

Service bulletin

Advertising and Related Services

2008



Highlights

- Operating revenues for the advertising and related services industry rose by 3.0% in 2008 to reach nearly \$6.7 billion.
- As in previous years, firms in Ontario accounted for most of the revenues generated by this industry at 57.0%. Second largest was Quebec at 22.5%, followed by British Columbia at 9.3%. In contrast, only 1.0% of the industry's revenues came from advertising firms in Saskatchewan.
- The business sector continued to be the largest client for the advertising industry making up 85.1% of the industry's sales.
- The industry's overall operating profit margin in Canada was 10.1%. The largest operating profit margin was earned by firms in Saskatchewan (18.6%), while the smallest for 2008 was in Newfoundland and Labrador at 3.6%.
- Operating expenses reached close to \$6.0 billion, up 2.7% from 2007.
- Salaries, wages and benefits paid by the advertising services industry increased by 3.1% from 2007, accounting for 38.8% of total operating expenses. This proportion resembled that of the previous year.
- Among the various types of advertising services, advertising agencies continued to generate the largest portion of the overall industry's operating revenue (42.2%), followed by specialty advertising distributors (12.8%) and display advertisers (12.1%). The smallest contributor to operating revenue was direct mail advertisers contributing 4.8%.
- Revenue growth in 2008 was most pronounced for advertising material distribution service providers (7.3%) and display advertising (5.9%). On the other hand, direct mail advertising providers experienced a decrease in revenues (-3.2%).
- The largest growth in operating expenses was for advertising material distribution services with an increase of 10.4% from 2007.
- Operating profit margins were largest for the advertising agencies (12.1%) and all other services related to advertising (11.7%), while smaller profit margins were seen for direct mail advertisers (2.3%) and specialty advertising distributors (3.3%).

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, 2006 to 2008

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008 p				
Newfoundland and Labrador	34.4	33.2	15.0	3.6
Prince Edward Island	x	x	x	x
Nova Scotia	66.8	61.7	25.7	7.7
New Brunswick	30.5	26.7	12.9	12.5
Quebec	1,496.1	1,337.0	484.5	10.6
Ontario	3,788.8	3,458.4	1,410.4	8.7
Manitoba	87.1	77.6	27.6	10.9
Saskatchewan	65.2	53.1	19.1	18.6
Alberta	451.1	379.9	123.5	15.8
British Columbia	620.2	538.7	194.4	13.1
Territories ¹	x	x	x	x
Canada	6,650.0	5,975.0	2,316.6	10.1
2007 r				
Newfoundland and Labrador	35.1	31.4	14.2	10.4
Prince Edward Island	x	x	x	x
Nova Scotia	60.2	52.0	21.4	13.5
New Brunswick	34.2	30.7	12.8	10.2
Quebec	1,454.0	1,266.5	463.0	12.9
Ontario	3,716.9	3,422.0	1,382.2	7.9
Manitoba	82.1	71.1	23.5	13.3
Saskatchewan	61.1	53.2	21.4	12.9
Alberta	424.8	360.6	120.0	15.1
British Columbia	580.5	523.4	187.3	9.8
Territories ¹	x	x	x	x
Canada	6,454.4	5,815.4	2,247.4	9.9
2006 r				
Newfoundland and Labrador	31.9	30.4	15.2	4.8
Prince Edward Island	x	x	x	x
Nova Scotia	55.4	48.7	20.2	12.0
New Brunswick	25.4	22.8	10.5	10.2
Quebec	1,406.5	1,279.8	460.9	9.0
Ontario	3,615.8	3,287.1	1,293.5	9.1
Manitoba	76.4	65.7	21.0	14.1
Saskatchewan	53.5	46.7	16.0	12.7
Alberta	385.1	330.9	112.5	14.1
British Columbia	538.4	484.0	157.0	10.1
Territories ¹	x	x	x	x
Canada	6,192.6	5,599.5	2,108.3	9.6

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 2006 and 2007 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 5418. See "Data sources, definitions and methodology" at the end of tables for 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. Starting with the 2006 annual data release, the methodology used to generate data estimates was modified to enhance the quality of these estimates. As a result, data for 2006 and subsequent years, are not comparable to data released prior to 2006.

