



Government of Canada Advertising Activities F'2019-2020

An Overview Of The GOC Spending By Medium

March 2021

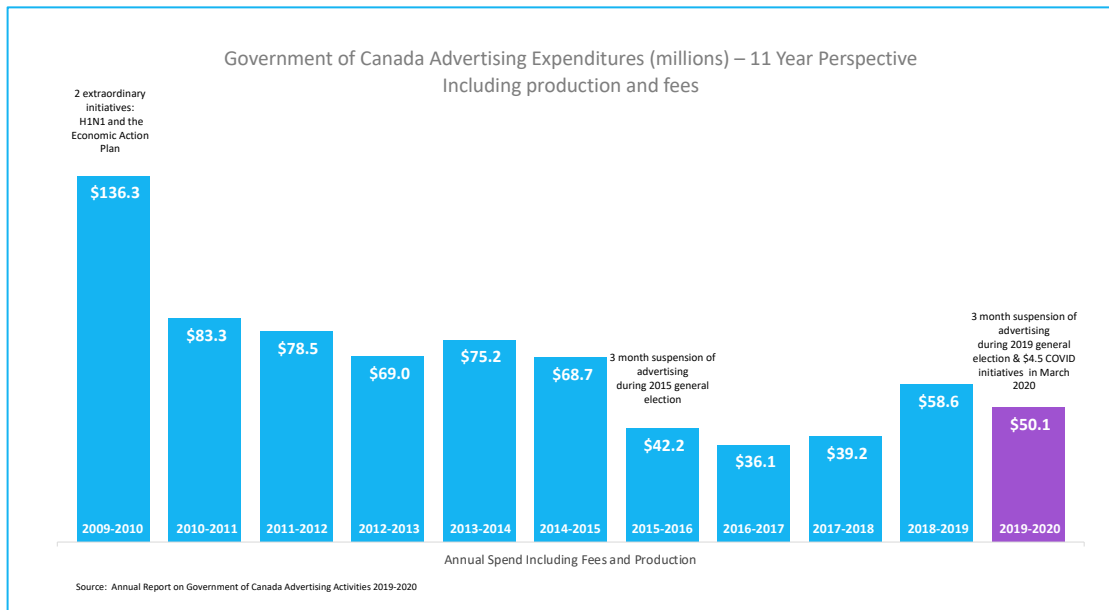
RADO
CONNECTS

Background

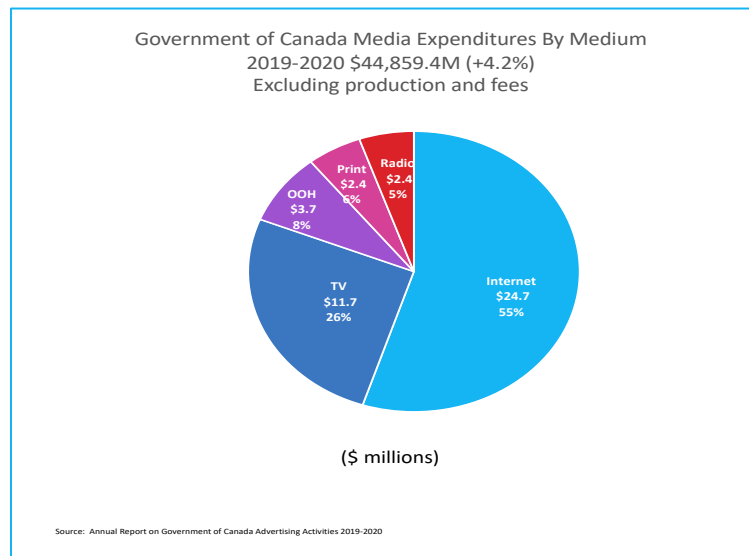
The following provides an overview on the Government of Canada’s (GOC) advertising for the fiscal year of April 1, 2019 to March 31, 2020. Within the fiscal, advertising initiatives funded by the federal government ceased on June 30th, 2019 prior to the October 2019 federal general election. Data referenced in this overview has been sourced from past and current *Annual Report on Government of Canada Advertising Activities*, prepared by the Auditor General, and published by Public Services and Procurement Canada (PSPC). [The full 2019-2020 Report is available here.](#)

