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Annual Retail Trade

2011



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Annual Retail Trade

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Note of appreciation

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User information

Symbols

The following standard symbols are used in Statistics Canada publications:

- . not available for any reference period
- .. not available for a specific reference period
- ... not applicable
- 0 true zero or a value rounded to zero
- 0^s value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
- p preliminary
- r revised
- x suppressed to meet the confidentiality requirements of the *Statistics Act*
- E use with caution
- F too unreliable to be published
- * significantly different from reference category ($p < 0.05$)

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Annual Retail Trade 2011

Note to readers

This release combines data from the *Annual Retail Store Survey* and the *Retail Non-store Survey*.

Annualized sales from the *Monthly Retail Trade Survey* exclude sales from Non-store retailers.

The information in this report is based on the 2007 North American Industry Classification System.

Gross margin is obtained by subtracting the cost of goods sold from the total operating revenues. The ratio is expressed as a percentage of the total operating revenues.

The **operating profit** is obtained by subtracting total operating expenses and the cost of goods sold from total operating revenues. The ratio is expressed as a percentage of the total operating revenues.

Store and non-store retailers' operating revenue increased 4.6% in 2011 to \$488.2 billion.

There were increases in 10 out of 12 retail sub-sectors.

In dollar terms, gasoline stations, motor vehicle and parts dealers and non-store retailers contributed to more than 70% of the total operating revenue growth.

Gasoline stations recorded the largest increase in total operating revenue, up 17.4% in 2011 to \$58.1 billion which reflected higher prices at the pumps. In 2011, according to the *Consumer Price Index (CPI)*, consumers paid on average 20% more for gasoline compared to the previous year.

Motor vehicle and parts dealers, with a 5.3% rise in operating revenue in 2011, was the second largest contributor in terms of total operating revenue growth. New car dealers, which represented 79% of this industry group, reported increases in operating revenue of 5.3%. The price and number of new cars sold contributed to this increase. According to the *New Motor Vehicle Sales Survey*, 1.6 million new vehicles were sold in 2011, up 2.3% from the previous year.

Non-store retailers' operating revenue was up 16.4% in 2011 and in dollar terms represented the third largest increase to total retail trade growth. In this subsector, fuel dealers recorded the largest increase in dollar terms, up 21.3% compared to the previous year, a reflection of higher fuel prices.

Elsewhere in non-store retail, operating revenue increases were reported at electronic shopping and mail-order houses (+11.5%), vending machine operators (+3.7%) and all other direct selling establishments (+8.3%).

Chain stores continue to gain market share

Store retailers (excluding non-store retailers) are divided into chain stores and non-chain stores. Chain stores, defined as operating four or more locations within the same industry group and under the same legal ownership, have been incrementally increasing market share for more than 10 years.

Chain stores accounted for more than half of total operating revenue in retail trade in British Columbia, Manitoba, Nova Scotia, and Alberta in 2011, well above the national average of 48.4%.

The province where chain stores account for the lowest share of retail trade is Quebec (38.8%). Non-chain retailers dominated in the sub-sectors of food and beverage stores, electronics and appliance stores and sporting goods, hobby, book and music stores.

Operating profits

Retailers' operating profits as a share of operating revenue was 4.9% in 2011, a slight narrowing from 5.0% in 2010. Operating profits as a percentage of total operating revenue were down in 8 of the 12 retail subsectors in 2011.

The largest decline was reported by the furniture and home furnishings stores with operating profits of 4.4% in 2011, down from 5.6% in 2010. Total operating expenses increased (+2.8%), while there were declines in total operating revenue (-0.9%) and cost of goods sold (-1.2%).

Operating profits for clothing and shoe stores narrowed compared to the previous year as cost of goods sold and total operating expenses increased at a higher rate than total operating revenue. In 2011, operating profits as a percentage of total operating revenue for clothing stores were 7.6%, down from 8.8% in 2010. Shoe stores registered operating profits of 5.4%, down from 7.2% in 2010.

Gasoline stations reported operating profits of 5.0% in 2011, down from 5.3% in 2010. Cost of goods sold (+19.7%) rose at a higher rate than operating revenue. Total operating expenses rose 0.9%.

In contrast, both electronics and appliance stores and new car dealers reported higher operating profits as a share of operating revenue in 2011 compared to 2010. For both sub-sectors, revenue grew at a faster rate than cost of goods sold and total operating expenses. Operating profits as a share of operating revenue for electronics and appliance stores was 4.6% in 2011, up from 4.1% in 2010. Operating profits for motor vehicle and parts dealers rose to 2.4% in 2011, up from 2.0% in 2010.

