

Service bulletin

Advertising and Related Services

2006



Highlights

- Operating revenues for the advertising and related services sector rose 5.7% nationally to \$5.7 billion in 2006. While there was growth in all the provinces, increases in British Columbia, Alberta and Saskatchewan were above the national growth rate for a second consecutive year.
- Operating expenses for the sector reached \$5.1 billion, up 4.5% from the previous year. Employee salaries, wages and benefits, which represent 35% of the sector's operating expenses, rose 8.6%.
- The national operating profit margin for the sector rose from 8.0% in 2005 to 9.1% in 2006. All provinces west of Ontario posted an operating profit margin higher than the national rate of 9.1%.
- Provincially, Ontario accounted for the majority of operating revenues of the sector (57.2%), followed by Quebec (24.1%) and British Columbia (8.0%). Between 2002 and 2006, the growth in operating revenues in Quebec was lower than the national rate, resulting in a decline in its share of national revenues from 26.5% in 2002 to 24.1% in 2006. Over the same period, Alberta's share rose from 5.5% to 6.4%.

Note: The 2006 release of results from the Annual Survey of Service Industries: Advertising and Related Services marks the first time that information is being made available for individual industries of the sector. These data are now available at the provincial level, subject to confidentiality and quality guidelines.

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



Statistical tables

Table 1

Summary statistics for the advertising and related services industry, by province and territory, 2004 to 2006¹

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2006 p					
Newfoundland and Labrador	32.3	30.8	15.4	4.7	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	57.6	50.2	20.7	12.8	x
New Brunswick	22.3	20.1	8.7	9.8	x
Quebec	1,366.10	1,261.50	443.3	7.7	x
Ontario	3,242.10	2,952.40	1,200.10	8.9	x
Manitoba	67.9	61.3	19.3	9.6	x
Saskatchewan	57.4	50	18.2	12.8	x
Alberta	360	310.7	106.3	13.7	x
British Columbia	453.5	406.5	141.1	10.4	x
Territories ²	x	x	x	x	x
Canada	5,664.1	5,147.7	1,974.6	9.1	x
2005 r					
Newfoundland and Labrador	30.2	28.7	13.1	4.7	63
Prince Edward Island	x	x	x	x	x
Nova Scotia	54.2	48.6	19.3	10.3	160
New Brunswick	21.2	19	9.4	10.4	82
Quebec	1,347.60	1,204.00	411.5	10.7	3,144
Ontario	3,040.80	2,844.30	1,101.70	6.5	5,473
Manitoba	66.8	59	18.7	11.7	240
Saskatchewan	54.1	47.5	16	12.1	141
Alberta	332.2	297.1	95	10.6	1022
British Columbia	405.9	376.5	133.2	7.2	1,369
Territories ²	x	x	x	x	x
Canada	5,356.6	4,927.9	1,818.9	8.0	11,724
2004 r					
Newfoundland and Labrador	29	26.2	12.5	9.6	64
Prince Edward Island	x	x	x	x	x
Nova Scotia	51.6	46.6	19.7	9.6	175
New Brunswick	22	20.2	9	8.2	85
Quebec	1,275.90	1,148.70	422.6	10	3,093
Ontario	2,880.10	2,628.50	1,065.50	8.7	5,372
Manitoba	61.9	53.3	16.2	13.9	240
Saskatchewan	51.9	46.4	16.1	10.6	166
Alberta	270.8	241.8	76.9	10.7	989
British Columbia	364.1	323.4	105.5	11.2	1,434
Territories ²	x	x	x	x	x
Canada	5,012.8	4,540.1	1,745.3	9.4	11,650

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2004 and 2005 have been revised.