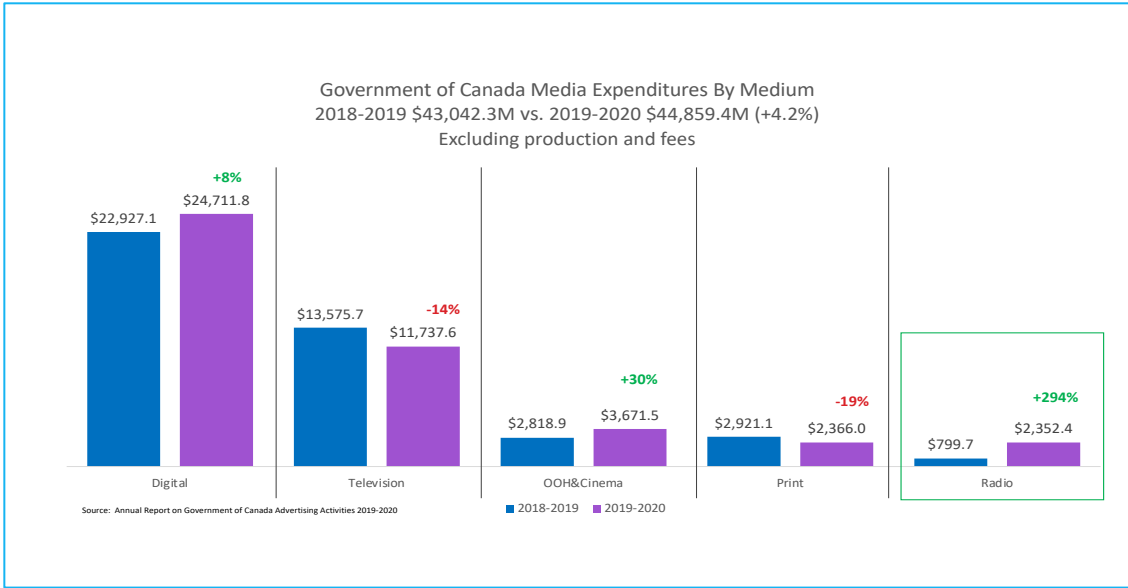
Overview of 2019-2020

During the 2019-2020 fiscal year, the federal government spent \$50.1 million, including cost of media, production and fees, a decrease of 14.5% from the previous year’s \$58.6 million.



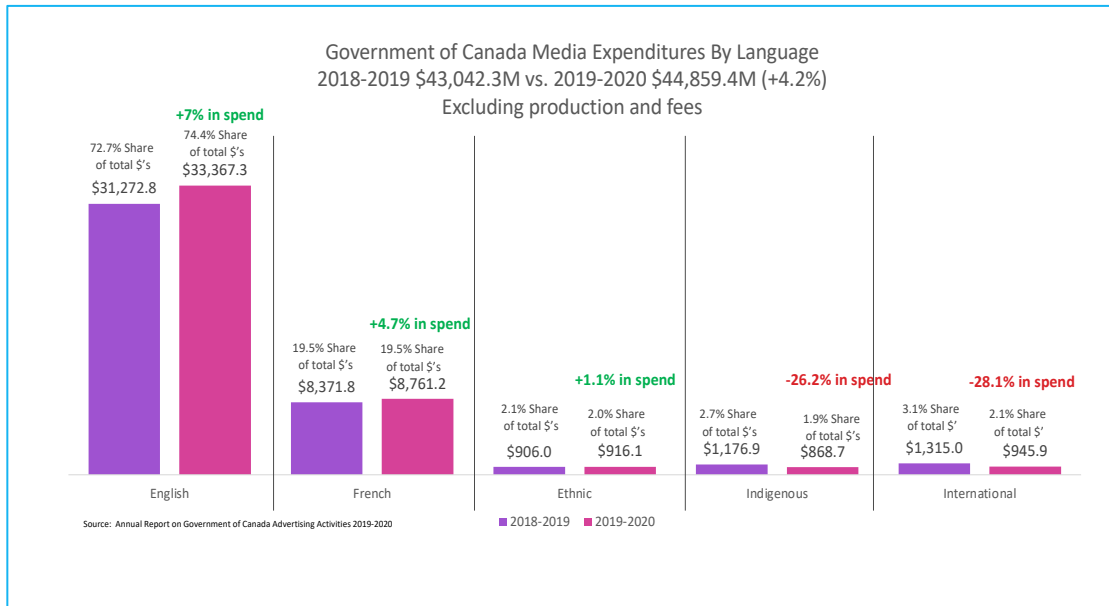
However, media placed through the AOR increased to \$44.9 million from \$43.0 million, which would indicate a possible restructure in fees for services paid to the AOR as part of the AOR review. This translates to an increase of 4.2% in ‘working media’ dollars placed by the AOR:





