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CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

FOOD CHAINS
IN
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CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS, 1931.

FOOD CHAINS

TABLE OF CONTENTS

	<u>Page</u>
Introduction	3
Chains Defined	3
Operating Expenses	3
Growth of Chains	4
Geographic Distribution of Units and Sales	4
Credit Sales	5
Grocery Chains --	
Operating expenses	5
Commodities sold by grocery chains	5
Combination Store Chains --	
Operating expenses	6
Commodities sold by combination chains	6
Meat and Fish Market Chains --	
Operating expenses	6
Commodities sold by meat and fish market chains	6
Middle Range Figures	7

Tables

Table I (a) Summary of Food Chains	9
Table I (b) Kinds of Stores Operated by Combination Chains	9
Table II (a) Chain Units Classified by Date of Estab- lishment and Geographic Location	10
Table II (b) Chain Units Classified by Date of Estab- lishment and Size of Chain	10

Tables (Continued) --

		<u>Page</u>
Table III	Chain Units and Sales Classified by Provinces and Size of Locality	11
Table IV	Chains Analysed According to Cost of Rent	12
Table V	Grocery Chain Operating Expenses --	
(a)	Chains classified according to type of operation	13
(b)	Chains classified according to number of stores	13
(c)	Chains classified according to total sales volume	14
(d)	Chains classified according to average sales per store	14
Table VI	Sales by Commodities, Grocery Chains.	15
Table VII	Combination Chain Operating Expenses---	
(a)	Chains classified according to type of operation	16
(b)	Chains classified according to number of stores	16
(c)	Chains classified according to total sales volume	17
(d)	Chains classified according to average sales per store	17
Table VIII	Sales by Commodities, Combination Chains	18
Table IX	Meat and Fish Market Chain Operating Expenses --	
(a)	Chains classified according to type of operation	19
(b)	Chains classified according to number of stores	19
(c)	Chains classified according to total sales volume	20
(d)	Chains classified according to average sales per store	20
Table X	Sales by Commodities, Meat and Fish Market Chains	21
Table XI	Middle Range Figures - Grocery, Meat, and Combination Chains	22

FOOD CHAINS

INTRODUCTION

This report on the operations of food chains is one of a series of reports presenting detailed analyses of the activities of retail chains during the year 1930. This series is intended to supplement the summary report on chain stores that has already been published by analysing in greater detail the activities of chains in those merchandising fields where the amount of business conducted by chain organizations was large enough to warrant a special analysis. The food chains analysed in this report are grocery chains, combination store chains (those selling both groceries and meats) and meat market and fish market chains. The figures given herein cover the trading operations of these chains during 1930 and they were obtained in connection with the Census of Merchandising and Service Establishments, which formed part of the Seventh Decennial Census.

The 44 grocery chains shown in this report operated 749 stores and had total net sales of \$45,043,653. There were 23 organizations classified as combination chains and these operated 1,379 stores and did a total business of \$74,800,139. It must be borne in mind, however, that these combination chains operated a great many straight grocery stores in addition to those selling both groceries and meats, so that the amount just quoted greatly exceeds the sales made through chain units of the combination type. From Table 1(b), it will be seen that of the 1,379 stores operated by combination chains, 665 were straight grocery units, with sales of \$23,478,835; 698 stores handled both groceries and meats, with sales of \$51,011,609; and 16 were meat stores, having sales of \$309,695. For the general retail reports, each of these stores was classified independently according to its own kind of business. For this report, it has been necessary to classify each chain in its entirety, and a chain has been classified as a combination chain when at least 25 per cent of its business was conducted in stores of the combination type. There were 20 meat market chains and one fish market chain, having a combined total of 225 units and sales of \$8,447,682.

Chains Defined

For this Census, a group of four stores or more under the same ownership and management and carrying on the same or similar kinds of business, has been classified as a chain. Groups of two or three stores owned and operated by one proprietor or firm have been classified as two- or three-store multiples - not as chains - and are reported under these headings in the provincial retail reports. So-called voluntary chains, in which the stores are individually owned and operated, but are grouped for buying and/or advertising purposes, are not considered as chains, but figures for these stores have been shown separately in the provincial retail reports. Chains have been classified as local, provincial, sectional and national, depending upon the extent of territory in which their branches are situated. Local chains are located entirely, or almost so, within the same town or city. Provincial chains are located within one province. The units of sectional chains are spread over two or three provinces, while national chains have stores in four provinces or more.

Operating Expenses

The 44 grocery chains had a total operating expense of 11.47 per cent of sales, of which payroll was 5.58 per cent. Rent paid for leased premises amounted to 1.85 per cent of sales made in such premises.

The ratio of total operating expenses to sales for the 23 combination chains was 17.39 per cent, of which payroll was 8.52 per cent. Rental cost to sales in leased premises was 2.65 per cent.

