

Chapter 18

Merchandising and trade

18.1 Merchandising and service industries

This Section deals with the distribution of goods and services which flow from producer to consumer principally through wholesale and retail channels and through service outlets in what is generally known as the marketing process.

Merchandising industries include wholesaling and warehousing (wholesale merchants, agents and brokers, primary products dealers, manufacturing sales branches, petroleum bulk tank plants and truck distributors) and the entire field of retailing including direct selling and automatic vending. Service industries offer a service to consumers, businesses and the professions.

The data on merchandising and service industries are gathered in the course of censuses which are conducted by Statistics Canada every five years, and by means of monthly, annual and occasional surveys. In recent years, a considerable degree of interest has been focused on the service trades, which has resulted in an expanded statistical coverage of that area of activity.

18.1.1 Retail trade

Data for retail trade are collected by Statistics Canada from monthly surveys among all retail chains (four stores in the same kind of business under one owner), and among a sample of independent retailers.

Table 18.1 shows retail trade data from 1970 to 1973 with percentage changes for 1966-69 and 1970-73. During the period 1966-69 retail sales rose from \$22,700 million to \$27,400 million, an increase of 20.8%. This rate of increase almost doubled from 1970 to 1973 when sales increased by 36.4%, from \$28,000 million to \$38,200 million.

The most substantial increase in sales occurred in department stores — by 38.7% from 1966 to 1969 and by 51.0% from 1970 to 1973. In the 1966-69 period, above-average increases were also recorded by general merchandise stores (which include sales through department store mail order catalogues), service stations and garages, women's clothing stores, shoe stores and by the "all other stores" category. From 1970 to 1973 above-average sales increases were recorded by motor vehicle dealers (61.2%), furniture, television and appliance stores (41.0%), and jewellery stores (38.0%). Among the smallest sales increases recorded were those in variety stores, men's clothing stores, family clothing stores, hardware stores and fuel dealers. These categories had below-average sales increases in both time periods. Some store categories recorded a very different sales increase in one period compared with the other. For example, sales in general stores increased by only 1.7% from 1966 to 1969 but by 31.7% from 1970 to 1973; motor vehicle dealers showed sales increases of 10.6% and 61.2%, in the two periods.

On a provincial level, the greatest rates of increase of retail sales from 1966 to 1969 occurred in Alberta and British Columbia. Ontario's was slightly higher than Quebec's from 1966 to 1969 but slightly lower than Quebec's from 1970 to 1973. Saskatchewan, which showed virtually no increase in retail sales from 1966 to 1969, recorded an increase of 43.2% from 1970 to 1973, one of the highest rates of increase in Canada.

While retail sales rose 6% a year from 1966 to 1969, wages, salaries and supplementary income rose 10.5% from 1970 to 1973, when retail sales rose at an annual rate of 11%, wages, salaries and supplementary labour income kept pace, rising at the same rate as retail sales. On the other hand, personal income (which includes not only wages and salaries but income of farm operators, non-farm unincorporated business, interest, dividends and miscellaneous investment income, government transfers to private individuals and military pay and allowances) rose by 10.3% a year from 1966 to 1969, but only by 3.3% yearly from 1970 to 1973.

Chain and independent stores. A retail chain is defined as an organization operating four or more retail stores in the same kind of business under the same legal ownership. All department stores are classified as "chains" even if they do not meet the foregoing definition. An in-