Medium	GOC Media Spending by AOR				English				French				Ethnic				Indigenous				International			
	2018-2019	2019-2020	YOY +/-	Share	2018-2019	2019-2020	YOY +/-	Share	2018-2019	2019-2020	YOY +/-	Share	2018-2019	2019-2020	YOY +/-	Share	2018-2019	2019-2020	YOY +/-	Share	2018-2019	2019-2020	YOY +/-	Share
Digital	\$22,927.1	\$24,711.9	7.8%	55.1%	\$15,477.6	\$17,637.8	14.0%	52.9%	\$4,877.1	\$5,391.1	10.5%	61.5%	\$558.3	\$417.4	-25.2%	45.6%	\$699.1	\$573.0	-18.0%	66.0%	\$1,315.0	\$692.6	-47.3%	73.2%
Television	\$13,575.6	\$11,737.6	-13.5%	26.2%	\$11,261.2	\$9,742.4	-13.5%	29.2%	\$2,108.3	\$1,826.6	-13.4%	20.8%	\$113.3	\$115.4	1.9%	12.6%	\$92.8	\$53.2	-42.7%	6.1%	\$0.0	\$0.0	0.0%	0.0%
OOH	\$2,818.9	\$3,671.5	30.2%	8.2%	\$2,037.4	\$2,795.7	37.2%	8.4%	\$767.4	\$875.8	14.1%	10.0%	\$0.0	\$0.0	0.0%	0.0%	\$14.1	\$0.0	0.0%	0.0%	\$0.0	\$0.0	0.0%	0.0%
Print	\$2,921.0	\$2,386.0	-18.3%	5.3%	\$2,060.7	\$1,421.1	-31.0%	4.3%	\$589.9	\$361.9	-38.7%	4.1%	\$225.5	\$337.4	49.6%	36.8%	\$44.9	\$43.7	-2.7%	5.0%	\$0.0	\$221.9	0.0%	23.5%
Radio	\$799.7	\$2,352.4	194.2%	5.2%	\$435.9	\$1,770.3	306.1%	5.3%	\$29.1	\$305.8	950.9%	3.5%	\$8.8	\$45.9	421.6%	5.0%	\$325.9	\$198.9	-39.0%	22.9%	\$0.0	\$371.5	100.0%	3.3%
Total	\$43,042.3	\$44,859.4	4.2%	100.0%	\$31,272.8	\$33,367.3	6.7%	100.0%	\$8,371.8	\$8,761.2	4.7%	100.0%	\$905.9	\$916.1	1.1%	100.0%	\$1,176.8	\$868.8	-26.2%	100.0%	\$1,315.0	\$946.0	-28.1%	100.0%