Table 2
Summary statistics for advertising agencies, by province and territory, 2006 to 2008

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008^p				
Newfoundland and Labrador	23.1	22.1	12.2	4.3
Prince Edward Island	x	x	x	x
Nova Scotia	34.1	31.6	15.8	7.3
New Brunswick	15.8	13.8	7.8	12.5
Quebec	633.4	550.9	239.6	13.0
Ontario	1,686.4	1,487.0	779.6	11.8
Manitoba	34.3	32.1	15.6	6.5
Saskatchewan	24.0	16.9	10.2	29.8
Alberta	128.7	113.2	56.8	12.1
British Columbia	219.3	191.5	93.1	12.7
Territories ¹	x	x	x	x
Canada	2,806.4	2,465.9	1,233.3	12.1
2007^r				
Newfoundland and Labrador	26.7	23.3	11.7	12.5
Prince Edward Island	x	x	x	x
Nova Scotia	29.5	25.9	13.4	12.2
New Brunswick	20.7	18.9	8.6	8.6
Quebec	630.8	546.0	248.1	13.4
Ontario	1,649.2	1,504.0	748.7	8.8
Manitoba	28.0	22.9	10.9	18.1
Saskatchewan	25.1	21.4	13.2	14.7
Alberta	120.0	105.7	57.4	11.9
British Columbia	180.5	166.0	92.3	8.0
Territories ¹	x	x	x	x
Canada	2,713.4	2,436.5	1,205.2	10.2
2006^r				
Newfoundland and Labrador	23.1	22.3	12.6	3.8
Prince Edward Island	x	x	x	x
Nova Scotia	26.9	23.1	12.3	14.1
New Brunswick	14.8	13.4	6.5	9.8
Quebec	584.7	529.3	240.0	9.5
Ontario	1,606.5	1,410.6	684.7	12.2
Manitoba	21.2	19.2	8.7	9.5
Saskatchewan	21.1	17.9	9.1	15.1
Alberta	116.3	100.8	51.1	13.4
British Columbia	166.9	150.6	69.0	9.8
Territories ¹	x	x	x	x
Canada	2,584.2	2,289.4	1,095.1	11.4

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 2006 and 2007 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541810. See "Data sources, definitions and methodology" at the end of tables for 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. Starting with the 2006 annual data release, the methodology used to generate data estimates was modified to enhance the quality of these estimates. As a result, data for 2006 and subsequent years, are not comparable to data released prior to 2006.

Table 3
Summary statistics for public relations services, by province and territory, 2006 to 2008

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	5.2	4.2	2.0	20.5
New Brunswick	x	x	x	x
Quebec	84.9	79.1	33.5	6.8
Ontario	278.1	249.3	128.7	10.4
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	26.5	20.8	10.6	21.4
British Columbia	56.7	46.8	23.5	17.5
Territories ¹	x	x	x	x
Canada	462.3	409.3	202.8	11.5
2007^r				
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	81.2	70.0	28.9	13.8
Ontario	265.3	238.9	122.1	10.0
Manitoba	2.5	2.1	0.8	14.9
Saskatchewan	x	x	x	x
Alberta	20.0	16.5	8.8	17.5
British Columbia	60.4	54.3	24.6	10.1
Territories ¹	x	x	x	x
Canada	441.0	392.0	190.3	11.1
2006^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island
Nova Scotia	4.5	4.1	2.4	8.6
New Brunswick	x	x	x	x
Quebec	85.6	73.7	34.3	13.9
Ontario	229.4	200.9	103.8	12.4
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	406.0	352.1	173.9	13.3

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2006 and 2007 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541820. See "Data sources, definitions and methodology" at the end of tables for 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. Starting with the 2006 annual data release, the methodology used to generate data estimates was modified to enhance the quality of these estimates. As a result, data for 2006 and subsequent years, are not comparable to data released prior to 2006.

