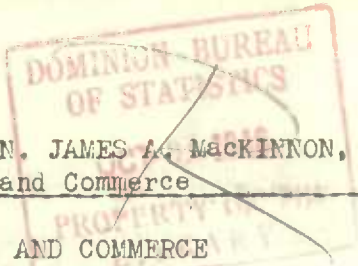


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ADVERTISING AGENCIES IN CANADA, 1945

This report summarizes the activities of 47 advertising agencies of the type which contract for space, radio or other advertising media and which place the advertising for clients on a commission or fee basis. The total billings for the year 1945 reported by these agencies amounted to \$42,471,233, an increase of 15.0 per cent over the \$36,944,785 reported by 41 agencies in 1944 and of 45.3 per cent over the figure reported by 49 agencies in 1941. Of the total billings, \$41,931,086 represented billings for some type of advertising while the remainder, \$540,147, represented billings for other services, such as market surveys, etc.

Gross revenues, including fees or commissions on billings and mechanical charges, on radio time and talent costs, etc. received by the 47 advertising agencies totalled \$6,730,095 compared with \$5,949,499 reported by the 41 agencies in 1944. These figures include commissions received by the agencies on billings placed through the War Finance Advertising Group. Revenue from this source amounted to \$416,529 in the year 1945. Total gross revenues formed 15.8 per cent of billings placed by the agencies.

The 47 agencies employed 708 male and 791 female employees who received \$3,779,852 in salaries and wages or 56.2 per cent of the gross revenue. This amount is 14.7 per cent higher than the \$3,294,263 paid in salaries and wages by advertising agencies in 1944 and 35.3 per cent above the 1941 figure.

Summary statistics for the years 1941, 1944 and 1945 are presented in Table 1.

Table 1. Comparative Results for Advertising Agencies in Canada, 1941, 1944 and 1945.

	1941	1944	1945	Per cent Change	
				1945 1941	1945 1944
Number of firms .....	49	41	47	-	-
Gross billings .....	29,224,400	36,944,785	42,471,233	+45.3	+15.0
Gross revenues:					
Amount .....	4,823,900	5,949,499	6,730,095	+39.5	+13.1
Per cent of billings .....	16.5	16.1	15.8	-	-
Total number of employees ..	1,237	1,241	1,499	+21.2	+20.8
Salaries and wages paid:					
Amount .....	2,793,200	3,294,263	3,779,852	+35.3	+14.7
Per cent of gross revenue,	57.9	55.4	56.2	-	-



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Advertising Agencies by Size of Business

Twelve of the 47 agencies had annual billings of over \$1,000,000 and these accounted for 68.3 per cent of the total. Another 18.6 per cent of total billings were placed by 11 agencies with annual volumes of between \$500,000 and \$1,000,000. Seventeen agencies each with billings of between \$100,000 and \$500,000 secured 12.2 per cent of total billings, while the 7 firms in the smallest size category accounted for less than one per cent of the total volume of business.

Table 2. Advertising Agencies Classified According to Amount of Annual Billings, 1944 and 1945

Annual Billings	1944			1945		
	Number of Firms	Total Billings		Number of Firms	Total Billings	
		Amount	Per cent of Total		Amount	Per cent of Total
		\$	%		\$	%
All firms, total .....	41	36,944,785	100.0	47	42,471,233	100.0
Less than \$100,000 ....	5	279,133	0.7	7	385,796	0.9
\$100,000 - \$499,999 ...	14	4,470,125	12.1	17	5,201,722	12.2
\$500,000 - \$999,999 ...	11	7,967,658	21.6	11	7,881,329	18.6
\$1,000,000 - \$2,499,999	7	10,391,318	28.1	8	12,470,684	29.4
\$2,500,000 and over ...	4	13,836,551	37.5	4	16,531,702	38.9

Distribution of Advertising Billings to Clients by Type of Medium

Of the total billings for advertising, 65.6 per cent represented advertising in newspapers, magazines and other printed matter. Radio advertising accounted for 19.6 per cent of the billings while the remaining 14.8 per cent represented advertising expenditures in other media. Agencies whose annual billings amounted to over \$2,500,000 in 1945 reported 62.2 per cent of their billings for advertising in publications, 18.2 per cent radio advertising and 19.6 per cent in other types of media. As size of business decreased, publication advertising formed greater proportions of the total billings, so that in the smallest size class, with billings less than \$100,000, publication advertising accounted for 82.7 per cent of the billings, while radio advertising comprised 9.4 per cent, and all other media, 7.9 per cent.

Table 3. Percentage Distribution of Billings for Advertising by Type of Media, for Advertising Agencies Classified According to Amount of Total Billings, 1945

Annual Billings for Advertising	Number of Firms	Distribution of Advertising Billings				
		Total		Publi- cation	Radio	Other
		Amount	%			
		\$	%			
All firms, total .....	47	41,931,086	100.0	65.6	19.6	14.8
Below \$100,000 .....	7	385,796	100.0	82.7	9.4	7.9
\$100,000 - \$499,999 ...	17	5,129,475	100.0	70.0	20.4	9.6
\$500,000 - \$999,999 ...	11	7,856,904	100.0	68.6	19.5	11.9
\$1,000,000 - \$2,499,999	8	12,051,260	100.0	65.8	21.5	12.7
\$2,500,000 and over ...	4	16,507,651	100.0	62.2	18.2	19.6