Total operating expenses of the 21 meat market chains was 20.94 per cent of net sales, of which payroll was 10.30 per cent and the ratio of rent to sales in leased premises was 2.70 per cent.

Central Office Expenses. - Partial information only was received regarding head office salaries and wages and other overhead expenses, although the forms sent out asked that this be separately reported. Where the overhead expense has been furnished, it was prorated over the individual stores on the basis of sales. Chain store warehouses were considered as wholesale establishments for this Census and have been included in the wholesale reports. Expenses in connection with these warehouses are, therefore, omitted from this report. In a number of cases, the head office of a chain organization is operated as a department of the warehouse, rather than as a separate unit, so that in these cases head office expenses would be included in the warehouse returns.

In addition to the amounts paid in salaries and wages and rental costs, total operating expenses includes such items as taxes, insurance, maintenance, delivery from stores, stationery and supplies, light, heat, power, interest on money borrowed for current business operations, and any other operating expense. The cost of goods purchased for resale was, of course, excluded, as well as any items on capital account. Where wide discrepancies were found to exist in individual returns, the expense items were checked in order to avoid including any items which would materially affect the results. Due to the lack of uniformity in accounting practices, however, these operating expense ratios should only be considered as indicative of the costs of operation of these chains, although they are thought to be sufficiently accurate to justify the analysis given in this bulletin. In Table IV, these chains are analysed according to rental costs, showing that in the case of grocery and combination chains a low rental cost is a feature of chains having high average sales per store and low total operating expenses.

Growth of Chains

Of the 2,218 units of grocery, combination, and meat chains which could be classified as to date of ownership, 336, or 15.1 per cent, were established in 1930; 1,168, or 52.6 per cent, were opened during the years 1926 to 1929; and the remaining 32.3 per cent were in operation prior to 1926. The greatest expansion in these food chains took place in 1929, when 464 new branches, approximately 20 per cent of the total number in operation in 1930, were opened, of which 154 were located in Ontario.

Geographic Distribution

Of the 2,353 stores analysed in this report, 1,107, or approximately 45 per cent, were located in Ontario and 495, or 20 per cent, were in Quebec. There were 406 units in the Prairie Provinces, 244 in British Columbia, and 99 in the Maritimes. Of the total sales of \$128,291,474 made through these chain stores, Ontario accounted for \$71,133,271, or over 55 per cent, and Quebec for \$23,708,363, or approximately 18.5 per cent, of the total of all food chain sales. Table III shows the distribution of sales in each province and further analyses the data according to size of city. Of the total sales of food chains in Canada shown in this report,

44.56 per cent were made in cities of 100,000 population or over, and only 4.11 per cent is attributable to places of less than 1,000 population.

Credit Sales

Credit sales made by food chains are shown in Table I. Of the 44 grocery chains, 12 having total sales of \$3,195,529 reported that they extended credit. These credit sales amounted to \$705,963, or 22.09 per cent of the sales of these chains. Twenty-six chains, having total sales of \$38,239,134, reported that they sold only for cash, while 6 smaller chains did not report their credit activities. Eleven of the 23 combination store chains reported that they sold on credit. While the total sales of these 11 chains amounted to \$30,791,236, or over 41 per cent of the total sales of all combination chains, some of them reported but a small credit item, so that credit sales amounted to but 3.94 per cent of the total sales of those extending credit. Six chains, with total sales of \$41,391,194, reported that they sold only for cash, and 6 chains failed to indicate whether they sold for credit or not.

Of the 21 meat chains, 11 doing 73 per cent of the business of all meat chains, reported credit sales. Credit sales of these chains amounted to 51.4 per cent of their total business. Eight chains, with sales of \$2,082,929, reported that they sold only for cash, and three chains did not answer this part of the questionnaire.

Grocery Chains

The 44 grocery chains analysed in this report, and operating 749 stores with sales of \$45,043,653, had an average operating expense ratio of 11.47 per cent of net sales. Grocery chain operating expenses have been analysed in Table V. The chains are first classified according to type of operation, then according to the number of units operated, then according to total sales volume, and finally by average sales per store. When analysed according to number of units operated, it is found that the larger chains having more than 50 units, had the lowest expense ratio, 10.45 per cent of net sales, as compared with 14.18 per cent for chains having from 6 to 10 units, and 13.66 per cent for chains having 4 or 5 stores. When classified according to average sales per store, it is seen that chains whose average annual sales per store exceeded \$60,000, had an operating expense ratio of 10.46 per cent of net sales, as compared with 14.15 per cent for chains whose average annual sales per store were less than \$30,000. In a great many cases, branches of chains were opened during the year 1930, so that in classifying the chains according to average sales per store, it was necessary to make an allowance for this factor by attributing to each chain the average number of stores in operation during the twelve months.