Table 4
Summary statistics for media buying agencies and media representatives, by province and territory, 2006 to 2008

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008 ^p				
Atlantic provinces ¹	x	x	x	x
Quebec	86.1	84.7	39.2	1.6
Ontario	250.2	222.3	96.8	11.2
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	13.9	11.5	4.3	17.3
British Columbia	17.2	16.3	6.6	5.2
Territories ²	x	x	x	x
Canada	374.7	340.6	149.0	9.1
2007 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	80.5	74.4	34.3	7.6
Ontario	247.3	213.7	107.3	13.6
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	9.8	8.6	2.9	12.2
British Columbia	16.9	15.5	8.3	8.6
Territories ²	x	x	x	x
Canada	361.5	317.9	155.1	12.1
2006 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	80.8	74.4	34.6	7.9
Ontario	232.4	209.7	104.3	9.8
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	9.5	8.0	3.7	15.8
British Columbia	16.7	13.9	8.1	16.8
Territories ²	x	x	x	x
Canada	349.1	311.1	152.5	10.9

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

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2006 and 2007 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) categories 541830 and 541840. See "Data sources, definitions and methodology" at the end of tables for 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. Starting with the 2006 annual data release, the methodology used to generate data estimates was modified to enhance the quality of these estimates. As a result, data for 2006 and subsequent years, are not comparable to data released prior to 2006.

Table 5
Summary statistics for display advertising, by province and territory, 2006 to 2008

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	10.2	9.3	3.2	8.3
New Brunswick	x	x	x	x
Quebec	189.7	167.2	38.5	11.8
Ontario	383.7	370.4	74.7	3.5
Manitoba	13.2	10.5	2.9	20.7
Saskatchewan	11.9	8.4	1.5	28.9
Alberta	105.4	74.5	17.1	29.4
British Columbia	85.4	67.4	11.8	21.1
Territories ¹	x	x	x	x
Canada	804.5	712.8	150.7	11.4
2007^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	9.6	7.4	1.9	22.5
New Brunswick	x	x	x	x
Quebec	173.0	149.9	34.2	13.3
Ontario	367.3	343.5	70.0	6.5
Manitoba	13.6	11.4	2.8	15.6
Saskatchewan	10.9	8.4	1.6	23.1
Alberta	101.7	73.5	16.7	27.8
British Columbia	81.0	68.0	10.7	16.1
Territories ¹	x	x	x	x
Canada	759.7	664.4	138.5	12.5
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	170.4	177.9	39.1	-4.4
Ontario	358.0	324.9	59.6	9.2
Manitoba	14.7	11.4	2.6	22.5
Saskatchewan	10.5	8.0	1.1	23.1
Alberta	85.3	67.8	16.5	20.5
British Columbia	73.5	64.1	10.7	12.8
Territories ¹	x	x	x	x
Canada	722.2	662.8	131.6	8.2

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 2006 and 2007 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541850. See "Data sources, definitions and methodology" at the end of tables for 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. Starting with the 2006 annual data release, the methodology used to generate data estimates was modified to enhance the quality of these estimates. As a result, data for 2006 and subsequent years, are not comparable to data released prior to 2006.

Table 6
Summary statistics for direct mail advertising, by province and territory, 2006 to 2008

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008 ^p				
Atlantic provinces ¹	x	x	x	x
Quebec	54.5	51.5	16.9	5.5
Ontario	205.5	203.3	76.2	1.1
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	x	x	x	x
British Columbia	35.9	34.5	12.5	3.8
Territories ²	x	x	x	x
Canada	317.1	309.9	113.1	2.3
2007 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	60.1	56.5	18.0	6.0
Ontario	212.1	206.9	76.3	2.5
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	5.0	5.0	1.7	0.1
British Columbia	34.1	30.3	9.9	11.2
Territories ²	x	x	x	x
Canada	327.7	314.2	112.0	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	4.9	4.5	1.3	8.6
British Columbia	31.6	28.2	9.9	10.9
Territories ²	x	x	x	x
Canada	326.8	313.9	111.0	3.9

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

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2006 and 2007 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 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. Starting with the 2006 annual data release, the methodology used to generate data estimates was modified to enhance the quality of these estimates. As a result, data for 2006 and subsequent years, are not comparable to data released prior to 2006.

