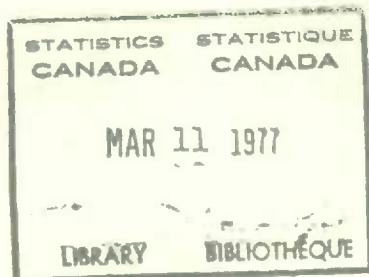


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# VENDING MACHINE OPERATORS

## 1962

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# VENDING MACHINE OPERATORS

1962

## Introduction

This survey of operators of automatic merchandise vending machines is the fifth 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 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 machine 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 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 definition 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 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

Sales made through automatic merchandise vending machines operated by vending machine operators continued to grow at a substantial rate, rising from \$44,959,696 in 1961 to \$57,799,175 in 1962, an increase of 28.6 per cent. The number of vending machines being operated by the vending machine firms also increased over last year, from 65,028 machines in 1961 to 73,397 in 1962.

It is interesting to note that 1962 was the first year since the "Vending Machine Operators" survey was started that the proportion of total sales registered by part-time operators exceeded the sales made by full-time operators. This development can be attributed in large measure to the increased volume of retail vending being undertaken by wholesalers. Many of these wholesalers are engaged in the selling of such products as cigarettes, candy and other items which are easily sold through vending machines. Other firms are involved in the selling of vending machines as well as the operation of machines themselves. These firms have also been classified as wholesalers.

Vending Machine Operators 1961 and 1962 By Type of Operator

Type of operator		1961 <sup>r</sup>	1962
<b>Full-time operators:<sup>1</sup></b>			
Firms .....	No.	253	271
Machines .....	"	40,326	45,045
Sales .....	\$	25,205,436	27,975,789
<b>Part-time operators:<sup>1</sup></b>			
Firms .....	No.	326	329
Machines .....	"	24,702	28,352
Sales .....	\$	19,754,260	29,823,386
<b>Totals:</b>			
Firms .....	No.	579	600
Machines .....	"	65,028	73,397
Sales .....	\$	44,959,696	57,799,175

<sup>1</sup> As defined in the report.

<sup>r</sup> Revised figures.

The table below indicates the composition of the "part-time operator" group. Wholesalers, the largest single segment in this group in terms of volume of business, accounted for 59 per cent of the

total sales done by part-time operators while bottlers displaced music machine operators as the second largest specified group.

**Part-time Operators by Type of Major Activity, 1961 and 1962**

Type of business	1961 <sup>†</sup>		1962	
	Firms	Sales	Firms	Sales
		\$		\$
Wholesalers .....	114	10,334,634	104	17,592,233
Bottlers .....	52	1,653,111	50	2,845,784
Music machine operators .....	36	2,578,361	31	2,084,631
Other .....	124	5,188,154	144	7,300,738
<b>Totals .....</b>	<b>326</b>	<b>19,754,260</b>	<b>329</b>	<b>29,823,386</b>

<sup>†</sup> Revised figures.

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

**Percentage Change in Sales by Vending Machine Operators 1961 and 1962**

**By Product and by Region**

(Firms operating venders in other than their own premises)