Commodities Sold by Grocery Chains.- Of the total sales of grocery chains amounting to \$45,043,653, approximately 74 per cent could be analysed according to commodities sold. Over 78 per cent of the sales analysed were general groceries: fresh fruits and vegetables accounted for 6.46 per cent, and household supplies, including soap, amounted to 5.66 per cent. The percentage for general groceries has been further analysed in Table VI, showing that sales of sugar amounted to 7.76 per cent of the total sales of grocery chains; butter and cheese, 13.63 per cent; and eggs, 4.25 per cent.

Combination Store Chains

The 23 combination store chains, with 1,379 stores and \$74,800,139 net sales, operated on an average expense ratio of 17.39 per cent of sales. Of the total number of stores, 14.9 per cent were opened during the year 1930, the greatest percentage of growth being among the smaller chains of from 6 to 10 units. Operating expenses of these chains have been analysed in Table VII in a similar manner to those of grocery chains. It should be remembered, however, that these chains operated varying numbers of straight grocery stores as well as stores of the combination type. Since the operating expense of a combination store is greater than that of a grocery unit, this factor should be kept in mind when considering the expense ratios given in this report. When classified according to number of units operated, the lowest operating expense was obtained by chains operating between 11 and 100 stores. These chains had an expense ratio to sales of 16.07 per cent, while both the larger chains having more than 100 units, and the small chains with ten stores or less, had somewhat higher figures.

Commodities Sold by Combination Chains.- Of the total sales of all combination store chains, 53.87 per cent represented the sale of groceries. The sale of meats amounted to 22.57 per cent, and fruits and vegetables, 11.11 per cent. The sales of other commodities are given in Table VIII and the total grocery item just given is also further analysed. It must be remembered, of course, that not all the stores in these combination chains sold meat: some were straight grocery stores, while a few were purely meat markets. Thus, it is not correct to assume that 22.57 per cent was the average ratio that the sales of meat bore to the total sales of a typical chain unit of the combination type, where both groceries and meats were sold. The proportion of meats sold in a combination store is considerably in excess of that figure. These commodity percentages are based upon the total sales of all combination chains reporting sales by commodity classes, irrespective of the kinds of stores operated. Thus, while the percentages given in Table VIII may be used to determine the total sales of commodities sold by combination chains, they do not represent the average commodity sales percentages for either combination stores or grocery stores.

Meat Market Chains (Including Fish Markets)

The 21 meat market and fish market chains operated 225 stores and had total net sales of \$8,447,682. Total operating expense for all chains amounted to 20.94 per cent of sales. Chain operating expenses have been analysed in a similar manner to those of grocery and combination chains, but these percentages are heavily weighted by the expenses of one large firm. The lowest operating expense ratio is found to coincide with the highest average sales per store and is greatest for small chains whose total sales are less than \$100,000. Rental costs also vary more or less inversely with average sales per store.

Commodities Sold by Meat Market Chains.- Of the total sales of meat and fish market chains, 84.88 per cent represents the sale of meats and poultry. Butter and cheese were next in importance, with sales of 7.97 per cent of the total. The sale of eggs amounted to 3.40 per cent, and of fish to 1.81 per cent, while the remainder, or 1.94 per cent, was comprised of the sales of miscellaneous food products. The commodities sold by meat market chains are analysed in Table X.

Middle Range Figures

The expense figures given in the preceding paragraphs, and shown in Tables I, V, VII and IX, were obtained by totalling the expense data given for each chain and expressing this total as a percentage of the total sales of the same companies. That is to say, these are weighted averages in which a large chain has more weight in determining the expense ratio for the group than a smaller organization. In Table XI, average operating figures are given for the three types of chains analysed in this report, in which each chain has been given the same weight irrespective of its size. Using this method, it is found that the average total operating expense for grocery chains was 13.62 per cent of net sales, as compared with 11.47 per cent as obtained by the other method. Average operating expenses for combination store chains amounted to 16.70 per cent of sales, and for meat market chains, 19.36 per cent, as compared with 17.39 per cent and 20.94 per cent respectively, using the first method. Upon referring to Table XI, it will be seen that three values are given for total operating expenses in each case under the headings: "Lower Limit of Middle Range", "Average of Middle Range", and "Upper Limit of Middle Range". The method of obtaining these three figures for total operating expense will be explained.

The total operating expense (including salaries, rent and other expenses) for each chain was expressed as a percentage of its total sales. These percentages were arranged in ascending order of magnitude. The series was then divided into three ranges: the lower range, consisting of the lower quarter of the figures; the upper range, consisting of the upper quarter of the figures; and the middle range, containing the remaining half of the figures. The average of the middle range was then found. Thus, after omitting the extremely high and low figures, due in most instances to exceptional circumstances, the remaining items were given equal weight in obtaining an average operating expense ratio for the group. The "Lower Limit of the Middle Range" and "Upper Limit of the Middle Range" are, of course, the two values at either end of the middle group of figures.

