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DOMINION BUREAU OF STATISTICS
CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

FOOD CHAINS IN CANADA

1936



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CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

Food Chains in Canada, 1936

The proportion of the total food store business in Canada which is transacted by chains, after declining slightly from 28.9 per cent in 1934 to 28.5 per cent in 1935, increased again to 28.9 per cent in 1936 when 89 different chain store companies with 2,334 stores had \$111,511,900 sales. In 1935 there were 86 food chain companies with 2,309 stores and \$105,635,900 sales while in 1930, the first year for which statistics are available, there were 87 chains with 2,352 stores and \$127,582,500 sales.

Five of the nine provinces report minor increases in the relative importance of chains in the food retailing field in 1936 compared with 1935. In British Columbia the ratio of chain sales to the total was 37.0 per cent for 1936 compared with 36.2 per cent for 1935. Corresponding chain ratios for other provinces for 1936 with the 1935 figures in brackets are as follows: Ontario, 36.9 per cent (36.1 per cent); Saskatchewan, 33.2 per cent (33.0 per cent); Alberta, 29.9 per cent (29.0 per cent); Manitoba, 28.3 per cent (29.1 per cent); Nova Scotia, 21.7 per cent (22.8 per cent); Quebec, 17.5 per cent (17.5 per cent), and New Brunswick, 14.1 per cent (12.7 per cent).

The comparisons given above for chain and total sales are based on the aggregate business of grocery stores, combination stores and meat markets. There are but a small number of chains of the strictly meat market type and these are only moderate in size. When all straight meat markets are excluded from the calculations and grocery and combination stores only are considered, the ratio of chain to total sales stands at 33.0 per cent for 1936 compared with 32.5 per cent for 1935, 33.3 per cent for 1933 and 29.5 per cent for 1930.

A chain is taken to mean a group of four or more stores under the same ownership and management and carrying on the same or similar kinds of business. Two- or three-store multiples are considered as independents. Nor are voluntary chains included in the regular chain store figures. In addition to the 89 corporate food chains in Canada in 1936 there were also 32 voluntary groups with 6,670 individual members and, while their total annual sales is not known, their purchases from affiliated grocery wholesalers on a co-operative basis amounted to \$27,336,200. In the preceding year, 30 of these voluntary groups were reported and these had 6,525 members whose purchases from affiliated wholesalers totalled \$27,703,200.

The 89 food chains operating in 1936 and covered by this report include 34 grocery chains with 524 stores and \$18,922,900 sales, 41 combination store chains with 1,648 stores and \$88,423,000 sales and 14 meat market chains with 162 stores and \$4,166,000 sales. Not all units of the combination store chains are of the combination (grocery and meat) type although the tendency in this direction continues.

The seven largest combination store chains in 1935 had 1,350 stores and \$71,494,700 sales. Of the total number of stores, 709 or 52.5 per cent were grocery and 641 or 47.5 per cent were of the combination type. Grocery units accounted for 39.9 per cent of the total sales and combination, 60.1 per cent. In 1936 the same chains operated 1,351 stores of which 631 or 46.7 per cent were grocery and 720 or 53.3 per cent were combination. Total sales for these units amounted to \$75,483,600, of which grocery stores accounted for 31.8 per cent and combination units for 68.2 per cent.

Employment was furnished to 13,328 persons in food store chains in 1936, of whom 11,507 were male and 1,821 were female and to whom \$8,441,900 was paid in salaries and wages. These figures relate to all store employees, part-time and full-time, but warehouse and other overhead staff are not included. The payroll for 1936 was 4.3 per

cent greater than the \$8,094,500 paid out in 1935. Sales during the same interval increased by 5.6 per cent.

Stocks on hand in the food chain unit stores was valued at \$6,474,300 at the end of 1936. In addition, warehouse stocks were valued at \$4,534,000. Credit is still of small proportions in the food chain field. Customers' accounts outstanding at the end of 1936 amounted to \$1,252,300, about one per cent of the annual sales.

