

Service bulletin

Advertising and Related Services

2007



Highlights

- Operating revenues for the advertising and related services sector rose by 3.9% in 2007 to reach nearly \$5.9 billion. Growth was most rapid in Western Canada, where in each of the four provinces the industry expanded at a more rapid rate than it did in Canada overall. In contrast, the industry grew by only 2.2% in Quebec.
- Since the industry's operating expenses grew at a slower rate than its revenues, its' operating profit margin rose for the second straight year, this time to reach 9.6%.
- Salaries, wages and benefits paid by the advertising services industry increased by 4.3% in 2007, and comprised 38.3% of all of the industry's operating expenses, up from 37.9% in 2006.
- Among the various types of advertising services, revenue growth in 2007 was most pronounced for specialty advertising distributors (+10%), advertising material distribution service providers (+7%) and media buying agencies and media representatives (+7%). On the other hand, the direct mail advertisers industry recorded little growth in 2007.
- The 14.6% operating profit margin for advertising material distribution service providers sharply exceeded the overall industry average. In contrast, specialty advertising distributors reported an operating profit margin of just 3.2%.

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



Statistical tables

Table 1

Summary statistics for the advertising and related services industry, by province and territory, 2005 to 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2007 ^p				
Newfoundland and Labrador	35.2	31.6	14.5	10.2
Prince Edward Island	x	x	x	x
Nova Scotia	62.2	53.2	21.6	14.5
New Brunswick	28.0	25.7	12.0	8.3
Quebec	1,399.2	1,228.7	441.4	12.2
Ontario	3,363.4	3,101.6	1,246.5	7.8
Manitoba	79.2	65.4	20.5	17.4
Saskatchewan	58.9	50.2	20.1	14.7
Alberta	389.6	345.3	113.0	11.4
British Columbia	478.0	426.7	151.4	10.7
Territories ¹	x	x	x	x
Canada	5,899.2	5,332.7	2,042.7	9.6
2006 ^r				
Newfoundland and Labrador	31.9	30.4	15.2	4.8
Prince Edward Island	x	x	x	x
Nova Scotia	58.3	51.2	20.6	12.1
New Brunswick	22.6	20.4	8.9	9.7
Quebec	1,368.7	1,240.9	438.8	9.3
Ontario	3,249.2	2,984.1	1,187.3	8.2
Manitoba	75.6	65.0	20.9	14.0
Saskatchewan	52.5	44.7	15.8	14.9
Alberta	361.7	312.5	107.4	13.6
British Columbia	455.9	413.8	142.9	9.2
Territories ¹	x	x	x	x
Canada	5,680.4	5,166.3	1,959.3	9.0
2005 ^r				
Newfoundland and Labrador	30.2	28.7	13.1	4.7
Prince Edward Island	x	x	x	x
Nova Scotia	57.3	51.4	19.9	10.2
New Brunswick	21.2	19.0	9.4	10.4
Quebec	1,347.6	1,203.9	411.5	10.7
Ontario	3,054.3	2,857.3	1,104.8	6.4
Manitoba	67.5	59.7	18.8	11.6
Saskatchewan	54.1	47.5	16.0	12.1
Alberta	336.5	301.2	95.8	10.5
British Columbia	411.1	381.5	134.0	7.2
Territories ¹	x	x	x	x
Canada	5,383.5	4,953.7	1,824.2	8.0

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2005 and 2006 have been revised. 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, 2005 to 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2007 ^p				
Atlantic provinces ¹	x	x	x	x
Quebec	80.0	76.7	35.9	4.1
Ontario	237.9	221.0	113.1	7.1
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	9.4	8.2	3.1	12.9
British Columbia	16.8	14.9	8.3	11.3
Territories ²	x	x	x	x
Canada	351.0	326.3	162.5	7.1
2006 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	80.8	74.4	34.6	7.9
Ontario	215.8	193.1	104.3	10.6
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	8.0	6.9	3.0	13.3
British Columbia	16.7	13.9	8.1	16.8
Territories ²	x	x	x	x
Canada	330.9	293.5	151.9	11.3
2005 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	69.1	61.5	26.6	11.0
Ontario	186.6	172.3	79.4	7.7
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	7.7	6.7	2.4	13.0
British Columbia	16.9	13.3	8.0	21.2
Territories ²	x	x	x	x
Canada	284.7	257.6	118.3	9.5