Upon referring to Table XI, it will be seen that the lower limit of the middle range for total operating expenses of grocery chains was 11.59 per cent, the upper limit was 15.71 per cent, and the average of the middle range was 13.62 per cent. Or, in other words, one-quarter of the grocery chains had a total operating expense ratio of less than 11.59 per cent of sales, one-quarter of the chains had a total expense ratio of more than 15.71 per cent of sales, and one-half of the grocery chains had an expense ratio lying between these two figures and centering around 13.62 per cent. The other items in this table were obtained in a manner similar to that used in the case of total operating expense. For example, the average figure for payroll cost of grocery chains was 6.98 per cent of net sales. This figure was obtained by expressing the payroll cost of each chain as a percentage of its total sales, arranging these percentages in ascending order of magnitude, omitting the lower and upper quarters of the range and taking the average of the middle group. The boundary figures of the middle range in this case were 5.75 per cent and 8.13 per cent. That is to say, one-quarter of the chains had a payroll cost of less than 5.75 per cent of sales, one-quarter of the chains had a payroll cost of more than 8.13 per cent, and one-half the firms had a payroll cost ratio lying between these figures, and the average of these ratios was 6.98

Each item in Table XI was obtained by arranging the corresponding items for each chain in an array and following the procedure already outlined for total operating expense and payroll cost. In interpreting these middle range figures, then, each item must be considered independently as neither all the high nor all the low figures came from the same reports. That is to say, the items in any column in this middle range table cannot be related to other items in the same column. For instance, the

upper limit of the middle range for average sales per store of grocery chains was \$52,577. The upper limit of the middle range for total operating expense was 15.71 per cent of net sales. Obviously, however, these two values cannot be related since the grocery chains with high average sales per store have the smallest operating expense. Nor is it probable that any one chain would have all its items equal to the average figures given in this table, but it is thought that, considering each item independently, these middle range figures give a fair indication of chain operating results.

Table I(a)

FOOD CHAINS

Summary of Grocery, Combination, Meat and Fish Market Chains

	Grocery chains	Combination chains	Meat and fish market chains
Number of chains	44	23	21
Number of stores	749	1,379	225
Net sales, 1930	\$45,043,653	\$74,800,139	\$ 8,447,682
Stocks on hand, end of year (at cost)	\$ 2,775,545	\$ 3,474,744	\$ 218,262
Full-time employees --			
Male	1,508	4,211	712
Female	953	698	53
Salaries	\$ 2,420,048	\$ 5,902,500	\$ 883,845
Part-time employees --			
Male	393	1,796	75
Female	311	279	5
Salaries	\$ 95,041	\$ 471,479	\$ 28,409
Total payroll reported	\$ 2,515,089	\$ 6,373,979	\$ 912,254
All other expenses, including rent	\$ 2,651,432	\$ 6,636,786	\$ 856,295
Total operating expenses - per cent to net sales	11.47	17.39	20.94
Number of stores in leased premises	677	1,239	208
Rent paid for leased premises	\$ 728,836	\$ 1,803,162	\$ 209,080
Net sales of stores in leased premises	\$39,411,281	\$67,848,683	\$ 7,730,348
Per cent of rent to sales in leased premises	1.85	2.65	2.70
Number of chains reporting credit sales ..	12	11	11
Total net sales in chains reporting credit ..	\$ 3,195,529	\$30,791,236	\$ 6,178,587
Net credit sales reported	\$ 705,963	\$ 1,212,749	\$ 3,176,543
Ratio of credit sales to total sales	22.09	3.94	51.41
Number of chains reporting that they sell only for cash	26	6	8
Total net sales of such chains	\$38,239,134	\$41,391,194	\$ 2,082,929

Table I(b)

Kinds of Stores Operated by Combination Chains

	All stores		Grocery stores		Combination stores		Meat markets	
	Stores	Sales	Stores	Sales	Stores	Sales	Stores	Sales
		\$		\$		\$		\$
All combination chains ..	1,379	74,800,139	665	23,478,835	698	51,011,609	16	309,695
Chains of less than 11 units ..	84	4,818,876	6	180,002	76	4,569,253	2	69,621
Chains of 11 units or over ..	1,295	69,981,263	659	23,298,833	622	46,442,356	14	240,074

Table II(a)

FOOD CHAINS

Grocery, Meat, and Combination Chains, Combined

Chain units classified by date of establishment and geographic location

Geographic Division	Total units	Per cent of total units	Date of establishment of units					Before 1926	Units whose ages cannot be classified
			1930	1929	1928	1927	1926		
Canada, all divisions	2,353	100.0	336	464	342	249	113	714	135
Northwest Territories and Yukon	2	-	-	-	-	-	-	2	-
British Columbia	244	10.4	40	41	33	18	8	92	12
Alberta	120	5.1	14	33	8	11	7	47	-
Saskatchewan	165	7.1	36	58	20	12	3	32	4
Manitoba	121	5.1	23	78	5	-	2	12	1
Ontario	1,107	47.1	117	154	164	106	67	439	60
Quebec	495	21.1	77	90	84	96	23	72	53
New Brunswick	30	1.3	11	3	6	-	-	8	2
Nova Scotia	67	2.8	17	7	21	6	3	10	3
Prince Edward Island	2	-	1	-	1	-	-	-	-

