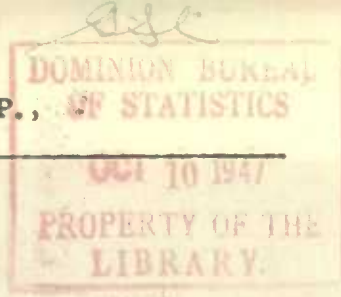


63-201



DEPARTMENT OF TRADE AND COMMERCE  
DOMINION BUREAU OF STATISTICS  
MERCHANDISING AND SERVICES STATISTICS  
OTTAWA, CANADA

Dominion Statistician:	Herbert Marshall
Director, Division of Census of Industry and Merchandising:	W. H. Losee
Acting Chief, Merchandising and Services Statistics:	C. H. McDonald
Series, 1946 - No. 5	Price 10 cents

16 - 1130

ADVERTISING AGENCIES, IN CANADA, 1946

Total billings of 57 advertising agencies of the type which contract for space, radio or other advertising media and which place advertising for clients on a commission or fee basis amounted to \$52,169,461 in 1946. This compares with \$43,696,376 reported by 56 agencies for the year 1945, an increase of 19 per cent in dollar volume of advertising handled by agencies between the two years. Of the total billings, only \$90,114 was for market surveys and other services not considered as advertising.

Gross revenues received by the 57 agencies totalled \$8,458,430 in 1946 compared with \$7,175,924 reported by 56 agencies for the year 1945. These figures include commissions received on billings placed through special agency groups formed to handle Government advertising. Revenue from this source amounted to \$179,289 in 1946 and \$340,336 in 1945.

Advertising agencies in 1946 provided employment for 1,816 persons who received \$5,003,265 in salaries. This amount was 22 per cent higher than the corresponding figure for 1945. The number of male employees increased 23 per cent and female employees only 10 per cent. In addition, there were 16 proprietors of unincorporated companies whose salaries amounted to \$65,222 in 1946 compared with 14 proprietors who received \$45,101 in 1945.

Table 1. - Summary Statistics, Advertising Agencies in Canada, 1941, 1945 and 1946

	1941	1945 (1)	1946	Per cent change	
				1946 1941	1946 1945
Number of firms.....	49	56	57	-	-
Gross billings.....\$	29,224,400	43,696,376	52,169,461	+78.5	+19.4
Gross revenues -					
Amount.....\$	4,823,900	7,175,924	8,458,430	+75.3	+17.9
Per cent of billings.....	16.5	16.4	16.2	-	-
Number of employees, total...	1,237	1,561	1,816	+46.8	+16.3
Male.....	(2)	753	926	(2)	+23.0
Female.....	(2)	808	890	(2)	+10.1
Salaries and wages.....\$	2,793,200	4,101,283	5,003,265	+79.1	+22.0
Per cent of gross revenue...	57.9	57.2	59.2	-	-
Number of proprietors (3)...	(2)	14	16	-	-
Proprietors' salaries.....\$	(2)	45,101	65,222	(2)	+44.6

(1) Revised. (2) Not available. (3) Unincorporated firms only.



1010651180

Advertising Agencies by Size of Business

Classified by amount of 1946 billings, 17 of the 57 agencies with annual billings of over \$1,000,000 accounted for 76 per cent of the total. Another 13 per cent was placed by 10 agencies with annual billings between \$500,000 and \$1,000,000 while 19 agencies with annual volume between \$100,000 and \$500,000 were responsible for 9 per cent of the total billings. Eleven firms with billings of less than \$100,000 during the year secured 1.2 per cent of the total volume of business handled by agencies.

Table 2. - Advertising Agencies Classified According to Amount of 1946 Billings, 1945 and 1946

Annual billings	1945 (1)			1946		
	No. of firms	Total billings		No. of firms	Total billings	
		Amount	Per cent of total		Amount	Per cent of total
		\$			\$	
All firms, total.....	56	43,696,376	100.0	57	52,169,461	100.0
Less than \$100,000.....	11	523,588	1.2	11	609,609	1.2
\$100,000 - \$499,999.....	18	4,008,832	9.2	19	4,791,603	9.2
\$500,000 - \$999,999.....	10	5,872,446	13.4	10	6,882,379	13.2
\$1,000,000 - \$2,499,999.	12	14,555,389	33.3	12	17,264,018	33.1
\$2,500,000 and over.....	5	18,756,121	42.9	5	22,621,852	43.3

(1) Revised.

Distribution of Advertising Billings to Clients by Type of Medium

Of the total billings, 61.2 per cent represented billings for space in publications, 6.4 per cent was billings for other visual advertising such as billboard, street car, sky-writing, etc., and 14.1 per cent was charges for artwork and mechanical production in connection with these types of advertising. Radio advertising billings formed 18.3 per cent of the total advertising billings.

Table 3. - Percentage Distribution of Billings for Advertising by Media, 1946 (Advertising Agencies Classified by Amount of Annual Billings)

Annual billings	No. of firms	Total advertising billings	Distribution of advertising billings			
			Publi- cation	Other visual	Mechanical production	Radio
			%	%	%	%
		\$				
All firms, total.....	57	52,079,347	61.2	6.4	14.1	18.3
Less than \$100,000.....	11	609,609	52.4	4.6	7.8	35.2
\$100,000 - \$499,999.....	19	4,777,775	59.1	7.9	11.5	21.5
\$500,000 - \$999,999.....	10	6,880,579	66.8	2.6	10.1	20.5
\$1,000,000 - \$2,499,999.	12	17,250,878	61.7	4.8	16.8	16.7
\$2,500,000 and over.....	5	22,560,506	59.8	8.6	13.9	17.7

Note: The inclusion of a number of agencies specializing in radio advertising which had not been included in the 1944 or 1945 surveys and the revision of the classifications used make the breakdown of billings incomparable with that given in previous reports.