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

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2005 and 2006 have been revised. 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, 2005 to 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2007 ^p				
Newfoundland and Labrador	26.5	23.2	11.7	12.6
Prince Edward Island	x	x	x	x
Nova Scotia	27.6	23.8	13.0	14.1
New Brunswick	17.5	15.7	8.9	10.3
Quebec	600.4	525.2	245.3	12.5
Ontario	1,514.3	1,392.1	694.9	8.1
Manitoba	22.5	17.8	7.6	21.1
Saskatchewan	23.1	19.8	12.2	14.3
Alberta	113.2	102.4	52.7	9.5
British Columbia	161.2	140.1	69.6	13.1
Territories ¹	x	x	x	x
Canada	2,509.3	2,262.3	1,116.7	9.8
2006 ^r				
Newfoundland and Labrador	23.1	22.3	12.6	3.8
Prince Edward Island	x	x	x	x
Nova Scotia	26.1	22.5	12.1	13.8
New Brunswick	14.8	13.4	6.5	9.8
Quebec	583.3	526.9	239.6	9.7
Ontario	1,473.0	1,343.0	654.3	8.8
Manitoba	21.2	19.2	8.7	9.5
Saskatchewan	21.1	17.9	9.1	15.1
Alberta	117.8	101.8	51.8	13.5
British Columbia	160.0	142.7	65.8	10.8
Territories ¹	x	x	x	x
Canada	2,443.1	2,211.9	1,061.5	9.5
2005 ^r				
Newfoundland and Labrador	20.8	20.2	11.0	2.8
Prince Edward Island	x	x	x	x
Nova Scotia	25.0	22.3	11.1	10.6
New Brunswick	15.0	13.6	7.6	9.2
Quebec	601.9	535.2	226.4	11.1
Ontario	1,416.0	1,314.6	608.3	7.2
Manitoba	18.7	15.6	7.1	16.5
Saskatchewan	25.6	22.3	10.4	12.8
Alberta	117.6	105.6	47.8	10.2
British Columbia	145.5	134.9	64.3	7.3
Territories ¹	x	x	x	x
Canada	2,388.8	2,186.8	994.6	8.5

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2005 and 2006 have been revised. 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, 2005 to 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2007^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	4.7	3.9	2.1	16.7
New Brunswick	x	x	x	x
Quebec	72.1	60.2	26.4	16.5
Ontario	195.0	173.9	88.8	10.8
Manitoba	3.0	2.6	1.3	11.9
Saskatchewan	x	x	x	x
Alberta	22.4	17.6	9.5	21.6
British Columbia	55.6	48.5	21.2	12.7
Territories ¹	x	x	x	x
Canada	359.9	313.3	152.4	12.9
2006^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	4.5	4.1	2.4	8.5
New Brunswick	x	x	x	x
Quebec	69.6	57.7	26.0	17.1
Ontario	188.4	163.9	84.6	13.0
Manitoba	2.9	3.0	1.6	-2.5
Saskatchewan	x	x	x	x
Alberta	21.9	16.8	8.9	23.3
British Columbia	55.4	48.1	20.2	13.2
Territories ¹	x	x	x	x
Canada	349.0	299.1	146.3	14.3
2005^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	3.8	3.4	1.9	12.2
New Brunswick	x	x	x	x
Quebec	72.2	58.0	26.5	19.7
Ontario	182.6	164.4	83.4	10.0
Manitoba	3.0	3.0	0.9	-1.2
Saskatchewan	x	x	x	x
Alberta	15.8	13.2	7.3	16.2
British Columbia	41.9	35.8	15.4	14.5
Territories ¹	x	x	x	x
Canada	325.6	283.3	137.4	13.0

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2005 and 2006 have been revised. 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, 2005 to 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2007 ^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	9.2	7.1	1.9	22.9
New Brunswick	x	x	x	x
Quebec	158.0	142.3	33.0	9.9
Ontario	369.6	340.9	67.2	7.8
Manitoba	16.9	11.7	2.8	30.8
Saskatchewan	10.6	6.9	1.3	34.8
Alberta	90.2	73.0	16.6	19.1
British Columbia	66.1	59.5	10.6	9.9
Territories ¹	x	x	x	x
Canada	722.9	643.7	134.0	11.0
2006 ^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	7.7	6.7	1.5	13.4
New Brunswick	x	x	x	x
Quebec	160.3	166.2	33.6	-3.7
Ontario	360.3	329.5	60.9	8.5
Manitoba	14.7	11.4	2.6	22.5
Saskatchewan	9.4	6.0	1.0	36.5
Alberta	81.3	64.1	15.5	21.1
British Columbia	58.3	50.2	10.2	13.9
Territories ¹	x	x	x	x
Canada	694.2	636.1	125.9	8.4
2005 ^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	7.3	7.0	1.7	4.3
New Brunswick	x	x	x	x
Quebec	149.9	143.8	30.4	4.1
Ontario	304.9	294.3	55.1	3.5
Manitoba	14.4	10.8	2.3	25.4
Saskatchewan	6.3	4.8	0.8	23.7
Alberta	70.6	57.9	13.3	18.0
British Columbia	54.2	48.0	10.2	11.4
Territories ¹	x	x	x	x
Canada	609.4	568.1	114.3	6.8