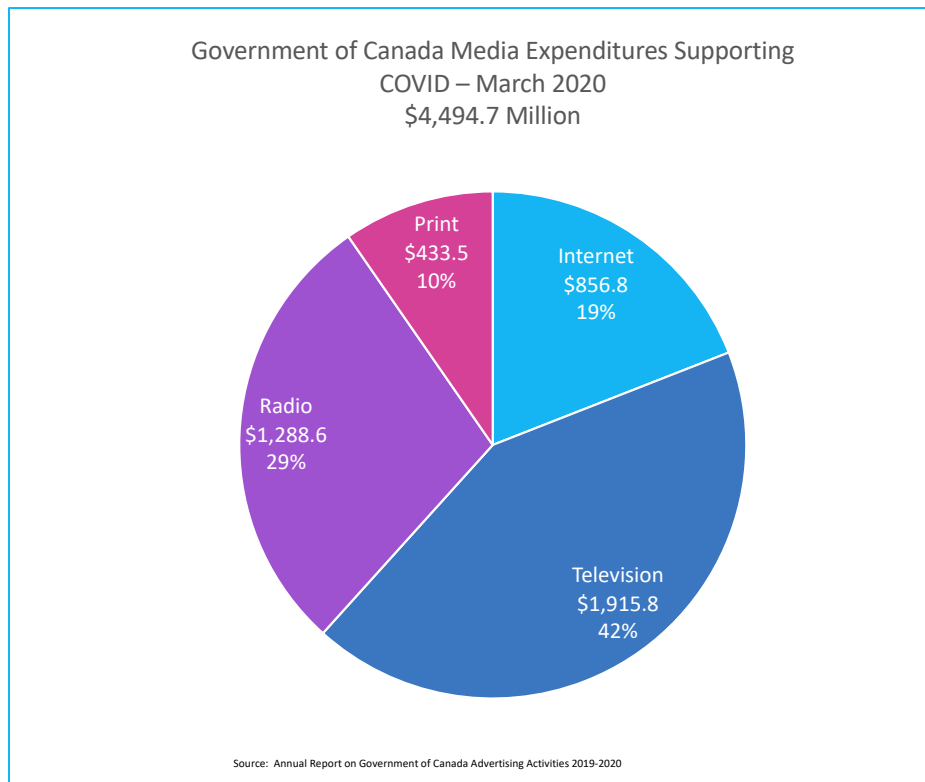
- i. In 2019-2020, \$3.3 million was purchased directly by the various GOC Institutions (industries can execute campaigns under \$25K) versus \$3.4 million in 2018-2019, and roughly the same amount executed by Industries in 2016-2017.
- ii. Spending by language increased for English, French and Ethnic, however spending against Indigenous and International audiences was down in a year over year comparison.



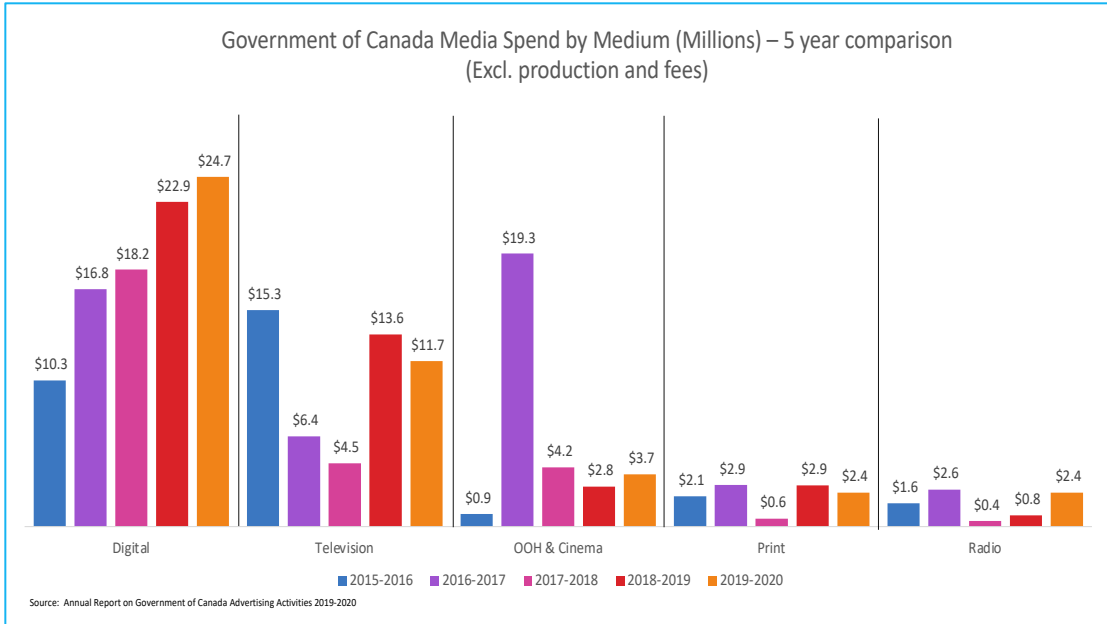
- iii. Almost 70% of the GOC spending occurred in the first quarter, April – June 2019, prior to the halting of spending as required by the Direction on the Management of Communications during an election period.