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

Note(s): According to the North American Industry Classification System (NAICS 5418). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 2
Summary statistics for media buying agencies and media representatives, by province and territory, 2004 to 2006¹

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2006 p					
Atlantic provinces ²	x	x	x	x	x
Quebec	80.8	74.4	34.6	14	x
Ontario	187	164.1	97.9	13.9	x
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	8	6.6	3	16.5	x
British Columbia	16.3	13.6	8	19.9	x
Territories ³	x	x	x	x	x
Canada	295.5	261.8	144.6	14.4	x
2005 r					
Atlantic provinces ²	x	x	x	x	x
Quebec	69.1	61.5	26.6	11	188
Ontario	186.6	172.3	79.4	7.7	254
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	7.7	6.7	2.4	13	41
British Columbia	16.9	13.3	8	21.2	71
Territories ³	x	x	x	x	x
Canada	284.7	257.6	118.3	9.5	579
2004 r					
Atlantic provinces ²	x	x	x	x	x
Quebec	66.6	57.3	26.4	7.9	177
Ontario	149.1	128.5	60.4	12.2	275
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	6.4	5.4	2	17.7	41
British Columbia	14.7	11.8	5.6	16.5	75
Territories ³	x	x	x	x	x
Canada	241.7	206.9	96.3	11.4	596

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2004 and 2005 have been revised.

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

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

Note(s): According to the North American Industry Classification System (NAICS 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. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 3
Summary statistics for advertising agencies, by province and territory, 2004 to 2006¹

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2006 p					
Newfoundland and Labrador	23.2	22.3	12.6	3.8	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	26.8	23.3	12.4	13.0	x
New Brunswick	15.5	14.0	6.7	9.7	x
Quebec	583.3	527.0	239.6	9.5	x
Ontario	1500.0	1358.2	685.2	8.7	x
Manitoba	19.8	18.0	7.9	15.1	x
Saskatchewan	25.1	21.3	11.4	14.5	x
Alberta	121.5	103.9	53.3	10.8	x
British Columbia	159.5	142.2	65.7	19.8	x
Territories ²	x	x	x	x	x
Canada	2,478.1	2,233.3	1,096.0	9.9	x
2005 r					
Newfoundland and Labrador	20.8	20.2	11.0	2.8	30
Prince Edward Island	x	x	x	x	x
Nova Scotia	25	22.3	11.1	10.6	72
New Brunswick	15	13.6	7.6	11.1	40
Quebec	601.9	535.2	226.4	7.2	1,370
Ontario	1,416.00	1,314.60	608.3	16.5	2,632
Manitoba	18.7	15.6	7.1	12.8	107
Saskatchewan	25.6	22.3	10.4	10.2	57
Alberta	117.6	105.6	47.8	7.3	396
British Columbia	145.5	134.9	64.3	10.5	580
Territories ²	x	x	x	x	x
Canada	2,388.8	2,186.8	994.6	8.5	5,297
2004 r					
Newfoundland and Labrador	19.9	18.0	10.6	9.7	33
Prince Edward Island	x	x	x	x	x
Nova Scotia	24.3	22.3	11.9	8.3	71
New Brunswick	15.5	14.6	7.6	11.1	43
Quebec	564.5	501.7	232.5	10.5	1,333
Ontario	1,346.50	1,205.60	598.6	20.5	2,527
Manitoba	17.1	13.6	4.7	14.1	103
Saskatchewan	21.6	18.5	8.8	12.1	65
Alberta	87.7	77.0	37.4	12.5	383
British Columbia	129.3	113.2	48.5	31.8	630
Territories ²	x	x	x	x	x
Canada	2,231.0	1,988.7	961.7	10.9	5,208

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2004 and 2005 have been revised.

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

Note(s): According to the North American Industry Classification System (NAICS 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. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 4
Summary statistics for public relations services, by province and territory, 2004 to 2006¹