Table 7
Summary statistics for advertising material distribution services, by province and territory, 2006 to 2008

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008 ^p				
Atlantic provinces ¹	x	x	x	x
Quebec	210.8	184.6	60.5	12.4
Ontario	176.0	158.3	49.0	10.1
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	x	x	x	x
British Columbia	27.1	25.6	8.0	5.5
Territories ²	x	x	x	x
Canada	451.7	399.6	125.3	11.5
2007 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	200.8	164.8	44.3	17.9
Ontario	164.3	147.9	43.8	10.0
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	30.0	24.6	5.7	17.9
British Columbia	20.4	19.4	6.9	5.0
Territories ²	x	x	x	x
Canada	421.1	361.8	101.9	14.1
2006 ^r				
Atlantic provinces ¹	x	x	x	x
Quebec	184.8	153.2	34.6	17.1
Ontario	168.7	160.4	44.6	4.9
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	27.1	22.5	6.0	17.0
British Columbia	14.6	14.5	4.9	1.0
Territories ²	x	x	x	x
Canada	399.5	354.0	90.9	11.4

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

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

Note(s): Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Data from 2006 and 2007 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 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. Starting with the 2006 annual data release, the methodology used to generate data estimates was modified to enhance the quality of these estimates. As a result, data for 2006 and subsequent years, are not comparable to data released prior to 2006.

Table 8
Summary statistics for specialty advertising distributors, by province and territory, 2006 to 2008

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008 ^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	7.1	6.6	0.9	6.8
New Brunswick	x	x	x	x
Quebec	101.7	101.8	17.2	-0.1
Ontario	453.1	449.5	86.6	0.8
Manitoba	23.3	21.6	4.6	7.1
Saskatchewan	15.2	14.9	2.9	1.7
Alberta	102.7	96.6	17.3	6.0
British Columbia	136.7	121.3	23.3	11.3
Territories ¹	x	x	x	x
Canada	848.6	821.0	154.6	3.3
2007 ^r				
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	98.2	88.8	13.7	9.5
Ontario	469.8	488.2	99.0	-3.9
Manitoba	23.8	22.4	4.5	6.1
Saskatchewan	13.4	12.5	2.8	6.7
Alberta	98.9	92.7	17.4	6.2
British Columbia	148.7	131.6	23.8	11.5
Territories ¹	x	x	x	x
Canada	868.4	851.1	164.1	2.0
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	463.8	470.9	104.5	-1.5
Manitoba	21.6	21.0	4.4	3.1
Saskatchewan	11.0	10.5	2.2	4.7
Alberta	87.5	83.2	17.1	5.0
British Columbia	142.8	131.3	26.0	8.0
Territories ¹	x	x	x	x
Canada	837.2	822.0	171.3	1.8

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 2006 and 2007 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541891. See "Data sources, definitions and methodology" at the end of tables for 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. Starting with the 2006 annual data release, the methodology used to generate data estimates was modified to enhance the quality of these estimates. As a result, data for 2006 and subsequent years, are not comparable to data released prior to 2006.

