2010 ^r	2011 ^p
	percent	
Total operating expenses ¹	100.0	100.0
Salaries, wages and benefits	53.9	52.2
Commissions paid to non-employees	x	x
Professional and business services fees	5.1	4.3
Subcontract expenses	5.0	6.0
Charges for services provided by head offices	F	x
Cost of goods sold	8.8	8.8
Office supplies	1.8	1.7
Rental and leasing	6.0	5.9
Repair and maintenance	1.7	2.2
Insurance	F	F
Advertising, marketing and promotions	1.4	1.6
Travel, meals and entertainment	3.1	3.3
Utilities and telecommunications expenses	1.7	1.7
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	x	F
Delivery, warehousing, postage and courier	x	x
Financial services fees	x	F
Amortization and depreciation of tangible and intangible assets	1.7	1.7
Bad debts	F	F
All other expenses	6.3	7.1

1. 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. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 12
Expenditures as a percentage of operating expenses, for media buying agencies and media representatives, Canada, 2010 to 2011

Industry expenditures	2010 ^r	2011 ^p
	percent	
Total operating expenses ¹	100.0	100.0
Salaries, wages and benefits	55.2	59.5
Commissions paid to non-employees	x	x
Professional and business services fees	6.8	6.3
Subcontract expenses	4.4	2.8
Charges for services provided by head offices	2.5	2.4
Cost of goods sold	F	1.3
Office supplies	1.9	1.8
Rental and leasing	4.4	5.1
Repair and maintenance	3.4	3.0
Insurance	F	F
Advertising, marketing and promotions	1.3	2.7
Travel, meals and entertainment	2.2	2.2
Utilities and telecommunications expenses	F	F
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	x	x
Delivery, warehousing, postage and courier	F	F
Financial services fees	x	F
Amortization and depreciation of tangible and intangible assets	4.6	3.4
Bad debts	F	x
All other expenses	6.6	5.2

1. 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) categories 541830 and 541840. See "Data sources, definitions and methodology" at the end of tables for definitions of terms. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 13
Expenditures as a percentage of operating expenses, for display advertising, Canada, 2010 to 2011

Industry expenditures	2010 ^r	2011 ^p
	percent	
Total operating expenses ¹	100.0	100.0
Salaries, wages and benefits	21.4	22.7
Commissions paid to non-employees	3.7	3.0
Professional and business services fees	1.7	1.6
Subcontract expenses	5.1	4.7
Charges for services provided by head offices	F	F
Cost of goods sold	23.5	22.8
Office supplies	F	F
Rental and leasing	17.1	17.0
Repair and maintenance	3.0	3.4
Insurance	F	F
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	F	F
Utilities and telecommunications expenses	1.8	1.9
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	x	F
Amortization and depreciation of tangible and intangible assets	8.4	9.2
Bad debts	F	x
All other expenses	3.8	3.5

1. 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. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 14
Expenditures as a percentage of operating expenses, for direct mail advertising and advertising material distribution services, Canada, 2010 to 2011

Industry expenditures	2010 ^r	2011 ^p
	percent	
Total operating expenses ¹	100.0	100.0
Salaries, wages and benefits	24.6	23.6
Commissions paid to non-employees	F	F
Professional and business services fees	1.4	2.2
Subcontract expenses	27.3	27.0
Charges for services provided by head offices	F	x
Cost of goods sold	25.4	25.1
Office supplies	1.2	1.2
Rental and leasing	3.3	3.3
Repair and maintenance	1.7	2.1
Insurance	F	F
Advertising, marketing and promotions	1.0	F
Travel, meals and entertainment	1.1	1.1
Utilities and telecommunications expenses	1.0	1.0
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	F	x
Delivery, warehousing, postage and courier	4.4	4.4
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	2.5	2.4
Bad debts	F	F
All other expenses	1.9	2.4

1. 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) categories 541860 and 541870. See "Data sources, definitions and methodology" at the end of tables for definitions of terms. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 15
Expenditures as a percentage of operating expenses, for specialty advertising distributors, Canada, 2010 to 2011