The increase in food chain sales in 1936 over the preceding year was about the same in the larger cities as in the smaller centres. Of the 2,334 units of food chains in Canada in 1936, 1,355 were located in places of 30,000 population or more and 979 were in smaller places. Food chain sales in the larger cities were up 5.6 per cent in 1936 over the previous year while in the smaller places the increase was 5.5 per cent. Gains in food chain sales in 1936 over 1935 for some of the larger cities are as follows: London, 28 per cent; Edmonton, 25 per cent; Vancouver, 8 per cent; Ottawa, 8 per cent; Toronto, 7 per cent; Winnipeg, 4 per cent, and Montreal, 2 per cent. Since total annual sales for all stores in these cities are not known, it is impossible to tell whether the chains increased their business to a greater extent than did the independent merchant. Included with the chains are the sales of all groups of four stores or over. In the case of border-line cases, such as three-store multiples or chains with four or five units, a slight change in the number of units operated between consecutive years may mean the transfer of the entire company to or from the chain store category. This factor should be kept in mind in interpreting the percentage change in chain sales from year to year.

Gross margin formed 16.37 per cent of sales for grocery chains in 1936 compared with 15.98 per cent in 1935. When classified according to size, gross margin ratio is lower at 14.84 per cent for a group of 11 chains each with fewer than 6 stores compared with 15.47 per cent for an intermediate size group and 16.74 per cent for 13 chains each with more than 10 units.

Gross margin for combination chains formed 20.50 per cent of sales in 1936 compared with 19.99 per cent in 1935, and varied in 1936 from approximately 18 per cent for all chains with fewer than 50 units to 20.85 per cent for 6 companies with more than that number of individual stores.

Meat market chains operated on a gross margin of 22.92 per cent of sales in 1936 compared with 23.58 per cent in 1935.

Table 1.--Summary of Food Chain Stores in Canada, 1936

	Total Food Chains	Grocery Store Chains	Combination Store Chains	Meat Market Chains
Number of chains	89	34	41	14
Number of stores, average(1)	2,229	500	1,579	150
Number of stores, maximum	2,334	524	1,648	162
Net sales, 1936:				
Store sales ..	\$111,511,900	\$18,922,900	\$88,423,000	\$4,166,000
Total sales(2)	\$112,257,300	\$19,223,400	\$88,867,900	\$4,166,000
Stocks on hand, end of year, at cost --				
In retail stores	\$ 6,474,300	\$ 1,435,600	\$ 4,960,300	\$ 78,400
In warehouses ..	\$ 4,534,000	\$ 765,600	\$ 3,760,500	\$ 7,900
Gross margin: Amount	\$ 22,319,400	\$ 3,146,700	\$18,218,200	\$ 954,700
Per cent of total sales	19.88	16.37	20.50	22.92
Average number of store employees (includes full-time and part-time) --				
Male .	11,507	1,391	9,544	572
Female	1,821	623	1,165	33
Salaries and wages	\$ 8,441,900	\$ 1,273,100	\$ 6,707,700	\$ 461,100
Total accounts outstanding on December 31:				
Amount	\$ 1,252,300	\$ 260,600	\$ 846,300	\$ 145,400
Per cent of total sales	1.1	1.4	1.0	3.5

(1) Derived from number of units at beginning, middle and end of year.
 (2) Includes any sales at wholesale prices direct from warehouses.

Table 2.--Kinds of Stores Operated by Combination Store Chains in 1936

Size of Chain	Number of Chains	Total Units(1)		Grocery Units		Combination Units	
		Number	Sales	Number	Sales	Number	Sales
All Combination Store Chains, Total	41	1,648	\$88,423,000	715	\$26,053,600	916	\$61,925,300
Chains having --							
Less than 10 units .	30	169	8,550,200	25	540,000	136	7,750,200
10 - 99 units	6	128	4,389,200	59	1,478,800	60	2,726,300
100 units and over .	5	1,351	75,483,600	631	24,034,800	720	51,448,800

(1) These figures include a few stores other than grocery and combination stores.

Table 3.--Principal Statistics of Food Chains by Provinces, 1930 and 1933 - 1936
(Grocery, Combination and Meat Market Chains Combined)

