

## Merchandising and service trades

18.1

This section deals with the distribution of goods and services 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 transmitting goods to consumers for household or personal use, both through traditional store locations and such facilities as direct selling and machine vending.

Statistics on merchandising and service industries are gathered through periodic business censuses as well as monthly, annual and occasional surveys. In recent years, considerable interest has been focused on the service trades, resulting in expanded statistical coverage.

## Retail trade

18.1.1

Retail trade statistics 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 by kind of business and by province from 1974 to 1977 and indicates the percentage changes during this period; retail sales rose from \$44.8 billion to \$61.6 billion, an increase of 37.6%. Above-average sales increases were recorded by sporting goods and accessories stores (66.7%), book and stationery stores (56.0%), and grocery, confectionery and sundries stores (54.2%). Among the smallest sales increases recorded were those in furniture, TV, radio and appliance stores (4.5%), general merchandise stores (12.0%) and specialty shoe stores (14.2%). All provinces showed retail sales increases of over 25.0%, with Alberta (57.6%) recording the largest increase, followed by New Brunswick (37.8%) and Prince Edward Island (37.4%); Manitoba, with an increase of 26.0%, recorded the smallest increase of all the provinces.

**Chain and independent stores.** A retail chain is 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 this 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 1974 and 1977 and the percentage change during that period; retail sales through chain stores rose by 37.5% and those through independent stores by 37.6%. As in the past, combination store (groceries and meat) chains continued their sales increases (41.5%) at the expense of independent stores (27.6%). Although sporting goods and accessories store chains were less important in terms of total dollar volume than independents, from 1974 to 1977 they made more headway (216.9%) than independents (62.6%). Women's clothing stores swung from a category dominated by independent stores in 1974 to a group dominated by chain stores in 1977. Other increases in the strength of chains can be observed in general stores, men's clothing stores, family clothing stores, book and stationery stores and personal accessories stores. In each case, the sales increases of chains compared to those of independents were much higher in the 1974-77 period.

Table 18.3 illustrates the relative importance of chains by kind of business and the trends from 1974 to 1977. The percentages shown represent the chain store shares of