Fiscal Quarter	2015-2016	%	2016-2017	%	2017-2018	%	2018-2019	%	2019-2020	%
April - June	\$11,334.8	37%	\$9,707.1	32%	\$2,024.2	7%	\$2,991.5	7%	\$31,189.5	70%
July - September	\$10,173.7	34%	\$297.3	1%	\$2,412.3	9%	\$3,051.7	7%	\$277.8	1%
October - December	\$2,779.7	9%	\$3,015.0	10%	\$7,353.2	26%	\$15,346.8	36%	\$2,808.4	6%
January - March	\$5,980.9	20%	\$17,613.2	57%	\$15,973.9	58%	\$21,652.4	50%	\$10,583.5	24%
Total	\$30,269.1		\$30,632.6		\$27,763.6		\$43,042.4		\$44,859.2	

- iv. The federal government ceased spending between July 2019 through September 2019, however they front loaded spending into the April through June period, which accounted for 70% of the fiscal budget.
- v. In March of 2020, the last month of the fiscal, the GOC spent \$4.5 million updating Canadians about measures the federal government was undertaking at the onset of the COVID pandemic.
- vi. Of the \$2,354.4 million spent in Radio in the F'19/20 fiscal year, 55% was spent in the month of March as part of the COVID awareness plan.



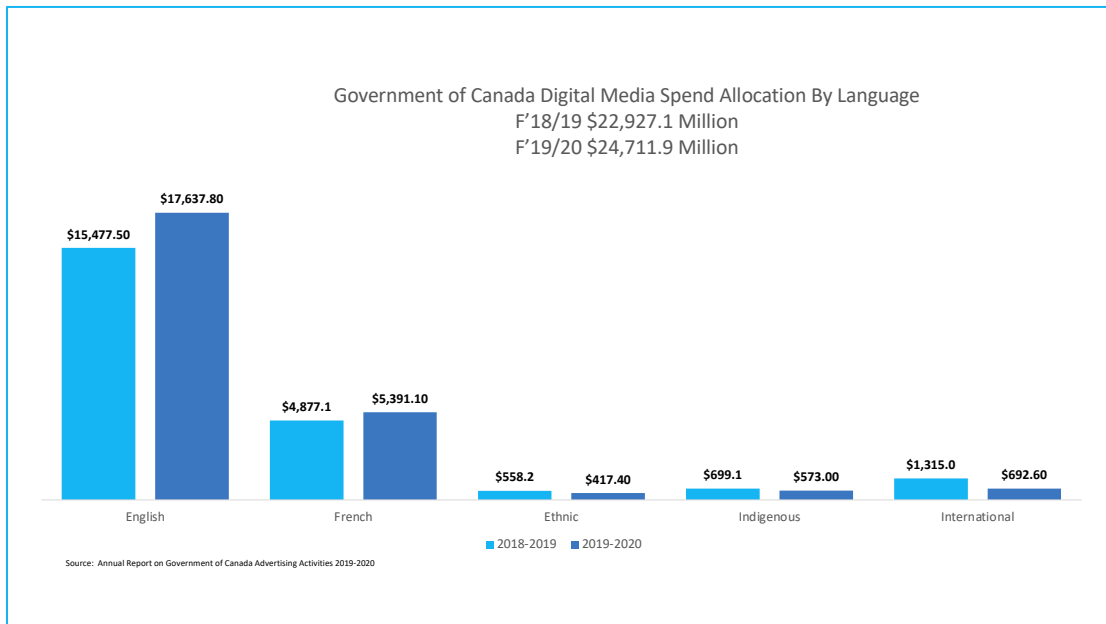
- vii. Spending trends over the 5 past years showcase the federal government’s reliance on digital media to communicate to Canadians, while spending in traditional media fluctuates year over year.