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2006 p					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	4.5	4.1	2.4	8.5	x
New Brunswick	x	x	x	x	x
Quebec	70.2	60.4	26.9	13.9	x
Ontario	197.9	171	86.4	13.6	x
Manitoba	3.4	3.3	1.6	3.7	x
Saskatchewan	x	x	x	x	x
Alberta	22.8	17.7	9.4	22.3	x
British Columbia	55.7	48.4	20.2	13.2	x
Territories ²	x	x	x	x	x
Canada	361.2	310.7	149.7	14.0	x
2005 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	3.8	3.4	1.9	12.2	22
New Brunswick	x	x	x	x	x
Quebec	72.2	58	26.5	19.7	335
Ontario	182.6	164.4	83.4	10	536
Manitoba	3	3	0.9	-1.2	12
Saskatchewan	x	x	x	x	x
Alberta	15.8	13.2	7.3	16.2	122
British Columbia	41.9	35.8	15.4	14.5	193
Territories ²	x	x	x	x	x
Canada	325.6	283.3	137.4	13.0	1,249
2004 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	2.8	2.4	1.4	16.8	16
New Brunswick	x	x	x	x	x
Quebec	75.9	64.7	30.6	14.8	301
Ontario	191.3	158.9	80.7	17	516
Manitoba	2.1	1.7	0.5	19.2	13
Saskatchewan	x	x	x	x	x
Alberta	12.2	9.5	5.5	22.1	89
British Columbia	35.4	28.7	13.8	19	181
Territories ²	x	x	x	x	x
Canada	325.1	270.7	134.2	16.7	1,140

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2004 and 2005 have been revised.

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

Note(s): According to the North American Industry Classification System (NAICS 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. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 5
Summary statistics for display advertising, by province and territory, 2004 to 2006¹

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2006 p					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	9.6	7.9	1.7	18.4	x
New Brunswick	x	x	x	x	x
Quebec	163.3	170.7	37.6	-4.6	x
Ontario	371.8	337.8	62.5	9.2	x
Manitoba	14.9	11.6	2.7	22.4	x
Saskatchewan	10.4	8	1.1	23.4	x
Alberta	79.3	62.8	13.7	20.8	x
British Columbia	62.1	53.8	11.1	13.3	x
Territories ²	x	x	x	x	x
Canada	713.5	654.5	130.9	8.3	x
2005 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	7.3	7	1.7	4.3	17
New Brunswick	x	x	x	x	x
Quebec	149.9	143.8	30.4	4.1	182
Ontario	304.9	294.3	55.1	3.5	356
Manitoba	14.4	10.8	2.3	25.4	22
Saskatchewan	6.3	4.8	0.8	23.7	24
Alberta	70.6	57.9	13.3	18	111
British Columbia	54.2	48	10.2	11.4	101
Territories ²	x	x	x	x	x
Canada	609.4	568.1	114.3	6.8	829
2004 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	5.9	5.5	1.2	5.5	19
New Brunswick	x	x	x	x	x
Quebec	139.8	139.8	31.8	0.3	192
Ontario	287.2	283.4	61.3	1.3	351
Manitoba	12.2	9.4	2.2	22.4	24
Saskatchewan	5.2	4.1	0.7	21.9	23
Alberta	61.6	53.2	12.2	13.7	103
British Columbia	46.1	42.5	9.4	7.9	95
Territories ²	x	x	x	x	x
Canada	559.7	539.0	119.3	3.7	823

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2004 and 2005 have been revised.

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

Note(s): According to the North American Industry Classification System (NAICS 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. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 6
Summary statistics for direct mail advertising, by province and territory, 2004 to 2006¹

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2006 p					
Atlantic provinces ²	x	x	x	x	x
Quebec	66.2	63.8	18	3.7	x
Ontario	210.6	204.6	73.6	2.8	x
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	9.7	10.9	3.7	-12.6	x
British Columbia	27.7	24.4	9.5	11.8	x
Territories ³	x	x	x	x	x
Canada	329.7	318.5	110.7	3.4	x
2005 r					
Atlantic provinces ²	x	x	x	x	x
Quebec	55.5	53.2	17	4.3	40
Ontario	198.9	191.8	71.6	3.6	92
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	9.8	10	2.7	-2.1	12
British Columbia	23.7	22.3	7.7	6.2	20
Territories ³	x	x	x	x	x
Canada	304.2	291.7	104.4	4.1	179
2004 r					
Atlantic provinces ²	x	x	x	x	x
Quebec	50.6	47.2	16.6	6.8	40
Ontario	192.6	189.8	66.1	1.5	101
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	9.1	10.6	2.3	-15.6	15
British Columbia	22.5	20.7	6.4	8	23
Territories ³	x	x	x	x	x
Canada	290.8	283.0	97.1	2.7	194

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2004 and 2005 have been revised.