Retailers' gross margins narrow

Gross margins for all retailers as a share of operating revenue narrowed slightly to 26.9% in 2011. Of all the retail sub-sectors, non-store retailers reported the largest decline in this ratio.

Gross margins as a percentage of operating revenue vary greatly by retail sub-sector. The margins were the smallest for gasoline stations (13.4%) and motor vehicle and parts dealers (17.4%), while clothing and clothing accessories stores (51.2%) and miscellaneous store retailers (43.9%) posted the highest margins.

Inventories stable

Store retailers turned over their merchandise 5.8 times in 2011, maintaining similar rates compared to 2010. Food and beverage stores registered a slight increase in merchandise turnover, at 13.0 days in 2011, up from 12.2 days in 2010.

Store retailers, on average, reported 63.4 days of stock-on-hand, similar to the previous year. Inventories were up for furniture and home furnishings stores while operating revenue decreased 0.9%. In 2011, they reported 103.7 days of stock-on-hand, up from 95.7 days in 2010. Electronics and appliance stores reported the largest decrease of all the retail subsectors. Stock-on-hand was 70.0 days in 2011, down from 74.7 days in 2010.

Method of sale

Retailers (excluding non-store retailers) reached their clientele through different methods. The majority of retailers' revenue in 2011 was from in-store sales (96.0%). Other methods of sale were e-commerce (0.9%), catalogue, mail order or telephone (0.9%) and all other methods (2.2%).

Sales by these various methods can differ by retail sub-sector. In 2011, the share of e-commerce sales for companies located in Canada was the highest for electronics and appliance stores (3.8%). Catalogue, mail order or telephone sales as a percentage of operating revenue were highest for automotive parts, accessories and tire stores (10.3%) and miscellaneous store retailers such as office supplies and stationery stores, florist shops, etc. (4.8%).

Operating revenue increase in all provinces and territories

Store and non-store retailers in all provinces and territories reported higher operating revenue in 2011. Ontario contributed to more than one third of the total increase in operating revenue growth.

Retailers in Ontario reported a 4.8% rise in operating revenue in 2011. Despite this increase, operating profits as a share of revenue were 4.7%, down from 4.9% in 2010. This reflects cost of goods sold (+5.7%) increasing at a faster pace than operating revenue. Total operating expenses rose 2.7% from 2010.

In 2011, operating revenue for retailers in Alberta rose 6.6%. The operating profit ratio was 4.5%, up from 4.2% in 2010. Cost of goods sold rose 6.9% and total operating expenses were up 4.7%.

Quebec retailers' posted a rise of 3.9% in operating revenues in 2011. Operating profits as a share of revenue was 4.4%, down from 4.6% in 2010 and was the smallest profit margin among the provinces. Cost of goods sold increased 4.4% and total operating expenses rose 3.6%.

While operating revenue in British Columbia grew by 2.3% in 2011, it was the smallest increase of all the provinces. As a share of operating revenue, both gross margins (30.1%) and operating profits (6.3%) were the highest of all the provinces.

Related products

Selected CANSIM tables from Statistics Canada

080-0011	Annual retail store survey, financial estimates by store type and trade group based on the North American Industry Classification System (NAICS), annual
080-0012	Annual retail non-store survey, financial estimates by trade group based on the North American Industry Classification System (NAICS), annual
080-0013	Annual retail non-store survey, commodity sales for all industries, annual
080-0023	Annual retail store survey, financial estimates by North American Industry Classification System (NAICS) and store type, annual
080-0025	Annual retail store survey, method of sale by North American Industry Classification System (NAICS) and store type

Selected surveys from Statistics Canada

2447	Annual Retail Trade Survey
2448	Retail Non-Store Survey

Selected summary tables from Statistics Canada

- *Retail trade, operating statistics, by province and territory*
- *Retail non-store industries, operating statistics, by province and territory*
- *Retail non-store industries, commodity sales, by industries*