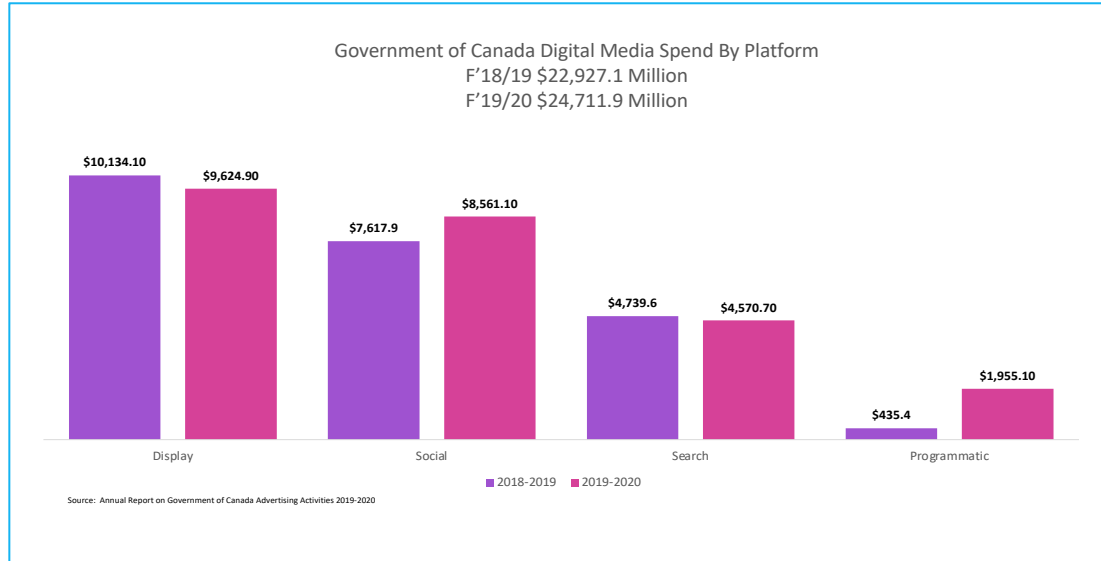
Digital media investment

In F'19/20, the federal government once again increased its spending in digital media:

