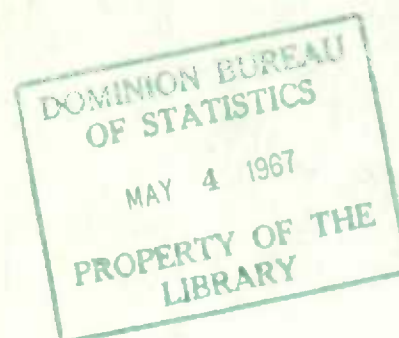


CATALOGUE No.

63-213

ANNUAL



VENDING MACHINE OPERATORS 1965

Published by Authority of
The Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS
Merchandising and Services Division

May 1967
6403-535

Price: 25 cents

MINISTER OF THE CROWN

1901

By Order of the Minister of the Crown
The Secretary of the Department of the Interior
Ottawa

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

1901

VENDING MACHINE OPERATORS

1965

This is the eighth in a series of annual reports on operators of automatic merchandise vending machines. The first such survey 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.

The survey of vending machine operators is designed to measure only one segment of automatic vending in Canada—sales through vending machines owned or operated by vending machine operators.

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

"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. A number of the vending machines must be located on premises other than those of the "operator" except in the case of incorporated subsidiary firms whose function is to operate the machines on the premises of the parent company."

The following types of vending machine operators are excluded from this survey:

(a) Firms which 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 merchandise vending machines. Another example is a lessee of a garage or filling station who has installed a vending machine on the premises for the benefit of his customers and/or employees.

(b) Unincorporated divisions of companies which have been established primarily for the purpose of operating concessions, including vending machines, solely on the premises of the parent company. However, if these unincorporated divisions have installed merchandise vending machines in other locations as well, the firms come within the definition given above.

(c) Bottlers who operate vending machines for only short periods of time during the year, especially when difficulty is encountered in selling or renting the machines in their possession. Because of the difficulty of collecting sales data from such firms and because the operating of vending machines is in reality a negative function, these bottlers and

plants are excluded from the survey. Some bottlers, however, are retained in the survey when the information obtained indicates that the operation of venders is on a continuous basis. In order to insure that the coverage of vending machine operators remains at a high level, all soft drink bottlers in Canada are surveyed periodically and are requested to submit information on their vending machine operations. The last time a complete coverage of bottlers took place prior to 1965, was for the 1958 vending machine survey. The results of the 1965 survey indicated that a relatively large number of bottlers were now engaged in vending on a continuous basis. As shown below, the addition of these bottlers in the survey had a significant effect on the year's results.

(d) Firms engaged in vending only non-food (except tobacco) items, i.e., pencils, ice, combs, etc. 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.

Commencing with the 1964 Vending Machine Operators report, the practice of stratifying operators into full-time and part-time categories was eliminated. With the development of the vending machine industry in Canada has come a greater diversification into fields of activity closely allied with automatic merchandise vending, such as vending machine manufacture and canteen and restaurant operations. As a result, the stratification of operators into full and part-time categories can no longer be considered significant.

Summary of Results

Sales through automatic merchandise vending machines operated by vending machine operators increased to a record \$89,815,415 in 1965, a gain of 14.3 per cent over the previous year. The number of firms engaged in vending operations rose to 764, an increase of 113 over 1964. These vending machine firms operated over 85,000 vending machines in various locations, an increase of approximately 9,700 machines over the previous year.

Part of the increase in the number of firms, machines and sales is attributable to the inclusion of a large number of bottlers in the survey for the first time. The survey of bottlers revealed that 74 additional soft drink bottlers were engaged in vending operations on a continuous basis. These firms operated 4,270 vending machines, nearly half of the increase in the number of machines between 1964 and 1965. Sales through these machines totalled approximately \$2,500,000.

Vending Machine Operators 1958 to 1965 - Historical Statistics

	1958	1959	1960	1961	1962	1963	1964	1965
Number of firms	432	479	521	579	600	673	651	764
Number of machines	34,464	40,237	47,770	65,028	73,397	78,477	75,392	85,091
Sales..... \$'000	26,331.4	33,741.9	38,710.8	44,959.7	57,799.2	67,580.0	78,561.8	89,815.4

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, by Product and by Region, 1964 and 1965

