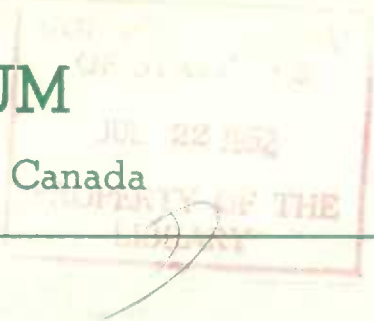


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# D.B.S. MEMORANDUM

Dominion Bureau of Statistics, Ottawa, Canada



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## ADVERTISING AGENCIES

1950 and 1951

During the ten year period between the 1941 and the 1951 Census, advertising agencies in Canada more than tripled their volume of business. In 1951 advertising agencies handled advertising and provided other services to the extent of \$108,413,585 compared with \$96,220,544 in 1950 and \$86,742,470 in 1949. The 1950 total represents an increase of 11% over 1949 while the 1951 total was 13% higher than that of 1950. Billings for market surveys and other services not commissionable amounted to \$951,833 in 1951 as compared with \$653,944 in 1950 and \$291,502 in 1949, forming a small but increasing proportion of the total billings of advertising agencies.

Gross revenue on commissionable billings amounted to \$14,443,707 in 1950 and \$16,255,059 in 1951, representing slightly over 15% of the total commissionable billings in each year. Net revenue in 1951 amounted to \$2,328,015 as compared with \$2,075,563 in 1950 but represented the same percentage of gross revenue in both years.

Table 2 shows the distribution of advertising agencies according to the amount of annual billings.

Owing to the increase in the volume of advertising during recent years, it was deemed practical to add a further size classification to this table, representing agencies with billings of \$5,000,000 and over. This breakdown is not available prior to 1950.

Percentage distribution of commissionable billings by type of media and for various sizes of business is presented in Table 3. In both 1950 and 1951 billings for advertising in publications constituted almost 60% of all commissionable billings. Radio advertising accounted for a slightly higher proportion of the total in 1951 than in 1950 but all other media showed approximately the same percentage distribution during these two years.

The 2,552 persons employed by advertising agencies during 1951 received \$10,128,050 for their services. In 1950 advertising agencies paid \$8,989,657 to their 2,472 employees. The following table gives employment figures and shows total payroll and the percent of gross revenue which it represents.

Year	Number of firms	Gross revenue	Average number of employees	Total amount paid to employees	Percent of gross revenue
		\$		\$	%
1941 .....	49	4,823,900	1,237	2,793,200	57.9
1945 .....	56	7,175,924	1,561	4,101,283	57.2
1946 .....	57	8,458,430	1,816	5,003,265	59.2
1947 .....	67	10,091,772	2,056	6,208,157	61.5
1948 .....	75	11,553,459	2,238	7,106,740	61.5
1949 .....	74	13,526,336	2,318	8,010,107	59.2
1950 .....	75	15,012,672	2,472	8,989,657	59.9
1951 .....	83	17,015,496	2,552	10,128,050	59.5

Prepared in Merchandising and Service Section  
Industry and Merchandising Division

MERCHANDISING AND SERVICES

TABLE 1. Summary Statistics, Advertising Agencies in Canada, 1941 and 1945-1951

Year	Number of firms	Amount of billings				Gross revenue on					Net revenue
		Commissionable billings	Market surveys and other research	Other fees	Total	Commissionable billings		Market surveys and other research and other fees	Total		
						Amount	Percent of billings		Amount	Percent of total billings	
		\$	\$	\$	\$	%	\$	\$	%	\$	
1941 .....	49	1	1	1	29,224,400	1	1	1	4,823,900	16.5	1
1945 .....	56	1	1	1	43,696,376	1	1	1	7,175,924	16.4	1
1946 .....	57	52,079,347	90,114		52,169,461	1	1	1	8,458,430	16.2	1
1947 .....	67	64,422,777	171,897		64,594,674	1	1	1	10,091,772	15.6	1,462,792
1948 .....	75	73,543,766	218,447		73,762,213	1	1	1	11,553,459	15.7	1,370,408
1949 .....	74	86,450,968	291,502		86,742,470	1	1	1	13,526,336	15.6	1,948,453
1950 .....	75	95,566,600	141,354	512,590	96,220,544	14,443,707	15.1	568,965	15,012,672	15.6	2,075,563
1951 .....	83	107,461,752	133,936	817,897	108,413,585	16,255,059	15.1	760,437	17,015,496	15.7	2,328,015