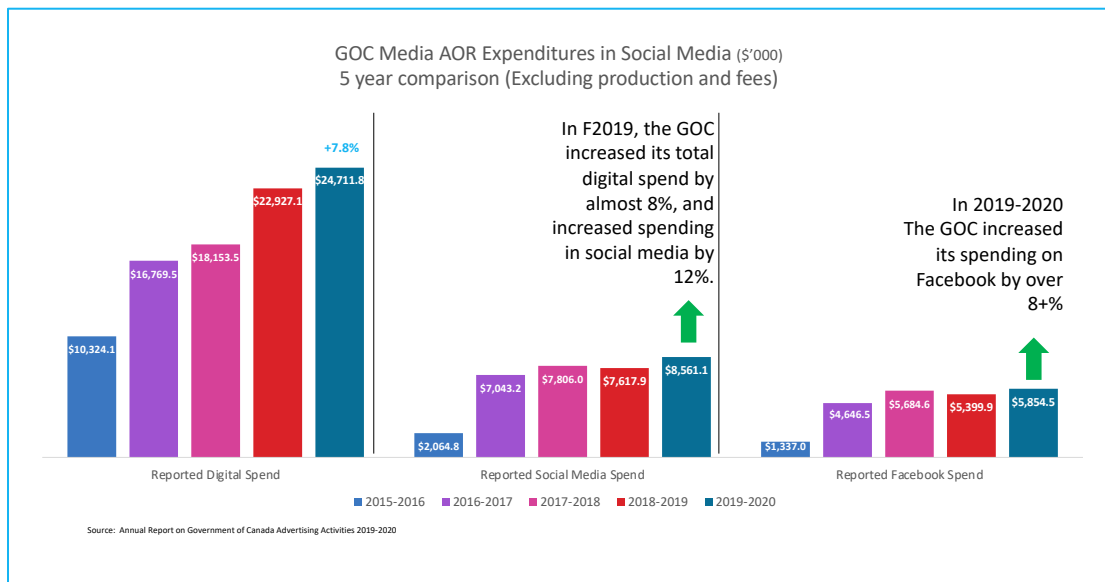
- viii. F'19/20 spending in 'working media' increased by \$1,816.7 million (+4.2%), however most of the incremental spending went to digital platforms and publishers.
- ix. Total spending in digital media increased by \$1,784.7 million, a 7.8% increase vs. F'18/19.
- x. Spending in digital media to reach Ethnic, Indigenous and International audiences decreased by \$889 thousand, offsetting the increased spending in English and French language digital media.
- xi. Dollars spent in digital media to reach English and French speaking Canadians increased by \$2,674.3 million, +14% in English, and +10.5% in French.



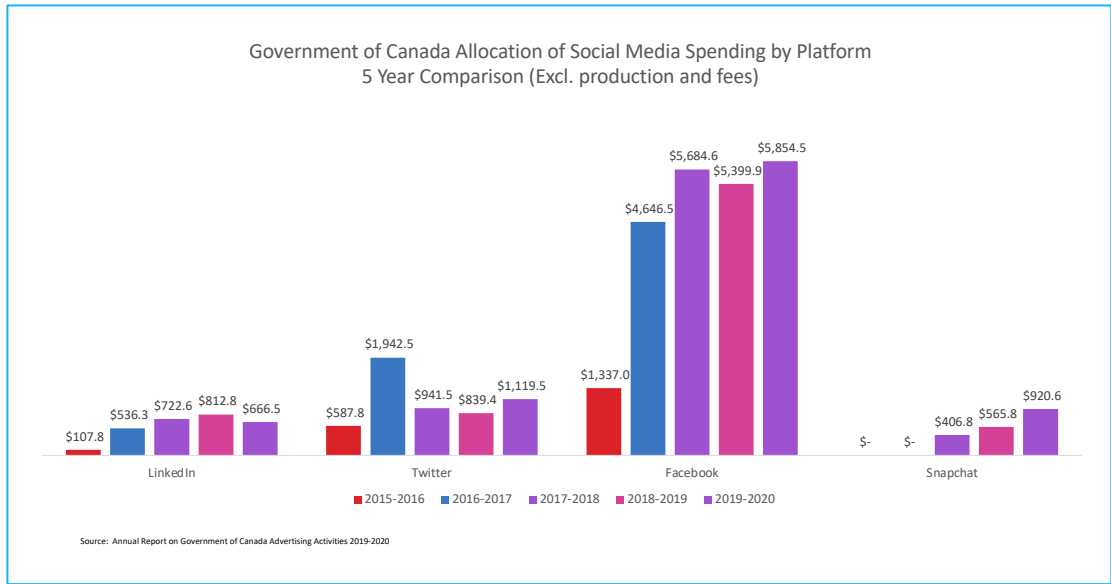
- xii. Almost 74% of the \$24.7 million in digital spending went to display (\$9.6 million). However, the government shifted almost \$2 million into programmatic display advertising, which was a significant jump from the \$435 thousand spend in F'18/19.
- xiii. Spending in social media platforms increased by 12.4%, equalling almost \$1 million.



- xiv. Facebook received apx. 68½ cents of every dollar the GOC spent in social media.