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

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

Note(s): According to the North American Industry Classification System (NAICS 541860). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 7
Summary statistics for advertising material distribution services, by province and territory, 2004 to 2006¹

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars		percent		number
2006 p					
Atlantic provinces ²	x	x	x	x	x
Quebec	183.4	151.9	34.3	17.2	x
Ontario	136.1	121.1	34.9	11.1	x
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	6.5	5.9	1.3	8.3	x
British Columbia	6.6	6.8	2.9	-2.4	x
Territories ³	x	x	x	x	x
Canada	334.7	287.4	76.8	14.1	x
2005 r					
Atlantic provinces ²	x	x	x	x	x
Quebec	174.6	144.8	33.4	17.1	239
Ontario	128.1	117.7	37.2	8.2	127
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	6.8	6.5	1.1	4.7	24
British Columbia	7.1	7.1	2.7	-0.2	16
Territories ³	x	x	x	x	x
Canada	318.4	277.4	74.6	12.8	429
2004 r					
Atlantic provinces ²	x	x	x	x	x
Quebec	174.7	148.8	37.2	14.8	262
Ontario	126.7	111.1	42.3	12.3	114
Manitoba	x	x	x	x	x
Saskatchewan	x	x	x	x	x
Alberta	5.3	4.7	0.9	11.4	22
British Columbia	7.1	6.5	1.5	8.9	15
Territories ³	x	x	x	x	x
Canada	320.5	276.9	83.8	13.6	443

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2004 and 2005 have been revised.

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

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

Note(s): According to the North American Industry Classification System (NAICS 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. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 8
Summary statistics for specialty advertising distributors, by province and territory, 2004 to 2006¹

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2006 p					
Newfoundland and Labrador	5.8	5.6	1.1	3.2	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	6.3	6.1	1	4.6	x
New Brunswick	x	x	x	x	x
Quebec	85.5	80.7	12.8	5.6	x
Ontario	327.3	322.8	66.9	1.4	x
Manitoba	20.1	19.5	4.2	3	x
Saskatchewan	11	10.5	2.2	4.7	x
Alberta	78.9	74.8	14.2	5.2	x
British Columbia	91.3	88.2	16.2	3.4	x
Territories ²	x	x	x	x	x
Canada	627.7	609.7	119.1	2.9	x
2005 r					
Newfoundland and Labrador	6.3	6.2	1.2	1.7	17
Prince Edward Island	x	x	x	x	x
Nova Scotia	7.9	7.4	1.5	7.2	14
New Brunswick	x	x	x	x	x
Quebec	95.6	91.1	15.3	4.7	213
Ontario	321.6	319.3	70.6	0.7	353
Manitoba	20	19.3	4.3	3.3	29
Saskatchewan	9.9	9.6	1.9	3	18
Alberta	73.2	69.7	13.8	4.8	141
British Columbia	81	85.1	17.1	-5	112
Territories ²	x	x	x	x	x
Canada	617.1	609.2	126.0	1.3	906
2004 r					
Newfoundland and Labrador	5.9	5.7	1	2.9	10
Prince Edward Island	x	x	x	x	x
Nova Scotia	7	6.7	1.8	3.8	13
New Brunswick	x	x	x	x	x
Quebec	97.8	93.2	16.7	4.7	189
Ontario	299.4	287.8	62.6	3.9	318
Manitoba	16.2	15.5	3.6	4.2	33
Saskatchewan	10.6	10.5	2.7	1	17
Alberta	63	60.5	11.4	3.9	129
British Columbia	72.6	70.2	13.3	3.4	114
Territories ²	x	x	x	x	x
Canada	575.3	552.5	113.5	4.0	835

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2004 and 2005 have been revised.