Table II(b)

Chain units classified by date of establishment and size of chain

	Total units		Units in chains of -				
	Number	Per cent of total	More than 100 units	51-100 units	11-50 units	6-10 units	4 and 5 units
Total, all units	2,353	.....	1,255	444	308	193	153
Less units which cannot be classified as to age	135	.....	63	4	41	6	21
Units classified as to age	2,218	100.0	1,192	440	267	187	132
All units established -							
1930	336	15.1	197	43	22	56	18
1929	464	20.9	258	111	52	22	21
1928	342	15.4	175	67	65	24	11
1927	249	11.2	150	41	33	10	15
1926	113	5.1	61	23	10	11	8
Before 1926	714	32.3	351	155	85	64	59

Table IV

FOOD CHAINS

Chains Analysed According to Cost of Rent
Grocery, Combination and Meat Chains

	Grocery Store Chains			Combination Store Chains			Meat Market Chains		
	Chains paying rent in excess of 3 per cent of net sales	Chains paying rent of 2 to 3 per cent of net sales	Chains paying rent of less than 2 per cent of net sales	Chains paying rent in excess of 3 per cent of net sales	Chains paying rent of 2 to 3 per cent of net sales	Chains paying rent of less than 2 per cent of net sales	Chains paying rent in excess of 3 per cent of net sales	Chains paying rent of 2 to 3 per cent of net sales	Chains paying rent of less than 2 per cent of net sales
Number of chains	6	15	23	1	12	10	4	11	6
Number of units.	36	315	398	(X)	1,333	46	37	158	30
Net sales, 1930.	\$852,871	\$12,668,713	\$31,522,069	(X)	\$72,500,848	\$2,299,291	\$1,009,051	\$5,492,526	\$1,946,105
Average sales per unit	\$ 23,691	\$ 40,218	\$ 79,201	(X)	\$ 54,389	\$ 49,984	\$ 27,272	\$ 34,763	\$ 64,870
Total operating expense	\$149,615	\$ 1,615,241	\$ 3,401,665	(X)	\$12,629,695	\$ 381,070	\$ 171,590	\$1,275,330	\$ 321,629
Per \$100 of sales	17.54	12.75	10.80	(X)	17.30	16.60	17.00	23.20	16.50
Total payroll cost	\$ 68,758	\$ 881,875	\$ 1,564,456	(X)	\$ 6,154,014	\$ 219,965	\$ 102,038	\$ 632,456	\$ 177,760
Per \$100 of sales	8.06	6.96	4.90	(X)	8.40	9.50	10.10	11.50	9.10
Other store operating expense, including rent.	\$ 80,857	\$ 733,366	\$ 1,837,209	(X)	\$ 6,475,681	\$ 161,105	\$ 69,552	\$ 642,874	\$ 143,869
Per \$100 of sales	9.48	5.79	5.90	(X)	8.90	7.10	6.90	11.70	7.40
Rent in leased premises per \$100 of sales in leased premises (included in above figures)	3.56	2.45	1.54	(X)	2.69	1.36	3.83	2.81	1.54
Number of units rented	36	281	360	(X)	1,230	40	36	153	19

(X) These figures cannot be given without disclosing individual operations, but they are included in the next column.

Table V

FOOD CHAINS

Grocery Chain Operating Expenses

A. Chains Classified by Type of Operation.

	Number of chains	Number of stores	Net sales (1930)	Per cent of units opened in 1930	Store operating expenses						Rent in leased premises per \$100 sales in leased premises
					Total expenses	Per \$100 sales	Payroll	Per \$100 sales	Other operating expenses including rent	Per \$100 sales	
Total, all chains.	44	749	\$ 45,043,653	13.2	\$ 5,166,521	11.47	\$ 2,515,089	5.58	\$ 2,651,432	5.89	1.85
Local chains	26	246	10,148,670	24.8	1,398,870	13.78	732,665	7.22	666,205	6.56	2.17
Provincial chains	14	462)	34,894,983	7.6	3,767,651	10.80	1,782,424	5.11	1,985,227	5.69	1.75
Sectional chains	4	41)									

B. Chains Classified by Number of Units Operated.

Total, all chains.	44	749	\$ 45,043,653	13.2	\$ 5,166,521	11.47	\$ 2,515,089	5.58	\$ 2,651,432	5.89	1.85
Chains having --											
51 - 100 units	5	375	27,720,056	10.9	2,897,258	10.45	1,396,765	5.04	1,500,493	5.41	1.80
11 - 50 units	11	210	10,732,976	7.6	1,347,476	12.55	627,906	5.85	719,570	6.70	1.84
6 - 10 units	16	110	4,082,645	31.8	579,085	14.18	306,959	7.52	272,126	6.66	1.90
4 - 5 units	12	54	2,507,976	13.0	342,702	13.66	183,459	7.32	159,243	6.34	2.29