Products	Change 1962/61					
	Canada	Atlantic Provinces	Quebec	Ontario	Prairie Provinces	British Columbia <sup>1</sup>
Tobacco products .....	+ 26.5	+ 16.5	+ 44.6	+ 22.0	+ 24.7	+ 10.6
Frozen refreshments .....	+ 0.9	<sup>2</sup>	+ 52.2	- 10.5	<sup>2</sup>	<sup>2</sup>
Milk and milk products .....	+ 74.4	+ 49.8	+ 31.3	+ 99.7	+ 40.3	+ 14.3
Cold drinks:						
Vended in bottles, cans or cartons .....	+ 12.6	+ 52.9	+ 6.5	- 10.3	+ 23.4	+ 4.6
Vended in disposable cups .....	+ 22.2	+ 71.5	+ 15.5	+ 25.1	+ 11.6	+ 4.8
Hot drinks (coffee, tea, hot chocolate and cup-vended soup) .....	+ 30.4	+ 15.8	+ 19.5	+ 39.5	+ 23.9	- 1.8
Bulk (unwrapped) confectionery .....	+ 13.3	+ 69.8	- 7.2	+ 17.7	+ 88.2	- 22.4
Packaged confectionery .....	+ 48.4	+ 31.4	+ 23.3	+ 76.1	+ 38.7	+ 32.1
Pastries .....	+ 79.4	+ 56.2	+ 31.7	+ 159.0	- 41.5	+ 39.5
Sandwiches (hot and cold) .....	+ 101.0	+ 96.4	+ 51.2	+ 144.2	+ 29.6	+ 134.0
Canned hot foods and canned soup .....	+ 33.3	+ 80.4	+ 5.7	+ 54.8	+ 14.0	- 21.4
Other hot foods .....	+ 11.1	<sup>2</sup>	+ 2.4	<sup>2</sup>	—	<sup>2</sup>
Other cold foods .....	- 88.6	—	- 89.5	<sup>2</sup>	<sup>2</sup>	—
Other non-food items .....	- 87.1	<sup>2</sup>	- 95.2	- 79.3	- 79.2	<sup>2</sup>
<b>Totals, all products .....</b>	<b>+ 28.6</b>	<b>+ 28.8</b>	<b>+ 31.4</b>	<b>+ 33.3</b>	<b>+ 24.1</b>	<b>+ 9.9</b>

<sup>1</sup> Includes Yukon and Northwest Territories.

<sup>2</sup> Figures withheld in order to avoid disclosure.



The operators in the province of Ontario registered the largest percentage increase in sales, 33.3 per cent through merchandise vending machines and those in British Columbia the smallest with 9.9 per cent. Substantial increases were also experienced by operators in the other regions: Quebec, 31.4 per cent; Atlantic Provinces, 28.8 per cent; Prairie Provinces, 24.1 per cent.

Quebec and Ontario together accounted for 74.3 per cent of the total sales made by automatic merchandising, up from 72.1 per cent in 1961. This 2.2 per cent increase in ratio was shared almost equally by both provinces. The remaining 25.7 per cent of the market was divided among the other regions as follows: Atlantic Provinces, 5.4 per cent (5.3 in 1961); Prairie Provinces, 9.4 per cent (9.8); and British Columbia, 10.9 per cent (12.8 per cent).

On December 31, 1962, vending machine operators had 69,689 machines in various locations. Industrial plants continued to be the most popular location with 15,366 machines followed in second place by hotels, motels, restaurants, taverns and mess halls with 14,740 machines and in third place

by gasoline service stations with 13,129. It is to be noted that for the first time a greater number of machines was tallied for the "all other" locations group than for any other group.

Tobacco products continued to be the most important commodity sold by part-time operators and it accounted for 70 per cent of the total sales made in 1962 as compared to 74 per cent in 1961. Although not as important to the full-time operator group, tobacco products have nevertheless accounted for almost 50 per cent of that group's total sales in both years under review.

A larger percentage of the total number of automatic merchandise vending machines reported for the year 1962 were of Canadian manufacture. Canadian made machines increased their proportion of the total from 15.1 per cent in 1961 to 30.7 per cent in 1962 while the proportion of United States manufactured machines decreased from 84.9 per cent to 69.2 per cent. A small number of machines representing only 0.1 per cent of the total was manufactured in other countries.

Full-time Operators, Employment and Salaries,<sup>1</sup> 1961 and 1962

	1961 <sup>2</sup>	1962
Firms ..... No.	253	271
Office employees:		
Number .....	114	128
Salaries and wages ..... \$	347,531	431,138
Average salary ..... \$	3,049	3,368
Service employees:		
Number .....	431	592
Salaries and wages ..... \$	1,478,460	2,042,402
Average salary ..... \$	3,430	3,450
Other employees:		
Number .....	196	148
Salaries and wages ..... \$	712,932	485,284
Average salary ..... \$	3,637	3,279

<sup>1</sup> Does not include proprietors of unincorporated firms and officers of incorporated companies.

<sup>2</sup> Revised figures.

