

DOMINION BUREAU OF STATISTICS

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ADVERTISING AGENCIES

1960

During 1960, 131 advertising agencies operated in Canada through 222 offices. Their total billings to clients were \$272,739,802, 7.3% higher than billings of \$254,145,919 by 122 agencies for the previous year. Gross revenue from billings and other items was \$45,150,389, an increase of 9.8% over the figure of \$41,126,958 for 1959. Of the total billings made, \$267,756,156 was for publications, television, radio and other kinds of advertising on a commission or fee basis, leaving \$4,983,646 for market surveys, research and other fees, and production work by agency staff.

Gross revenue from total billings and other items (\$45,150,389) was 16.6% of total billings compared with 16.2% in 1959. Advertising placed for clients on a commission or fee basis accounted for 88.6% (\$39,993,639) of total revenue; the remainder (\$5,156,750) was obtained from research, production and other sources. A few agencies were unable to exclude cash discounts and other non-operation revenue from their calculations. In a few cases respondents could not exclude some small non-commissionable items from commissionable billings. Net revenue before income taxes dropped by 11.1% to \$2,579,769 and represented 5.7% of gross revenue compared with 7.1% for 1959.

Of the 131 firms reporting, 33 with total billings of \$26,777,784 had losses for the year averaging \$25,202 per firm, compared with average losses of \$14,206 and billings of \$39,764,062 reported by the same number of firms for 1959. The remaining firms reported an average net profit of \$34,810 and total

billings of \$245,962,018, compared with average profit of \$37,887 for 89 firms reporting billings of \$214,381,857 for 1959.

Advertising agencies provided employment for 4,465 persons in 1960 and paid \$28,252,365 in salaries, wages, commissions and bonuses. This was 8.6% higher than the \$26,013,132 paid to 4,256 persons in 1959 and represented 62.6% of gross revenue, compared with 63.3% for the previous year.

For the first time, the 1960 report attempted to secure data on production costs relating to the various media. When commissionable billings and billings for production work by agency staff (total of \$269,774,338) is distributed by medium and kind of service, 80.7% went for space and time charges, and 19.3% for production costs. Please note the table which appears below. Table 6 shows the percentage distribution by medium of the same statistical item.

The distribution of commissionable billings by medium was as follows: (1959 percentages in brackets): publications 47.2% (47.8%), television 19.3% (21.3%), other visual 5.1% (4.8%), radio 9.7% (10.6%) and production, art, printing, etc., 18.7% (14.7%). The increase in the proportion going to production is probably due to the greater emphasis on securing this item for 1960, rather than any real shift in resources.

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

Advertising Billings to Clients by Medium and Kind of Service

Medium	Space or Time		Production		Total	
	Amount	%	Amount	%	Amount	%
	\$		\$		\$	
Publications	126,341,340	81.8	28,106,025	18.2	154,447,365	100.0
Television	51,794,216	77.1	15,367,684	22.9	67,161,900	100.0
Other visual	13,517,570	80.7	3,241,660	19.3	16,759,230	100.0
Radio	26,001,504	92.6	2,091,971	7.4	28,093,475	100.0
Other	61,728	1.9	3,250,640	98.1	3,312,368	100.0
Totals	217,716,358	80.7	52,057,980	19.3	269,774,338	100.0

Prepared in the Industry and Merchandising Division

TABLE 1. Summary Statistics, Advertising Agencies in Canada, 1941 and 1946-60

Year	Number of firms	Amount of billings			Gross revenue on					Net revenue (Before deductions for income taxes)	
		Commissionable billings	Market surveys, research and other fees	Production work done by agency staff	Total	Commissionable billings		Market surveys, research, other fees and revenue, and production by agency staff	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	653,944	..	96,220,544	14,443,707	15.1	568,965	15,012,672	15.6	2,075,563
1951	83	107,461,752	951,833	..	108,413,585	16,255,059	15.1	760,437	17,015,496	15.7	2,328,015
1952	88	120,628,827	1,038,156	..	121,666,983	18,246,232	15.1	814,029	19,060,261	15.7	2,535,195
1953	88	142,957,916	1,381,332	..	144,339,308	21,558,551	15.1	1,033,167	22,591,718	15.7	2,959,389
1954	91	154,467,028	1,696,261	..	156,163,289	23,229,612	15.0	1,349,557	24,579,169	15.7	2,337,648
1955	104	174,924,772	2,315,583	..	177,240,355	26,468,551	15.1	1,221,103	27,689,654	15.6	2,771,951
1956	110	201,797,434	2,783,088	..	204,580,522	30,452,807	15.1	1,750,947	32,203,754	15.7	3,264,250
1957	113	222,025,288	4,058,661	..	226,083,949	33,377,463	15.0	2,380,299	35,757,762	15.8	2,594,206
1958	123	233,789,205	3,864,833	..	237,654,038	35,277,406	15.1	2,846,021	38,073,427	16.0	2,710,542
1959	122	250,080,021	4,065,898	..	254,145,919	37,678,828	15.1	3,448,130	41,126,958	16.2	2,903,100
1960	131	267,756,156	2,965,464	2,018,182	272,739,802	39,993,639	14.9	5,156,750	45,150,389	16.6	2,579,700