Table V (Continued) -

FOOD CHAINS

Grocery Chain Operating Expenses

C. Chains Classified by Total Sales Volume.

	Number of chains	Number of stores	Net sales (1930)	Per cent of units opened in 1930	Store operating expenses						Rent in leased premises per \$100 sales in leased premises
					Total	Per \$100 sales	Payroll	Per \$100 sales	Other operating expenses, including rent	Per \$100 sales	
Total, All Chains	44	749	45,043,653	13.2	5,166,521	11.47	2,515,089	5.58	2,651,432	5.89	1.85
Chains whose total sales are --											
Over \$1,000,000	10	494	35,821,387	9.5	3,925,395	10.96	1,848,455	5.16	2,076,940	5.80	1.78
\$250,000 - \$1,000,000	14	142	6,019,421	16.9	800,610	13.30	434,663	7.22	365,947	6.08	2.11
\$100,000 - \$250,000	17	99	2,964,130	27.3	405,946	13.70	218,981	7.39	186,965	6.31	1.95
Less than \$100,000 ..	3	14	238,715	7.1	34,570	14.48	12,990	5.44	21,580	9.04	4.20

D. Chains Classified According to Average Sales per Store.

Total, All Chains	44	749	45,043,653	13.2	5,166,521	11.47	2,515,089	5.58	2,651,432	5.89	1.85
Average sales per store --											
Over \$60,000	9	210	26,411,196	15.0	2,762,095	10.46	1,232,040	4.85	1,480,055	5.61	1.70
\$30,000 - \$60,000 ...	21	426	16,051,629	11.0	2,039,267	12.70	1,038,103	6.47	1,001,164	6.23	1.99
Less than \$30,000 ...	14	113	2,580,828	18.0	365,159	14.15	194,946	7.55	170,213	6.60	2.36

Table VI

FOOD CHAINS

Sales by Commodities

Grocery Store Chains

Total Sales, All Chains	\$45,043,653
Less amount which cannot be broken down into commodities	\$11,902,800
Sales further analysed	\$33,140,853
	<u>Per cent</u>
Commodity	100.00
Bakery products, fresh	1.51
Beverages, bottled .....	.55
Candy, confectionery and nuts	3.05
Delicatessen and ready-to-serve foods (not canned or bottled) .	.50
Fish and other sea foods, fresh .....	.03
Fruits and vegetables, fresh	6.46
Groceries, general line, total	78.47
Butter and cheese	13.63
Eggs	4.25
Lard, lard substitutes and cooking fats and oils ...	2.54
Flour	2.51
Sugar	7.76
Salmon, canned	2.14
Other groceries (including canned and bottled goods other than canned salmon)	45.64
Meats (including poultry).....	2.92
Milk and cream, fluid .....	.06
Soda fountain sales and ice cream .....	.01
Non-food Commodities —	
Cigars, cigarettes and tobacco .....	.37
Household supplies -	
(a) Soap	3.10
(b) All other (including cleaning compounds, matches, etc.)	2.56
All other non-food products .....	.41

Table VII

FOOD CHAINS

Combination Chain Operating Expenses

A. Chains Classified by Type of Operation.

	Number of chains	Number of stores	Net sales (1930)	Per cent of units opened in 1930	Store operating expenses						Rent in leased premises per \$100 sales in leased premises
					Total	Per \$100 sales	Payroll	Per \$100 sales	Other operating expenses, including rent	Per \$100 sales	
Total, all chains	23	1,379	\$ 74,800,139	14.9	\$ 13,010,765	17.39	\$ 6,373,979	8.52	\$ 6,636,786	8.87	2.65
Local chains	12	66	4,004,210	15.2	693,655	17.32	395,344	9.87	298,311	7.45	1.86
Provincial chains	6	95)									
Sectional chains	3	509)	70,795,329	14.9	12,317,110	17.40	5,978,635	8.44	6,338,475	8.96	2.70
National chains	2	709)									

B. Chains Classified by Number of Units Operated.

Total, all chains	23	1,379	\$ 74,800,139	14.9	\$ 13,010,765	17.39	\$ 6,373,979	8.52	\$ 6,636,786	8.87	2.65
Chains having more than 100 units	4	1,149	61,003,493	16.4	10,722,241	17.58	5,197,234	8.52	5,525,007	9.06	2.77
51 - 100 units	1	69)									
11 - 50 units	2	77)	8,977,770	2.7	1,442,850	16.07	698,902	7.78	743,948	8.29	2.35
7 - 10 units	4	31)									
6 units	2	12)	2,765,190	25.6	452,525	16.37	261,239	9.45	191,286	6.92	2.21
5 units	1	5)									
4 units	9	36)	2,053,686	4.9	393,149	19.14	216,604	10.55	176,545	8.59	1.38