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

Note(s): According to the North American Industry Classification System (NAICS 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. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 9
Summary statistics for all other services related to advertising, by province and territory, 2004 to 2006¹

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2006 p					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	4.6	3.6	1.3	22.2	x
New Brunswick	1.2	1	0.3	18.9	x
Quebec	133.5	132.5	39.4	0.7	x
Ontario	311.5	272.9	92.6	12.4	x
Manitoba	4.6	4.1	0.8	11	x
Saskatchewan	x	x	x	x	x
Alberta	33.3	28	7.6	15.7	x
British Columbia	34.3	29.2	7.6	15	x
Territories ²	x	x	x	x	x
Canada	523.6	471.9	149.9	9.9	x
2005 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	4.3	3.7	1.3	13.4	19
New Brunswick	1	0.8	0.2	17.3	14
Quebec	128.8	116.3	36	9.7	577
Ontario	302.1	270	96.2	10.6	1,124
Manitoba	4.4	4	0.8	8.9	46
Saskatchewan	x	x	x	x	x
Alberta	30.7	27.5	6.4	10.4	175
British Columbia	35.5	30	8	15.6	277
Territories ²	x	x	x	x	x
Canada	508.5	453.8	149.3	10.7	2,255
2004 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	4.3	3.3	1.3	22.6	35
New Brunswick	0.8	0.7	0.1	14.7	11
Quebec	106	96.4	30.9	9.1	608
Ontario	287.2	263.5	93.5	8.2	1,172
Manitoba	4.8	4.4	0.8	7.8	46
Saskatchewan	x	x	x	x	x
Alberta	25.5	21	5.1	17.8	208
British Columbia	36.4	29.9	6.9	17.7	302
Territories ²	x	x	x	x	x
Canada	468.7	422.3	139.4	9.9	2,430

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2004 and 2005 have been revised.

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

Note(s): According to the North American Industry Classification System (NAICS 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. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Data sources, definitions and methodology

The following information is to ensure a clear understanding of the basic concepts that are being measured, the underlying survey methodology (how the concepts are measured), and key aspects of data quality. This information will provide a better understanding of the strengths and limitations of the data, and of how they can be effectively analysed and used. The information may be of particular importance when making comparisons with data from other surveys or sources of information, and in drawing conclusions regarding changes over time.

Description

This annual sample survey collects the financial and operating data needed to produce statistics on the advertising and related services industry in Canada. The survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client. These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the advertising and related services industry in Canada. The results from this survey provide data to businesses, governments, investors, and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

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 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 2006 was 1,707 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.

Data quality

While considerable effort is made to ensure high standards throughout all stages of collection and processing, the resulting estimates are inevitably subject to a certain degree of error. These errors can be broken down into two major types: non-sampling and sampling.

Non-sampling error is not related to sampling and may occur for many reasons. For example, non-response is an important source of non-sampling error. Population coverage, differences in the interpretation of questions, incorrect information from respondents, and mistakes in recording, coding and processing data are other examples of non-sampling errors.

Sampling error occurs because population estimates are derived from a sample of the population rather than the entire population. Sampling error depends on factors such as sample size, sampling design, and the method of estimation. An important property of probability sampling is that sampling error can be computed from the sample itself by using a statistical measure called the coefficient of variation (CV). The assumption is that over repeated surveys, the relative difference between a sample estimate and the estimate that would have been obtained from an enumeration of all units in the universe would be less than twice the CV, 95 times out of 100. The range of acceptable data values yielded by a sample is called a confidence interval. Confidence intervals can be constructed around the estimate using the CV. First, we calculate the standard error by multiplying the sample estimate by the CV. The sample estimate plus or minus twice the standard error is then referred to as a 95% confidence interval.

For this survey, the CVs are excellent (less than 5%) for operating revenue and operating expenses and wages, salaries and benefits of employees variables.

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 79.3%. CVs were calculated for each estimate and are available upon request.

Related products**CANSIM**

Available on CANSIM: table 360-0003 - Advertising and related services, summary statistics, by North American Industry Classification System (NAICS), annual (715 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: November 2008

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

To access this product

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Frequency: Annual / ISSN 1916-9914

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La version française de cette publication est disponible sur demande (n° 63-257-X au catalogue).

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