

Service bulletin

Advertising and Related Services

2012



Highlights

- Operating revenues for the advertising and related services industry rose 2.9% between 2011 and 2012 to \$7.1 billion. All provinces showed increases in operating revenue, with the exception of New Brunswick, which registered a decline. Some of the largest gains in operating revenue were observed in the western provinces.
- Among the different industries, the strongest growth in operating revenue was posted by all other services related to advertising (for example sign painting or window dressing) with a 7.5% increase, followed by media buyers and media representatives with 6.5%. All industries within advertising and related services reported a rise in operating revenue.
- Operating expenses increased 3.3% to \$6.4 billion in 2012. Salaries, wages and benefits increased 4.5% to \$2.5 billion and continued to represent the largest component of operating expenses with a share of 41.0%.
- The operating profit margin of businesses in the advertising and related services remained stable at 10.2%. At the provincial level, businesses in Saskatchewan continued to return the highest operating profit margin at 19.4%.
- Firms in Ontario continued to account for most of the operating revenues generated by the industry with 57.7%, followed by firms in Quebec (23.0%) and British Columbia (8.5%).
- In 2012, advertising agencies continued to have the largest portion of the industry's operating revenues (39.7%). Direct mail advertising and advertising material distribution services was in second (12.7%), followed by display advertising in third (12.1%). Next came all other services related to advertising (10.8%), specialty advertising distributors (10.3%) and public relations services (7.9%). Media buying agencies and media representatives (6.4%) accounted for the smallest proportion of operating revenues.



Statistical tables

Table 1

Summary statistics for the advertising and related services industry, provinces and territories, 2010 to 2012

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2012 p				
Newfoundland and Labrador	28.4	26.2	10.9	7.8
Prince Edward Island	x	x	x	x
Nova Scotia	65.8	56.3	26.2	14.4
New Brunswick	21.8	20.0	7.6	8.4
Quebec	1,641.9	1,457.1	556.6	11.3
Ontario	4,112.9	3,735.7	1,534.2	9.2
Manitoba	97.1	89.1	30.7	8.2
Saskatchewan	75.5	60.8	21.8	19.4
Alberta	471.5	402.8	126.9	14.6
British Columbia	606.1	543.2	190.9	10.4
Canada¹	7,132.0	6,402.0	2,511.2	10.2
2011 r				
Newfoundland and Labrador	26.1	23.9	10.0	8.5
Prince Edward Island	x	x	x	x
Nova Scotia	65.7	56.5	24.3	14.0
New Brunswick	23.2	21.7	8.1	6.4
Quebec	1,586.0	1,410.3	512.9	11.1
Ontario	4,053.8	3,661.2	1,511.6	9.7
Manitoba	83.0	74.9	25.2	9.8
Saskatchewan	68.2	55.2	19.6	19.0
Alberta	441.3	376.7	118.2	14.6
British Columbia	575.0	505.8	167.9	12.0
Canada¹	6,932.9	6,195.6	2,402.4	10.6
2010 r				
Newfoundland and Labrador	27.9	26.5	11.6	5.0
Prince Edward Island	x	x	x	x
Nova Scotia	65.6	55.8	24.1	15.0
New Brunswick	27.8	24.9	10.2	10.3
Quebec	1,536.0	1,365.8	498.1	11.1
Ontario	4,013.4	3,639.1	1,428.6	9.3
Manitoba	74.7	65.2	20.3	12.7
Saskatchewan	64.2	52.2	19.4	18.7
Alberta	393.5	335.1	111.4	14.9
British Columbia	565.7	480.5	166.1	15.1
Canada¹	6,778.4	6,053.8	2,293.9	10.7

1. Canada includes all provinces and territories, however, data for the territories are not published to protect the confidentiality of survey respondents. The 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 definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 2
Summary statistics for the advertising agencies, provinces and territories, 2010 to 2012

