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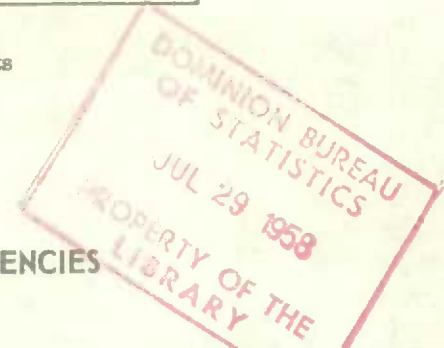
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ADVERTISING AGENCIES 1957



In 1957 there were 113 advertising agencies operating in Canada through 193 offices and their billings to clients for the year amounted to \$226,083,949, an increase of 10.5 per cent over the \$204,580,522 reported by 110 agencies operating 191 offices in 1956. Of the total billings, \$222,025,288 represented billings for publication, television, radio and other media advertising on a commission or fee basis while the remainder, \$4,058,661, represented billings for market surveys and other research, and other fees.

Advertising agency returns or gross revenue on total billings amounted to \$35,757,762. This amount was 11.0 per cent greater than 1956's gross revenue of \$32,203,754 and represented 15.8 per cent of total billings as against 15.7 per cent in the previous year. Of the total gross revenue, \$33,377,463 was derived from advertising placed for clients on a commission or fee basis and \$2,380,299 from charges for market surveys and other research, and other fees.

With total billings 10.5 per cent higher than 1956, advertising agency net revenue before income taxes showed a decrease of 20.5 per cent to \$2,594,206 from \$3,264,250, and represented only 7.3 per cent (10.1 per cent in 1956) of total gross revenue. The latter percentage was the smallest registered since 1947, the first year for which this information was collected. Of the 113 firms re-

porting, 31 firms with total billings of \$25,858,184 showed a loss for the year which averaged \$17,541 as compared with an average loss of \$20,872 and total billings of \$12,920,763 reported by 20 firms in 1956. The average net profit of the other 82 firms, reporting total billings of \$200,225,765, was calculated at \$38,268 as compared with an average net profit of \$40,908 and total billings of \$191,659,759 reported by 90 firms in the previous year.

The distribution of commissionable billings by type of medium was not too different from 1956. Publications received 51.6 per cent of the total commissionable billings, television 18.3 per cent, other visual 4.4 per cent, radio 10.0 per cent, production, artwork, printing, etc. 15.1 per cent and other commissionable billings 0.6 per cent. The only change of any significance was an increase of 1.7 per cent in the ratio of billings for television which was offset mainly by a decrease of 1.0 per cent in the ratio of billings for publications.

Advertising agencies employed 2,167 male and 1,875 female who were paid \$22,591,043 in salaries, wages, commissions and bonuses. This amount was 14.3 per cent higher than the \$19,757,887 paid to 2,011 male and 1,779 female employees in 1956 and represented 63.2 per cent of total gross revenue as compared with 61.4 per cent in 1956.

Prepared in the Industry and Merchandising Division

Wholesale Trade and Services Section

TABLE 1. Summary Statistics, Advertising Agencies in Canada, 1941 and 1946-1957

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	150,616	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
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	3,264,250 ¹
1957.....	113	222,025,288	775,563	3,283,098	226,083,949	33,377,463	15.0	2,380,299	35,757,762	15.8	2,594,206

¹ Not available.
² Revised.

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.		
		\$	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	3,418	17,306,034	62.5
1956.....	110	32,203,754	2,011	1,779	3,790	19,757,887	61.4
1957.....	113	35,757,762	2,167	1,875	4,042	22,591,043	63.2

¹ Not available.

TABLE 3. Employment and Net Revenue of Advertising Agencies, 1957
Classified According to Amount of Total Annual Billings and Form of Organization

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	34	16	21	4	15	97
Number of employees:							
Male	10	171	145	314	116	1,385	2,141
Female	5	111	103	249	106	1,279	1,853
Salaries and wages	\$ 54,087	1,302,767	1,212,530	3,171,250	1,362,501	15,327,473	22,430,608
Net revenue (before income taxes)	\$ 6,737	39,105	157,757	37,175	140,918	2,013,288	2,394,980
Unincorporated firms							
Number of firms	8	9	1	—	—	—	18
Number of employees:							
Male	5	16	5	—	—	—	26
Female	2	15	5	—	—	—	22
Salaries and wages	\$ 1	101,312	1	—	—	—	160,435
Number of working proprietors	7	9	2	—	—	—	18
Net revenue (before proprietors' salaries and income taxes)	\$ 1	108,873	1	—	—	—	199,226

¹ Withheld to avoid disclosing individual operations.

TABLE 4. Advertising Agencies Classified According to Amount of Total 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 ¹ 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	18,361,500	³	³	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	⁴	⁴	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	⁴	⁴	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
1957	13	539,063	43	11,248,208	17	12,506,244	21	32,891,550	4	14,140,558	15	154,758,328	113	226,083,949

¹ 1941 includes firms with billings of \$1,000,000 and over.

² 1946 and 1948 include firms with billings of \$2,500,000 and over.

³ Included with \$1,000,000 to \$2,499,999.

⁴ Included with \$2,500,000 to \$4,999,999.



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WHOLESALE TRADE AND SERVICES

TABLE 5. Percentage Distribution of Commissionable Billings by Media, 1956 and 1957
(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	Television	Other visual	Radio	Production, artwork, printing, etc.	Other	Total
		\$	%	%	%	%	%	%	%
1956									
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	21,976,803	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
All sizes, total	110	201,797,434	52.6	16.6	4.4	10.3	15.3	0.8	100.0
1957									
Less than \$100,000	13	439,911	50.1	6.1	4.2	5.4	33.0	1.2	100.0
\$100,000 - \$499,999	43	10,301,714	50.5	12.8	3.4	11.9	19.2	2.2	100.0
\$500,000 - \$999,999	17	12,109,979	48.9	17.4	4.5	14.2	14.7	0.3	100.0
\$1,000,000 - \$2,499,999	21	32,500,678	56.0	16.1	2.6	9.4	15.5	0.4	100.0
\$2,500,000 - \$4,999,999	4	13,671,113	62.1	10.1	2.6	8.0	17.2	—	100.0
\$5,000,000 and over	15	153,001,893	50.0	20.0	5.0	9.8	14.5	0.7	100.0
All sizes, total	113	222,023,288	51.6	18.3	4.4	10.0	15.1	0.6	100.0

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