

## DOMINION BUREAU OF STATISTICS

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## ADVERTISING AGENCIES

1962

During 1962, 143 advertising agencies operated in Canada through 228 offices. Their total billings to clients, at \$298,584,954, were 5.7% higher than the billings of \$282,561,449 by 134 agencies for the previous year. Gross revenue from billings and other items was \$49,348,113, an increase of 7.1% over the previous year's \$46,089,647. Of the total amount of billings made, \$293,028,021 was for publications, television, radio and other kinds of advertising on a commission or fee basis, leaving \$5,556,933 for market surveys, research and other fees, and production work by agency staff.

Gross revenue from total billings and other items (\$49,348,113) was 16.5% of total billings compared with 16.3% in 1961. Advertising placed for clients on a commission or fee basis accounted for 88.1% (\$43,496,564) of total revenue; the remainder (\$5,851,549) 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 increased by 44.8% to \$3,588,187 and represented 7.5% of gross revenue compared with 5.5% in 1961.

Of the 143 firms reporting, 27 with total billings of \$31,461,079 had losses for the year averaging \$12,147 per firm, compared with average losses

of \$27,499 and billings of \$41,994,857 reported by 40 firms in 1961. The remaining firms reported an average net profit of \$34,622 and total billings of \$267,123,875 compared with an average profit of \$38,793 for 94 firms reporting billings of \$240,566,592 in 1961.

Advertising agencies paid \$30,932,144 in salaries, wages, commissions and bonuses in 1962. This was 5.5% higher than the \$29,313,330 paid in 1961 and represented 62.7% of gross revenue, compared with 63.6% for the previous year.

In 1962, commissionable billings and billings for production work by agency staff, as distributed by medium and kind of service (total of \$295,662,876) shows that 82% went for space and time charges and 18% for production costs as compared with 80.4% and 19.6% respectively, in 1961. Table 6 shows the percentage distribution by medium of the same statistical items.

The distribution of commissionable billings by medium was as follows (1961 percentage in brackets): publication 44.0% (45.5%), television 22.8% (21.4%), other visual 5.1% (4.6%), radio 10.8% (9.4%) and production, art, printing, etc., 17.2% (19.0%).

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 .....	129,031,788	82.6	27,133,955	17.4	156,165,743	100.0
Television .....	66,880,353	81.4	15,326,447	18.6	82,206,800	100.0
Other visual .....	14,843,569	80.5	3,588,292	19.5	18,431,861	100.0
Radio .....	31,490,519	92.4	2,600,624	7.6	34,091,143	100.0
Other .....	296,304	6.2	4,471,025	93.8	4,767,329	100.0
<b>Totals .....</b>	<b>242,542,533</b>	<b>82.0</b>	<b>53,120,343</b>	<b>18.0</b>	<b>295,662,876</b>	<b>100.0</b>

## MERCHANDISING AND SERVICES DIVISION

TABLE 1. Summary Statistics, Advertising Agencies in Canada, 1941 and 1946-62

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	73,543,768	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	95,568,600	653,944		96,220,544	14,443,707	15.1	568,965	15,012,672	15.6	2,075,563
1951	83	107,481,752	951,833		108,413,585	16,255,059	15.1	760,437	17,015,498	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	22,591,716	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
1958	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 <sup>1</sup>	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	2,903,109
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	14.6	4,836,139	46,089,647	18.3	2,546,633
1962	143	293,028,021	2,922,078	2,634,855	298,584,954	43,496,564	14.6	5,851,113	49,348,113	16.5	3,688,187

<sup>1</sup> 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	690	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	62.9
1961	134	46,089,647	4,331 <sup>1</sup>		4,331	29,313,330	63.6
1962	143	49,348,113	2,413	2,008	4,421	30,932,144	62.7

<sup>1</sup> As of last week of November 1961. Not comparable with previous years.

.. Figures not available.

