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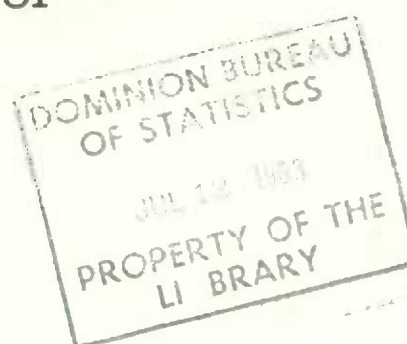
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ANNUAL



VENDING MACHINE OPERATORS

1961



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61-004	Credit Statistics.....	per year 2.00
63-001	Chain Store Sales and Stocks.....	per year 1.00
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VENDING MACHINE OPERATORS

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Introduction

This survey of operators of automatic merchandise vending machines is the fourth in a series of annual reports, the first of which was published by the Dominion Bureau of Statistics in 1959 (for the year 1958).

Definition

The distinctive characteristic of automatic vending is the completion of a sales transaction by the insertion of coins or bills into the machine. This transaction does not usually require the presence of a sales clerk or cashier.

For the purposes of this survey, a vending machine operator is defined as follows:

"an individual or firm who owns (or rents), locates, services and repairs (on own account or on a contract basis) automatic merchandise vending machines with the right vested in the individual or firm to withdraw the cash from these machines. The venders must be located on premises other than those of the "operator" except in the case of incorporated subsidiary firms whose function it is to operate venders on the premises of the parent company".

This definition **excludes** the following types of vending machine operators: (a) firms who operate vending machines solely on premises where their main business activity takes place. For example, firms engaged in operating restaurants or canteens in a number of different locations in which they have installed a number of merchandise vending machines are excluded from this survey since the firms are operating these machines only on premises where their main business activity is taking place; (b) unincorporated divisions of companies which have been established for the prime purpose of operating concessions (including vending machines) solely on the premises of the parent company. If these unincorporated divisions, however, have installed merchandise vending machines in other locations as well, the firm comes within the defini-

tion of a "vending machine operator"; (c) firms engaged only in vending non-food (except tobacco) i.e. pencils, ice, combs, etc. are excluded from the survey. Firms which sell food and/or tobacco as well as non-food items are included, even in those cases where the sales of non-food items represent a larger proportion of the total business.

As stated in previous reports, the reader is cautioned not to interpret the data in this report as a measure of total sales through merchandise vending machines. Numerous machines are operated by firms on their own business premises solely as a service to their own customers or employees. The amount of sales through these vending machines are not included in this report.

Vending machine operators as defined for this and previous reports have been stratified into two classes (1) full-time operators—individuals or firms who are engaged in vending as their sole business activity and (2) part-time operators—individuals or firms for whom the operation of automatic merchandise vending machines does not represent their principal activity or business but serves only as an additional source of income.

Summary of Results

The number of firms and individuals engaged in operating automatic merchandise vending machines decreased to 519 during 1961, a decline of 2 firms from the 1960 high of 521. The number of merchandise vending machines being operated by these firms, however, increased 22.6 per cent from 47,770 in 1960 to 58,568 in 1961. Sales through these machines also rose to a record high of \$43,493,663, an increase of 12.4 per cent over the previous year.

It is interesting to note that the number of full-time operators declined from 241 firms in 1960 to 228 in 1961, a decrease of 5.4 per cent. On the other hand, the sales by these full-time operators increased by 17.9 per cent to \$24,245,146. Full-time operators now account for 55.7 per cent of total sales, an increase of 2.6 per cent in the market share. The decrease in the number of full-time operators may be accounted in part by the number of mergers that have taken place during 1961.

Vending Machine Operators 1960 and 1961
By Type of Operator

Type of operator		1960	1961
Full-time operators:¹			
Firms.....	No.	241	228
Machines.....	"	29,341	35,456
Sales.....	\$	20,564,882	24,245,146
Part-time operators:¹			
Firms.....	No.	280	291
Machines.....	"	18,429	23,112
Sales.....	\$	18,145,893	19,248,517
Totals:			
Firms.....	No.	521	519
Machines.....	"	47,770	58,568
Sales.....	\$	38,710,775	43,493,663

¹ As defined in the report.

