

DOMINION BUREAU OF STATISTICS

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ADVERTISING AGENCIES

1961

In 1961, 134 advertising agencies operated in Canada through 214 offices. Their total billings to clients at \$282,561,449 were 3.6% higher than the amount of \$272,739,802 reported by 131 agencies in 1960. Gross revenue from billings and other items was \$46,089,647, an increase of 2.1% over the previous year's \$45,150,389. Of the total amount of billings made, \$277,805,963 was for publications, television, radio and other kinds of advertising on a commission or fee basis, leaving \$4,755,486 for market surveys, research and other fees, and production work by agency staff.

Gross revenue from total billings and other items (\$46,089,647) was, as in 1960, 16.6% of total billings. Advertising placed for clients on a commission or fee basis accounted for 89.5% (\$41,253,508) of total revenue; the remainder (\$4,836,139) 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 1.3% to \$2,546,633 and represented 5.6% of gross revenue compared with 5.7% for 1960.

Of the 134 firms reporting, 40 with total billings of \$41,994,857 had losses for the year averaging \$27,499 per firm, compared with average losses of

\$25,202 and billings of \$26,777,784 reported by 33 firms for 1960. The remaining firms reported an average net profit of \$38,793 and total billings of \$240,566,592 compared with an average profit of \$34,810 for 98 firms reporting billings of \$245,962,018 for 1960.

Advertising agencies paid \$29,313,330 in salaries, wages, commissions and bonuses in 1961. This was 3.8% higher than the \$28,252,365 paid in 1960 and represented 63.6% of gross revenue, compared with 62.6% for the previous year.

In 1961, commissionable billings and billings for production work by agency staff, as distributed by medium and kind of service (total of \$279,962,074) shows that 80.4% went for space and time charges and 19.6% for production costs as compared with 80.7% and 19.3% respectively, in 1960. Table 6 shows the percentage distribution by medium of the same statistical items.

The distribution of commissionable billings by medium was as follows: (1960 percentages in brackets): publications 45.5% (47.2%), television 21.4% (19.3%), other visual 4.6% (5.1%), radio 9.4% (9.7%) and production, art, printing, etc., 19.0% (18.7%).

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	Per cent	Amount	Per cent	Amount	Per cent
	\$		\$		\$	
Publications	126,429,456	81.7	28,270,967	18.3	154,700,423	100.0
Television	59,290,578	78.4	16,373,206	21.6	75,663,784	100.0
Other visual	12,790,261	84.2	2,396,358	15.8	15,186,619	100.0
Radio	26,227,154	90.0	2,909,242	10.0	29,136,396	100.0
Other	257,747	4.9	5,017,105	95.1	5,274,852	100.0
Totals	224,995,196	80.4	54,966,878	19.6	279,962,074	100.0

Prepared in the Merchandising and Services Division

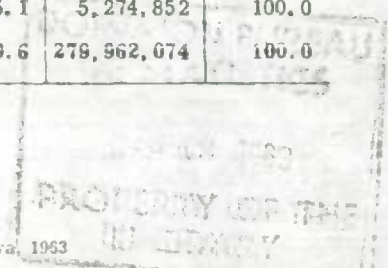
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TABLE 1. Summary Statistics, Advertising Agencies in Canada, 1941 and 1946-61

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	1,370,406
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 ¹	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	41,126,956	16.2	2,903,109
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	2,579,769
1961.....	134	277,805,963	2,599,375	2,156,111	282,561,449	41,253,508	14.8	4,836,139	46,089,647	16.6	2,546,633

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	..	..	2,562	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	
1961.....	134	46,089,647	4,331 ¹			4,331	29,313,330	63.6

¹ As of last week of November 1961. Not comparable with previous years.

.. Figures not available.

TABLE 3. Employment and Net Revenue of Advertising Agencies, 1961 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	12	39	19	27	4	16	117
Number of employees (last week of November)	33	206	228	731	211	2,870	4,279
Salaries and wages..... \$	121,396	1,181,175	1,449,222	4,623,300	1,539,446	20,212,508	29,127,107
Net revenue (before income taxes)	\$ 15,066	7,777	90,768	111,157	237,727 ¹	2,505,249	2,492,290
Unincorporated firms							
Number of firms	11	5	1	—	—	—	17
Number of employees (last week of November)	7	14	31	—	—	—	52
Salaries and wages..... \$	²	48,620	²	—	—	—	65,597
Number of working proprietors	12	5	1	—	—	—	18
Net revenue (before proprietors' salaries and income taxes)..... \$	²	40,113	²	—	—	—	66,149

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	13,361,500	¹	¹	¹	¹	49	29,224,400
1946	11	609,609	19	4,791,603	10	6,882,379	12	17,264,018	5	22,621,852	¹	¹	57	52,169,461
1948	22	1,099,036	21	6,061,888	11	7,457,002	14	22,976,801	7	36,167,506	¹	¹	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	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	539,063	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	272,739,892
1961	23	1,087,920	44	10,488,570	20	14,032,486	27	40,149,462	4	13,552,523	16	203,250,488	134	292,561,449

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.

MERCHANDISING AND SERVICES DIVISION

TABLE 5. Percentage Distribution of Commissionable Billings by Medium, 1960 and 1961
(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						
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	36	8,639,487	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
1961									
Less than \$100,000	23	917,076	57.7	2.3	5.5	8.8	24.7	1.0	100.0
\$ 100,000 to \$ 499,999	44	9,766,121	50.3	13.0	2.9	14.6	19.0	0.2	100.0
500,000 " 999,999	20	13,503,369	50.3	16.2	5.5	10.6	16.9	0.3	100.0
1,000,000 " 2,499,999	27	38,868,037	56.2	13.0	5.2	7.7	17.4	0.5	100.0
2,500,000 " 4,999,999	4	13,272,714	52.1	11.6	1.9	12.5	21.9	-	100.0
5,000,000 and over	16	201,458,646	42.4	24.4	4.7	9.2	19.3	-	100.0
All sizes, totals	134	277,805,963	45.5	21.4	4.6	9.4	19.0	0.1	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, 1961
(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	23	983,209	68.9	2.2	7.5	9.4	12.0	100.0
\$ 100,000 to \$ 499,999	44	10,151,924	60.2	13.8	4.4	14.7	6.9	100.0
500,000 " 999,999	20	13,802,482	59.9	17.3	6.9	11.1	4.9	100.0
1,000,000 " 2,499,999	27	39,450,308	66.7	14.9	5.9	8.3	4.2	100.0
2,500,000 " 4,999,999	4	13,364,383	66.5	18.7	2.0	12.8	-	100.0
5,000,000 and over	16	202,209,768	51.6	31.4	5.5	10.4	1.1	100.0
All sizes, totals	134	279,962,074	55.3	27.0	5.4	10.4	1.9	100.0

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

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