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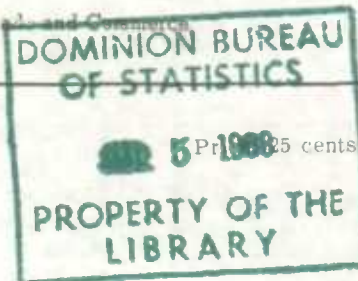
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ADVERTISING AGENCIES

1966

In 1966, 165 advertising agencies operated in Canada, an increase of 6 over 1965. Their total billings to clients at \$402,175,869 were 10.9% higher than billings of \$362,559,347 by 159 agencies for the previous year. Gross revenue from billings and other items was \$66,915,185, 9.7% above the preceding year's total of \$60,994,714. Of the amount of billings made, \$392,542,021 was for publications, television, radio and other kinds of advertising on a commission or fee basis, leaving \$9,633,848 for market surveys, research and other fees, and production work done by agency staff.

Gross revenue from total billings and other items (\$66,915,185) was 16.6% of total billings, compared with a ratio of 16.8% in 1965. Advertising placed for clients on a commission or fee basis accounted for 85.3% (\$57,082,209) of the total revenue; the remainder (\$9,832,976) was obtained from research, production and other sources. Net revenue increased by 15.2% to \$6,578,493 and represented 9.8% of gross revenue, compared with 9.4% in 1965.

Of the 165 firms reporting, 27 with total billings of \$18,026,455 had losses for the year averaging \$14,122 per firm, compared with average losses of \$18,679 and billings of \$28,041,805 reported by 30 firms in 1965. The remaining 138 firms

reported an average net profit of \$50,570 and total billings of \$384,149,414, compared with average profit of \$48,623 for 129 firms reporting billings of \$334,517,542 in the previous year.

Advertising agencies paid \$40,771,172 in salaries, wages, commissions and bonuses in 1966. This was 10.0% higher than the \$37,049,736 paid in 1965 and represented 60.9 per cent of gross revenue compared with 60.7% for the previous year.

In 1966, commissionable billings and billings for production work by agency staff, distributed by medium and kind of service (total of \$396,687,409) shows that 79.7% went for space and time charges and 20.3% for production costs, compared with 80.3% and 19.7% respectively in 1965. Table 6 shows the percentage distribution by medium of the same statistical items.

The distribution of commissionable billings by medium was as follows: (1965 percentages in brackets): publications 38.8% (39.5%), television 27.8% (27.4%), other visual 3.4% (3.7%), radio 10.5% (10.4%) and production, art work, printing, etc., 19.5% (19.0%).

More detailed information may be obtained from tables that follow.

Advertising Billings to Clients by Medium and Kind of Service, 1966

Medium	Space or time		Production		Total	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Publications	152,327,704	81.1	35,556,524	18.9	187,884,228	100.0
Television.....	109,289,023	80.3	26,850,280	19.7	136,139,303	100.0
Other visual	13,332,420	78.7	3,610,719	21.3	16,943,139	100.0
Radio	41,221,134	90.4	4,371,107	9.6	45,592,241	100.0
Other	36,186	0.4	10,092,312	99.6	10,128,498	100.0
Totals	316,206,467	79.7	80,480,942	20.3	396,687,409	100.0

TABLE 1. Summary Statistics. Advertising Agencies in Canada, 1941, 1946 and 1948-66

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	Per cent of billings		Amount	Per cent of total billings	
						\$	%	\$	\$	%	\$
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	..
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	96,566,600	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	1,381,392	..	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	35,227,406	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	14.8	4,836,139	46,089,647	16.3	2,546,633
1962	143	293,028,021	2,922,078	2,634,855	298,584,954	43,496,564	14.8	5,851,549	49,348,113	16.5	3,688,187
1963	143	296,762,297	3,537,273	2,551,944	302,851,514	44,270,021	14.9	6,195,040	50,465,061	16.7	3,703,968
1964	149	311,332,070	3,785,712	3,022,557	318,140,339	46,596,607	15.0	6,995,325	53,591,932	16.8	4,081,379
1965	159	354,650,007	4,294,643	3,614,697	362,559,347	52,883,006	14.9	8,111,708	60,994,714	16.8	5,712,001
1966	165	392,542,021	5,488,460	4,145,388	402,175,869	57,082,209	14.5	9,832,976	66,915,185	16.6	6,578,493

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			\$	%
1951	83	17,015,496	..	..	2,552	10,128,050	59.5
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
1962	143	49,348,113	2,413	2,008	4,421	30,932,144	62.7
1963	143	50,465,061	2,430	1,951	4,381	31,157,259	61.7
1964	149	53,591,932	2,375	2,078	4,453	33,170,850	61.9
1965	159	60,994,714	2,491	2,207	4,698	37,049,736	60.7
1966	165	66,915,185	2,574	2,339	4,913	40,771,172	60.9

¹ As of last week of November 1961. Not comparable with other years.
 .. Figures not available.