TABLE 1. Sales by Vending Machine Operators, 1961 and 1962

By Product and by Region

(Firms operating venders in other than their own premises)

Products	Canada		Atlantic Provinces		Quebec	
	1961 <sup>r</sup>	1962	1961 <sup>r</sup>	1962	1961 <sup>r</sup>	1962
dollars						
Tobacco products .....	27,014,410	34,164,694	1,481,907	1,726,094	7,899,480	11,422,121
Frozen refreshments .....	120,053	121,083	<sup>2</sup>	<sup>2</sup>	32,190	49,003
Milk and milk products .....	760,562	1,326,444	27,336	40,938	214,738	281,886
Cold drinks:						
Vended in bottles, cans or cartons	1,809,415	2,036,605	305,114	466,412	887,188	945,088
Vended in disposable cups .....	4,375,843	5,347,418	179,668	308,216	1,257,302	1,452,052
Hot drinks (coffee, tea, hot chocolate and cup-vended soup) .....	5,902,505	7,694,491	125,966	145,929	1,670,610	1,996,305
Bulk (unwrapped) confectionery .....	1,174,757	1,331,450	86,908	147,585	555,907	516,044
Packaged confectionery .....	1,418,993	2,105,249	110,772	145,510	502,247	619,325
Pastries .....	1,016,668	1,824,211	32,914	51,422	541,434	712,897
Sandwiches (hot and cold) .....	471,920	948,563	20,156	39,589	191,172	289,079
Canned hot foods and canned soup ....	454,589	605,790	12,302	22,198	176,580	186,720
Other hot foods .....	241,280	268,047	<sup>2</sup>	<sup>2</sup>	221,771	227,154
Other cold foods .....	32,308	3,668	—	—	29,723	3,118
Other non-food items .....	166,393	21,462	<sup>2</sup>	<sup>2</sup>	56,256	2,724
<b>Totals, all products .....</b>	<b>44,959,696</b>	<b>57,799,175</b>	<b>2,405,362</b>	<b>3,098,658</b>	<b>14,236,598</b>	<b>18,703,516</b>
	Ontario		Prairie Provinces		British Columbia <sup>1</sup>	
	1961 <sup>r</sup>	1962	1961 <sup>r</sup>	1962	1961 <sup>r</sup>	1962
dollars						
Tobacco products .....	9,526,084	11,624,087	3,034,940	3,783,297	5,071,999	5,609,095
Frozen refreshments .....	55,152	49,344	8,039	<sup>2</sup>	<sup>2</sup>	12,511
Milk and milk products .....	470,869	940,202	34,564	48,498	13,055	14,920
Cold drinks:						
Vended in bottles, cans or cartons	353,295	316,849	171,322	211,466	92,496	96,790
Vended in disposable cups .....	2,384,349	2,982,913	341,556	381,116	212,968	223,121
Hot drinks (coffee, tea, hot chocolate and cup-vended soup) .....	3,347,257	4,668,054	540,684	670,077	217,988	214,126
Bulk (unwrapped) confectionery .....	439,239	517,109	71,241	134,068	21,462	16,644
Packaged confectionery .....	608,383	1,071,527	118,661	164,604	78,930	104,283
Pastries .....	397,706	1,030,221	40,216	23,537	4,398	6,134
Sandwiches (hot and cold) .....	241,155	588,979	13,950	18,079	5,487	12,837
Canned hot foods and canned soup ....	239,824	371,316	14,714	16,777	11,169	8,779
Other hot foods .....	<sup>2</sup>	<sup>2</sup>	—	—	<sup>2</sup>	<sup>2</sup>
Other cold foods .....	<sup>2</sup>	<sup>2</sup>	—	<sup>2</sup>	—	—
Other non-food items .....	76,735	15,901	11,198	2,330	<sup>2</sup>	<sup>2</sup>
<b>Totals, all products .....</b>	<b>18,158,358</b>	<b>24,209,621</b>	<b>4,401,085</b>	<b>5,461,292</b>	<b>5,758,293</b>	<b>6,326,088</b>

<sup>1</sup> Includes Yukon and Northwest Territories.<sup>r</sup> Figures withheld in order to avoid disclosure.