	1930	1933	1934	1935	1936
CANADA, Total(1) --					
Number of chains	87	91	86	86	89
No. of stores (maximum)	2,352	2,398	2,395	2,309	2,334
Net chain sales, amount	\$127,582,500	\$103,630,500	\$104,912,800	\$105,635,900	\$111,511,900
Index, 1930 = 100 ...	100.00	81.23	82.23	82.80	87.40
Total sales	\$488,429,600	\$347,397,000	\$363,056,000	\$370,909,000	\$385,840,000
%, chains to total	26.1	29.8	28.9	28.5	28.9
British Columbia --					
Number of chains	19	17	18	17	16
No. of stores (maximum)	244	282	305	295	298
Net chain sales, amount	\$ 10,117,100	\$ 8,862,400	\$ 9,165,300	\$ 10,069,200	\$ 10,699,600
Index, 1930 = 100 ...	100.00	87.60	90.59	99.53	105.76
Total sales	\$ 37,196,100	\$ 24,455,000	\$ 25,737,000	\$ 27,788,000	\$ 28,890,000
%, chains to total	27.2	36.2	35.6	36.2	37.0
Alberta --					
Number of chains	8	11	10	11	10
No. of stores (maximum)	120	127	128	130	131
Net chain sales, amount	\$ 5,587,000	\$ 4,519,100	\$ 4,777,300	\$ 5,250,900	\$ 5,585,200
Index, 1930 = 100 ...	100.00	80.89	85.51	93.98	99.97
Total sales	\$ 23,469,400	\$ 15,970,000	\$ 17,143,000	\$ 18,096,000	\$ 18,655,000
%, chains to total	23.8	28.3	27.9	29.0	29.9
Saskatchewan --					
Number of chains	10	8	6	6	5
No. of stores (maximum)	165	138	133	131	125
Net chain sales, amount	\$ 6,969,300	\$ 4,177,600	\$ 4,168,600	\$ 4,558,500	\$ 4,767,300
Index, 1930 = 100 ...	100.00	59.94	59.81	65.41	68.40
Total sales	\$ 21,690,500	\$ 13,109,000	\$ 13,369,000	\$ 13,808,000	\$ 14,373,000
%, chains to total	32.1	31.9	31.2	33.0	33.2
Manitoba --					
Number of chains	8	6	5	5	4
No. of stores (maximum)	121	110	109	106	104
Net chain sales, amount	\$ 5,689,100	\$ 4,697,600	\$ 4,895,200	\$ 4,813,800	\$ 4,908,600
Index, 1930 = 100 ...	100.00	82.57	86.04	84.61	86.28
Total sales	\$ 22,225,200	\$ 15,480,000	\$ 16,016,000	\$ 16,555,000	\$ 17,372,000
%, chains to total	25.6	30.3	30.6	29.1	28.3
Ontario --					
Number of chains	37	37	36	37	42
No. of stores (maximum)	1,107	1,113	1,086	1,075	1,095
Net chain sales, amount	\$ 70,769,300	\$ 55,450,700	\$ 56,563,500	\$ 56,515,600	\$ 60,149,700
Index, 1930 = 100 ...	100.00	78.35	79.93	79.86	84.99
Total sales	\$206,749,300	\$146,528,000	\$154,842,000	\$156,730,000	\$163,219,000
%, chains to total	34.2	37.8	36.5	36.1	36.9
Quebec --					
Number of chains	13	12	12	11	10
No. of stores (maximum)	495	472	483	425	428
Net chain sales, amount	\$ 23,708,400	\$ 20,456,500	\$ 19,759,700	\$ 18,809,400	\$ 19,595,300
Index, 1930 = 100 ...	100.00	86.28	83.34	79.34	82.65
Total sales	\$140,527,500	\$104,204,000	\$106,708,000	\$107,634,000	\$111,831,000
%, chains to total	16.9	19.6	18.5	17.5	17.5
New Brunswick --					
Number of chains	5	5	6	5	6
No. of stores (maximum)	30	41	43	36	39
Net chain sales, amount	\$ 1,267,300	\$ 1,519,900	\$ 1,441,000	\$ 1,308,400	\$ 1,498,900
Index, 1930 = 100 ...	100.00	119.93	113.71	103.24	118.28
Total sales	\$ 13,117,200	\$ 9,638,000	\$ 10,014,000	\$ 10,301,000	\$ 10,608,000
%, chains to total	9.7	15.8	14.4	12.7	14.1
Nova Scotia --					
Number of chains	9	14	12	13	13
No. of stores (maximum)	66	113	105	108	111
Net chain sales, amount	\$ 3,189,100	\$ 3,844,700	\$ 3,954,700	\$ 4,120,900	\$ 4,091,200
Index, 1930 = 100 ...	100.00	120.56	124.01	129.22	128.29
Total sales	\$ 21,248,900	\$ 16,313,000	\$ 17,372,000	\$ 18,075,000	\$ 18,874,000
%, chains to total	15.0	23.6	22.8	22.8	21.7

(1) Includes Prince Edward Island, Yukon and Northwest Territories.