Table 9
Summary statistics for all other services related to advertising, by province and territory, 2006 to 2008

	Operating revenues	Operating expenses	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2008^p				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	2.3	2.0	0.9	14.0
New Brunswick	4.4	3.4	1.7	24.1
Quebec	134.9	117.0	39.0	13.3
Ontario	355.7	318.4	118.9	10.5
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	37.1	34.3	10.3	7.7
British Columbia	41.9	35.3	15.5	15.8
Territories ¹	x	x	x	x
Canada	584.7	516.2	187.8	11.7
2007^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	2.4	2.1	0.9	14.9
New Brunswick	4.4	3.2	1.5	27.7
Quebec	129.4	116.1	41.5	10.3
Ontario	341.6	278.9	115.0	18.4
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	39.4	34.0	9.3	13.7
British Columbia	38.5	38.4	10.9	0.2
Territories ¹	x	x	x	x
Canada	561.6	477.4	180.3	15.0
2006^r				
Newfoundland and Labrador	x	x	x	x
Prince Edward Island	x	x	x	x
Nova Scotia	2.4	2.0	0.9	17.6
New Brunswick	4.1	3.4	1.9	15.6
Quebec	143.0	120.7	46.2	15.6
Ontario	343.5	302.5	115.8	11.9
Manitoba	x	x	x	x
Saskatchewan	x	x	x	x
Alberta	32.6	27.4	7.9	16.1
British Columbia	36.8	33.4	8.2	9.3
Territories ¹	x	x	x	x
Canada	567.7	494.2	181.9	12.9

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 2006 and 2007 have been revised. The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541899. See "Data sources, definitions and methodology" at the end of tables for 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. Starting with the 2006 annual data release, the methodology used to generate data estimates was modified to enhance the quality of these estimates. As a result, data for 2006 and subsequent years, are not comparable to data released prior to 2006.

Table 10
Expenditures as a percentage of operating expenses, for the advertising and related services industry,
Canada, 2007 to 2008

Industry expenditures	2007 ^r	2008 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	39.6	41.0
Commissions paid to non-employees	1.8	1.6
Professional and business services fees	3.7	3.3
Subcontract expenses	7.0	5.6
Charges for services provided by head office	F	F
Cost of goods sold	20.8	20.6
Office supplies	1.7	2.7
Rental and leasing	4.9	4.5
Repair and maintenance	3.2	3.2
Insurance	F	F
Advertising, marketing and promotions	1.1	1.9
Travel, meals and entertainment	2.1	2.0
Utilities and telecommunications expenses	F	F
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	F	F
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	2.8	2.8
Bad debts	F	F
All other expenses	4.2	4.2

F Too unreliable to be published.

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 5418. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 11
Expenditures as a percentage of operating expenses, for advertising agencies, Canada, 2007 to 2008

Industry expenditures	2007 ^r	2008 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	57.8	54.3
Commissions paid to non-employees	F	F
Professional and business services fees	3.8	4.0
Subcontract expenses	7.4	5.5
Charges for services provided by head office	F	F
Cost of goods sold	F	7.5
Office supplies	1.9	3.3
Rental and leasing	5.8	4.6
Repair and maintenance	5.1	3.6
Insurance	F	F
Advertising, marketing and promotions	1.6	2.7
Travel, meals and entertainment	2.7	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	2.2	2.1
Bad debts	F	F
All other expenses	3.9	4.5

F Too unreliable to be published

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541810. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 12
Expenditures as a percentage of operating expenses, for public relations services, Canada, 2007 to 2008

Industry expenditures	2007 ^r	2008 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	51.3	51.7
Commissions paid to non-employees	x	x
Professional and business services fees	8.0	5.1
Subcontract expenses	7.3	7.5
Charges for services provided by head office	x	F
Cost of goods sold	7.2	6.8
Office supplies	2.8	2.9
Rental and leasing	6.0	5.9
Repair and maintenance	1.7	2.4
Insurance	F	F
Advertising, marketing and promotions	1.3	1.9
Travel, meals and entertainment	3.2	3.7
Utilities and telecommunications expenses	F	F
Property and business taxes, licences and permits	x	x
Royalties, rights, licensing and franchise fees	F	x
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	1.6	1.7
Bad debts	F	F
All other expenses	4.8	5.0

F Too unreliable to be published.

x Suppressed to meet the confidentiality requirements of the Statistics Act.

