



## ADVERTISING AGENCIES

1958

In 1958 a total of 123 advertising agencies operated in Canada through 209 offices. Their total billings to clients, amounting to \$237,654,038, was 5.1% higher than the amount of \$226,083,949 reported by 113 firms in 1957. Gross revenue on total billings amounted to \$38,073,427, an increase of 6.5% over the previous year's total of \$35,757,762. Of the total amount of billings made, \$233,789,205 went to publication, television, radio and other kinds of advertising on a commission or fee basis, leaving \$3,864,833 to represent billings for market surveys and other research and fees.

Gross revenue on total billings (\$38,073,427) represented 16.0% of total billings as against 15.8% in the previous year. By far the greatest proportion of gross revenue (\$35,227,406) was derived from advertising placed for clients on a commission or fee basis; market surveys, other research and fees contributing to the remainder. Net revenue before deductions for income tax rose by 4.5% to \$2,710,542, and represented 7.1% of total gross revenue compared with 7.3% in 1957.

Of the 123 firms reporting, 30 firms with total billings of \$40,567,779 showed losses for the year averaging \$12,668 per firm as compared with an

average loss of \$17,541 and total billings of \$25,858,184, reported by 31 firms in 1957. The remaining 93 firms showed an average net profit of \$33,232 and total billings of \$197,086,259, as compared with average net profit of \$38,268 and total billings of \$200,225,765 reported by 82 firms in the previous year.

The distribution of commissionable billings by type of medium was as follows (1957 percentages in brackets): publications 49.3% (51.6%), television 20.5% (18.3%), other visual 4.7% (4.4%), radio 10.5% (10.0%), production, artwork, printing, etc., 14.4% (15.1%), other 0.6% (0.6%). The trend toward a greater proportion of advertising via television continued in 1958.

Advertising agencies provided employment for 4,197 persons in 1958, more than half (2,276) of whom were male and paid \$23,826,156 in salaries, wages, commissions and bonuses. This amount was 5.5% higher than the \$22,591,043 paid to 4,042 employees in 1957 and represented a slightly smaller percentage (62.6 versus 63.2%) of gross revenue than the previous year.

More detailed information may be obtained from the accompanying tables that follow.

Prepared in the Industry and Merchandising Division



## INDUSTRY AND MERCHANDISING DIVISION

TABLE 1. Summary Statistics, Advertising Agencies in Canada, 1941 and 1946-1958

| 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 |  |
|            |                 | dollars                 |                                   |            |             | \$                      | %                   | \$   | \$         | %                         | \$   |
| 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              | 216,447                           |            | 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                | 1,033,187  | 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  |
| 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  |
| 1958 ..... | 123             | 233,789,205             | 685,595                           | 3,179,238  | 237,654,038 | 35,277,406              | 15.1                | 2,846,021  | 38,073,427 | 16.0                      | 2,710,542  |

1 Not available.

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 |                                |                           |
|            |                 | \$            | number    |        |       | \$                             | %                         |
| 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                      |
| 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                      |
| 1958 ..... | 123             | 38,073,427    | 2,276     | 1,921  | 4,197 | 23,826,156                     | 62.6                      |

1 Not available.

**TABLE 3. Employment and Net Revenue of Advertising Agencies, 1958**  
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 |
|---|---------------------|------------------------|------------------------|----------------------------|----------------------------|----------------------|-----------------|
| <b>Incorporated firms</b>   |                     |                        |                        |                            |                            |                      |                 |
| Number of firms.....  | 16                  | 29                     | 18                     | 23                         | 7                          | 14                   | 107             |
| Number of employees:  |                     |                        |                        |                            |                            |                      |                 |
| Male .....  | 32                  | 115                    | 145                    | 347                        | 200                        | 1,407                | 2,246           |
| Female .....  | 24                  | 74                     | 98                     | 249                        | 167                        | 1,280                | 1,892           |
| Salaries and wages..... \$  | 132,076             | 826,180                | 1,414,855              | 3,172,225                  | 2,222,999                  | 15,856,777           | 23,625,112      |
| Net revenue (before income taxes)..... \$                           | 10,044              | 98,388                 | 252,006                | 337,093                    | 276,919                    | 1,553,364            | 2,527,814       |
| <b>Unincorporated firms</b>   |                     |                        |                        |                            |                            |                      |                 |
| Number of firms.....  | 9                   | 6                      | 1                      | —                          | —                          | —                    | 16              |
| Number of employees:  |                     |                        |                        |                            |                            |                      |                 |
| Male .....  | 6                   | 19                     | 5                      | —                          | —                          | —                    | 30              |
| Female.....   | 5                   | 18                     | 6                      | —                          | —                          | —                    | 29              |
| Salaries and wages..... \$  | <sup>1</sup>        | 134,909                | <sup>1</sup>           | —                          | —                          | —                    | 201,044         |
| Number of working proprietors .....                                 | 10                  | 5                      | 5                      | —                          | —                          | —                    | 20              |
| Net revenue (before proprietors' salaries and income taxes)..... \$ | <sup>1</sup>        | 58,177                 | <sup>1</sup>           | —                          | —                          | —                    | 182,728         |

