



63-10-30

C3

Published by Authority of the HON. JAMES A. MacKINNON, M.P.  
Minister of Trade and Commerce

DEPARTMENT OF TRADE AND COMMERCE  
DOMINION BUREAU OF STATISTICS  
INTERNAL TRADE BRANCH  
OTTAWA, CANADA

Dominion Statistician:	S. A. Cudmore, M.A. (Oxon.) F.S.S., F.R.S.C.
Chief, Internal Trade Branch:	Herbert Marshall, B.A., F.S.S.
Statistician:	A. C. Steedman, B.A.

Series, 1941  
No. 30

Price 25 cents

Variety Store Chains, 1941

The past decade has witnessed a marked rise in the position occupied by the well known variety type of store in the retail marketing structure of Canada. Even during the depression years the business transacted by this type of retail outlet was well maintained, sales in 1933 standing only 16 per cent below 1930, whereas the general level of retail trade declined by 35 per cent during the same interval. Successive increases during following years and, in particular, marked gains since the beginning of the war brought dollar sales for this type of business to a high level, total sales for 1941 amounting to \$85,012,500, up no less than 92 per cent above the volume of business transacted in 1930. Monthly surveys of retail trade indicate a further gain of 15 per cent between 1941 and 1942 but figures for current months indicate that for the time being, the peak has been almost if not quite reached, sales for the first half of 1943 standing only 4 per cent above the corresponding period of 1942.

The chain store type of operation continues to occupy a predominant place in the variety store field. There were 20 variety store chains in Canada in 1941 and these operated a total of 532 stores with \$74,313,000 sales, an amount which formed almost 90 per cent of the total business of all stores classified for census purposes as variety stores. These figures are based on results of the Census of Merchandising and Service Establishments which formed part of the Decennial Census of 1941 and for which reports were secured by mail from all the retail trading establishments in Canada. The only other complete census of trading establishments related to the year 1930 when there were 15 variety chain companies which operated 327 stores and had \$39,383,379 sales. Chain companies, for census purposes, are taken to include all retail organizations operating four or more retail outlets.

Although the variety store is typically an urban development, comparative figures for 1930 and 1941 reveal some tendency on the part of the variety chains to expand into the smaller urban centres. In 1930 about 45 per cent of the variety store chain business was transacted in places of more than 100,000 population and 11 per cent of the business was transacted in places of less than 10,000 population. In 1941 the proportion of the total sales transacted in the larger cities had declined to 39 per cent while the proportion applicable to the smaller cities and towns below 10,000 population had risen to 14 per cent. The second half of the decline in the proportion of the total business transacted in the larger cities was accounted for by an increase in the relative proportion secured by intermediate-sized localities of between 10,000 and 100,000 population. Here the proportion of total variety store chain business transacted increased from 44 per cent in 1930 to 47 per cent in 1941.

### Date of Ownership

A classification of the stores in operation in 1941 according to date of acquisition or present ownership indicates that about 18 per cent of the stores were opened in the four-year period between 1938 and 1941. Another 19 per cent were opened between 1934 and 1937; 20 per cent were opened in the depression years between 1930 and 1933; one-quarter of the total number were opened during the twenty's while 18 per cent of the stores in operation in 1941 were opened prior to 1920 and have thus been in existence for more than twenty years.

### Employment and Payroll

The 20 variety store chains in operation in 1941 required the services of 1,620 full-time male and 8,130 full-time female employees to whom \$7,438,600 was paid in salaries and wages. In addition there were 218 part-time male employees and 6,086 part-time female employees who received \$1,130,100 in salaries and wages.

Employees who worked only part of the normal working day or part of the normal working week were to be considered as part-time employees. Persons employed part of the year but full time when employed were to be considered as full-time employees. In each instance the average annual employment was to be reported. Although difficulties in securing accurate annual averages are such as to invalidate exact comparisons with the results of the 1930 census, it would not appear that there was much difference in the relative importance of part-time employment in the two years. In 1941 about 39 per cent of the total number of employees were reported as being on a part-time basis and these received 13 per cent of the total payroll. In 1930 about 41 per cent of the employees were reported as being engaged on a part-time basis and these received 12 per cent of the annual payroll for that year.