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541820. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 13
Expenditures as a percentage of operating expenses, for media buying agencies and media representatives,
Canada, 2007 to 2008

Industry expenditures	2007 ^r	2008 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	61.8	52.4
Commissions paid to non-employees	F	F
Professional and business services fees	4.3	5.6
Subcontract expenses	2.0	5.2
Charges for services provided by head office	F	F
Cost of goods sold	F	F
Office supplies	1.3	1.5
Rental and leasing	3.9	4.4
Repair and maintenance	2.0	5.7
Insurance	F	F
Advertising, marketing and promotions	1.3	1.2
Travel, meals and entertainment	2.3	2.5
Utilities and telecommunications expenses	F	F
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	x	F
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	1.6	2.5
Bad debts	x	F
All other expenses	7.3	6.7

F Too unreliable to be published.

x Suppressed to meet the confidentiality requirements of the Statistics Act.

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): Comprises the following standard North American Industry Classification System (NAICS) codes: 54183 and 54184.

Table 14
Expenditures as a percentage of operating expenses, for display advertising, Canada, 2007 to 2008

Industry expenditures	2007 ^r	2008 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	20.6	21.2
Commissions paid to non-employees	4.7	4.1
Professional and business services fees	3.8	1.6
Subcontract expenses	5.2	4.9
Charges for services provided by head office	F	F
Cost of goods sold	21.4	21.6
Office supplies	F	F
Rental and leasing	8.5	8.3
Repair and maintenance	2.6	5.2
Insurance	F	F
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	1.2	1.4
Utilities and telecommunications expenses	F	F
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	7.7	8.3
Delivery, warehousing, postage and courier	F	F
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	9.4	9.2
Bad debts	F	F
All other expenses	5.7	6.1

F Too unreliable to be published

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541850. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 15
Expenditures as a percentage of operating expenses, for direct mail advertising, Canada, 2007 to 2008

Industry expenditures	2007 ^r	2008 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	34.7	37.1
Commissions paid to non-employees	F	x
Professional and business services fees	1.5	2.1
Subcontract expenses	3.3	2.7
Charges for services provided by head office	F	x
Cost of goods sold	36.2	37.1
Office supplies	3.3	2.8
Rental and leasing	3.4	3.6
Repair and maintenance	2.9	1.8
Insurance	F	F
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	F	F
Utilities and telecommunications expenses	F	F
Property and business taxes, licences and permits	F	x
Royalties, rights, licensing and franchise fees	F	F
Delivery, warehousing, postage and courier	3.3	2.5
Financial services fees	F	F
Amortization and depreciation of tangible and intangible assets	1.5	1.7
Bad debts	F	x
All other expenses	4.7	2.0

F Too unreliable to be published

x Suppressed to meet the confidentiality requirements of the Statistics Act.

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

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

Table 16
Expenditures as a percentage of operating expenses, for advertising material distribution services,
Canada, 2007 to 2008

Industry expenditures	2007 ^r	2008 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	27.8	30.5
Commissions paid to non-employees	3.4	2.5
Professional and business services fees	4.0	2.6
Subcontract expenses	22.8	12.2
Charges for services provided by head office	F	F
Cost of goods sold	17.6	22.2
Office supplies	F	F
Rental and leasing	4.3	4.1
Repair and maintenance	2.5	2.2
Insurance	F	F
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	2.0	1.9
Utilities and telecommunications expenses	F	F
Property and business taxes, licences and permits	F	F
Royalties, rights, licensing and franchise fees	F	x
Delivery, warehousing, postage and courier	4.3	7.1
Financial services fees	1.6	1.1
Amortization and depreciation of tangible and intangible assets	1.4	2.8
Bad debts	F	x
All other expenses	3.0	2.4

F Too unreliable to be published

x Suppressed to meet the confidentiality requirements of the Statistics Act.