Products	Change 1965/64					
	Canada	Atlantic Provinces	Quebec	Ontario	Prairie Provinces	British Columbia ¹
Tobacco products	+ 8.7	+ 18.1	+ 5.5	+ 2.5	+ 20.3	+ 15.7
Frozen refreshments	+ 27.1	²	+ 25.4	+ 18.8	²	+ 74.9
Milk and milk products	+ 17.4	+ 39.0	+ 11.0	+ 16.3	+ 64.0	+ 23.3
Cold drinks:						
Vended in bottles, cans or cartons	+ 83.9	+ 87.2	+ 18.7	+ 183.1	+ 104.7	+ 71.7
Vended in disposable cups	+ 24.8	+ 113.2	+ 38.5	+ 11.7	+ 11.3	+ 32.0
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	+ 11.8	- 1.6	- 5.3	+ 20.9	- 1.2	+ 10.2
Bulk (unwrapped) confectionery	- 23.6	- 16.4	- 51.9	+ 8.7	+ 0.7	+ 27.1
Packaged confectionery	+ 6.2	- 22.5	+ 14.1	+ 3.0	+ 18.2	+ 7.5
Pastries	+ 35.5	- 9.2	+ 42.1	+ 31.4	+ 9.6	- 39.6
Sandwiches (hot and cold)	+ 35.1	+ 10.3	+ 29.3	+ 35.7	+ 113.8	+ 415.1
Canned hot foods and canned soup	+ 14.4	- 19.1	+ 4.3	+ 15.5	+ 45.5	- 22.2
Other hot foods	+ 19.2	²	²	²	²	-
Other cold foods	+ 100.6	-	²	²	²	²
Other non-food items	+ 38.9	-	+ 74.3	+ 50.6	²	²
Totals, all products	+ 14.3	+ 24.8	+ 8.9	+ 15.4	+ 20.0	+ 16.9
Share of the market—1965	100.0	5.3	31.6	42.5	10.6	10.0
1964	100.0	4.8	33.2	42.1	10.1	9.8

¹ Includes Yukon and Northwest Territories.

² Figures withheld to avoid disclosure of individual operations.

All provinces registered substantial increases in vending machine sales; the largest increases occurred in the Atlantic Provinces with 24.8 per cent, followed by the Prairie Provinces (20.0 per cent) and British Columbia (16.9 per cent).

All regions of Canada increased their share of the vending machine market with the exception of Quebec, whose share of the market dropped from 33.2 per cent in 1964 to 31.6 per cent in 1965. On the other hand, Ontario's share of the market has continued to increase—from 41.7 per cent in 1963 to 42.1 per cent in 1964 and 42.5 per cent in 1965.

In the 1964 Vending Machine Operators report, it was noted that although commodities sold through vending machines continue to be restricted to three main commodity lines—tobacco products, hot drinks and cold drinks—there appeared to be a slight trend towards a broader commodity base in the vending industry. This trend has continued into 1965 with the sale of the three main commodities noted above accounting for 82.6 per cent, slightly lower than the 83.0 per cent recorded in 1964 and the 84.7 per cent in 1963.

Industrial plants continued to be the favourite location for vending machine installations, account-

ing for nearly one quarter of all machines on location (20,046 vending machines). The second heaviest concentration of vending machines was in hotels, motels, restaurants, taverns and mess halls with approximately one fifth of the vending machines in operation (16,564 vending machines). Close behind were gasoline service stations with 15,377 vending machines on location.

The number of Canadian-made machines in use in 1965 increased to 34.6 per cent of the total as compared to 30.7 per cent in 1964. United States-manufactured machines accounted for the remainder except for a fractional percentage (0.1) of "other" origin.

Because of the difficulty in obtaining adequate data on employment from firms engaged solely in the operation of vending machines, it has been decided to eliminate the table on employment and salaries. As mentioned on page 1, there is an increased tendency for firms in the vending industry to engage in business activities closely allied to vending. In most instances, such diversified companies are unable to separate employment and salaries by business activity.