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2012 P				
Newfoundland and Labrador	16.0	14.5	7.0	9.5
Prince Edward Island	x	x	x	x
Nova Scotia	26.5	24.4	13.7	8.0
New Brunswick	7.4	7.2	3.8	2.8
Quebec	698.2	616.5	307.5	11.7
Ontario	1,681.0	1,432.4	790.4	14.8
Manitoba	38.5	37.1	18.7	3.5
Saskatchewan	24.3	19.1	11.0	21.4
Alberta	123.5	106.3	52.1	14.0
British Columbia	210.6	191.4	85.1	9.1
Canada¹	2,833.1	2,456.0	1,293.5	13.3
2011 r				
Newfoundland and Labrador	15.2	13.9	6.7	8.7
Prince Edward Island	x	x	x	x
Nova Scotia	27.6	24.7	11.5	10.4
New Brunswick	9.0	8.4	4.1	6.0
Quebec	679.4	607.5	272.6	10.6
Ontario	1,668.6	1,459.1	781.4	12.6
Manitoba	28.9	26.9	13.2	6.9
Saskatchewan	23.5	17.9	10.7	23.7
Alberta	128.4	112.5	49.4	12.4
British Columbia	203.2	183.2	75.3	9.8
Canada¹	2,790.1	2,460.0	1,228.3	11.8
2010 r				
Newfoundland and Labrador	17.2	16.1	8.3	6.6
Prince Edward Island	x	x	x	x
Nova Scotia	32.4	27.6	14.2	14.7
New Brunswick	11.4	10.3	5.7	9.4
Quebec	633.4	567.6	258.4	10.4
Ontario	1,644.8	1,474.0	727.4	10.4
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
Canada¹	2,709.1	2,411.2	1,160.5	11.0

1. Canada includes all provinces and territories, however, data for the territories are not published to protect the confidentiality of survey respondents. The 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 definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 3
Summary statistics for public relations services, provinces and territories, 2010 to 2012

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2012 P				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	7.1	5.4	3.2	23.2
New Brunswick	x	x	x	x
Quebec	110.3	89.5	43.0	18.8
Ontario	337.1	288.2	150.3	14.5
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	31.3	25.3	12.0	19.1
British Columbia	63.3	54.1	24.2	14.6
Canada 1	562.2	473.7	237.5	15.7
2011 r				
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	100.6	84.5	40.2	16.0
Ontario	325.2	280.7	151.2	13.7
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	29.3	22.8	10.9	22.0
British Columbia	65.7	55.1	22.5	16.3
Canada 1	540.7	459.7	232.7	15.0
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
Canada 1	526.3	452.8	235.5	14.0

1. Canada includes all provinces and territories, however, data for the territories are not published to protect the confidentiality of survey respondents. The 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 definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 4
Summary statistics for media buying agencies and media representatives, provinces and territories, 2010 to 2012

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2012 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	107.2	88.8	41.5	17.1
Ontario	293.7	240.3	128.5	18.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	10.4	8.6	4.0	16.9
British Columbia	37.7	34.1	16.3	9.6
Canada 1	458.6	379.4	192.6	17.3
2011 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	86.8	74.5	35.6	14.2
Ontario	289.6	233.4	123.9	19.4
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	9.5	8.5	3.9	10.9
British Columbia	35.6	33.7	15.0	5.3
Canada 1	430.7	357.4	180.7	17.0
2010 r				
Newfoundland and Labrador
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
Canada 1	421.3	354.5	157.6	15.9

1. Canada includes all provinces and territories, however, data for the territories are not published to protect the confidentiality of survey respondents. The 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 definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 5
Summary statistics for display advertising, provinces and territories, 2010 to 2012

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2012 P				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	12.3	9.2	1.5	24.9
New Brunswick	x	x	x	x
Quebec	177.2	164.9	42.6	6.9
Ontario	448.4	468.1	99.6	-4.4
Manitoba	17.7	13.8	2.6	22.4
Saskatchewan	19.0	13.1	2.5	31.2
Alberta	105.2	80.0	15.4	23.9
British Columbia	80.5	62.9	10.7	21.8
Canada 1	862.9	814.2	175.7	5.6
2011 r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	10.4	8.3	1.5	19.8
New Brunswick	x	x	x	x
Quebec	182.4	157.4	40.6	13.7
Ontario	454.7	443.1	98.1	2.6
Manitoba	15.9	13.5	3.4	15.5
Saskatchewan	16.6	12.3	1.9	26.1
Alberta	98.8	73.2	15.4	26.0
British Columbia	72.1	57.4	9.9	20.3
Canada 1	853.9	767.7	171.6	10.1
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
Canada 1	885.0	777.8	167.2	12.1