### Operating Expenses

Although no detailed analysis of operating results was attempted in connection with the 1941 census, each chain company was asked to report the amount paid in rentals and an overall figure for other operating expenses exclusive of salaries and wages. Head office and warehouse expenses were to be differentiated from store expense.

According to the information thus received, total operating expenses of variety store chains averaged 26.55 per cent of annual sales for 1941 and varied from 25.72 per cent for a group of 13 chains each with fewer than 25 stores to 26.84 per cent for 7 larger companies each having 25 units or more.

The overall ratio of 26.55 per cent was comprised of store expenses of 22.53 per cent, overhead expense of 3.47 per cent and warehouse expense 0.55 per cent. The store expense was divided almost equally between payroll which formed 11.53 per cent of total sales and other store expenses which amounted to 11.00 per cent of sales.

Of the 532 units of variety store chains operating in 1941, 455 were operated in leased premises. Rental costs averaged 4.72 per cent of sales made in these same premises.

Chain store warehouses are operated by variety chains almost exclusively for the purpose of supplying the individual retail outlets belonging to the chain. Sales to other retailers on a wholesale basis are made to a very limited extent, the volume of business thus transacted amounting to only \$133,900 in 1941. The total value at wholesale prices of merchandise handled in variety chain warehouses amounted to \$7,637,300 in 1941. Goods ordered for the stores through head office purchasing depart-



ment but which did not pass through the warehouse were valued at another \$4,123,400. Comparison of these figures with the total retail chain sales would show that purchasing in variety chain stores is done largely by the local store personnel, orders being placed directly with the supplier for direct shipment to the stores.

### Commodity Sales

Practically all of the variety store chains were able to give an analysis of their sales on a commodity basis for 1941. Although these commodity sales figures must be considered as estimates rather than exact amounts, they serve to give some indication of the commodity composition of variety store business and the changes which have taken place in this composition during the past decade.

One prominent feature revealed in a comparison of figures for 1930 and 1941 is the increase in the importance of both men's and women's clothing and the decrease in food products. Women's and misses' apparel accounted for 23.73 per cent of the total variety store chain business in 1941 while men's and boys' clothing and furnishings accounted for another 6.01 per cent. Corresponding ratios in 1930 were 15.69 per cent and 3.59 per cent respectively. On the other hand, food products (exclusive of soda fountain and lunch counters) formed 10.57 per cent of the total business in 1930 and only 6.00 per cent in 1941. The proportions which the sale of dry goods and notions, (consisting chiefly of bedding and house linens, notions and smallwares) formed of the total trade varied but little between the two periods, standing at 13.55 per cent for 1930 and at 14.78 per cent for 1941.

### LIST OF TABLES

	<u>Page</u>
Table 1. Summary of Variety Store Sales, 1941 .....	4
Table 2. Variety Chain Units Classified by Provinces and Date of Establishment, 1941 .....	5
Table 3. Variety Chain Units Classified According to Amount of Annual Sales, 1941 .....	5
Table 4. Variety Store Chains--Stores and Sales Classi- fied by Provinces and Size of Locality, 1941	6
Table 5. Variety Store Chains, Commodity Sales, 1941 ....	7