**TABLE 1. Sales by Vending Machine Operators, by Product and by Region,
1964 and 1965**

Products	Canada		Atlantic Provinces		Quebec	
	1964	1965	1964	1965	1964	1965
dollars						
Tobacco products	43,884,342	47,685,010	2,533,315	2,992,824	15,170,531	15,998,559
Frozen refreshments	190,548	242,278	¹	¹	63,266	79,341
Milk and milk products	2,209,893	2,594,466	32,180	44,733	390,465	433,605
Cold drinks:						
Vended in bottles, cans or cartons	2,571,141	4,728,097	347,196	650,035	1,174,674	1,394,857
Vended in disposable cups	6,565,415	8,196,638	215,440	459,319	2,183,800	3,025,496
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	12,121,452	13,550,644	186,522	183,601	3,193,630	3,025,595
Bulk (unwrapped) confectionery	1,643,653	1,255,490	186,789	156,130	787,058	378,690
Packaged confectionery	3,295,256	3,499,169	195,607	151,692	817,780	932,932
Pastries	2,218,402	3,005,542	52,466	47,614	1,196,258	1,699,651
Sandwiches (hot and cold)	2,792,731	3,772,308	23,488	25,898	872,225	1,127,676
Canned hot foods and canned soup	882,597	1,009,512	14,689	11,881	209,150	218,110
Other hot foods	96,858	115,436	¹	¹	¹	¹
Other cold foods	59,215	118,802	—	—	¹	¹
Other non-food items	30,257	42,023	—	—	6,074	10,589
Totals, all products	78,561,760	89,815,415	3,795,055	4,736,979	26,118,990	28,440,791
	Ontario		Prairie Provinces		British Columbia ²	
	1964	1965	1964	1965	1964	1965
dollars						
Tobacco products	14,033,844	14,387,163	5,477,513	6,591,498	6,669,139	7,714,966
Frozen refreshments	95,190	113,046	¹	¹	15,280	26,731
Milk and milk products	1,692,996	1,968,246	77,812	127,604	16,440	20,278
Cold drinks:						
Vended in bottles, cans or cartons	723,504	2,048,343	229,128	468,974	96,639	165,888
Vended in disposable cups	3,335,146	3,725,007	532,105	592,309	298,924	394,507
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	7,569,023	9,151,870	898,427	887,895	273,850	301,683
Bulk (unwrapped) confectionery	459,815	499,597	173,452	174,648	36,539	46,425
Packaged confectionery	1,704,756	1,755,136	362,804	428,993	214,309	230,416
Pastries	912,735	1,199,343	49,894	54,675	7,049	4,259
Sandwiches (hot and cold)	1,864,048	2,528,651	26,466	56,584	6,504	33,499
Canned hot foods and canned soup	572,044	660,806	75,720	110,157	10,994	8,558
Other hot foods	¹	¹	—	¹	¹	—
Other cold foods	¹	¹	—	¹	—	¹
Other non-food items	17,651	26,576	¹	¹	¹	¹
Totals, all products	33,068,792	38,177,271	7,921,617	9,509,379	7,657,306	8,950,995

¹ Figures withheld in order to avoid disclosure of individual operations.

² Includes Yukon and Northwest Territories.

TABLE 2. Percentage Distribution of Sales by Vending Machine Operators, by Product and by Region, 1964 and 1965

Products	Canada		Atlantic Provinces		Quebec	
	1964	1965	1964	1965	1964	1965
Tobacco products.....	55.9	53.1	66.8	63.2	58.1	56.3
Frozen refreshments	0.2	0.3	¹	¹	0.2	0.3
Milk and milk products	2.8	2.9	0.8	0.9	1.5	1.5
Cold drinks:						
Vended in bottles, cans or cartons	3.3	5.3	9.1	13.7	4.5	4.9
Vended in disposable cups	8.4	9.1	5.7	9.7	8.4	10.6
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	15.4	15.1	4.9	3.9	12.2	10.6
Bulk (unwrapped) confectionery	2.1	1.4	4.9	3.3	3.0	1.3
Packaged confectionery	4.2	3.9	5.2	3.2	3.1	3.3
Pastries	2.8	3.4	1.4	1.0	4.6	6.0
Sandwiches (hot and cold)	3.6	4.2	0.6	0.5	3.3	4.0
Canned hot foods and canned soup	1.1	1.1	0.4	0.3	0.8	0.8
Other hot foods	0.1	0.1	¹	¹	¹	¹
Other cold foods	0.1	0.1	—	—	¹	¹
Other non-food items	²	²	—	—	²	²
Totals, all products	100.0	100.0	100.0	100.0	100.0	100.0
	Ontario		Prairie Provinces		British Columbia ³	
	1964	1965	1964	1965	1964	1965
Tobacco products.....	42.4	37.7	69.1	69.3	87.1	86.2
Frozen refreshments	0.3	0.3	¹	¹	0.2	0.3
Milk and milk products	5.1	5.1	1.0	1.3	0.2	0.2
Cold drinks:						
Vended in bottles, cans or cartons	2.2	5.4	2.9	4.9	1.3	1.9
Vended in disposable cups	10.1	9.8	6.7	6.2	3.9	4.4
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	22.9	24.0	11.3	9.3	3.6	3.4
Bulk (unwrapped) confectionery	1.4	1.3	2.2	1.8	0.5	0.5
Packaged confectionery	5.2	4.6	4.6	4.5	2.8	2.6
Pastries	2.8	3.1	0.6	0.6	0.1	²
Sandwiches (hot and cold)	5.6	6.6	0.3	0.6	0.1	0.4
Canned hot foods and canned soup	1.7	1.7	1.0	1.2	0.1	0.1
Other hot foods	¹	0.2	—	²	¹	—
Other cold foods	¹	0.1	—	²	—	²
Other non-food items	0.1	0.1	¹	¹	¹	²
Totals, all products	100.0	100.0	100.0	100.0	100.0	100.0