Statistical tables

Table 1
Summary Statistics for Retail Trade, 2011

	Total operating revenue	Total operating revenue	Cost of goods sold	Total labour remuneration	Total operating expenses ¹
	percentage share		thousands of dollars		
NAICS - Canada					
Motor vehicle and parts dealers[441]	22.1	104,556,692	86,374,829	8,599,376	15,630,277
New car dealers[44111]	17.5	82,810,817	70,147,017	6,026,161	10,863,642
Used car dealers[44112]	1.5	6,888,380	5,783,885	423,107	964,623
Other motor vehicle dealers[4412]	1.6	7,409,731	5,647,050	851,661	1,533,816
Automotive parts, accessories and tire stores[4413]	1.6	7,447,765	4,796,877	1,298,446	2,268,197
Furniture and home furnishings stores[442]	3.3	15,425,013	8,886,802	2,618,178	5,860,535
Furniture stores[4421]	2.0	9,574,377	5,724,383	1,570,897	3,486,767
Home furnishings stores[4422]	1.2	5,850,636	3,162,419	1,047,281	2,373,768
Electronics and appliance stores[443]	3.5	16,555,930	11,537,534	2,221,525	4,251,220
Building material and garden equipment and supplies dealers[444]	6.0	28,521,049	18,878,325	4,452,852	8,189,695
Food and beverage stores[445]	22.7	107,322,286	77,271,592	11,243,091	22,338,502
Supermarkets and other grocery (except convenience) stores[44511]	16.0	75,607,660	57,620,517	8,209,811	16,589,607
Convenience stores[44512]	1.6	7,519,687	5,907,253	539,227	1,292,647
Specialty food stores[4452]	1.2	5,791,927	3,654,174	1,018,749	1,925,797
Beer, wine and liquor stores[4453]	3.9	18,403,013	10,089,649	1,475,304	2,530,452
Health and personal care stores[446]	7.5	35,392,253	24,099,644	5,216,368	10,184,692
Gasoline stations[447]	12.3	58,066,588	50,269,897	1,768,514	4,879,305
Clothing and clothing accessories stores[448]	5.6	26,611,950	12,994,962	4,911,217	11,589,453
Clothing stores[4481]	4.3	20,326,053	9,860,889	3,773,639	8,910,743
Shoe stores[4482]	0.6	3,053,162	1,515,584	563,103	1,372,402
Jewellery, luggage and leather goods stores[4483]	0.7	3,232,735	1,618,488	574,475	1,306,309
Sporting goods, hobby, book and music stores[451]	2.4	11,178,918	6,897,735	1,740,372	3,870,050
General merchandise stores[452]	12.0	56,887,642	41,264,278	6,221,206	12,395,149
Department stores[4521]	5.7	27,011,635	18,282,311	3,284,636	6,785,805
Other general merchandise stores[4529]	6.3	29,876,007	22,981,967	2,936,570	5,609,343
Miscellaneous store retailers[453]	2.5	12,038,761	6,751,378	2,115,851	4,572,485
Retail trade[44-45]	100.0	472,557,081	345,226,977	51,108,551	103,761,364
Regions					
Newfoundland and Labrador	1.8	8,353,116	6,226,321	892,956	1,663,385
Prince Edward Island	0.4	1,902,608	1,405,421	206,339	382,364
Nova Scotia	2.8	13,170,371	9,720,705	1,401,542	2,736,537
New Brunswick	2.4	11,204,835	8,473,719	1,107,487	2,127,577
Quebec	22.3	105,373,515	77,697,668	11,750,298	23,019,837
Ontario	35.9	169,414,364	123,948,523	17,472,680	37,298,286
Manitoba	3.6	16,861,108	12,403,610	1,796,555	3,567,054
Saskatchewan	3.6	16,964,600	12,549,331	1,767,283	3,422,139
Alberta	14.1	66,535,322	48,925,778	7,305,871	14,624,150
British Columbia	12.9	60,946,773	42,599,694	7,183,872	14,491,135
Yukon	0.1	689,482	499,664	74,958	149,547
Northwest Territories	0.2	764,815	531,482	96,247	179,579
Nunavut	0.1	376,172	245,060	52,462	99,773

1. Operating Expenses excluding cost of goods sold

Note(s): Figures may not add up to total due to rounding.