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
1960	131	45,150,389	2,393	2,072	4,465	28,252,365	62.6

.. Figures not available.

TABLE 3. Employment and Net Revenue of Advertising Agencies, 1960
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	15	33	18	28	6	14	114
Number of employees:							
Male	26	110	131	453	217	1,434	2,371
Female	18	82	96	349	165	1,328	2,038
Salaries and wages	\$ 167,546	\$ 938,089	\$ 1,336,533	\$ 4,773,921	\$ 2,518,927	\$ 18,341,801	\$ 28,076,817
Net revenue (before income taxes)	\$ 29,004	\$ 142,707	\$ 155,127	\$ 49,547	\$ 28,693 ¹	\$ 2,167,153	\$ 2,514,845
Unincorporated firms							
Number of firms	10	5	2	—	—	—	17
Number of employees:							
Male	4	3	15	—	—	—	22
Female	7	9	18	—	—	—	34
Salaries and wages	\$ ²	\$ 39,109	\$ ²	—	—	—	\$ 175,548
Number of working proprietors	11	6	6	—	—	—	23
Net revenue (before proprietors' salaries and income taxes)	\$ ²	\$ 71,425	\$ ²	—	—	—	\$ 64,924

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		Total all sizes	
	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	18	\$ 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	\$ 237,654,038
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
1960	25	\$ 1,313,230	38	\$ 9,195,003	20	\$ 14,376,089	28	\$ 44,246,198	6	\$ 21,924,677	14	\$ 181,684,605	131	\$ 272,739,802

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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TABLE 5. Percentage Distribution of Commissionable Billings by Medium, 1959 and 1960
(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
		\$	per cent						
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
1960									
Less than \$100,000	25	1,114,476	63.7	2.7	2.7	8.8	22.1	²	100.0
\$ 100,000 to \$ 499,999	38	8,839,487	51.3	16.7	2.8	11.8	17.1	0.3	100.0
500,000 " 999,999	20	13,808,299	59.6	10.8	2.9	8.4	18.3	²	100.0
1,000,000 " 2,499,999	28	43,045,343	51.8	14.2	4.8	11.8	17.3	0.1	100.0
2,500,000 " 4,999,999	6	21,730,560	44.5	22.1	3.6	10.1	19.7	—	100.0
5,000,000 and over	14	179,417,991	45.1	21.1	5.6	9.2	19.0	—	100.0
All sizes, totals	131	267,756,156	47.2	19.3	5.1	9.7	18.7	²	100.0

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

² Less than 0.05 per cent.

TABLE 6. Percentage Distribution of Advertising Billings by Medium, 1960
(Agencies classified by Amount of Total Annual Billings)

Amount of annual billings	Number of firms	Total advertising billings ¹	Distribution of advertising billings					Total
			Publications	Television	Other visual	Radio	Other	
		\$	per cent					
Less than \$100,000	25	1,183,342	76.8	3.2	3.8	8.6	7.6	100.0
\$ 100,000 to \$ 499,999	38	8,896,377	59.0	17.7	4.1	12.0	7.2	100.0
500,000 " 999,999	20	14,099,101	71.3	12.0	3.9	8.8	4.0	100.0
1,000,000 " 2,499,999	28	43,520,652	61.9	17.5	5.2	12.6	2.8	100.0
2,500,000 " 4,999,999	6	21,796,072	56.0	28.8	3.8	10.8	0.6	100.0
5,000,000 and over	14	180,278,794	55.0	27.7	7.0	9.9	0.4	100.0
All sizes, totals	131	269,774,338	57.3	24.9	6.2	10.4	1.2	100.0

¹ Excluding billings for market surveys, research and other fees, but including production work by agency staff.