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# DOMINION BUREAU OF STATISTICS

OTTAWA - CANADA



Memorandum

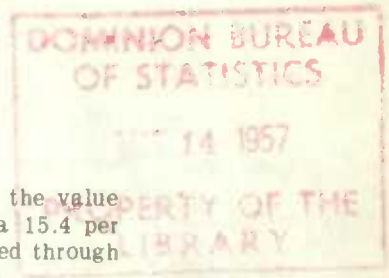
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## ADVERTISING AGENCIES 1956



The 110 advertising agencies in operation during 1956 reported the value of advertising placed and other services rendered at \$204,580,522, a 15.4 per cent gain over 1955's total of \$177,240,355. These agencies operated through 191 offices as against 181 in 1955 when 104 agencies were in operation.

Commissionable billings amounted to \$201,797,434 and provided a gross revenue of \$30,452,807 or 15.1 per cent of commissionable billings. The gross revenue was further increased by \$1,750,947 derived from non-commissionable billings of \$2,783,088 for market surveys and other research and other fees forming a grand total of \$32,203,754. This latter figure was 15.7 per cent of total billings of \$204,580,522 in comparison with 15.6 per cent or \$27,689,654 on total billings of \$177,240,355 in 1955.

Advertising agencies in 1956 paid \$19,757,887 or 61.4 per cent of gross revenue to 3,790 employees in comparison with \$17,306,034 or 62.5 per cent paid 3,416 employees in 1955. The division of employees between male and female was 2,011 and 1,779 respectively.

After providing for salaries and other operating expenses, advertising agencies netted \$3,291,336 before deductions for income taxes or 10.2 per cent of total gross revenue of \$32,203,754. In 1955 the net profit amounted to \$2,771,951 and represented 10.0 per cent of gross revenue of \$27,689,654.

More details on revenue and employment will be found in tables 1, 2 and 3 of this report.

Table 4 shows billings of advertising agencies by size class for selected years. The most significant change in 1956 was the shifting upwards to the \$2,500,000-\$4,999,999 size class which accounted for 17 per cent of total billings compared with 11 per cent in 1955. This change was at the expense of the next lower size class which obtained 11 per cent of billings as against 17 per cent in the previous year.

The distribution of commissionable billings by media (Table 5) showed another increase in the amount of advertising placed in television. This medium accounted for 16.6 per cent of total commissionable billings in 1956, 13.5 per cent in 1955 and 5.5 per cent in 1954. The gain in 1956 was offset mainly by a reduction in the amount of advertising placed in radio.

Prepared in the Industry and Merchandising Division  
Merchandising and Services Section

## MERCHANDISING AND SERVICES

TABLE 1. Summary Statistics, Advertising Agencies in Canada, 1941 and 1946-1956

Year	Number of firms	Amount of billings				Gross revenue on					Net revenue (Before deductions for income taxes)
		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	150,516	987,540	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
1956	110	201,797,434	694,123	2,088,965	204,580,522	30,452,807	15.1	1,750,947	32,203,754	15.7	3,291,336

TABLE 2. Employment and Gross Revenue for Selected Years

Year	Number of firms	Gross revenue	Employees			Total amount paid to employees	Per cent of gross revenue
			Male	Female	Total		
			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	17,015,498	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	1,816	1,598	3,416	17,306,034	62.5
1956	110	32,203,754	2,011	1,779	3,790	19,757,887	61.4

**TABLE 3. Employment and Net Revenue of Advertising Agencies, 1956**  
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
<b>Incorporated firms</b>							
Number of firms .....	8	33	15	16	9	11	92
Number of employees:							
Male .....	21	172	127	238	295	1,127	1,980
Female .....	16	119	109	193	260	1,051	1,748
Salaries and wages .....	70,278	1,104,405	1,007,314	2,282,484	3,301,898	11,757,142	19,523,521
Net revenue (before income taxes) .....	16,953 <sup>1</sup>	86,634	217,070	238,051	379,543	2,225,239	3,129,584
<b>Unincorporated firms</b>							
Number of firms .....	8	8	2	—	—	—	18
Number of employees:							
Male .....	6	15	10	—	—	—	31
Female .....	5	18	8	—	—	—	31
Salaries and wages .....	2	100,517	2	—	—	—	234,366
Number of working proprietors .....	9	8	3	—	—	—	20
Net revenue (before proprietors' salaries and income taxes) .....	2	70,144	2	—	—	—	161,752

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 <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	18,361,500	3	3			49	29,224,400
1946 .....	11	609,609	19	4,791,603	10	6,882,379	12	17,264,018	5	22,621,852	2	2	57	52,169,461
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
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
1956 .....	16	642,721	41	10,979,346	17	12,616,891	16	22,197,521	9	34,883,497	11	123,260,546	110	204,580,522

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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**TABLE 5. Percentage Distribution of Commissionable Billings by Media, 1955 and 1956**

(Agencies Classified by Amount of Total Annual Billings)

Year and amount of annual billings	Number of firms	Total commissionable billings <sup>1</sup>	Distribution of commissionable billings						Total
			Publications	Television	Other visual	Radio	Production, artwork, printing, etc.	Other	
		\$	%	%	%	%	%	%	%
<b>1955</b>									
Less than \$100,000 .....	20	726,845	52.7	3.3	7.5	8.8	25.1	2.6	100.0
\$100,000- \$499,999 .....	35	8,733,039	51.9	10.2	5.1	15.3	17.4	0.1	100.0
\$500,000- \$999,999 .....	14	9,700,124	52.4	15.7	2.4	13.8	15.3	0.4	100.0
\$1,000,000-\$2,499,999 .....	19	29,807,452	57.9	7.9	5.1	11.6	16.7	0.8	100.0
\$2,500,000-\$4,999,999 .....	5	19,241,105	55.5	12.3	3.9	12.6	15.7	—	100.0
\$5,000,000 and over .....	11	106,716,207	51.7	15.4	6.2	11.5	14.4	0.8	100.0
<b>All sizes, total .....</b>	<b>104</b>	<b>174,924,772</b>	<b>53.3</b>	<b>13.5</b>	<b>5.5</b>	<b>11.9</b>	<b>15.1</b>	<b>0.7</b>	<b>100.0</b>
<b>1956</b>									
Less than \$100,000 .....	16	570,151	50.8	10.0	1.5	5.6	30.0	2.1	100.0
\$100,000- \$499,999 .....	41	10,465,713	49.7	10.6	4.6	16.1	17.3	1.7	100.0
\$500,000- \$999,999 .....	17	12,325,393	47.5	18.1	3.1	11.9	16.3	3.1	100.0
\$1,000,000-\$2,499,999 .....	16	21,976,903	59.3	8.6	3.8	7.7	20.3	0.3	100.0
\$2,500,000-\$4,999,999 .....	9	34,313,808	56.8	13.8	4.1	10.5	14.6	0.2	100.0
\$5,000,000 and over .....	11	122,145,466	51.1	19.2	4.7	10.0	14.3	0.7	100.0
<b>All sizes, total .....</b>	<b>110</b>	<b>201,797,434</b>	<b>52.6</b>	<b>16.6</b>	<b>4.4</b>	<b>10.3</b>	<b>15.3</b>	<b>0.8</b>	<b>100.0</b>

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