Table 2-1
Gross Margin and Operating Profit for Retail Trade — Gross margin

	Gross margin					
	2009		2010		2011	
	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue
NAICS - Canada						
Motor vehicle and parts dealers[441]	16,961,737	18.1	16,938,132	17.1	18,181,863	17.4
New car dealers[44111]	11,545,808	15.8	11,748,434	14.9	12,663,800	15.3
Used car dealers[44112]	1,032,176	16.2	1,038,023	15.9	1,104,495	16.0
Other motor vehicle dealers[4412]	1,874,776	25.4	1,753,682	23.6	1,762,681	23.8
Automotive parts, accessories and tire stores[4413]	2,508,976	36.6	2,397,993	35.9	2,650,888	35.6
Furniture and home furnishings stores[442]	6,241,601	41.7	6,570,625	42.2	6,538,211	42.4
Furniture stores[4421]	3,740,388	39.6	3,915,690	40.5	3,849,994	40.2
Home furnishings stores[4422]	2,501,213	45.4	2,654,935	45.1	2,688,217	45.9
Electronics and appliance stores[443]	4,380,735	29.1	4,725,134	29.8	5,018,396	30.3
Building material and garden equipment and supplies dealers[444]	9,221,498	32.7	9,539,619	33.5	9,642,724	33.8
Food and beverage stores[445]	29,114,345	27.5	29,752,102	28.0	30,050,694	28.0
Supermarkets and other grocery (except convenience) stores[44511]	17,897,991	23.9	18,186,295	24.1	17,987,143	23.8
Convenience stores[44512]	1,810,980	22.2	1,604,060	21.0	1,612,434	21.4
Specialty food stores[4452]	2,003,891	35.7	2,052,359	36.0	2,137,753	36.9
Beer, wine and liquor stores[4453]	7,401,483	43.5	7,909,388	45.1	8,313,364	45.2
Health and personal care stores[446]	10,698,727	32.5	10,919,874	31.7	11,292,609	31.9
Gasoline stations[447]	6,989,301	15.6	7,437,803	15.0	7,796,691	13.4
Clothing and clothing accessories stores[448]	12,540,949	50.8	13,252,196	51.6	13,616,988	51.2
Clothing stores[4481]	9,698,093	51.2	10,202,289	52.1	10,465,164	51.5
Shoe stores[4482]	1,420,351	50.0	1,525,190	50.5	1,537,578	50.4
Jewellery, luggage and leather goods stores[4483]	1,422,504	49.0	1,524,717	49.1	1,614,247	49.9
Sporting goods, hobby, book and music stores[451]	4,434,679	37.8	4,348,943	38.5	4,281,183	38.3
General merchandise stores[452]	14,147,272	26.7	14,762,607	27.0	15,623,364	27.5
Department stores[4521]	x	x	x	x	8,729,324	32.3
Other general merchandise stores[4529]	x	x	x	x	6,894,040	23.1
Miscellaneous store retailers[453]	5,042,668	42.6	5,249,901	44.0	5,287,383	43.9
Retail trade[44-45]	119,773,512	27.4	123,496,934	27.3	127,330,104	26.9
Regions						
Newfoundland and Labrador	1,862,498	25.2	2,025,099	25.6	2,126,795	25.5
Prince Edward Island	465,251	27.0	500,152	27.1	497,187	26.1
Nova Scotia	3,329,415	27.4	3,469,963	27.2	3,449,666	26.2
New Brunswick	2,545,162	25.4	2,696,905	25.2	2,731,116	24.4
Quebec	26,253,357	26.7	27,001,050	26.5	27,675,847	26.3
Ontario	43,714,881	27.8	44,417,243	27.4	45,465,841	26.8
Manitoba	4,245,443	27.6	4,269,142	26.6	4,457,498	26.4
Saskatchewan	3,934,015	26.1	4,090,254	25.6	4,415,269	26.0
Alberta	15,936,353	26.8	16,605,608	26.6	17,609,544	26.5
British Columbia	16,949,708	29.1	17,887,209	30.0	18,347,079	30.1
Yukon	177,613	29.9	182,800	28.8	189,818	27.5
Northwest Territories	233,099	32.4	225,393	31.0	233,333	30.5
Nunavut	126,715	36.2	126,115	35.4	131,112	34.9

Note(s): Figures may not add up to total due to rounding.

