



ADVERTISING AGENCIES

1959

In 1959 122 advertising agencies operated in Canada through 214 offices. Their total billings to clients at \$254,145,919 were 6.9% higher than the amount of \$237,654,038 reported by 123 firms in 1958. Gross revenue on total billings amounted to \$41,126,958, an increase of 8.0% over the previous year's \$38,073,427. Of the total amount of billings made, \$250,080,021 went to publications, television, radio and other kinds of advertising on a commission or fee basis, leaving \$4,065,898 for market surveys, other research and fees.

Gross revenue on total billings (\$41,126,958) represented 16.2% of total billings compared with 16.0% in 1958. Advertising placed for clients on a commission or fee basis accounted for 91.6% (\$37,678,828) of total revenue; the rest (\$3,448,130) was derived from market surveys, research, other fees and revenues. Net revenue before deductions for income taxes rose by 7.1% to \$2,903,109 and represented the same proportion of gross revenue (7.1%) as in 1958.

Of the 122 firms reporting, 33 with total billings of \$39,764,062 showed losses for the year averaging \$14,206 per firm as compared with an

average loss of \$12,668 and total billings of \$40,567,779 reported by 30 firms in 1958. The remaining 89 firms showed an average net profit of \$37,887 and total billings of \$214,381,857 compared with average net profit of \$33,232 and total billings of \$197,086,259 reported by 93 firms in the previous year.

The distribution of commissionable billings by type of medium was as follows (1958 percentages in brackets): publications 47.8% (49.3%), television 21.3% (20.5%), other visual 4.8% (4.7%), radio 10.6% (10.5%), production, art, printing, etc. 14.7% (14.4%), other 0.8% (0.6%).

Advertising agencies provided employment for 4,256 persons in 1959, and paid \$26,013,132 in salaries and wages, commissions and bonuses. This amount was 9.2% higher than the \$23,826,156 paid to 4,197 employees in 1958 and represented 63.3% of gross revenue compared with 62.6% the previous year.

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

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TABLE 1. Summary Statistics, Advertising Agencies in Canada, 1941 and 1946-59

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, research, other fees and revenue ¹	Total		
						Amount	Percent of billings		Amount	Percent of total billings	
		dollars				\$	%	\$	\$	%	\$
1941	49	..	..	..	29,224,400	..	..	..	4,823,900	16.5	..
1946	57	52,079,347	90,114		52,169,461	..	..	..	8,458,430	16.2	..
1947	67	64,422,777	171,897		64,594,674	..	..	..	10,091,772	15.6	1,462,792
1948	75	73,543,766	218,447		73,762,213	..	..	..	11,553,459	15.7	1,370,408
1949	74	86,450,968	291,502		86,742,470	..	..	..	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	108,413,565	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	144,339,303	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
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
1959	122	250,080,021	649,820	3,416,078	254,145,919	37,678,828	15.1	3,448,130	41,126,958	16.2	2,903,109

¹ From 1957 figures contain some revenue which does not pertain to surveys, research or other agency services but this cannot be excluded.
 .. Figures 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	..	..	1,237	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	..	..	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
1959	122	41,126,958	2,288	1,968	4,256	26,013,132	63.3

.. Figures not available.

TABLE 3. Employment and Net Revenue of Advertising Agencies, 1959
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	18	29	20	22	7	14	110
Number of employees:							
Male	28	107	157	372	201	1,406	2,271
Female	19	77	100	282	179	1,290	1,947
Salaries and wages	\$ 136,073	\$ 902,884	\$ 1,517,381	\$ 3,710,675	\$ 2,654,835	\$ 16,946,472	\$ 25,868,320
Net revenue (before income taxes)	\$ 1,109 ¹	\$ 61,662	\$ 157,619	\$ 169,677	\$ 189,768	\$ 2,199,975	\$ 2,777,592
Unincorporated firms							
Number of firms	7	4	1	—	—	—	12
Number of employees:							
Male	3	9	5	—	—	—	17
Female	3	13	5	—	—	—	21
Salaries and wages	\$ 2	\$ 82,685	\$ 2	—	—	—	\$ 144,812
Number of working proprietors	8	5	5	—	—	—	18
Net revenue (before proprietors' salaries and income taxes)	\$ 2	\$ 57,402	\$ 2	—	—	—	\$ 125,517

¹ Loss.

² 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	154,758,326	113	226,083,949
1958	25	1,467,197	35	8,948,884	19	13,498,707	23	31,232,807	7	23,355,411	14	159,151,032	123	237,654,036
1959	25	1,314,002	33	8,917,802	21	14,819,720	22	34,013,485	7	26,539,274	14	168,541,636	122	254,145,919

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.

TABLE 5. Percentage Distribution of Commissionable Billings by Media, 1958 and 1959
(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						Total
			Publications	Television	Other visual	Radio	Production, artwork, printing, etc.	Other	
		\$	per cent						
1958									
Less than \$100,000	25	1,342,528	62.7	1.8	5.3	9.5	19.9	0.8	100.0
\$ 100,000 to \$ 499,999	35	8,407,626	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	²	100.0
1,000,000 " 2,499,999	28	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	²	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
All sizes, totals	123	233,789,205	49.3	20.5	4.7	10.5	14.4	0.6	100.0
1959									
Less than \$100,000	25	1,208,265	67.9	1.7	3.8	4.8	21.3	0.5	100.0
\$ 100,000 to \$ 499,999	33	8,436,725	57.0	13.2	2.8	10.0	16.9	0.1	100.0
500,000 " 999,999	21	14,050,500	53.9	10.6	5.5	15.8	13.9	0.3	100.0
1,000,000 " 2,499,999	22	33,377,197	51.5	17.9	3.2	11.2	15.8	0.4	100.0
2,500,000 " 4,999,999	7	26,148,097	52.6	20.3	3.1	9.5	14.5	—	100.0
5,000,000 and over	14	166,859,237	45.1	23.7	5.4	10.3	14.5	1.0	100.0
All sizes, totals	122	250,080,021	47.8	21.3	4.8	10.6	14.7	0.8	100.0

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