Table 4.--Food Chain Stores and Sales by Provinces and Principal Cities, 1935 and 1936

Province and City	Number of Stores		Value of Sales		Per Cent of Change
	1935	1936	1935	1936	
CANADA, Total(1)	2,309	2,334	105,635,900	111,511,900	+ 5.56
Places 30,000 and over, total	1,331	1,355	61,919,500	65,383,300	+ 5.59
Places under 30,000, total	978	979	43,716,400	46,128,600	+ 5.52
British Columbia, Total ...	295	298	10,069,200	10,699,600	+ 6.26
Places 30,000 and over, total	188	195	6,335,100	6,684,500	+ 5.52
Vancouver	176	183	5,753,600	6,210,200	+ 7.94
Victoria	12	12	581,500	474,300	-18.44
Places under 30,000, total	107	103	3,734,100	4,015,100	+ 7.53
Alberta, Total	130	131	5,250,900	5,585,200	+ 6.37
Places 30,000 and over, total	78	80	3,300,100	3,533,600	+ 7.08
Calgary	54	54	2,328,400	2,319,900	- 0.36
Edmonton	24	26	971,700	1,213,700	+24.90
Places under 30,000, total	52	51	1,950,800	2,051,600	+ 5.17
Saskatchewan, Total	131	125	4,558,500	4,767,300	+ 4.58
Places 30,000 and over, total	34	34	1,567,200	1,706,900	+ 8.91
Regina	21	21	(X)	(X)	(X)
Saskatoon	13	13	(X)	(X)	(X)
Places under 30,000, total	97	91	2,991,300	3,060,400	+ 2.31
Manitoba, Total	106	104	4,813,800	4,908,600	+ 1.97
Winnipeg	81	82	3,541,600	3,694,200	+ 4.31
Places under 30,000, total	25	22	1,272,200	1,214,400	- 4.54
Ontario, Total	1,075	1,095	56,515,600	60,149,700	+ 6.43
Places 30,000 and over, total	593	612	31,281,400	33,632,700	+ 7.52
Brantford	14	14	903,100	946,500	+ 4.81
Hamilton	129	131	4,649,800	5,029,300	+ 8.16
Kitchener	6	6	560,500	583,200	+ 4.05
London	22	27	1,246,800	1,596,400	+28.04
Ottawa	53	53	2,915,500	3,136,300	+ 7.57
Toronto	294	307	17,943,600	19,242,100	+ 7.24
Windsor	75	74	3,062,100	3,098,900	+ 1.20
Places under 30,000, total	482	483	25,234,200	26,517,000	+ 5.08
Quebec, Total	425	428	18,809,400	19,595,300	+ 4.18
Places 30,000 and over, total	305	298	13,853,500	14,164,100	+ 2.24
Montreal	249	243	11,606,700	11,870,700	+ 2.27
Quebec	7	7	(X)	(X)	(X)
Three Rivers	9	9	(X)	(X)	(X)
Verdun	40	39	1,674,100	1,709,000	+ 2.08
Places under 30,000, total	120	130	4,955,900	5,431,200	+ 9.59
New Brunswick and Nova Scotia, Total	144	150	5,429,300	5,590,100	+ 2.96
Places 30,000 and over, total	52	54	2,040,600	1,967,300	- 3.59
Halifax	41	39	1,491,500	1,310,100	-12.16
St. John	11	15	549,100	657,200	+19.69
Places under 30,000, total	92	96	3,388,700	3,622,800	+ 6.91

(1) Includes Prince Edward Island, Yukon and Northwest Territories.

An (X) indicates that figures are withheld to avoid disclosing individual operations, but these are included in the totals.

Table 5.--Gross Margins for Grocery Chains, 1936

A. Chains Classified According to Type of Operation

	Number of Chains	Average Number of Stores(1)	Store Sales		Average Sales Per Store	Gross Margin	
			Amount	Per Cent of Total		Amount	Per Cent of Total Sales(2)
ALL CHAINS, Total	34	500	18,922,900	100.00	37,846	3,146,700	16.37
Local Chains	23	191	7,790,100	41.17	40,786	1,280,300	15.99
Provincial Chains	11	309	11,132,800	58.83	36,020	1,866,400	16.64

B. Chains Classified According to Number of Stores

ALL CHAINS, Total	34	500	18,922,900	100.00	37,846	3,146,700	16.37
Chains having -							
Less than 6 stores	11	46	1,827,200	9.66	39,722	272,900	14.84
6 - 10 stores	10	67	2,836,200	14.99	42,331	444,300	15.47
11 - 40 stores	11	232)	14,259,500	75.35	36,846	2,429,500	16.74
More than 40 stores	2	155)					