- 4 -  
Table 1.--Summary of Variety Store Chains, 1941

	All Chains	Chains with less than 25 units	Chains with 25 or more units
A. Number of chains .....	20	13	7
B. Number of stores .....	532	108	424
C. Sales --			
1. Retail sales through stores .....	\$ 74,179,100	7,423,200	66,755,900
2. Wholesale sales to other firms .....	\$ 133,900	99,500	34,400
3. TOTAL, Chain Sales .....	\$ 74,313,000	7,522,700	66,790,300
D. Store employment and payroll --			
Full-time employees --			
1. Male employees, number .....	1,620	205	1,415
2. Female employees, number .....	8,130	810	7,320
3. Salaries and wages .....	\$ 7,438,600	700,500	6,738,100
Part-time employees --			
1. Male employees, number .....	218	18	200
2. Female employees, number .....	6,086	784	5,302
3. Salaries and wages .....	\$ 1,130,100	118,000	1,012,100
E. Chain expenses --			
Store expenses --			
1. Wage cost:			
Amount .....	\$ 8,568,700	818,500	7,750,200
Per cent of total sales .....	11.53	10.88	11.60
2. Other expenses (including rent):			
Amount .....	\$ 8,173,800	696,000	7,477,800
Per cent of total sales .....	11.00	9.25	11.20
3. Total store expenses --			
Amount .....	\$ 16,742,500	1,514,500	15,228,000
Per cent of total sales .....	22.53	20.13	22.80
4. Overhead expenses --			
Amount .....	\$ 2,576,000	280,200	2,295,800
Per cent of total sales .....	3.47	3.72	3.43
5. Warehouse expenses --			
Amount .....	\$ 411,700	140,500	271,200
Per cent of total sales .....	0.55	1.87	0.41
6. Total Chain Expenses --			
Amount .....	\$ 19,730,200	1,935,200	17,795,000
Per cent of total sales .....	26.55	25.72	26.64
F. Rentals --			
1. Number of stores in leased premises .....	455	105	350
2. Sales of stores in leased premises .....	\$ 60,727,600	7,167,600	53,560,000
3. Rentals paid --			
Amount .....	\$ 2,865,100	277,500	2,587,600
Per cent of sales in leased premises .....	4.72	3.87	4.83
G. Inventories, end of 1941 --			
1. Store inventories .....	\$ 9,334,800	1,022,200	8,312,400
2. Warehouse inventories .....	\$ 1,858,400	462,000	1,396,400
3. Total inventories .....	\$ 11,193,000	1,484,200	9,708,800
H. Customers' accounts outstanding .....	\$ 14,200	7,400	6,800

Table 2.--Variety Chain Units Classified by Provinces and Date of Establishment, 1941

Province	Total Units	Per cent of total units	All Units established					
			1941	1938- 1940	1934- 1937	1930- 1933	1920- 1929	Before 1920
CANADA, Total .....	532	100.00	14	83	101	106	133	95
Per cent .....	-	100.00	2.63	15.50	18.99	19.92	25.00	17.86
British Columbia ....	22	4.14	-	-	1	3	12	6
Alberta .....	13	2.44	-	4	-	2	3	4
Saskatchewan .....	17	3.19	-	1	4	2	4	6
Manitoba .....	15	2.82	-	5	1	1	5	3
Ontario .....	275	51.69	5	41	59	58	69	43
Quebec .....	131	24.63	7	21	17	38	27	21
New Brunswick .....	24	4.51	1	4	11	1	3	4
Nova Scotia .....	32	6.02	1	7	7	1	9	7
Prince Edward Island.	3	0.56	-	-	1	-	1	1

Table 3.--Variety Chain Units Classified According to Amount of Annual Sales, 1941

	Number of Stores	Value of Sales	Per cent of total sales	Cumulative per cent
CANADA, Total .....	532	74,179,100	100.00	-
Chain units having sales of --				
\$1,000,000 and over .....	3 )	12,489,800	16.83	16.83
\$500,000 to \$999,999 .....	13 )	11,176,700	15.07	31.90
\$300,000 to \$499,999 .....	28	12,880,100	17.36	49.26
\$200,000 to \$299,999 .....	53	23,230,600	31.32	80.58
\$100,000 to \$199,999 .....	166	10,863,900	14.65	95.23
\$50,000 to \$99,999 .....	141	2,301,300	3.10	98.33
\$30,000 to \$49,999 .....	59	810,300	1.09	99.42
\$20,000 to \$29,999 .....	33	345,700	0.47	99.89
\$10,000 to \$19,999 .....	23	65,400	0.09	99.98
\$5,000 to \$9,999 .....	8	15,300	0.02	100.00
Less than \$5,000 .....	5			



Table 4.--Variety Store Chains--Stores and Sales Classified by Provinces and Size of Locality

