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ADVERTISING AGENCIES

1955

This report covers 104 advertising agencies operating 181 offices in Canada during 1955. The advertising placed and other services rendered amounted to \$177,340,355 an increase of 13.5% above the previous year's figure of \$156,163,289. Included in this were billings for market surveys and other services which amounted to \$2,315,583 compared with \$1,696,261 in 1954.

Gross revenue on commissionable billings totalled \$26,468,551 in 1955, or 15.1% of total commissionable billings. Net revenue or profit before deduction of income taxes was \$2,771,951 in 1955 (\$2,337,648 in 1954) or 10.0% of the total gross revenue which amounted to \$27,689,654.

Table 3 shows, for the first time, a breakdown of agencies by size of total billings between incorporated and unincorporated businesses. This will permit a more meaningful analysis and comparison in that a net revenue figure for incorporated businesses is available separately and does not include the withdrawals of proprietors of unincorporated businesses. A better analysis of total gainfully employed is also possible; working proprietors were not previously shown in this report.

The increase of 13 agencies in this report has added to the smaller size categories of Table 4. The most significant change in size distribution, however, was the shifting upwards to the over \$5 million class which now accounts for 61% of the total. In 1954 this size class transacted 52% of all agency business.

The distribution of commissionable billings by media shows a greater share for television, as would be expected. From 5.5% of all such billings in 1954 this medium now accounts for 13.5%. The largest decrease to offset this gain occurred in radio.

Prepared in the Industry and Merchandising Division

Merchandising and Services Section

TABLE 1. Summary Statistics, Advertising Agencies in Canada, 1941 and 1946-1955

Year	Number of firms	Amount of billings				Gross revenue on					Net revenue (Before deductions for income tax)
		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
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
1952	88	120,628,827	150,616	887,540	121,666,983	18,246,232	15.1	814,029	19,060,261	15.7	2,535,195
1953	88	142,957,916	345,178	1,036,154	144,339,308	21,558,551	15.1	1,033,167	22,591,718	15.7	2,959,389
1954	91	154,467,028	328,231	1,368,030	156,163,289	23,229,612	15.0	1,349,557	24,579,169	15.7	2,337,648
1955	104	174,924,772	390,585	1,924,998	177,240,355	26,468,551	15.1	1,221,103	27,689,654	15.6	2,771,951

1. Not available.

TABLE 2. Employment and Gross Revenue for Selected Years

Year	Number of firms	Gross revenue	Employees			Total amount paid to employees	Percent of gross revenue
			Male	Female	Total		
			No.	No.	No.		
		\$	No.	No.	No.	\$	%
1941	49	4,823,900	1	1	1,237	2,793,200	57.9
1946	57	8,458,430	926	890	1,816	5,003,265	59.2
1948	75	11,553,459	1,225	1,013	2,238	7,108,740	61.5
1951	83	17,015,496	1	1	2,552	10,128,050	59.5
1953	88	22,591,718	1,502	1,378	2,880	13,630,975	60.3
1954	91	24,579,169	1,682	1,491	3,173	15,220,278	61.9
1955	104	27,689,654	1,818	1,598	3,416	17,306,034	62.5

1. Not available.

TABLE 3. Employment and Net Revenue of Advertising Agencies, 1955
Classified According to Amount of Total Annual Billings and Form of Organization

	Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over	Total, all sizes
Incorporated firms							
Number of firms	7	29	13	19	5	11	84
Number of employees:							
Male	9	155	90	334	163	1,036	1,787
Female	6	103	69	263	175	952	1,568
Salaries and wages	43,477	896,857	754,993	3,136,175	1,762,365	10,547,173	17,141,040
Net revenue (before income taxes)	5,787 ¹	96,085	135,216	174,709	324,983	1,916,582	2,641,788
Unincorporated firms							
Number of firms	13	6	1	-	-	-	20
Number of employees:							
Male	10	15	6	-	-	-	31
Female	12	13	5	-	-	-	30
Salaries and wages	2	72,964	2	-	-	-	164,994
Number of working proprietors	15	6	2	-	-	-	23
Net revenue (before proprietors' salaries and income taxes)	2	84,627	2	-	-	-	130,163

1. Loss.
2. Withheld to avoid disclosing individual operations.

TABLE 4. Advertising Agencies Classified According to Amount of Billings, for Selected years

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 ² 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 ¹	\$ 16,361,500 ¹	3	\$ 3			49	\$ 29,224,400
1946	11	609,609	19	4,791,603	10	6,882,379	12	17,264,018	5	22,821,652	2	2	57	52,169,461
1946	22	1,099,036	21	6,061,868	11	7,457,002	14	22,976,801	7	36,167,506			75	73,762,213
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
1953	13	689,272	32	9,578,657	11	7,085,790	16	22,603,832	9	35,544,950	7	68,836,807	88	144,339,308
1954	16	869,090	29	7,898,264	12	7,795,684	19	28,406,184	7	29,596,073	8	81,597,994	91	156,163,289
1955	20	828,099	35	9,058,547	14	9,925,587	19	30,094,634	5	19,831,472	11	107,502,016	104	177,240,355

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.

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



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MERCHANDISING AND SERVICES

TABLE 5. Percentage Distribution of Commissionable Billings by Media, 1954 and 1955
(Agencies Classified by Amount of Total Annual Billings)

Year and amount of annual billings	Number of firms	Total commissionable billings ¹	Distribution of commissionable billings						
			Publications	Other visual	Production, artwork, printing, etc.	Radio	Television	Other	Total
		\$	%	%	%	%	%	%	%
1954									
Less than \$100,000.....	16	707,606	52.4	4.2	24.8	18.1	0.5	2	100.0
\$100,000 - \$499,999.....	29	7,707,869	57.3	3.4	14.5	19.0	5.0	0.8	100.0
\$500,000 - \$999,999.....	12	7,717,718	59.3	5.2	17.9	12.8	2.7	2.1	100.0
\$1,000,000 - \$2,499,999.....	19	28,009,026	61.3	4.8	18.3	13.3	1.7	0.6	100.0
\$2,500,000 - \$4,999,999.....	7	29,356,260	56.3	3.6	12.9	17.3	6.4	3.5	100.0
\$5,000,000 and over.....	8	80,969,549	54.4	4.8	18.6	15.2	7.0	-	100.0
All sizes, total.....	91	154,467,028	56.4	4.5	17.3	15.4	5.5	0.9	100.0
1955									
Less than \$100,000.....	20	726,845	52.7	7.5	25.1	8.8	3.3	2.6	100.0
\$100,000 - \$499,999.....	35	8,733,039	51.9	5.1	17.4	15.3	10.2	0.1	100.0
\$500,000 - \$999,999.....	14	9,700,124	52.4	2.4	15.3	13.8	15.7	0.4	100.0
\$1,000,000 - \$2,499,999.....	19	29,807,452	57.9	5.1	16.7	11.6	7.9	0.8	100.0
\$2,500,000 - \$4,999,999.....	5	19,241,105	55.5	3.9	15.7	12.6	12.3	-	100.0
\$5,000,000 and over.....	11	106,716,207	51.7	6.2	14.4	11.5	15.4	0.8	100.0
All sizes, total.....	104	174,924,772	53.3	5.5	15.1	11.9	13.5	0.7	100.0

1. Excluding billings for market surveys and other services not commissionable.
2. Less than 0.05 per cent.