C. Chains Classified According to Total Sales Volume

ALL CHAINS, Total	34	500	18,922,900	100.00	37,846	3,146,700	16.37
Chains having sales of -							
Less than \$200,000	13	66	1,685,700	8.91	25,541	246,400	14.51
\$200,000 - \$1,000,000	15	178	5,955,300	31.47	33,457	901,900	14.57
More than \$1,000,000	6	256	11,281,900	59.62	44,070	1,998,400	17.63

- (1) The average number of stores was derived from the numbers reported at the beginning, middle and end of the year.
 (2) The gross margin percentage is based upon total sales, including store sales and any wholesale sales made direct from warehouses.

Table 6.--Gross Margins for Combination Store Chains, 1936

A. Chains Classified According to Type of Operation

	Number of Chains	Average Number of Stores(1)	Store Sales		Average Sales Per Store	Gross Margin	
			Amount	Per Cent of Total		Amount	Per Cent of Total Sales(2)
ALL CHAINS, Total	41	1,579	88,423,000	100.00	55,999	18,218,200	20.50
Local Chains	19	99	5,626,800	6.36	56,836	1,030,800	18.32
Provincial Chains	15	248	22,697,800	25.67	91,523	4,756,200	20.78
Sectional and National Chains	7	1,232	60,098,400	67.97	48,781	12,431,200	20.60

B. Chains Classified According to Number of Stores

ALL CHAINS, Total	41	1,579	88,423,000	100.00	55,999	18,218,200	20.50
Chains having -							
Less than 6 stores	19	78	3,951,700	4.47	50,663	703,700	17.81
6 - 10 stores	13	95	5,239,300	5.93	55,151	954,200	18.21
11 - 50 stores	3	45	1,716,100	1.94	38,136	306,300	17.64
More than 50 stores	6	1,361	77,515,900	87.66	56,955	16,254,000	20.85

C. Chains Classified According to Total Sales Volume

ALL CHAINS, Total	41	1,579	88,423,000	100.00	55,999	18,218,200	20.50
Chains having sales of -							
Less than \$200,000	16	74	2,339,300	2.65	31,612	393,300	16.81
\$200,000 - \$1,000,000	18	137	7,560,000	8.55	55,182	1,387,500	18.30
More than \$1,000,000	7	1,368	78,523,700	88.80	57,400	16,437,400	20.82

(1) The average number of stores was derived from the numbers reported at the beginning, middle and end of the year.

(2) The gross margin percentage is based upon total sales, including store sales and any wholesale sales made direct from warehouses.

Table 7.--Gross Margins for Meat Market Chains, 1936

A. Chains Classified According to Type of Operation

	Number of Chains	Average Number of Stores(1)	Store Sales		Average Sales Per Store	Gross Margin	
			Amount	Per Cent of Total		Amount	Per Cent of Total Sales(2)
ALL CHAINS, Total	14	150	4,166,000	100.00	27,773	954,700	22.92
Local Chains	9	53	1,889,900	45.36	35,658	440,100	23.29
Provincial and Sectional Chains	5	97	2,276,100	54.64	23,465	514,600	22.61

B. Chains Classified According to Total Sales Volume

ALL CHAINS, Total	14	150	4,166,000	100.00	27,773	954,700	22.92
Chains having sales of -							
Less than \$200,000	8	37	872,100	20.93	23,570	213,800	24.52
\$200,000 - \$1,000,000	6	113	3,293,900	79.07	29,150	740,900	22.49

- (1) The average number of stores was derived from the numbers reported at the beginning, middle and end of the year.
 (2) The gross margin percentage is based upon total sales, including store sales and any wholesale sales made direct from warehouses.

Table 8.--Voluntary Food Chains in Canada, 1930 - 1936

(Number of Chains, Stores, Value of Purchases and Average Purchases Per Store)

Year	Number of Chains	Number of Stores	Total Purchases by Members (at Wholesale Prices)	Average Purchases Per Store	Index of Purchases (1930 = 100)
1930	23	4,472	22,720,500	5,081	100.0
1931	26	5,198	23,626,800	4,545	104.0
1932	26	5,790	25,433,100	4,392	111.9
1933	27	6,025	26,725,400	4,436	117.6
1934	23	5,659	26,842,200	4,743	118.1
1935(1)	30	6,525	27,703,200	4,246	121.9
1936	32	6,670	27,336,200	4,098	120.3

(1) Revised figures.