Province	ALL LOCALITIES			Stores and sales in places with population of --					
	Stores	Sales		Stores	Sales	% of total chain sales	30,000-100,000		
		Value	Per cent				Stores	Sales	% of total chain sales
CANADA, Total	532	74,179,100	100.00	153	28,873,600	38.92	69	18,369,900	24.75
British Columbia ..	22	4,161,500	100.00	9	2,249,600	54.06	3	851,400	20.40
Alberta .....	13	3,453,800	100.00	-	-	-	7	2,740,400	79.35
Saskatchewan .....	17	2,598,500	100.00	-	-	-	6	1,509,500	58.09
Manitoba .....	15	2,426,300	100.00	6	1,721,200	70.94	-	-	-
Ontario .....	275	33,784,200	100.00	73	14,012,800	41.48	28	6,415,900	18.99
Quebec .....	131	17,688,900	100.00	65	10,890,000	61.56	16	2,670,700	15.10
New Brunswick .....	24	3,593,100	100.00	-	-	-	4	1,402,700	39.03
Nova Scotia .....	32	6,030,800	100.00	-	-	-	5	2,779,300	46.08
Prince Edward Is. .	3	442,000	100.00	-	-	-	-	-	-

Province	Stores and sales in places with population of --					
	10,000-30,000			Less than 10,000		
	Stores	Sales	% of total chain sales	Stores	Sales	% of total chain sales
CANADA, Total ...	129	16,190,900	21.83	181	10,744,700	14.49
British Columbia ....	3	(x)	(x)	7	(x)	(x)
Alberta .....	4	(x)	(x)	2	(x)	(x)
Saskatchewan .....	4	(x)	(x)	7	(x)	(x)
Manitoba .....	3	367,500	15.15	6	337,600	13.91
Ontario .....	24	8,167,500	24.18	110	5,188,000	15.35
Quebec .....	36	3,240,600	18.32	14	887,600	5.02
New Brunswick .....	6	1,202,600	33.47	14	987,800	27.50
Nova Scotia .....	7	1,310,300	21.73	20	1,941,200	32.19
Prince Edward Island.	2	(x)	(x)	1	(x)	(x)

Table 5.--Variety Store Chains, Commodity Sales, 1941

	Amount	%
Total retail sales, variety chains .....	\$ 74,179,100	100.00
Less amount not classified by commodities ..	281,400	.38
Sales analyzed by commodities	73,897,700	99.62

Analysis of Sales Classified by Commodities

Commodity	Item Totals		Group Totals	
	Amount	%	Amount	%
All sales classified by commodities, Total ...	\$ -	-	\$ 73,897,700	100.00
Automotive parts and accessories .....	-	-	7,000	.01
Cigars, cigarettes and tobacco .....	-	-	24,700	.03
Clothing and furnishings, men's & boys', total	-	-	4,436,100	6.01
Underwear, hosiery, shirts, sweater, pyjamas, gloves & mitts, hats and caps .....	3,706,200	5.02	-	-
All other clothing (including work clothing and sports wear) .....	729,900	0.99	-	-
Clothing, women's, misses' & children's, total	-	-	17,538,500	23.73
Ready-to-wear outer wear (coats, suits, house dresses, blouses, skirts, knitwear) .....	3,993,300	5.40	-	-
Underwear (negligees, corsets, robes, pyjamas) .....	3,499,800	4.74	-	-
Girls' and infants' wear .....	2,997,700	4.06	-	-
Millinery .....	1,053,000	1.42	-	-
Hosiery .....	5,994,700	8.11	-	-
Drugs and drug sundries, total .....	-	-	183,100	0.25
Drugs, pharmaceuticals, patent medicines and compounds .....	40,700	0.06	-	-
Drug sundries, rubbergoods, etc. ....	142,400	0.19	-	-
Dry goods and notions, total .....	-	-	10,924,200	14.78
Piece goods (silks, velvets, woollens, cottons, linens) .....	262,900	0.35	-	-
Beddings and house linens (pillows, blankets, bed spreads, pillow cases, sheets, table linens, towels, etc.) .....	1,637,800	2.22	-	-
Notions and smallwares (handkerchiefs, laces, neckwear, scarfs, gloves, buttons, thread, yarns, purses) .....	9,023,500	12.21	-	-
Electrical appliances and supplies, total ...	-	-	1,110,700	1.50
Portable (plug-in) electric household heat- ing appliances (irons, percolators, toasters, grills, etc.) .....	80,700	0.11	-	-
Other electrical appliances & supplies (lamps, shades, bulbs, dry batteries, sockets) ...	1,030,000	1.39	-	-