The table below indicates the composition of the "part-time operator" group. Wholesalers continue to remain the largest single segment in this group

in both number and sales although a decline took place in both during 1961.

Part-time Operators, by Type of Major Activity, 1960 and 1961

Type of business	1960		1961	
	Firms	Sales	Firms	Sales
Wholesalers	113	10,034,432	103	9,980,107
Bottlers	44	1,417,314	49	1,649,512
Music machine operators	34	2,084,246	33	2,553,028
Other	89	4,609,901	106	5,065,870
Totals	280	18,145,893	291	19,248,517

The following table shows the percentage change in sales by the kind of product sold through vending machines by regions.

Percentage Change in Sales by Vending Machine Operators 1960 and 1961

By Product and by Region

(Firms operating venders in other than their own premises)

Products	Change 1961/60					
	Canada	Atlantic Provinces	Quebec	Ontario	Prairie Provinces	British Columbia ¹
	per cent					
Tobacco products	+ 13.5	+ 50.8	+ 15.2	+ 3.0	+ 27.3	+ 17.8
Frozen refreshments	- 16.5	2	- 40.8	+ 5.2	- 54.0	2
Milk and milk products						
Cold drinks:						
Vended in bottles, cans or cartons	+ 17.2	+ 56.4	+ 25.5	- 8.5	- 4.3	+ 21.7
Vended in disposable cups	+ 0.7	- 12.4	+ 36.4	- 9.7	- 12.3	+ 11.2
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	+ 12.2	+ 55.0	+ 2.4	+ 15.9	+ 8.8	+ 38.0
Bulk (unwrapped) confectionery	+ 8.9	+ 35.4	+ 8.9	+ 3.6	- 0.5	+ 237.1
Packaged confectionery	+ 11.9	+ 92.0	+ 23.8	- 3.3	+ 13.0	+ 15.6
Pastries	+ 44.2	+ 1,115.0	+ 30.9	+ 64.2	- 8.2	+ 33.8
Sandwiches (hot and cold)	+ 35.0	+ 108.3	+ 27.6	+ 39.0	2	2
Canned hot foods and canned soup	+ 12.2	+ 255.3	- 0.4	+ 15.8	+ 54.0	+ 47.7
Other hot foods	+ 789.4	2	2	2	—	2
Other cold foods	+ 12.4	—	2	2	—	—
Other non-food items	+ 20.0	2	+ 268.0	- 14.0	2	2
Totals, all products	+ 12.4	+ 47.1	+ 16.5	+ 4.0	+ 15.8	+ 18.0

¹ Includes Yukon and Northwest Territories.

² Figures withheld in order to avoid disclosure.

The Atlantic Provinces registered the largest percentage increase in sales through automatic merchandise vending machines; an increase of 47.1 per cent. British Columbia was second with an increase of 18.0 per cent.

Ontario continues to be the dominant province in respect to sales made by automatic merchandising with 40.4 per cent of the market. Quebec is second with 31.9 per cent share of the vending market.

The reader of this report may find a number of interesting observations in the following tables. For example, Table 2 shows that industrial plants are the most popular locations for vending machines that are being operated by vending machine operators with hotels, motels, restaurants, taverns and mess halls; a close second in popularity. The tables also indicate that the sale of tobacco products is very significant to part-time operators. In 1961, 73.7 per cent of the total sales made by these part-time operators were tobacco products. On the other hand, the sales of tobacco products by full-time operators accounted for only 48.6 per cent of their total sales.

Most of the automatic merchandise vending machines operated by vending machine operators were manufactured in the United States (84.9 per cent); the remaining vending machines (15.1 per cent) were Canadian manufactured. An insignificant number of vending machines (less than 0.05 per cent) were manufactured in other countries.