Table 2-2
Gross Margin and Operating Profit for Retail Trade — Operating profit

	Operating profit					
	2009		2010		2011	
	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue
NAICS - Canada						
Motor vehicle and parts dealers[441]	2,191,369	2.3	1,970,033	2.0	2,551,586	2.4
New car dealers[44111]	1,532,652	2.1	1,350,694	1.7	1,800,158	2.2
Used car dealers[44112]	89,887	1.4	132,385	2.0	139,872	2.0
Other motor vehicle dealers[4412]	234,688	3.2	230,798	3.1	228,865	3.1
Automotive parts, accessories and tire stores[4413]	334,142	4.9	256,156	3.8	382,691	5.1
Furniture and home furnishings stores[442]	712,213	4.8	867,415	5.6	677,676	4.4
Furniture stores[4421]	412,749	4.4	522,629	5.4	363,227	3.8
Home furnishings stores[4422]	299,464	5.4	344,786	5.9	314,449	5.4
Electronics and appliance stores[443]	615,691	4.1	645,612	4.1	767,176	4.6
Building material and garden equipment and supplies dealers[444]	1,224,300	4.3	1,575,722	5.5	1,453,029	5.1
Food and beverage stores[445]	7,037,169	6.7	7,585,403	7.1	7,712,192	7.2
Supermarkets and other grocery (except convenience) stores[44511]	1,652,736	2.2	1,615,768	2.1	1,397,536	1.8
Convenience stores[44512]	327,767	4.0	272,834	3.6	319,787	4.3
Specialty food stores[4452]	173,992	3.1	218,161	3.8	211,956	3.7
Beer, wine and liquor stores[4453]	4,882,674	28.7	5,478,639	31.2	5,782,912	31.4
Health and personal care stores[446]	1,356,329	4.1	1,223,681	3.6	1,107,917	3.1
Gasoline stations[447]	2,387,746	5.3	2,603,336	5.3	2,917,386	5.0
Clothing and clothing accessories stores[448]	1,953,112	7.9	2,191,506	8.5	2,027,535	7.6
Clothing stores[4481]	1,534,210	8.1	1,717,320	8.8	1,554,421	7.6
Shoe stores[4482]	164,803	5.8	218,886	7.2	165,176	5.4
Jewellery, luggage and leather goods stores[4483]	254,098	8.8	255,300	8.2	307,938	9.5
Sporting goods, hobby, book and music stores[451]	453,455	3.9	453,819	4.0	411,133	3.7
General merchandise stores[452]	2,784,150	5.2	2,923,661	5.3	3,228,215	5.7
Department stores[4521]	x	x	x	x	1,943,519	7.2
Other general merchandise stores[4529]	x	x	x	x	1,284,697	4.3
Miscellaneous store retailers[453]	582,106	4.9	726,328	6.1	714,898	5.9
Retail trade[44-45]	21,297,640	4.9	22,766,513	5.0	23,568,740	5.0
Regions						
Newfoundland and Labrador	392,088	5.3	416,208	5.3	463,410	5.5
Prince Edward Island	106,679	6.2	113,698	6.2	114,823	6.0
Nova Scotia	729,147	6.0	755,435	5.9	713,129	5.4
New Brunswick	557,363	5.6	566,985	5.3	603,539	5.4
Quebec	4,361,238	4.4	4,752,676	4.7	4,656,010	4.4
Ontario	7,498,360	4.8	8,034,480	5.0	8,167,555	4.8
Manitoba	906,069	5.9	876,615	5.5	890,444	5.3
Saskatchewan	829,703	5.5	869,040	5.4	993,130	5.9
Alberta	2,481,170	4.2	2,627,202	4.2	2,985,394	4.5
British Columbia	3,321,838	5.7	3,640,007	6.1	3,855,944	6.3
Yukon	32,506	5.5	34,805	5.5	40,271	5.8
Northwest Territories	52,367	7.3	49,570	6.8	53,754	7.0
Nunavut	29,109	8.3	29,791	8.4	31,339	8.3

Note(s): Figures may not add up to total due to rounding.

Table 3
Summary Statistics for Non-Store Retail Trade, 2011

	Total operating revenue		Cost of goods sold	Total labour remuneration	Total operating expenses ¹
	percentage share	thousands of dollars			
Activity - Canada					
Electronic shopping and mail-order houses	26.9	4,209,893	2,584,059	432,363	1,594,331
Vending machine operators	3.9	615,811	294,429	137,489	285,863
Fuel dealers	59.7	9,346,616	8,000,439	499,495	1,124,503
Other direct selling establishments	9.5	1,496,236	742,680	261,315	650,404
Total, all activities	100.0	15,668,555	11,621,608	1,330,662	3,655,102
Regions					
Newfoundland and Labrador	2.5	397,199	337,985	22,304	49,554
Prince Edward Island	1.4	217,819	184,405	12,546	29,981
Nova Scotia	5.1	791,377	652,648	48,153	120,184
New Brunswick	3.1	490,233 ^E	410,811	30,717	75,159
Quebec	17.6	2,761,042	2,107,196	211,302	582,048
Ontario	42.1	6,601,212	4,628,645	591,266	1,839,965
Manitoba	4.6	725,913	524,661	91,643	173,651
Saskatchewan	5.1	803,294	662,767	52,717	117,251
Alberta	8.7	1,370,224	1,065,631	118,251	256,603
British Columbia	8.6	1,346,765	923,705	142,048	376,275
Yukon	0.4	63,143	x	x	x
Northwest Territories	x	x	x	4,205	x
Nunavut	x	x	x	x	4,454