1. Canada includes all provinces and territories, however, data for the territories are not published to protect the confidentiality of survey respondents. The 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 definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 6
Summary statistics for direct mail advertising and advertising material distribution services, provinces and territories, 2010 to 2012

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2012 p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	7.3	6.5	2.6	10.6
New Brunswick	x	x	x	x
Quebec	292.5	262.9	54.6	10.1
Ontario	471.1	474.2	113.0	-0.7
Manitoba	6.5	7.6	2.5	-15.8
Saskatchewan	x	x	x	x
Alberta	42.5	41.7	9.7	1.9
British Columbia	72.8	75.2	22.3	-3.3
Canada 1	907.4	881.9	209.3	2.8
2011 r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	6.4	6.1	2.2	5.5
New Brunswick	x	x	x	x
Quebec	286.8	253.5	53.8	11.6
Ontario	468.6	438.9	103.8	6.3
Manitoba	5.7	5.7	2.1	-1.2
Saskatchewan	x	x	x	x
Alberta	39.0	34.4	7.7	11.7
British Columbia	59.3	54.0	17.7	8.8
Canada 1	879.7	805.7	191.3	8.4
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
Canada 1	834.7	749.2	182.8	10.2

1. Canada includes all provinces and territories, however, data for the territories are not published to protect the confidentiality of survey respondents. The 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 definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 7
Summary statistics for specialty advertising distributors, provinces and territories, 2010 to 2012

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2012 P				
Newfoundland and Labrador	7.0	6.8	1.6	3.0
Prince Edward Island	x	x	x	x
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	102.3	97.6	17.6	4.6
Ontario	387.8	376.8	79.6	2.8
Manitoba	21.8	20.3	3.7	7.1
Saskatchewan	16.1	14.5	2.8	9.6
Alberta	102.4	96.1	17.2	6.1
British Columbia	93.6	85.9	20.3	8.3
Canada 1	737.3	703.9	143.6	4.5
2011 r				
Newfoundland and Labrador	6.2	6.0	1.3	4.2
Prince Edward Island	x	x	x	x
Nova Scotia	x	x	x	x
New Brunswick	x	x	x	x
Quebec	102.4	99.7	17.6	2.6
Ontario	382.5	373.7	79.2	2.3
Manitoba	21.6	19.8	4.0	8.6
Saskatchewan	14.2	12.9	2.4	9.2
Alberta	88.5	82.8	16.6	6.5
British Columbia	99.5	90.3	17.8	9.2
Canada 1	720.8	690.4	139.6	4.2
2010 r				
Newfoundland and Labrador	6.5	6.4	1.4	1.9
Prince Edward Island	x	x	x	x
Nova Scotia	x	x	x	x
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
Canada 1	705.0	679.9	129.9	3.6

1. Canada includes all provinces and territories, however, data for the territories are not published to protect the confidentiality of survey respondents. The 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 definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 8
Summary statistics for all other services related to advertising, provinces and territories, 2010 to 2012

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2012 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	154.3	136.9	49.8	11.2
Ontario	493.7	455.8	172.9	7.7
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	56.2	44.7	16.5	20.4
British Columbia	47.5	39.6	12.1	16.6
Canada 1	770.6	692.9	259.1	10.1
2011 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	147.5	133.1	52.5	9.8
Ontario	464.7	432.5	173.9	6.9
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	47.8	42.6	14.2	10.9
British Columbia	39.6	32.0	9.7	19.3
Canada 1	716.9	654.8	258.1	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
Canada 1	696.9	628.4	260.4	9.8

1. Canada includes all provinces and territories, however, data for the territories are not published to protect the confidentiality of survey respondents. The 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 definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 9
Expenditures as a percentage of operating expenses, for the advertising and related services industry, Canada, 2011 and 2012