The following table shows the number and salaries paid to employees by full-time vending machine operators during 1959 and 1960.

Full-time Operators, Employment and Salaries,¹ 1960 and 1961

		1960	1961
Firms	No.	241	228
Office employees:			
Number		114	114
Salaries and wages	\$	374,697	347,531
Average salary	\$	3,287	3,049
Service employees:			
Number		461	422
Salaries and wages	\$	1,544,542	1,457,013
Average salary	\$	3,350	3,453
Other employees:			
Number		141	194
Salaries and wages	\$	353,242	709,770
Average salary	\$	2,505	3,659

¹ Does not include proprietors of unincorporated firms and officers of incorporated companies.

TABLE 1. Sales by Vending Machine Operators, 1960 and 1961
By Product and by Region

(Firms operating venders in other than their own premises)

Products	Canada		Atlantic Provinces		Quebec	
	1960	1961	1960	1961	1960	1961
	dollars					
Tobacco products	22,899,929	25,983,235	875,953	1,320,737	6,646,671	7,657,135
Frozen Refreshments	1,034,504	117,853	27,358	²	414,746	32,190
Milk and milk products		745,704		27,336		213,538
Cold drinks:						
Vended in bottles, cans or cartons	1,497,357	1,754,423	188,739	295,114	683,268	857,265
Vended in disposable cups	4,296,371	4,326,699	205,131	179,668	919,973	1,255,073
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	5,145,280	5,771,166	81,243	125,966	1,623,625	1,662,563
Bulk (unwrapped) confectionery	954,565	1,039,342	63,938	86,604	471,467	513,448
Packaged confectionery	1,242,127	1,390,229	54,563	104,741	401,863	497,608
Pastries	696,690	1,004,775	2,709	32,914	405,369	530,751
Sandwiches (hot and cold)	349,308	471,450	9,678	20,156	149,485	190,702
Canned hot foods and canned soup	400,178	448,947	3,462	12,302	176,480	175,844
Other hot foods	27,129	241,280	²	²	²	221,771
Other cold foods	28,755	32,308	—	—	²	29,723
Other non-food items	138,582	166,252	²	²	15,288	56,256
Totals, all products	38,710,775	43,493,663	1,514,137	2,227,857	11,928,730	13,893,867
	Ontario		Prairie Provinces		British Columbia ¹	
	1960	1961	1960	1961	1960	1961
	dollars					
Tobacco products	8,903,063	9,170,702	2,196,062	2,796,377	4,278,180	5,038,284
Frozen refreshments	488,805	55,152	88,283	7,839	15,312	²
Milk and milk products		458,961		32,814		13,055
Cold drinks:						
Vended in bottles, cans or cartons	372,885	341,035	178,016	170,422	74,449	90,587
Vended in disposable cups	2,608,807	2,356,891	384,447	337,099	178,013	197,968
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	2,813,507	3,262,080	494,670	538,069	132,235	182,488
Bulk (unwrapped) confectionery	348,067	360,622	67,758	67,425	3,335	11,243
Packaged confectionery	622,804	602,183	103,301	116,781	59,596	68,916
Pastries	241,505	396,496	43,820	40,216	3,287	4,398
Sandwiches (hot and cold)	173,506	241,155	²	13,950	²	5,487
Canned hot foods and canned soup	203,771	235,918	8,903	13,714	7,562	11,169
Other hot foods	14,743	²	—	—	—	²
Other cold foods	19,371	²	—	—	²	—
Other non-food items	89,139	76,635	²	11,198	33,266	²
Totals, all products	16,899,973	17,576,140	3,581,555	4,145,904	4,786,380	5,649,895

¹ Includes Yukon and Northwest Territories.

² Figures withheld in order to avoid disclosure.