1. Operating Expenses excluding cost of goods sold

Note(s): Figures may not add up to total due to rounding.**Table 4-1**
Gross Margin and Operating Profit Non-Store Retail Trade — Gross margin

	Gross margin					
	2009		2010		2011	
	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue
Activity - Canada						
Electronic shopping and mail-order houses	1,416,297	39.5	1,480,413	39.2	1,625,834	38.6
Vending machine operators	343,218	54.6	317,875	53.5	321,382	52.2
Fuel dealers	1,212,541	16.7	1,269,864	16.5	1,346,177	14.4
Other direct selling establishments	707,865	53.3	711,765	51.5	753,556	50.4
Total, all activities	3,679,921	28.8	3,779,915	28.1	4,046,947	25.8
Regions						
Newfoundland and Labrador	56,870	17.3	x	x	59,214	14.9
Prince Edward Island	36,537	19.8	x	x	33,414	15.3
Nova Scotia	135,982	21.6	143,885	20.7	138,729	17.5
New Brunswick	87,086	21.4	89,272	20.9	79,422	16.2
Quebec	597,409	28.1	596,308	26.5	653,846	23.7
Ontario	1,813,646	32.0	1,846,433	31.5	1,972,567	29.9
Manitoba	157,964	27.9	173,002	27.8	201,252	27.7
Saskatchewan	106,678	19.8	120,458	18.6	140,527	17.5
Alberta	306,282	26.9	307,822	26.7	304,593	22.2
British Columbia	357,125	32.0	371,098	32.2	423,060	31.4
Yukon	x	x	x	x	x	x
Northwest Territories	x	x	x	x	x	x
Nunavut	x	x	x	x	x	x

Note(s): Figures may not add up to total due to rounding.

Table 4-2
Gross Margin and Operating Profit Non-Store Retail Trade — Operating profit

	Operating profit					
	2009		2010		2011	
	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue
Activity - Canada						
Electronic shopping and mail-order houses	108,980	3.0	66,464	1.8	31,503	0.7
Vending machine operators	39,709	6.3	36,184	6.1	35,519	5.8
Fuel dealers	260,122	3.6	223,732	2.9	221,674	2.4
Other direct selling establishments	106,600	8.0	96,234	7.0	103,152	6.9
Total, all activities	515,411	4.0	422,612	3.1	391,845	2.5
Regions						
Newfoundland and Labrador	12,952	3.9	x	x	9,660	2.4
Prince Edward Island	8,516	4.6	x	x	3,433	1.6
Nova Scotia	29,805	4.7	27,134	3.9	18,545	2.3
New Brunswick	17,789	4.4	14,831	3.5	4,263	0.9
Quebec	100,216	4.7	61,182	2.7	71,798	2.6
Ontario	163,446	2.9	133,551	2.3	132,602	2.0
Manitoba	19,524	3.4	23,145	3.7	27,601	3.8
Saskatchewan	16,806	3.1	15,038	2.3	23,276	2.9
Alberta	87,530	7.7	77,726	6.7	47,990	3.5
British Columbia	53,377	4.8	47,638	4.1	46,785	3.5
Yukon	x	x	x	x	x	x
Northwest Territories	x	x	x	x	x	x
Nunavut	x	x	x	x	x	x

Note(s): Figures may not add up to total due to rounding.

Data sources, definitions and methodology

Description

The Annual Retail Trade Survey and the Annual Retail Non-store Survey measure, on an annual basis, the operating and financial characteristics of Canadian retailers.

Data from these surveys provide information on revenue, expenses and inventory. The data are used by all levels of government, government agencies, the retail industry and individuals in assessing trends within the industry, measuring performance, benchmarking and to study the evolving structure of the retail industry. The information is also a critical input into the measure of gross margins in the Canadian System of National Accounts (CSNA).

