

Merchandising and service industries

18.1

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 businesses — in what is generally known as the marketing process.

Merchandising industries include wholesaling and warehousing, which exist in a variety of forms: wholesale merchants, agents and brokers, primary products dealers, manufacturers' sales branches, petroleum bulk tank plants and truck distributors. Retailing encompasses all sales activities related to the transmittal of goods to consumers for household or personal use, both through traditional store locations and such "non-store" facilities as direct selling and machine vending.

Data on merchandising and service industries are gathered in the course of periodic business censuses as well as by means of monthly, annual and occasional surveys. In recent years, a considerable degree of interest has been focused on the service trades, including those of a non-profit-oriented nature, resulting in an expanded statistical coverage of that area of activity.

Retail trade

18.1.1

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

Table 18.1 shows retail trade data from 1972 to 1975 and indicates the percentage changes which occurred during this period. Between 1972 and 1975, retail sales rose from \$34.1 billion to \$51.2 billion, an increase of 50.1%. Above-average sales increases were recorded by jewellery stores (63.4%), motor vehicle dealers (63.2%), and family clothing (57.9%). Among the smallest sales increases recorded were those in variety stores (21.6%), garages (24.6%) and all other food stores (24.7%). All provinces showed retail sales increases of over 46.0%, with Alberta (67.0%) recording the highest increase, followed by Saskatchewan (64.5%) and Prince Edward Island (54.6%). Manitoba, with an increase of 46.5%, recorded the smallest increase of all the provinces.

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 independent retailer is one who operates one to three stores, even if he is a member of a voluntary group organization.

Table 18.2 provides information on the sales trends of chains and independent stores by kind of business in 1972 and 1975 and the percentage change during that period. From 1972 to 1975, retail sales through chain stores rose by 57.7% and those through independent stores by 44.9%. As in the past, combination store (groceries and meat) chains continued their sales increases (61.6%) at the expense of independent stores (47.1%). Although general store chains were less important (in terms of total dollar volume) than independents, from 1972 to 1975 they continued to make more headway (120.5%) than independents (31.7%). In the chain-dominated variety store category, however, independents recorded a larger sales increase (27.7%) than their chain store competitors (19.8%).

Sales by service stations and garage chains are far lower than the total sales of independents in this category but a trend to chains seems to be continuing; sales