TABLE 2. Number of Vending Machines by Type and Location as of December 31, 1961

Type of machine	Type of location							
	All locations	Industrial plants	Business offices	Amusement and recreational centres, i.e. theatres, bowling, etc.	Hotels, motels, restaurants, taverns, mess halls	Gasoline service stations	Institutions, i.e. hospitals, universities, schools etc.	All other locations
	number							
Cigarette and cigar machines	13,681	2,522	555	1,809	6,607	1,518	282	388
Frozen refreshment machines (ice cream, etc.)	164	105	4	16	2	—	24	13
Bottled or canned drink machines	2,755	1,114	367	197	185	269	195	428
Cartoned milk or juice machines	289	168	19	4	1	—	88	9
Cup-vending machines:								
Milk	389	309	12	9	1	2	44	12
Other cold drinks:								
Post-mix	2,342	1,454	225	330	39	24	137	133
Pre-mix	710	315	72	137	38	13	77	58
Hot drinks	4,751	3,230	673	143	21	210	221	253
Combination hot and cold	205	160	10	9	2	1	9	14
Confectionery machines:								
Bulk (unwrapped)	22,912	695	106	2,098	4,250	6,125	163	9,475
Packaged confectionery	5,324	2,471	196	337	1,004	307	135	874
Pastries	1,216	944	96	26	3	9	107	31
Canned food machines—Hot	680	534	37	14	10	4	47	34
Fresh food machines:								
Heated	160	121	5	2	—	1	26	5
Refrigerated	425	363	22	10	3	1	11	15
No temperature control ..	87	62	4	4	4	1	1	11
Other machines	520	36	1	—	25	8	—	450
Totals, all machines	56,610	14,603	2,404	5,145	12,195	8,493	1,567	12,203

TABLE 3. Sales by Product for Canada, 1960 and 1961

Part-time¹ Operators

(Firms operating venders in other than their own premises)

Product	1960		1961	
	Sales	Per cent	Sales	Per cent
	\$		\$	
Tobacco products	12,992,873	71.6	14,180,436	73.7
Frozen refreshments	262,198	1.4	49,174	0.3
Milk and milk products			236,078	1.2
Cold drinks:				
Vended in bottles, cans or cartons	1,164,702	6.4	1,270,691	6.6
Vended in disposable cups	1,401,888	7.7	1,300,676	6.8
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	1,123,059	6.2	1,029,700	5.3
Bulk (unwrapped) confectionery	275,234	1.5	313,324	1.6
Packaged confectionery	399,395	2.2	389,974	2.0
Pastries	159,772	0.9	264,030	1.4
Sanwiches (hot and cold)	126,712	0.7	83,889	0.4
Canned hot foods and canned soup	106,020	0.6	106,713	0.6
Other hot foods	8,403	0.1	17,627	0.1
Other cold foods	23,214	0.1	2,553	²
Other	102,423	0.6	3,652	²
Totals, all products	18,145,893	100.0	19,248,517	100.0

¹ As defined in this report.² Less than 0.05 per cent.



TABLE 4. Sales by Product for Canada, 1960 and 1961

Full-time¹ Operators

(Firms operating vendors in other than their own premises)

Product	1960		1961	
	Sales	Per cent	Sales	Per cent
	\$		\$	
Tobacco products	9,907,056	48.2	11,802,799	48.6
Frozen refreshments	772,306	3.8	68,679	0.3
Milk and milk products			509,626	2.1
Cold drinks:				
Vended in bottles, cans or cartons	332,655	1.6	483,732	2.0
Vended in disposable cups	2,894,483	14.1	3,026,023	12.5
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	4,022,221	19.5	4,741,466	19.6
Bulk (unwrapped) confectionery	679,331	3.3	726,018	3.0
Packaged confectionery	842,732	4.1	1,000,255	4.1
Pastries	536,918	2.6	740,745	3.1
Sandwiches (hot and cold)	222,596	1.1	387,561	1.6
Canned hot foods and canned soup	294,158	1.4	342,234	1.4
Other hot foods	18,726	0.1	223,653	0.9
Other cold foods	5,541	²	29,755	0.1
Other	36,159	0.2	162,600	0.7
Totals, all products	20,564,882	100.0	24,245,146	100.0

¹ As defined in this report.

² Less than 0.05 per cent.