The Annual Retail Trade Survey estimates does not include companies that are classified as direct sellers, e.g., direct door-to-door selling; sales made through automatic vending machines; sales of newspapers or magazines sold directly by printers or publishers; and sales made by book and record clubs. These retail activities are collected and estimated as part of the Annual Non-store Retail Survey.

Except for the following conditions, internet retailing activities are included in the Annual Retail Trade Survey:

- where the store retailer financially accounts and reports for their store versus internet sales as two separate activities, store sales become part of the Annual retail Trade Survey estimates and internet sales become part of the Annual Non-store Retail Survey estimates
- internet retail sales, when performed as an exclusive activity, are always included as part of the Annual Non-store Retail Survey
- internet purchases from a non-Canadian retail site are always excluded from the estimates.

Target Population

The target population for the Annual Retail Trade Survey consists of all retail establishments operating in Canada for at least one day between January and December of a calendar year. Direct sellers and operators of vending machines are excluded from the target population of this survey.

The survey population is comprised of all statistical establishments coded to NAICS 441 through 453 on Statistics Canada's Business Register, as well as those small unincorporated businesses not on the Business Register, which are classified to the retail industry.

The target population for the Annual Retail Non-store Survey consists of all non-store retail establishments operating in Canada for at least one day between January and December.

The survey population is comprised of all statistical establishments coded to North America Industry Classification System (NAICS) 454 (Non-Store Retail Trade Sector) on Statistics Canada's Business Register. Direct sellers and operators of vending machines are included in the target population of this survey.

Definitions

A **"retail store chain"** is defined as an organization operating four or more outlets in the same industry class under the same legal ownership at any time during the survey year.

A **non-chain store** consists of "Franchise" and "Independent" stores with less than four locations in the same industry class under the same legal ownership at any time during the survey year.

A **franchise** is defined as a person, group of persons, partnership or incorporated company granted a contractual privilege permitting the sale of a product, use of a trade name or provision of a service within a specific territory and/or in a specified manner.

An **independent store** is a non-franchise operation with less than 4 locations.

Sales of goods purchased for resale refers to the total sales of merchandise purchased for resale, less returns, adjustments and discounts. Trade in allowances are not deducted. Sales values of trade-ins and parts used in repair are included. Goods and Services Tax (GST), Harmonized Sales Tax (HST) and any other sales taxes collected for remittance to a government are excluded.

Commission revenue from merchandise sales is the total gross commission revenue earned from selling merchandise on account of others. It includes commission revenue from concessions.

Commission revenue from services is the total gross commission revenue earned from selling services on behalf of others (e.g. lottery and bus tickets, phone cards).

Sales of goods manufactured are sales of goods produced by the business unit.

Repair and maintenance revenue is labour receipts from installation, repair and maintenance. It excludes parts used. Parts used are included in sales of goods purchased for resale.

Revenue from rental and leasing of goods is revenue from the rental or leasing of goods and equipment such as video, computer or tool rental.

Revenue from the rental of real estate is revenue received from renting out or leasing property owned by this business unit.

Other operating revenue include operating subsidies, and other types of revenue not elsewhere reported on the questionnaire. It excludes interest income and dividends, which are included in non-operating revenue.

Total operating revenue is the sum of sales of goods purchased for resale, commission revenue, sales of goods produced, repair and maintenance revenue, revenue from rental and leasing and other operating revenue.

Inventories is the value of goods held for resale in establishments and warehouses within or outside Canada and is owned by the business unit. It includes inventory in transit or out on consignment to others. Excluded are goods held on consignment for others. Inventory data are reported at book value (i.e. the value maintained in the accounting records). The inventories would include any goods on hand resulting from any secondary manufacturing activity by the business unit.

Purchases is the value of total net purchases of goods (gross value less returns, adjustments and discounts) at delivered price (including freight-in, insurance, import duties and other related specific costs). This includes new and used goods purchased for resale, as well as direct labour costs and other direct costs for those business units carrying on secondary activity of a manufacturing nature.

Cost of goods sold represents the cost value of goods sold and recognized in revenue, during the reporting period. It is determined by calculating: $\text{Opening inventory} + \text{Purchases} - \text{Closing inventory}$.

Gross margin is the difference between total operating revenue and cost of goods sold.

Wages and salaries of employees refers to the total wages and salaries earned by all employees for the year (including head office and warehouse personnel), before deductions for income tax, unemployment insurance, employee social security contributions, etc. It excludes all payments and expenses associated with outside contract workers and employment agencies or personnel suppliers.