C. Chains Classified by Total Sales Volume.

	Number of chains	Number of stores	Net sales (1930)	Per cent of units opened in 1930	Store operating expenses					Rent in leased premises per \$100 sales in leased premises	
					Total	Per \$100 sales	Payroll	Per \$100 sales	Other operating expenses, including rent		Per \$100 sales
Total, all chains	23	1,379	74,800,139	14.9	13,010,765	17.39	6,373,979	8.52	6,636,786	8.87	2.65
Chains whose total sales are --											
Over \$1,000,000	8	1,305	71,237,586	14.8	12,399,534	17.40	6,027,399	8.46	6,372,135	8.94	2.72
\$250,000 - \$1,000,000	6	33	2,238,818	12.1	360,177	16.09	216,128	9.65	144,049	6.44	1.76
\$100,000 - \$250,000 .	7	33)	1,323,735	21.9	251,054	18.97	130,452	9.85	120,602	9.12	1.75
Less than \$100,000 :	2	8)									

D. Chains Classified According to Average Sales per Store.

Total, all chains	23	1,379	74,800,139	14.9	13,010,765	17.39	6,373,979	8.52	6,636,786	8.87	2.65
Average sales per store --											
Over \$65,000	6	358	27,278,988	25.1	4,687,720	17.18	2,405,888	8.82	2,281,832	8.36	2.52
\$50,000 - \$65,000 ..	8	334	18,133,156	14.7	3,398,815	18.74	1,700,481	9.38	1,698,334	9.36	2.77
Under \$50,000	9	687	29,387,995	9.8	4,924,230	16.76	2,267,610	7.72	2,656,620	9.04	2.74

Table VIII

FOOD CHAINS

Sales by Commodities

Combination Store Chains (Grocery and Meat)

Total Sales, All Chains	\$74,800,159
Less amount which cannot be broken down into commodities	17,749,800
Sales further analysed	57,050,359
	<u>Per cent</u>
Commodity	100.00
Bakery products, fresh	2.95
Beverages, bottled .....	.40
Candy, confectionery and nuts	1.25
Delicatessen and ready-to-serve foods (not canned or bottled).	1.61
Fish and other sea foods, fresh	1.91
Fruits and vegetables, fresh	11.11
Groceries, general line, total	53.87
Butter and cheese	9.50
Eggs	2.96
Lard, lard substitutes, and cooking fats and oils.	1.44
Flour	1.39
Sugar	5.80
Salmon, canned	1.10
Other groceries (including canned and bottled goods other than canned salmon)	31.63
Meats (including poultry)	22.57
Milk and cream, fluid .....	.30
Non-food Commodities --	
Cigars, cigarettes, tobacco and smokers' supplies .....	.48
Household supplies --	
(a) Soap	2.52
(b) All other (including cleaning compounds, matches, etc.)	1.03

TABLE IX

FOOD CHAINS

Meat Market Chain Operating Expenses

A. Chains Classified by Type of Operation.

	Number of chains	Number of stores	Net sales (1930)	Per cent of units opened in 1930	Store operating expenses						Rent in leased premises per \$100 sales in leased premises
					Total	Per \$100 sales	Payroll	Per \$100 sales	Other operating expenses, including rent	Per \$100 sales	
Total, All Chains ..	21	225	\$ 8,447,682	13.8	\$ 1,768,549	20.94	\$ 912,254	10.80	\$ 856,295	10.14	2.70
Local chains	16	100	3,852,917	16.0	659,289	17.11	378,616	9.83	280,673	7.28	2.72
Provincial chains	3	15)	4,594,765	12.0	1,109,260	24.14	533,638	11.61	575,622	12.53	2.69
Sectional chains	2	110)									

B. Chains Classified by Number of Units Operated.

Total, All Chains ..	21	225	\$ 8,447,682	13.8	\$ 1,768,549	20.94	\$ 912,254	10.80	\$ 856,295	10.14	2.70
Chains having —											
More than 100 units	1	106)									
51 - 100 units	-	-)									
11 - 50 units	1	21)	5,516,538	8.4	1,252,701	22.71	632,156	11.46	620,545	11.25	2.83
7 - 10 units	2	16)									
6 units	4	24)									
5 units	6	30)	2,931,144	23.8	515,848	17.60	280,098	9.56	235,750	8.04	2.41
4 units	7	28)									