TABLE 2. Number of Vending Machines by Type and Location as of December 31, 1962

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.....	15,113	2,555	700	1,588	7,425	2,050	350	445
Frozen refreshment machines (ice cream, etc.)	166	106	5	11	3	—	33	8
Bottled or canned drink machines.....	2,396	1,266	268	134	144	172	129	283
Cartoned milk or juice machines.....	1,146	419	69	158	53	100	216	131
Cup-vending machines:								
Milk.....	384	262	15	3	5	7	79	13
Other cold drinks:								
Post-mix.....	2,573	1,632	189	359	37	34	206	116
Pre-mix.....	805	422	85	123	33	24	70	48
Hot drinks.....	4,809	2,952	735	220	65	338	338	161
Combination hot and cold	215	150	10	—	—	—	6	49
Confectionery machines:								
Bulk (unwrapped).....	34,394	1,355	481	2,612	5,900	9,991	158	13,897
Packaged confectionery	4,208	1,922	223	227	812	371	225	428
Pastries.....	1,367	1,014	115	18	4	15	188	13
Canned food machines—Hot	886	746	51	5	2	3	59	20
Fresh food machines:								
Heated.....	159	124	4	—	2	—	28	1
Refrigerated.....	532	401	56	22	7	1	34	11
No temperature control..	37	35	—	2	—	—	—	—
Other machines.....	499	5	14	12	248	23	29	168
Totals, all machines..	69,689	15,366	3,020	5,494	14,740	13,129	2,148	15,792

TABLE 3. Sales by Product for Canada, 1961 and 1962

Part-time<sup>1</sup> Operators

(Firms operating venders in other than their own premises)

Product	1961 <sup>f</sup>		1962	
	Sales	Per cent	Sales	Per cent
	\$		\$	
Tobacco products.....	14,583,329	73.8	20,756,723	69.6
Frozen refreshments.....	49,374	0.3	53,433	0.2
Milk and milk products.....	238,128	1.2	457,840	1.5
Cold drinks:				
Vended in bottles, cans or cartons.....	1,290,213	6.5	1,432,851	4.8
Vended in disposable cups.....	1,306,255	6.6	2,452,777	8.2
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)...	1,044,943	5.3	2,256,876	7.6
Bulk (unwrapped) confectionery.....	358,538	1.8	388,572	1.3
Packaged confectionery.....	399,527	2.0	766,579	2.5
Pastries.....	267,213	1.4	599,624	2.0
Sandwiches (hot and cold).....	84,359	0.4	386,300	1.3
Canned hot foods and canned soup.....	108,449	0.6	225,023	0.8
Other hot foods.....	17,627	0.1	26,222	0.1
Other cold foods.....	2,553	<sup>2</sup>	2,553	<sup>2</sup>
Other.....	3,752	<sup>1</sup>	18,013	0.1
Totals, all products.....	19,754,260	100.0	29,823,386	100.0

<sup>1</sup> As defined in this report.<sup>2</sup> Less than 0.05 per cent.<sup>f</sup> Revised figures.

TABLE 4. Sales by Product for Canada, 1961 and 1962

Full-time<sup>1</sup> Operators

(Firms operating venders in other than their own premises)

Product	1961 <sup>r</sup>		1962	
	Sales	Per cent	Sales	Per cent
	\$		\$	
Tobacco products .....	12,431,081	49.3	13,407,971	47.9
Frozen refreshments .....	70,679	0.3	67,650	0.2
Milk and milk products .....	522,434	2.1	868,604	3.1
Cold drinks:				
Vended in bottles, cans or cartons .....	519,202	2.1	603,754	2.2
Vended in disposable cups .....	3,069,588	12.2	2,894,641	10.3
Hot drinks (coffee, tea, hot chocolate and cup-vended soup) ..	4,857,562	19.3	5,437,615	19.4
Bulk (unwrapped) confectionery .....	816,219	3.2	942,878	3.4
Packaged confectionery .....	1,019,466	4.0	1,338,670	4.8
Pastries .....	749,455	3.0	1,224,587	4.4
Sandwiches (hot and cold) .....	387,561	1.5	562,263	2.0
Canned hot foods and canned soup .....	346,140	1.4	380,767	1.4
Other hot foods .....	223,653	0.9	241,825	0.9
Other cold foods .....	29,755	0.1	1,115	<sup>2</sup>
Other .....	162,641	0.6	3,449	<sup>2</sup>
<b>Totals, all products .....</b>	<b>25,205,436</b>	<b>100.0</b>	<b>27,975,789</b>	<b>100.0</b>

<sup>1</sup> As defined in this report.<sup>2</sup> Less than 0.05 per cent.<sup>r</sup> Revised figures.