**TABLE 3. Employment and Net Revenue of Advertising Agencies, 1962 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 .....	7	57	13	25	5	17	124
Number of employees .....	13	312	173	624	211	3,048	4,381
Salaries and wages .....	\$ 37,480	1,764,617	1,125,221	4,401,443	1,562,805	21,877,731	30,769,298
Net revenue (before income taxes) .....	\$ 9,660 <sup>1</sup>	182,424	245,900	387,994	176,732	2,599,995	3,583,385
<b>Unincorporated firms</b>							
Number of firms .....	15	3	—	1	—	—	19
Number of employees .....	9	7	—	24	—	—	40
Salaries and wages .....	\$ 14,591	<sup>2</sup>	—	<sup>2</sup>	—	—	162,846
Number of working proprietors .....	18	4	—	1	—	—	23
Net revenue (before proprietors' salaries and income taxes) .....	\$ 68,297	<sup>2</sup>	—	<sup>2</sup>	—	—	104,802

<sup>1</sup> Loss.

<sup>2</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		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	<sup>3</sup>	<sup>3</sup>	<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>	<sup>4</sup>	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	<sup>4</sup>	<sup>4</sup>	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	1,457,197	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
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	282,561,449
1962 .....	22	834,716	60	15,900,851	13	10,421,815	25	39,788,024	5	16,403,100	17	215,236,448	143	298,584,954

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

<sup>2</sup> 1945 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 Medium, 1961 and 1962**  
(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						
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	9,786,121	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	10.8	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
<b>All sizes, totals .....</b>	<b>134</b>	<b>277,805,963</b>	<b>45.5</b>	<b>21.4</b>	<b>4.6</b>	<b>9.4</b>	<b>19.0</b>	<b>0.1</b>	<b>100.0</b>
1962									
Less than \$100,000 .....	22	745,206	47.5	6.2	5.9	8.6	28.7	3.1	100.0
\$ 100,000 to \$ 499,999.....	60	14,896,578	55.1	10.0	3.3	12.2	18.9	0.5	100.0
500,000 " 999,999.....	13	9,998,306	48.9	20.5	4.7	11.5	13.7	0.7	100.0
1,000,000 " 2,499,999.....	26	38,595,607	53.0	15.3	6.2	8.4	16.8	0.3	100.0
2,500,000 " 4,999,999.....	5	16,079,862	48.5	17.9	3.0	12.4	18.2	-	100.0
5,000,000 and over .....	17	212,712,462	41.1	25.6	5.1	10.9	17.3	-	100.0
<b>All sizes, totals .....</b>	<b>143</b>	<b>293,028,021</b>	<b>44.0</b>	<b>22.8</b>	<b>5.1</b>	<b>10.8</b>	<b>17.2</b>	<b>0.1</b>	<b>100.0</b>

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

**TABLE 6. Percentage Distribution of Advertising Billings by Medium, 1962**  
(Agencies classified by Amount of Total Annual Billings)

Amount of annual billings	Number of firms	Total advertising billings <sup>1</sup>	Distribution of advertising billings					Total
			Publications	Television	Other visual	Radio	Other	
		\$	per cent					
Less than \$100,000 .....	22	787,180	66.0	6.5	8.1	8.3	11.1	100.0
\$ 100,000 to \$ 499,999.....	60	15,500,650	65.9	10.9	3.8	12.6	6.6	100.0
500,000 " 999,999.....	13	10,265,829	56.9	21.1	5.3	11.8	4.9	100.0
1,000,000 " 2,499,999.....	26	39,109,519	63.0	17.2	7.4	9.0	3.4	100.0
2,500,000 " 4,999,999.....	5	16,144,296	56.9	22.2	3.5	12.8	4.6	100.0
5,000,000 and over .....	17	213,855,402	49.5	31.8	6.4	11.8	0.5	100.0
<b>All sizes, totals .....</b>	<b>143</b>	<b>295,662,876</b>	<b>52.8</b>	<b>27.8</b>	<b>6.3</b>	<b>11.5</b>	<b>1.6</b>	<b>100.0</b>

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