¹ Figures withheld to avoid disclosure of individual operations.² Less than 0.05 per cent.³ Includes Yukon and Northwest Territories.

TABLE 3. Number of Vending Machines by Type and Location as of December 31, 1965

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	17,103	2,629	631	1,303	9,198	2,035	508	799
Frozen refreshment machines (ice cream, etc.)	226	145	2	16	21	1	35	6
Bottled or canned drink machines	7,497	2,515	946	543	646	953	723	1,171
Cartoned milk or juice machines	1,229	668	118	56	30	50	262	45
Cup-vending machines:								
Milk	317	227	8	49	2	—	23	8
Other cold drinks:								
Post-mix	3,413	2,034	317	403	109	88	318	144
Pre-mix	2,044	859	155	269	45	52	312	352
Hot drinks	6,040	3,563	905	334	98	359	449	332
Combination hot and cold	97	58	8	3	3	9	8	8
Confectionery machines:								
Bulk (unwrapped)	34,217	986	563	2,632	4,856	11,314	259	13,607
Packaged confectionery	5,820	2,247	282	1,162	684	464	414	567
Pastries	2,635	1,809	152	46	2	6	569	51
Canned food machines—Hot	1,003	809	51	21	4	1	84	33
Fresh food machines:								
Heated	107	72	12	2	2	—	13	6
Refrigerated	1,120	872	104	23	8	2	54	57
No temperature control	39	36	—	—	—	—	2	1
Other machines	1,951	517	55	29	856	43	32	419
Totals, all machines	84,858	20,046	4,309	6,891	16,564	15,377	4,065	17,606

TABLE 4. Percentage Distribution of Vending Machines by Type and Location, as of December 31, 1965

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
Cigarette and cigar machines	20.2	13.1	14.6	18.9	55.6	13.2	12.5	4.6
Frozen refreshment machines (ice cream, etc.)	0.3	0.7	1	0.2	0.1	1	0.9	1
Bottled or canned drink machines	8.8	12.5	22.0	7.9	3.9	6.2	17.8	6.7
Cartoned milk or juice machines	1.5	3.3	2.7	0.8	0.2	0.3	6.4	0.3
Cup-vending machines:								
Milk	0.4	1.1	0.2	0.7	1	—	0.6	1
Other cold drinks:								
Post-mix	4.0	10.2	7.4	5.9	0.7	0.6	7.8	0.8
Pre-mix	2.4	4.3	3.6	3.9	0.3	0.4	7.7	2.0
Hot drinks	7.1	17.8	21.0	4.9	0.6	2.3	11.0	1.9
Combination hot and cold	0.1	0.3	0.2	1	1	0.1	0.2	1
Confectionery machines:								
Bulk (unwrapped)	40.3	4.9	13.1	38.2	29.3	73.6	6.4	77.3
Packaged confectionery	6.9	11.2	6.5	16.9	4.1	3.0	10.2	3.2
Pastries	3.1	9.0	3.5	0.7	1	1	14.0	0.3
Canned food machines—Hot	1.2	4.0	1.2	0.3	1	1	2.1	0.2
Fresh food machines:								
Heated	0.1	0.4	0.3	1	1	—	0.3	1
Refrigerated	1.3	4.4	2.4	0.3	1	1	1.3	0.3
No temperature control	1	0.2	—	—	—	—	1	1
Other machines	2.3	2.6	1.3	0.4	5.2	0.3	0.8	2.4
Totals, all machines	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Less than 0.05 per cent.

STATISTICS CANADA LIBRARY
BIBLIOTHEQUE STATISTIQUE CANADA



1010714389