Industry expenditures	2010 ^r	2011 ^p
	percent	
Total operating expenses ¹	100.0	100.0
Salaries, wages and benefits	19.7	20.9
Commissions paid to non-employees	3.4	3.0
Professional and business services fees	1.5	1.4
Subcontract expenses	F	F
Charges for services provided by head offices	x	x
Cost of goods sold	59.1	57.6
Office supplies	1.5	1.4
Rental and leasing	2.4	2.4
Repair and maintenance	1.1	1.2
Insurance	F	F
Advertising, marketing and promotions	1.6	1.6
Travel, meals and entertainment	1.0	1.1
Utilities and telecommunications expenses	2.6	2.6
Property and business taxes, licences and permits	x	x
Royalties, rights, licensing and franchise fees	F	x
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	1.1	1.1
Bad debts	F	F
All other expenses	2.1	2.2

1. 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. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 16
Expenditures as a percentage of operating expenses, for all other services related to advertising, Canada, 2010 to 2011

Industry expenditures	2010 ^r	2011 ^p
	percent	
Total operating expenses ¹	100.0	100.0
Salaries, wages and benefits	43.1	40.8
Commissions paid to non-employees	1.2	F
Professional and business services fees	1.8	3.6
Subcontract expenses	7.5	7.2
Charges for services provided by head offices	x	x
Cost of goods sold	28.3	27.9
Office supplies	1.1	1.2
Rental and leasing	2.5	2.7
Repair and maintenance	1.5	1.4
Insurance	F	F
Advertising, marketing and promotions	1.2	1.9
Travel, meals and entertainment	1.7	2.2
Utilities and telecommunications expenses	1.4	1.2
Property and business taxes, licences and permits	x	x
Royalties, rights, licensing and franchise fees	F	x
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	1.9	2.0
Bad debts	F	F
All other expenses	3.2	3.3

1. 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. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

Table 17
Sales by type of client for the advertising and related services industry, Canada, 2010 to 2011

	Advertising and related services	Advertising agencies	Public relations services	Media buying agencies and media representatives ¹	Display advertising	Direct mail advertising and advertising material distribution services ²	Specialty advertising distributors	All other services related to advertising
	percent							
2011 ^p								
Sales to businesses	84.4	81.9	71.3	86.8	94.4	83.4	82.5	93.6
Sales to individuals	F	F	x	x	x	F	2.4	F
Sales to governments, not-for-profit organizations and public institutions	7.9	9.1	11.9	6.5	4.6	F	8.0	F
Sales outside Canada (exports)	F	F	x	x	x	5.7	7.0	3.4
Total sales to all clients	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2010 ^r								
Sales to businesses	84.0	80.7	71.3	80.3	92.9	89.1	79.6	93.5
Sales to individuals	1.1	x	F	x	x	F	5.0	F
Sales to governments, not-for-profit organizations and public institutions	7.2	8.8	11.6	7.0	5.1	F	10.0	F
Sales outside Canada (exports)	6.3	x	F	x	x	5.9	5.3	3.8
Total sales to all clients	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Comprises the following standard North American Industry Classification System (NAICS) codes: 541830 and 541840.

2. 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. Due to rounding, components may not add to total. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table.

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 2011 was 1080 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 85.6%. CVs were calculated for each estimate and are available upon request.

Related products

Selected CANSIM tables from Statistics Canada

360-0003	Advertising and related services, summary statistics, by North American Industry Classification System (NAICS), annual (640 series)
360-0014	Advertising and related services, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (189 series)
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

Release date: January 2013

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 ($p < 0.05$)

To access this product

This product, Catalogue no. 63-257-X, is available free in electronic format. To obtain a single issue, visit our website, www.statcan.gc.ca and browse by "Key resource" > "Publications."

Frequency: Annual / ISSN 1916-9914

For information on the wide range of data available from Statistics Canada, please call our national inquiries line at 1-800-263-1136.

Cette publication est également disponible en français.

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2013.

All rights reserved. Use of this publication is governed by the *Statistics Canada Open License Agreement*.

<http://www.statcan.gc.ca/reference/copyright-droit-auteur-eng.htm>

Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed *standards of service* that its employees observe.

To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on www.statcan.gc.ca under "About us" > "The agency" > "Providing services to Canadians."

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.