Table IX (Continued) —

FOOD CHAINS

Meat Chain Operating Expenses

C. Chains Classified by Total Sales Volume.

	Number of chains	Number of stores	Net sales (1930)	Per cent of units opened in 1930	Store operating expenses					Rent in leased premises per \$100 sales in leased premises	
					Total	Per \$100 sales	Payroll	Per \$100 sales	Other operating expenses, including rent		Per \$100 sales
Total, All Chains ..	21	225	8,447,682	13.8	1,768,549	20.94	912,254	10.80	856,295	10.14	2.70
Chains whose total sales are —											
Over \$500,000	3	134	5,113,194	9.0	1,180,617	23.09	588,482	11.51	592,135	11.58	2.85
\$250,000 - \$500,000	6	35	1,979,839	28.6	320,856	16.21	164,836	8.33	156,020	7.88	2.24
\$100,000 - \$250,000	8	36	1,137,599	22.2	214,229	18.83	126,882	11.15	87,347	7.68	2.44
Less than \$100,000	4	20	217,050	5.0	52,847	24.35	32,054	14.77	20,793	9.58	3.67

D. Chains Classified According to Average Sales per Store.

Total, All Chains ..	21	225	8,447,682	13.8	1,768,549	20.94	912,254	10.80	856,295	10.14	2.70
Average sales per store —											
Over \$45,000	8	41	2,709,621	24.4	444,735	16.41	243,653	8.99	201,082	7.42	1.93
\$25,000 - \$45,000	6	148	5,173,230	10.1	1,197,450	23.15	594,484	11.49	602,966	11.66	2.99
Under \$25,000	7	36	564,831	16.7	126,364	22.37	74,117	13.12	52,247	9.25	3.29

Table X

FOOD CHAINS

Sales by Commodities
Meat and Fish Market Chains

Total Sales, All Chains	\$8,447,682
Less amount which cannot be broken down into commodities	1,740,900
Sales further analysed	6,706,782
	<u>Per cent</u>
Commodity	100.00
Bakery products, fresh .....	.12
Beverages, bottled .....	.01
Candy, confectionery and nuts .....	.04
Delicatessen and ready-to-serve foods (not canned or bottled) .....	.10
Fish and other sea foods, fresh	1.81
Fruits and vegetables, fresh .....	.34
Groceries, general line, total	12.48
Butter and cheese	7.97
Eggs	3.40
Lard, lard substitutes, and cooking fats and oils .....	.43
Flour .....	.09
Sugar .....	.05
Salmon, canned .....	.07
Other groceries (including canned and bottled goods other than canned salmon) .....	.47
Meats (including poultry)	84.88
Milk and cream, fluid .....	.09
Non-food Commodities:	
Household supplies ---	
(a) Soap .....	.04
(b) All other (including cleaning compounds, matches, etc.) .....	.09

Table XI

FOOD CHAINS

Middle Range Figures - Grocery Chains

	Lower Limit of Middle Range	Average of Middle Range	Upper Limit of Middle Range
Total sales volume of chain	\$176,962	\$324,519	\$695,450
Average sales per store	\$ 26,430	\$ 37,842	\$ 52,577
Per cent of total number of stores opened in 1930	0.00	6.97	16.67
Payroll cost per \$100 sales	5.75	6.98	8.13
Rental cost per \$100 sales in leased premises	1.56	1.99	2.42
Other operating expense - not including salaries or rent	3.00	4.65	6.13
Total operating expense per \$100 sales	11.59	13.62	15.71
Average yearly salary per full-time employee.	\$ 765	\$ 914	\$ 1,142
Number of employees per \$100,000 sales	6.08	7.45	9.61

Middle Range Figures - Combination Chains

Total sales volume of chain	\$206,530	\$503,899	\$1,386,275
Average sales per store	\$ 38,507	\$ 54,081	\$ 64,774
Per cent of total number of stores opened in 1930	0.00	5.35	25.00
Payroll cost per \$100 sales	8.15	9.28	10.45
Rental cost per \$100 sales in leased premises	1.42	2.07	2.52
Other operating expense - not including salaries or rent	4.82	6.07	7.31
Total operating expense per \$100 sales	14.54	16.70	17.86
Average yearly salary per full-time employee.	\$ 944	\$ 1,132	\$ 1,309
Number of employees per \$100,000 sales	6.38	8.18	9.51

Middle Range Figures - Meat Market Chains

Total sales volume of chain	\$105,212	\$197,462	\$342,859
Average sales per store	\$ 22,119	\$ 38,600	\$ 54,946
Per cent of total number of stores opened in 1930	0.00	5.75	20.00
Payroll cost per \$100 sales	8.92	10.86	12.17
Rental cost per \$100 sales in leased premises	1.74	2.48	2.88
Other operating expense - not including salaries or rent	4.72	5.77	7.35
Total operating expense per \$100 sales	15.34	19.36	21.48
Average yearly salary per full-time employee.	\$ 957	\$ 1,148	\$ 1,403
Number of employees per \$100,000 sales	6.94	8.98	11.68

Since each item in this table was obtained independently, the figures in any one column cannot be related to each other. Nor can the individual expense items be added to obtain the total expense ratios shown. For explanations on the method of obtaining these figures, see introduction.

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