

Advertising and related services, 2023

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Growth in the advertising and related services industry slows to single digits in 2023

Following two years of double-digit growth, the Canadian advertising and related services industry returned to single-digit growth in 2023, with operating revenues rising 7.8% compared with 2022 to \$14.4 billion.

Apart from the Northwest Territories (-21.4%), all provinces and territories experienced growth in operating revenues in 2023. Ontario, where revenues were up \$680.4 million, or 8.3%, accounted for just under two-thirds of the national growth in dollar terms.

With operating expenditure growth (+9.5%) outpacing revenue growth, the operating profit margin dropped to 13.9% in 2023, its lowest level since 2016 (13.3%). In 2023, the cost of goods sold grew at a faster pace than most other components, which led to an increase in its share of expenses. The cost of goods sold accounted for 13.3% of total operating expenses, following a record-low share of 12.1% in 2021.

Salaries, wages, commissions and benefits rose 7.8% in 2023, matching the pace of operating revenue growth. This remained the largest component of operating expenses, at \$5.4 billion, although it accounted for a slightly smaller share of total expenses (falling from 44.3% in 2022 to 43.6% in 2023).

In 2023, domestic sales to businesses (75.9%) were once again the largest component of sales, followed by sales outside Canada (15.4%). The proportion of domestic sales to individuals and households (1.3%) and to governments, not-for-profit organizations and public institutions (7.4%) were unchanged.

Industry trends

Artificial intelligence (AI) tools are becoming increasingly sophisticated and more widely adopted across many industries. In the advertising and related services industry, AI can aid in all aspects of work, from content generation to planning and budgeting tools, to audience analytics and much more. Further integration of AI tools in this industry is expected going forward.

Advertising through social media is on the rise, particularly short-form content (e.g., Instagram and TikTok reels), influencer marketing and livestream content. Social media can provide deeper engagement than traditional advertisements, giving users a connection to the products advertised. Industry operators will continue leveraging this type of advertising more and more in the future to build stronger connections with their audience.

It will be interesting to observe the impact of these trends on the advertising and related services industry going forward. Detailed financial statistics for the industry for the 2024 reference year will be provided when survey data are published in 2026.

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Note to readers

Data for 2021 and 2022 have been revised.

These and other data related to business and consumer services can be found at the [Business and consumer services and culture statistics portal](#).



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Available tables: [21-10-0033-01](#) to [21-10-0035-01](#) and [21-10-0231-01](#).

Definitions, data sources and methods: survey number [2437](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).