	2011 ^r	2012 ^p
	percent	
Salaries, wages and benefits	40.7	41.0
Commissions paid to non-employees	1.3	1.2
Professional and business services fees	3.4	3.5
Subcontract expenses	8.7	9.3
Charges for services provided by head offices	F	F
Cost of goods sold	18.5	18.7
Office supplies	1.5	1.4
Rental and leasing	5.7	5.6
Repair and maintenance	2.6	2.4
Insurance	F	F
Advertising, marketing and promotions	1.6	1.5
Travel, meals and entertainment	1.9	2.0
Utilities and telecommunications expenses	1.6	1.6
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	5.0	4.3
Total operating expenses¹	100.0	100.0

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. 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. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 10
Expenditures as a percentage of operating expenses, for advertising agencies, Canada, 2011 and 2012

	2011 ^r	2012 ^p
	percent	
Salaries, wages and benefits	54.7	57.1
Commissions paid to non-employees	F	F
Professional and business services fees	4.7	4.5
Subcontract expenses	7.1	8.3
Charges for services provided by head offices	F	F
Cost of goods sold	4.3	2.9
Office supplies	1.9	1.8
Rental and leasing	4.5	5.1
Repair and maintenance	3.3	2.8
Insurance	F	F
Advertising, marketing and promotions	1.7	1.6
Travel, meals and entertainment	2.3	2.4
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	1.9	2.2
Bad debts	F	F
All other expenses	7.2	5.4
Total operating expenses¹	100.0	100.0

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 541810. 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. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 11
Expenditures as a percentage of operating expenses, for public relations services, Canada, 2011 and 2012

	2011 ^r	2012 ^p
	percent	
Salaries, wages and benefits	52.6	52.3
Commissions paid to non-employees	x	x
Professional and business services fees	4.2	3.9
Subcontract expenses	6.0	6.4
Charges for services provided by head offices	x	F
Cost of goods sold	8.3	9.0
Office supplies	1.8	1.8
Rental and leasing	5.7	5.5
Repair and maintenance	2.2	1.8
Insurance	F	F
Advertising, marketing and promotions	1.6	1.5
Travel, meals and entertainment	3.3	3.3
Utilities and telecommunications expenses	1.7	1.6
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	F	x
Delivery, warehousing, postage and courier	x	x
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	1.7	1.6
Bad debts	F	F
All other expenses	7.5	8.0
Total operating expenses¹	100.0	100.0

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 541820. 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. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 12
Expenditures as a percentage of operating expenses, for media buying agencies and media representatives, Canada, 2011 and 2012

	2011 ^r	2012 ^p
	percent	
Salaries, wages and benefits	60.1	59.2
Commissions paid to non-employees	x	x
Professional and business services fees	6.4	7.6
Subcontract expenses	2.8	4.0
Charges for services provided by head offices	2.3	F
Cost of goods sold	F	F
Office supplies	1.8	1.8
Rental and leasing	5.1	5.0
Repair and maintenance	3.2	4.0
Insurance	F	F
Advertising, marketing and promotions	2.7	1.4
Travel, meals and entertainment	2.2	2.2
Utilities and telecommunications expenses	F	F
Property and business taxes, licences and permits	F	x
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	3.7	3.4
Bad debts	x	F
All other expenses	5.2	4.6
Total operating expenses¹	100.0	100.0

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) categories 541830 and 541840. 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. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 13
Expenditures as a percentage of operating expenses, for display advertising, Canada, 2011 and 2012

	2011 ^r	2012 ^p
	percent	
Salaries, wages and benefits	21.9	21.5
Commissions paid to non-employees	3.0	2.1
Professional and business services fees	1.6	1.8
Subcontract expenses	4.8	6.0
Charges for services provided by head offices	F	x
Cost of goods sold	23.2	24.3
Office supplies	F	F
Rental and leasing	17.3	15.0
Repair and maintenance	3.4	4.3
Insurance	F	F
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	F	F
Utilities and telecommunications expenses	1.9	1.8
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	F	F
Amortization and depreciation of tangible and intangible assets	9.4	9.1
Bad debts	x	F
All other expenses	3.4	3.8
Total operating expenses¹	100.0	100.0