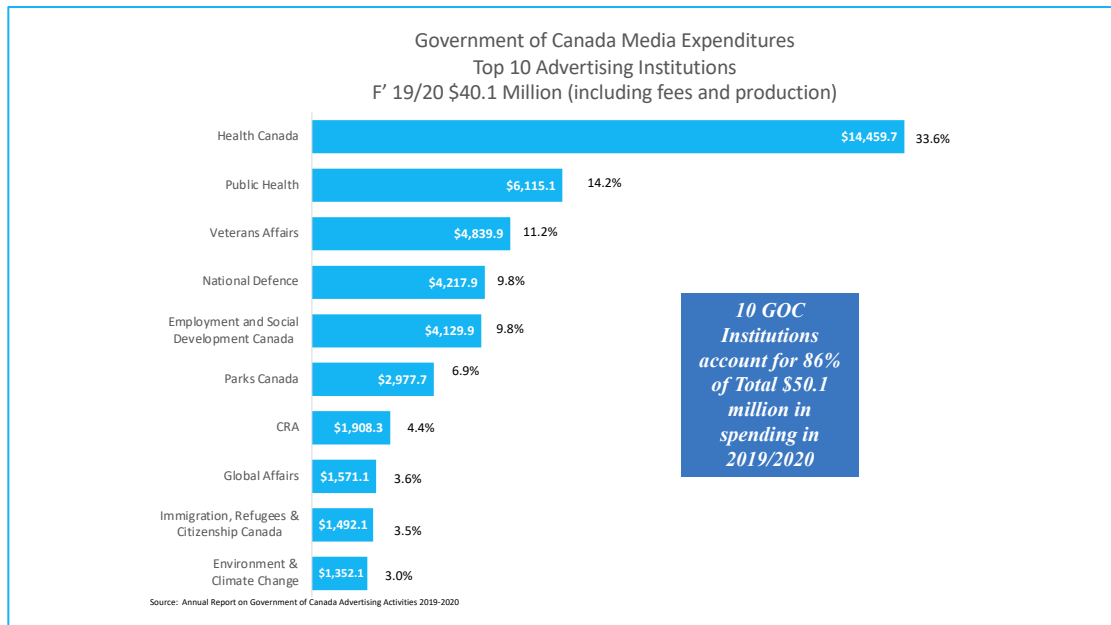


- xv. The GOC spent \$4.5 million in search, of which 93% (\$4.3 million) went to Google and the remaining 7% (\$305 thousand) went to Bing.
- xvi. Combined, Facebook and Google benefited from 41% of the GOC spending in digital media.
- xvii. **GOC spending on Google and Facebook alone, was equivalent to 4.3X the spending on Canadian radio stations.**
- xviii. The GOC report does not identify what other digital publishers benefited from GOC media spending.



Top GOC advertisers

Ten Institutions within the GOC accounted for 86% of the \$50.1 million spent in advertising (including production and fees) during the 2019-2020 fiscal year.



Conclusion

- xix. In 2019, The GOC improved its ratio of working media as a percentage of total advertising dollars.
- xx. Facing an election, the Liberal government allocated heavier spending at the end of F'18/19 (January-March 2019) and the beginning of F'19/20 (April – May 2019) prior to having to cease advertising activity. Spending during this 6-month period equated to apx. 60% of the F'18/19 and F'19/20 total budgets.
- xxi. Radio benefited with an increase of \$1.55 million being spent in F'19/20, however, most of dollars, \$1.3 million (84%) were spent in March as part of the GOC COVID-19 initiative.

- xxii. In terms of its digital activity, the GOC did not adhere to changes referred to in the 2018/2019 report where they indicated they were moving into other digital platforms in an *“attempt to offset this trend”*¹ of spending more money in social media.
- xxiii. Spending in social media increased by 12.4% during F'19/20, both Snapchat and Facebook saw increased spending.
- xxiv. Programmatic buys increased 4.5X's in this past fiscal, indicating the GOC's growing reliance on technology to perform digital transactions in real time. The report does not indicate what programmatic trading desks or platforms were used to execute these buys or provide oversight.

¹ Annual Report on GPC Advertising Activities 2018-2019, pg. 2