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2005 and 2006 have been revised. 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, 2005 to 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2007 ^p				
Atlantic provinces ¹	x	x	x	x
Quebec	64.1	60.4	18.9	5.8
Ontario	207.6	202.7	73.4	2.4
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	9.9	9.9	3.7	-0.1
British Columbia	28.8	24.9	10.1	13.7
Territories ²	x	x	x	x
Canada	327.1	313.6	112.3	4.1
2006 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	61.1	59.2	17.8	3.1
Ontario	213.5	207.1	76.2	3.0
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	9.9	10.0	3.1	-0.8
British Columbia	25.4	22.5	8.8	11.6
Territories ²	x	x	x	x
Canada	325.5	313.7	111.6	3.6
2005 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	55.5	53.2	17.0	4.3
Ontario	198.9	191.8	71.6	3.6
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	9.8	10.0	2.7	-2.1
British Columbia	23.7	22.3	7.7	6.2
Territories ²	x	x	x	x
Canada	304.2	291.7	104.4	4.1

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

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2005 and 2006 have been revised. 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, 2005 to 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2007 ^p				
Atlantic provinces ¹	x	x	x	x
Quebec	198.8	162.8	33.6	18.1
Ontario	143.4	128.9	33.0	10.1
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	7.5	6.6	1.4	11.9
British Columbia	8.1	7.2	3.0	11.1
Territories ²	x	x	x	x
Canada	360.5	308.0	71.7	14.6
2006 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	184.8	153.2	34.6	17.1
Ontario	136.1	130.0	34.9	4.4
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	6.5	5.9	1.3	8.3
British Columbia	6.6	6.8	2.7	-2.4
Territories ²	x	x	x	x
Canada	336.3	297.8	73.9	11.4
2005 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	174.6	144.8	33.4	17.1
Ontario	128.1	117.6	37.2	8.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	6.8	6.5	1.1	4.7
British Columbia	7.1	7.1	2.4	-0.2
Territories ²	x	x	x	x
Canada	318.4	277.5	74.6	12.8

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

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2005 and 2006 have been revised. 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, 2005 to 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2007^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	6.9	6.4	0.9	7.7
New Brunswick	x	x	x	x
Quebec	102.8	93.4	13.9	9.1
Ontario	383.2	387.1	83.2	-1.0
Manitoba	24.0	22.4	4.5	6.4
Saskatchewan	13.5	12.6	2.8	6.7
Alberta	99.1	92.9	17.4	6.2
British Columbia	104.0	95.1	20.0	8.6
Territories ¹	x	x	x	x
Canada	742.0	718.3	144.8	3.2
2006^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	6.3	6.1	1.0	4.6
New Brunswick	x	x	x	x
Quebec	96.1	91.3	14.4	5.0
Ontario	350.7	344.7	79.5	1.7
Manitoba	20.9	20.2	4.2	3.2
Saskatchewan	11.0	10.5	2.2	4.7
Alberta	83.2	78.9	16.1	5.2
British Columbia	96.6	96.3	18.9	0.3
Territories ¹	x	x	x	x
Canada	672.8	655.7	138.1	2.5
2005^r				
Newfoundland and Labrador	6.3	6.2	1.2	1.7
Prince Edward Island	x	x	x	x
Nova Scotia	7.9	7.4	1.5	7.2
New Brunswick	x	x	x	x
Quebec	95.6	91.1	15.3	4.7
Ontario	335.1	332.4	73.7	0.8
Manitoba	20.7	20.0	4.3	3.3
Saskatchewan	9.9	9.6	1.9	3.0
Alberta	77.5	73.8	14.7	4.8
British Columbia	86.3	90.1	17.9	-4.4
Territories ¹	x	x	x	x
Canada	640.9	632.1	130.8	1.4

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2005 and 2006 have been revised. 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, 2005 to 2007

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2007^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	8.4	7.1	1.9	15.4
New Brunswick	1.9	1.7	0.4	11.3
Quebec	123.1	107.8	34.6	12.4
Ontario	312.4	255.0	93.0	18.4
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	37.9	34.7	8.7	8.4
British Columbia	37.4	36.5	8.6	2.4
Territories ¹	x	x	x	x
Canada	526.4	447.2	148.3	15.1
2006^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	7.9	6.6	1.9	16.1
New Brunswick	1.2	1.0	0.3	18.9
Quebec	132.8	111.9	38.3	15.7
Ontario	311.4	272.8	92.6	12.4
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	33.3	28.0	7.8	15.7
British Columbia	36.8	33.4	8.2	9.3
Territories ¹	x	x	x	x
Canada	528.7	458.5	150.0	13.3
2005^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	7.4	6.6	1.8	11.3
New Brunswick	1.0	0.8	0.2	17.3
Quebec	128.8	116.3	36.0	9.7
Ontario	302.1	270.0	96.2	10.6
Manitoba	4.4	4.0	0.8	8.9
Saskatchewan	x	x	x	x
Alberta	30.7	27.5	6.4	10.4
British Columbia	35.5	30.0	8.0	15.6
Territories ¹	x	x	x	x
Canada	511.6	456.7	149.9	10.7

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2005 and 2006 have been revised. 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 2007 was 1,014 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 79.6%. 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: April 2009

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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