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 541850. 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. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 14
Expenditures as a percentage of operating expenses, for direct mail advertising and advertising material distribution services, Canada, 2011 and 2012

	2011 ^r	2012 ^p
	percent	
Salaries, wages and benefits	23.8	23.8
Commissions paid to non-employees	F	F
Professional and business services fees	1.6	2.1
Subcontract expenses	28.0	27.1
Charges for services provided by head offices	x	F
Cost of goods sold	23.7	24.7
Office supplies	x	F
Rental and leasing	3.6	3.6
Repair and maintenance	2.0	1.4
Insurance	F	F
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	1.2	1.3
Utilities and telecommunications expenses	1.0	1.0
Property and business taxes, licences and permits	F	x
Royalties, rights, licensing and franchise fees	x	x
Delivery, warehousing, postage and courier	4.5	4.5
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	2.4	1.8
Bad debts	F	F
All other expenses	2.7	2.4
Total operating expenses¹	100.0	100.0

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) categories 541860 and 541870. 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. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 15
Expenditures as a percentage of operating expenses, for specialty advertising distributors, Canada, 2011 and 2012

	2011 ^r	2012 ^p
	percent	
Salaries, wages and benefits	20.8	20.6
Commissions paid to non-employees	2.9	2.7
Professional and business services fees	1.4	1.7
Subcontract expenses	F	F
Charges for services provided by head offices	x	x
Cost of goods sold	57.8	58.5
Office supplies	1.4	1.3
Rental and leasing	2.4	2.2
Repair and maintenance	1.2	1.2
Insurance	F	F
Advertising, marketing and promotions	1.6	1.6
Travel, meals and entertainment	1.1	1.0
Utilities and telecommunications expenses	2.6	2.7
Property and business taxes, licences and permits	x	x
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	1.1	1.2
Bad debts	F	x
All other expenses	2.2	2.3
Total operating expenses¹	100.0	100.0

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 541891. 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. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 16
Expenditures as a percentage of operating expenses, for all other services related to advertising, Canada, 2011 and 2012

	2011 ^r	2012 ^p
	percent	
Salaries, wages and benefits	40.7	39.0
Commissions paid to non-employees	F	F
Professional and business services fees	3.6	3.7
Subcontract expenses	7.2	6.5
Charges for services provided by head offices	x	x
Cost of goods sold	28.1	29.8
Office supplies	1.2	1.3
Rental and leasing	2.6	3.0
Repair and maintenance	1.3	1.5
Insurance	F	F
Advertising, marketing and promotions	1.9	1.8
Travel, meals and entertainment	2.2	2.2
Utilities and telecommunications expenses	1.2	1.1
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	2.0	2.0
Bad debts	F	x
All other expenses	3.3	3.3
Total operating expenses¹	100.0	100.0

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 541899. 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. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

Table 17
Sales by type of client for the advertising and related services industry, Canada, 2011 and 2012

	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							
2012 ^p								
Sales to businesses	85.3	85.1	71.3	85.8	93.3	83.7	81.2	93.0
Sales to individuals and households	1.0	F	F	x	x	x	3.0	F
Sales to governments, not-for-profit organizations and public institutions	7.3	6.9	12.8	6.1	5.2	F	10.2	F
Sales outside Canada (exports)	6.4	F	F	x	x	x	5.6	3.8
Total sales to all clients	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2011 ^r								
Sales to businesses	84.8	82.5	71.5	87.1	94.4	84.3	82.4	93.6
Sales to individuals and households	F	F	x	x	x	F	2.5	F
Sales to governments, not-for-profit organizations and public institutions	7.9	9.4	11.7	6.4	4.6	F	8.0	F
Sales outside Canada (exports)	F	F	x	x	x	5.3	7.1	3.3
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. 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. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

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

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 2012 was 1092 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 comparability. In general, this includes a detailed review of individual responses (especially for the largest companies), general economic conditions, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any information it collects which could identify any person, business, or organization, unless consent has been given by the respondent or as permitted by the Statistics Act. 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 80.9%. 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)

Release date: January 2014

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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