1. Not available.

TABLE 2. Advertising Agencies Classified According to Amount of Billings, 1941 and 1945-51

Year	Amount of billings													
	Less than \$100,000		\$100,000 to \$499,999		\$500,000 to \$999,999		\$1,000,000 to \$2,499,999		\$2,500,000 <sup>2</sup> to \$4,999,999		\$5,000,000 and over		All sizes, Total	
	No. of firms	Amount	No. of firms	Amount	No. of firms	Amount	No. of firms	Amount	No. of firms	Amount	No. of firms	Amount	No. of firms	Amount
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1941 .....	14	585,000	19	5,371,400	7	4,906,500	9 <sup>1</sup>	18,361,500 <sup>1</sup>	3	3			49	29,224,400
1945 .....	11	523,588	18	4,008,832	10	5,872,446	12	14,555,389	5	18,756,121			56	43,696,376
1946 .....	11	609,609	19	4,791,603	10	6,882,379	12	17,264,018	5	22,621,852			57	52,169,461
1947 .....	19	974,946	20	5,814,459	9	6,244,509	13	21,050,456	6	30,510,304			67	64,594,674
1948 .....	22	1,099,036	21	6,061,868	11	7,457,002	14	22,976,801	7	36,167,506			75	73,762,213
1949 .....	18	996,526	21	6,060,979	13	9,100,373	13	22,919,165	9	47,665,427			74	86,742,470
1950 .....	14	708,660	23	5,787,920	15	10,446,604	10	15,175,795	9	27,872,440	4	36,229,125	75	96,220,544
1951 .....	21	1,098,882	23	6,304,221	14	9,946,454	10	14,498,909	11	37,681,187	4	38,883,932	83	108,413,585

1. Includes firms with billings of \$2,500,000 and over.  
 2. Prior to 1950 this column included billings of \$2,500,000 and over.  
 3. Included with \$1,000,000 to \$2,499,999.  
 4. See footnote 2.

Note. Firms classified each year according to billings in that year.

**TABLE 3. Percentage Distribution of Commissionable Billings by Media, 1950 and 1951**  
(Agencies Classified by Amount of Annual Billings)

Year and amount of annual billings	Number of firms	Total commissionable billings <sup>1</sup>	Distribution of commissionable billings					Total
			Publications	Other visual	Production, artwork, printing, etc.	Radio	Other	
		\$	%	%	%	%	%	%
<b>1950</b>								
Less than \$100,000 .....	14	618,748	55.7	2.1	23.9	12.7	5.6	100.0
\$100,000- \$499,999 .....	23	5,713,496	68.9	3.0	16.6	11.4	0.1	100.0
\$500,000- \$999,999 .....	15	10,386,181	63.0	5.7	19.6	11.6	0.1	100.0
\$1,000,000-\$2,499,999 .....	10	15,079,680	54.3	10.1	15.4	20.1	0.1	100.0
\$2,500,000-\$4,999,999 .....	9	27,673,596	59.1	4.9	18.2	17.7	0.1	100.0
\$5,000,000 and over .....	4	36,094,899	59.9	5.0	19.9	15.1	0.1	100.0
<b>All sizes, total .....</b>	<b>75</b>	<b>95,566,600</b>	<b>59.6</b>	<b>5.7</b>	<b>18.5</b>	<b>16.1</b>	<b>0.1</b>	<b>100.0</b>
<b>1951</b>								
Less than \$100,000 .....	21	945,190	56.0	2.7	18.0	17.4	5.9	100.0
\$100,000- \$499,999 .....	23	6,211,200	65.7	2.7	16.7	14.7	0.2	100.0
\$500,000- \$999,999 .....	14	9,888,786	63.4	5.8	15.2	15.3	0.3	100.0
\$1,000,000-\$2,499,999 .....	10	14,314,906	57.7	3.8	18.0	20.2	0.3	100.0
\$2,500,000-\$4,999,999 .....	11	37,422,509	58.2	5.9	16.5	19.3	0.1	100.0
\$5,000,000 and over .....	4	38,679,161	59.0	5.3	20.5	15.1	0.1	100.0
<b>All sizes, total .....</b>	<b>83</b>	<b>107,461,752</b>	<b>59.3</b>	<b>5.2</b>	<b>18.0</b>	<b>17.3</b>	<b>0.2</b>	<b>100.0</b>

1. Excluding billings for market surveys and other services not commissionable.

6.2

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