Employer portion of employee benefits represents the employer expense portion of employee life and health/dental care plans, CPP/QPP contributions, employer pension contributions, workers' compensation, employment insurance premiums, retiring allowances/lump sum payments at termination or retirement. It excludes contributions to provincial health and education payroll taxes, which are reported under "all other operating expenses".

Total labour remuneration is the sum of salaries and wages of employees plus the employer portion of employee benefits.

Rental and leasing expenses includes rental of office space or other real estate, motor vehicles (without driver), other machinery and equipment (without operator) and computers and peripherals (without operator).

Advertising and promotion includes the service of advertising (planning, creating and placement) and the purchase of advertising space or time.

Amortization and depreciation expenses includes capital assets, intangible assets and capital lease obligations.

Total operating expenses includes all expenses such as labour, rental and leasing, advertising, amortization and depreciation, management fees, etc. This excludes interest expenses.

Operating profit is obtained by subtracting total operating expenses and the cost of goods sold from total operating revenues.

Sampling

- Annual Retail Trade Survey

This is a sample survey with a cross-sectional design.

In order to reduce the respondent response burden and still produce reliable figures, exclusion thresholds based on industrial, provincial, and size dimensions were implemented. Administrative (tax) data were used to estimate for small businesses below the threshold and data for the retailing establishments above the prescribed threshold were collected mainly through questionnaires, but also through direct replacement with tax data for several businesses.

Before sample selection, the survey population is delineated into cells representing the provincial, industrial groups (mainly, but not only four digit level NAICS), and size dimensions required. The establishments in the survey population are first stratified according to their province/territory and industrial group based on the NAICS industrial classification. The trade groups are mutually exclusive classifications, each representing similar businesses.

Within each province/territory, by industrial group combination, four size strata are created to group businesses of a similar size. The boundaries are determined using total estimated revenues for the businesses. The resulting groups are one take-all stratum of the largest businesses (which are all included in the sample), two take-some strata (from which representative samples are selected) and one take-none stratum (containing small businesses which are not eligible to be sampled). Optimal stratum boundaries or thresholds are determined to minimise the total sample size. It should be noted that the chains of stores (defined as an organization operating four or more outlets in the same industry class under the same legal ownership at any time during the survey year) are all included in the take-all stratum, thus, all included in the sample.

Following the sample selection process, data for the take-all and take-some strata are collected through questionnaires. However, for 55% of the selected 'simple' businesses, that is, those that operate in a single province and conduct all their activities in the same industry, under the same legal entity, tax data is substituted for survey collection. For those units belonging to the take-none stratum, a census of administrative (tax) records is used to collect selected financial information.

All sampled units are assigned a sampling weight. An initial weight equal to the inverse of the original probability of selection is assigned to each entity. The sampling weight is a raising factor attached to each sampled unit to obtain estimates for the population. For example, if two units are selected at random and with equal probability out of a population of 10 units, then each selected unit represents five units in the population, and it is given a sampling weight of five. These weights are subsequently adjusted, at the time of producing survey results, to reflect as closely as possible the characteristics of the population in this industry.

- Annual Retail Non-store Survey

This survey is a census with a cross-sectional design.

Data are collected for all units of the population therefore no sampling is done.

Data Sources

Responding to this survey is mandatory. Data are collected directly from survey respondents and extracted from administrative files.

A large portion of survey data are collected directly from survey respondents. However, in order to reduce response burden, a tax replacement program (TRP) has been implemented since 2002 where survey data are extracted directly from administrative data files as opposed to be directly collected from respondents.

Data accuracy

While considerable effort is made to ensure high standards throughout all stages of collection and processing, the resulting estimates are inevitably subject to a certain degree of non-sampling error. Non-sampling error is not related to sampling and may occur for many reasons. For example, non-response is an important source of non-sampling error. Population coverage, differences in the interpretation of questions, incorrect information from respondents, and mistakes in recording, coding and processing data are other examples of non-sampling errors.

Measures such as response rate (total number of completed questionnaires as a percentage of the total active, in-scope survey sample) and response fraction (the proportion of the estimate based upon reported data) can be used as indicators of the possible extent of non-sampling errors.

Sampling error can be measured by the standard error (or standard deviation) of the estimate. The coefficient of variation (CV) is the estimated standard error percentage of the survey estimate. Estimates with smaller CVs are more reliable than estimates with larger CVs.