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

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

Table 17
Expenditures as a percentage of operating expenses, for specialty advertising distributors, Canada, 2007 to 2008

Industry expenditures	2007 ^r	2008 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	18.9	18.9
Commissions paid to non-employees	1.8	2.9
Professional and business services fees	2.7	1.7
Subcontract expenses	F	F
Charges for services provided by head office	x	F
Cost of goods sold	60.4	59.0
Office supplies	1.1	1.2
Rental and leasing	2.0	2.0
Repair and maintenance	2.0	1.6
Insurance	F	F
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	F	F
Utilities and telecommunications expenses	F	F
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	F	F
Bad debts	F	F
All other expenses	3.6	3.2

F Too unreliable to be published

x Suppressed to meet the confidentiality requirements of the Statistics Act.

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541891. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 18
Expenditures as a percentage of operating expenses, for all other services related to advertising, Canada, 2006 to 2008

Industry expenditures	2007 ^r	2008 ¹
Total operating expenses²	100.0	100.0
Salaries, wages and benefits	34.8	38.5
Commissions paid to non-employees	x	F
Professional and business services fees	2.8	3.5
Subcontract expenses	10.5	9.2
Charges for services provided by head office	x	x
Cost of goods sold	29.7	27.8
Office supplies	1.4	2.5
Rental and leasing	2.5	2.4
Repair and maintenance	2.5	1.8
Insurance	F	F
Advertising, marketing and promotions	F	F
Travel, meals and entertainment	2.2	1.8
Utilities and telecommunications expenses	F	F
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	1.6	1.1
Bad debts	x	x
All other expenses	3.2	3.0

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1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 541899. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 19
Sales by type of client for the advertising and related services industry, Canada, 2007 to 2008

	Advertising and related services	Advertising agencies	Public relations services	Media buying ² agencies and media representatives	Display advertising	Direct mail advertising	Advertising material distribution services	Specialty advertising distributors	All other services related to advertising
	percent								
2008 ^{p1}									
Sales to businesses	85.1	82.7	81.0	82.4	90.1	77.2	96.7	83.1	91.4
Sales to individuals	F	F	1.0	x	F	x	x	1.3	1.1
Sales to governments, not-for-profit organizations and public institutions	7.9	9.4	13.6	8.1	5.7	x	x	9.0	3.6
Sales outside Canada (exports)	6.1	7.2	4.4	x	3.7	15.4	x	6.6	3.9
Total sales to all clients	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2007 ^r									
Sales to businesses	84.3	81.4	76.9	79.5	92.8	75.9	96.2	84.1	90.4
Sales to individuals	1.3	F	x	x	F	7.6	x	1.6	F
Sales to governments, not-for-profit organizations and public institutions	7.1	7.3	17.2	7.9	5.0	6.4	1.5	8.0	4.1
Sales outside Canada (exports)	6.9	10.5	x	x	1.6	10.1	x	6.3	4.4
Total sales to all clients	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

F Too unreliable to be published.

x Suppressed to meet the confidentiality requirements of the Statistics Act.

1. Estimates for the most recent year are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable). Estimates are based on the surveyed portion of the industry which represents approximately 90% of total industry revenue.

2. Comprises the following standard North American Industry Classification System (NAICS) codes: 54183 and 54184.

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, 541870, 541891, 541899. See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for the Advertising and Related Services in Canada.

Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry.

Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

Target population

The target population consists of all establishments classified to the advertising and related services industry (NAICS 5418) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in advertising and related services.

Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register Division and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2008 was 1,151 collection entities.

Definitions

- **Operating revenue** excludes investment income, capital gains, extraordinary gains and other non-recurring items.
- **Operating expenses** exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items

- **Operating profit margin** is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.
- **Salaries, wages and benefits** include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Quebec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.
- An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogeneous a set of goods and/or services as possible; which does not cross provincial boundaries; and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the weighted response rate was 81.5%. CVs were calculated for each estimate and are available upon request.

Related products

CANSIM

Table 360-0003 - Advertising and related services, summary statistics, by North American Industry Classification System (NAICS), annual

Table 360-0014 - Advertising and related services, operating expenses, by North American Industry Classification System (NAICS), annual

Table 360-0015 - Advertising and related services, sales by type of client based on the North American Industry Classification System (NAICS), annual

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: June 2010

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

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