<sup>1</sup> 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 <sup>1</sup> 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 | <sup>3</sup>                            | \$         | <sup>3</sup>         | \$          | 49              | \$ 29,224,400 |
| 1946 ..... | 11                  | 609,609    | 19                     | 4,791,603    | 10                     | 6,882,379    | 12                                      | 17,264,018    | 5                                       | 22,621,852 | <sup>4</sup>         | \$          | 57              | 52,169,461    |
| 1948 ..... | 22                  | 1,099,036  | 21                     | 6,061,868    | 11                     | 7,457,002    | 14                                      | 22,976,601    | 7                                       | 36,187,506 | <sup>4</sup>         | \$          | 75              | 73,782,213    |
| 1951 ..... | 21                  | 1,096,882  | 23                     | 6,304,221    | 14                     | 9,946,454    | 10                                      | 14,496,909    | 11                                      | 37,681,187 | 4                    | 38,883,932  | 83              | 108,413,585   |
| 1953 ..... | 13                  | 669,272    | 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                                      | 28,406,164    | 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                                      | 30,094,834    | 5                                       | 19,631,472 | 11                   | 107,502,016 | 104             | 177,240,355   |
| 1956 ..... | 18                  | 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                  | 539,083    | 43                     | 11,248,208   | 17                     | 12,506,244   | 21                                      | 32,891,550    | 4                                       | 14,140,558 | 15                   | 154,758,326 | 113             | 226,083,949   |
| 1958 ..... | 25                  | 1,467,197  | 35                     | 6,948,884    | 19                     | 13,498,707   | 23                                      | 31,232,607    | 7                                       | 23,355,411 | 14                   | 159,151,032 | 123             | 237,654,038   |

<sup>1</sup> 1941 includes firms with billings of \$1,000,000 and over.

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

<sup>3</sup> Included with \$1,000,000 to \$2,499,999.

<sup>4</sup> Included with \$2,500,000 to \$4,999,999.



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**TABLE 5. Percentage Distribution of Commissionable Billings by Media, 1957 and 1958**  
(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        |              |
|                                    |                 | \$   | per cent                                |             |              |             |                                     |              |              |
| <b>1957</b>                        |                 |  |   |             |              |             |                                     |              |              |
| 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        |
| <b>All sizes, total .....</b>      | <b>113</b>      | <b>222,025,288</b>                         | <b>51.6</b>                             | <b>18.3</b> | <b>4.4</b>   | <b>10.0</b> | <b>15.1</b>                         | <b>0.6</b>   | <b>100.0</b> |
| <b>1958</b>                        |                 |  |   |             |              |             |                                     |              |              |
| Less than \$100,000 .....          | 25              | 1,342,528                                  | 62.7                                    | 1.8         | 5.3          | 9.5         | 19.9                                | 0.8          | 100.0        |
| \$100,000 - \$499,999 .....        | 35              | 8,407,828                                  | 50.9                                    | 14.6        | 3.4          | 12.2        | 17.8                                | 1.1          | 100.0        |
| \$500,000 - \$999,999 .....        | 19              | 12,964,637                                 | 53.3                                    | 11.5        | 4.0          | 12.0        | 19.2                                | <sup>2</sup> | 100.0        |
| \$1,000,000 - \$2,499,999 .....    | 23              | 30,270,011                                 | 51.5                                    | 15.8        | 3.8          | 12.1        | 16.4                                | 0.4          | 100.0        |
| \$2,500,000 - \$4,999,999 .....    | 7               | 23,054,054                                 | 55.1                                    | 18.5        | 2.3          | 10.9        | 13.2                                | <sup>2</sup> | 100.0        |
| \$5,000,000 and over .....         | 14              | 157,750,349                                | 47.5                                    | 22.9        | 5.3          | 10.0        | 13.6                                | 0.7          | 100.0        |
| <b>All sizes, total .....</b>      | <b>123</b>      | <b>233,789,205</b>                         | <b>48.3</b>                             | <b>20.5</b> | <b>4.7</b>   | <b>10.5</b> | <b>14.4</b>                         | <b>0.6</b>   | <b>100.0</b> |

<sup>1</sup> Excluding billings for market surveys and other services not commissionable.

<sup>2</sup> Less than 0.05 per cent.