Table 5.--Variety Store Chains, Commodity Sales, 1941--(Cont'd)

Analysis of Sales Classified by Commodities--(Cont'd)

Commodity	Item Totals		Group Totals	
	Amount	%	Amount	%
	\$		\$	
Food and kindred products, total .....			4,435,600	6.00
Bakery products, fresh .....	119,400	0.16		
Candy and confectionery .....	3,931,500	5.32		
Fresh fruits and vegetables .....	20,400	0.03		
Fresh and cooked meats .....	76,200	0.10		
Dairy products and eggs .....	5,000	0.01		
All other food products (tea, coffee, sugar, flour, canned goods of all kinds) .....	283,100	0.38		
Hardware, total .....			4,712,500	6.38
House furnishings, total .....			1,769,900	2.39
Draperies, upholstery, cretonnes and curtains .....	364,500	0.49		
Floor coverings .....	65,200	0.08		
Awnings, window shades and blinds .....	68,400	0.09		
Mirrors, pictures and art goods .....	1,086,600	1.47		
House furnishings (not elsewhere reported) ..	185,200	0.26		
Household supplies, total .....			4,269,200	5.78
Soaps (laundry and toilet) & cleaning com- pounds .....	68,200	0.09		
China and crockery .....	1,997,600	2.70		
Other household supplies such as brooms, brushes floor wax, toilet paper, kitchen utensils and cutlery .....	2,203,400	2.99		
Jewellery, total .....			1,645,000	2.23
Clocks (including electric) .....	108,000	0.14		
Watches .....	(nil)	(nil)		
Plated silverware (flat and hollow ware and other goods) .....	8,500	0.02		
All other jewellery .....	1,528,500	2.07		
Luggage and leather goods .....			274,200	0.37
Musical instruments and accessories, total ...			30,800	0.05
Phonographs and records .....	19,100	0.03		
Musical instruments and accessories, sheet music, music books .....	11,700	0.02		
Optical goods, total .....			72,800	0.10
Paints, varnishes and glass, total .....			254,200	0.34
Paints, varnishes, lacquers .....	241,400	0.32		
Glass and painters' supplies .....	12,800	0.02		
Radio parts and accessories .....			(nil)	
Seeds, bulbs, nursery stock, total .....			154,800	0.21
Shoes and other footwear, total .....			907,000	1.23
Men's and boys' .....	7,600	0.01		
Women's and misses' .....	359,200	0.49		
Children's and infants' .....	30,900	0.04		
Rubbers and overshoes .....	163,000	0.22		
All other footwear, slippers, etc. ....	346,300	0.47		



Table 5.--Variety Store Chains, Commodity Sales, 1941--(Concl'd)

Analysis of Sales Classified by Commodities--(Concl'd)

Commodity	Item Totals		Group Totals	
	Amount	%	Amount	%
	\$		\$	
Stationery, books and magazines, total .....			4,910,300	6.64
Toilet articles and supplies, total .....			6,544,700	8.86
Toilet preparations and cosmetics, in- cluding perfumes, powders, soaps, (shaving) .....	6,366,400	8.82		
Toilet articles (including brushes and brush sets, combs, mirrors .....	178,300	0.24		
Toys, games and wheel goods .....			3,137,500	4.24
Wallpaper .....			5,200	0.01
Miscellaneous merchandise .....			2,261,400	3.06
Receipts from sale of meals and lunches ....			4,249,700	5.75
Receipts from repairs and services .....			38,600	0.05

STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010732703