TABLE 3. Employment and Net Revenue of Advertising Agencies, 1966 classified according to Amount of Total Annual Billings and Form of Organization

Form of organization	Less than \$500,000	\$500,000 to 2,499,999	\$2,500,000 to 4,999,999	\$5,000,000 to 9,999,999	\$10,000,000 to 14,999,999	\$15,000,000 and over	Total all sizes
Incorporated firms							
Number of firms	58	52	10	7	4	8	139
Number of employees	248	819	344	544	653	2,155	4,763
Salaries and wages	\$ 1,318,356	6,552,682	2,808,887	4,593,605	5,174,888	18,774,030	39,222,448
Net revenue (before income taxes)	\$ 162,152	780,329	832,206	764,716	425,384	3,387,626	6,352,413
Unincorporated firms							
Number of firms	25	-	-	-	1	-	26
Number of employees	35	-	-	-	175	-	210
Salaries and wages	\$ x	-	-	-	x	-	1,548,724
Number of working proprietors	25	-	-	-	-	-	25
Net revenue (before proprietors' salaries and income taxes)	\$ x	-	-	-	x	-	226,080

x Confidential to meet secrecy requirements of the Statistics Act.
 - Nil or zero.

TABLE 4. Advertising Agencies classified according to Amount of Total Billings for Selected Years

Year	Amount of billings													
	Less than \$500,000		\$500,000 to 2,499,999		\$2,500,000 to 4,999,999		\$5,000,000 to 9,999,999		\$10,000,000 to 14,999,999		\$15,000,000 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
1951	44	\$ 7,403,103	24	\$ 24,445,363	11	\$ 37,681,187			4	\$ 38,883,932			83	\$ 108,413,585
1954	45	8,767,354	31	36,201,868	7	29,596,073			8	81,597,994			91	156,163,289
1955	55	9,886,646	33	40,020,221	5	19,831,472			11	107,502,016			104	177,240,355
1956	57	11,622,067	33	34,814,412	9	34,883,497			11	123,260,546			110	204,580,522
1957	56	11,787,271	38	45,397,794	4	14,140,558			15	154,758,326			113	226,083,949
1958	60	10,416,081	42	44,731,514	7	23,355,411			14	159,151,032			123	237,654,038
1959	58	10,231,804	43	48,833,205	7	26,539,274			14	168,541,636			122	254,145,919
1960	63	10,508,233	48	58,622,287	6	21,924,677			14	181,684,605			131	272,739,802
1961	67	11,576,490	47	54,181,948	4	13,552,523			16	203,250,488			134	282,561,449
1962 ^f	82	16,735,567	39	50,209,839	5	16,403,100	7	51,606,280	4	45,180,604	6	118,249,564	143	298,584,954
1963	76	14,583,841	42	47,986,752	8	25,763,211	7	51,064,842	5	60,232,605	5	103,220,263	143	302,851,514
1964	81	14,952,983	44	48,810,741	8	22,613,840	6	38,045,815	7	81,996,934	5	111,720,026	149	318,140,339
1965	81	14,086,483	53	63,049,366	6	23,440,169	6	37,500,729	8	99,217,663	5	125,264,937	159	362,559,347
1966	83	14,790,938	52	57,915,159	10	32,603,195	7	49,148,590	5	60,758,529	8	186,959,458	165	402,175,869



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TABLE 5. Percentage Distribution of Commissionable Billings by Medium, 1965 and 1966
(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						
1965									
Less than \$500,000	81	12,860,244	54.3	9.6	5.2	11.6	19.1	0.2	100.0
\$ 500,000 to \$ 2,499,999	53	60,887,945	49.8	18.9	3.6	11.4	16.0	0.3	100.0
2,500,000 " 4,999,999	6	22,926,494	38.8	29.4	3.5	9.9	18.2	0.2	100.0
5,000,000 " 9,999,999	6	37,147,669	25.5	46.7	2.6	8.0	17.2	—	100.0
10,000,000 " 14,999,999	8	97,359,973	34.9	31.2	4.0	11.6	18.3	—	100.0
15,000,000 and over	5	123,467,682	40.7	24.4	3.9	9.7	21.3	—	100.0
All sizes, totals	159	354,650,007	39.5	27.4	3.7	10.4	18.9	0.1	100.0
1966									
Less than \$500,000	83	14,292,068	58.3	8.4	2.4	10.1	20.8	--	100.0
\$ 500,000 to \$ 2,499,999	52	55,692,381	53.3	12.9	4.8	11.4	17.6	--	100.0
2,500,000 " 4,999,999	10	31,878,138	39.4	26.8	3.5	7.7	22.5	0.1	100.0
5,000,000 " 9,999,999	7	48,094,393	28.7	44.8	2.1	8.2	16.2	—	100.0
10,000,000 " 14,999,999	5	59,981,036	30.5	35.8	3.2	11.4	19.1	—	100.0
15,000,000 and over	8	182,604,005	38.2	27.0	3.4	11.1	20.3	—	100.0
All sizes, totals	165	392,542,021	38.8	27.8	3.4	10.5	19.5	--	100.0

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

-- Amount too small to be expressed.

— Nil or zero.

TABLE 6. Percentage Distribution of Advertising Billings by Medium, 1966
(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 \$500,000	83	14,571,793	69.4	9.7	4.0	11.4	5.5	100.0
\$ 500,000 to \$ 2,499,999	52	57,053,859	63.7	14.8	6.4	11.9	3.2	100.0
2,500,000 " 4,999,999	10	31,997,804	47.9	36.1	3.8	8.2	4.0	100.0
5,000,000 " 9,999,999	7	48,327,393	34.3	52.6	2.2	8.6	2.3	100.0
10,000,000 " 14,999,999	5	60,505,315	38.0	43.4	3.7	12.8	2.1	100.0
15,000,000 and over	8	184,231,245	46.9	34.2	4.5	12.3	2.1	100.0
All sizes, totals	165	396,687,409	47.4	34.3	4.3	11.5	2.5	100.0

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

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