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VENDING MACHINE OPERATORS 1966

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SYMBOLS

The following standard symbols are used in Dominion Bureau of Statistics publications:

- .. figures not available.
- ... figures not appropriate or not applicable.
- nil or zero.
- amount too small to be expressed.
- p preliminary figures.
- r revised figures.
- x confidential to meet secrecy requirements of the Statistics Act.

VENDING MACHINE OPERATORS

1966

This publication contains the detailed results of the 1966 survey of vending machine operators in Canada. It is the ninth in a series of annual reports, the first of which was published by the Dominion Bureau of Statistics in 1959, for the year 1958. The survey of vending machine operators is designed to measure one particular segment of automatic merchandising activities, namely sales through vending machines owned or operated by vending machine operators.

Definition

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

"An individual or firm that owns (or leases), locates, services and repairs automatic merchandise vending machines, for his or its own account or on a contract basis, with the sole right to withdraw cash from these machines. A number of vending machines must be located on premises other than the operator's, except in the case of **incorporated** subsidiary firms whose function is to operate the machines on the premises of the parent company."

Although not part of this definition, a vending machine sale is understood to take place when merchandise is purchased as a result of the insertion of coins or bills into an automatic vending machine.

Exclusions

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

- (a) Individuals or firms that operate vending machines **solely** on premises where their main business activity takes place. For example, a restaurant operator or service station lessee who has installed one or more vending machines

on his own premises for the benefit of customers and/or employees is not considered to meet the terms of the above definition.

- (b) Unincorporated subsidiaries or divisions 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, they fall within the scope of the survey and their sales are included in this report.)

- (c) Soft drink bottlers who operate vending machines for only short periods of time during the year, on an irregular basis, especially when difficulty is encountered in selling or leasing the machines in their possession. Under these circumstances, the operation of vending machines becomes in reality a negative function on the part of bottlers and for this reason they are excluded from the survey. A complete survey of soft drink bottlers was undertaken as part of the 1965 survey of vending machine operators, as a result of which it was found that a relatively large number were engaged in vending operations on a continuous basis. The addition of these bottlers in the 1965 and 1966 surveys has had a sizeable effect on the results for these years. (In order to ensure that the coverage of vending machine operators remains at a high level, all soft drink bottlers will be surveyed periodically—at three or four year intervals—to determine the extent of their operations in the vending machine field.)

- (d) Individuals or firms engaged in vending only non-food merchandise items (other than tobacco) or services, i.e. ballpoint pens, ice, hosiery, laundry and drycleaning services, etc. Firms which vend food and/or tobacco products as well as non-food items are included, even when the proportion of non-food items sold represents more than half of their total business.

Vending Machine Operators, 1958 - 66

Year	Firms	Machines	Sales
	number		\$
1958	432	34,464	26,331,400
1959	479	40,237	33,741,900
1960	521	47,770	38,710,800
1961	579	65,028	44,959,700
1962	600	73,397	57,799,200
1963	673	78,477	67,580,000
1964	651	75,392	78,561,800
1965	764	85,091	89,815,400
1966	769	84,154	107,539,600

Summary of Results

Sales through automatic merchandise vending machines, reported by vending machine operators as defined above, rose to a new high of \$107,539,643 in 1966—a gain of 19.7 per cent over the previous year. The number of firms engaged in vending operations increased slightly to 769, five more than reported in 1965. These vending machine firms operated over 84,000 merchandise vending machines during 1966, in a wide variety of locations throughout the country. In addition, such firms utilized 523 micro-wave and infra-red ovens and 1,203 coin and bill changers in the course of their operations. The number of vending machines operated during the year declined as a result of decreases in the bulk and packaged confectionery fields and the incorrect

classification in 1965 of several hundred ovens and coin changers as "other machines". The latter types of machines are now shown in a separate table on page 5 of this report.

Every province and region recorded a substantial increase in vending machine sales during 1966, ranging from 30.1 per cent in Quebec to 12.3 per cent in British Columbia. A high rate of growth was also experienced in the Prairie Provinces, which showed an increase of 23.2 per cent in sales by vending machine operators. The following table shows the percentage changes in sales by types of products sold through vending machines and by provinces and regions.

Percentage Change in Sales by Vending Machine Operators, by Product and by Region, 1965 and 1966

Products	Change 1966/65					
	Canada	Atlantic Provinces	Quebec	Ontario	Prairie Provinces	British Columbia ¹
Tobacco products	+ 14.9	+ 8.9	+ 19.4	+ 9.8	+ 19.5	+ 13.2
Ice cream	- 5.9	x	+ 9.6	- 21.1	x	- 7.9
Milk and milk products	+ 5.8	- 46.2	+ 20.1	+ 0.2	+ 58.7	+ 28.4
Cold drinks:						
Vended in bottles, cans or cartons	+ 26.4	+ 40.2	+ 34.9	+ 10.0	+ 56.0	+ 20.5
Vended in disposable cups	+ 37.1	- 1.1	+ 42.6	+ 43.2	+ 31.3	- 10.1
Hot drinks (coffee, tea, hot chocolate and cup vended soup)	+ 17.6	- 1.3	+ 36.4	+ 11.8	+ 22.6	+ 4.1
Bulk (unwrapped) confectionery	-	- 26.9	- 4.6	+ 5.0	+ 10.5	+ 34.8
Packaged confectionery	+ 26.4	+ 59.3	+ 57.9	+ 8.2	+ 28.8	+ 11.7
Pastries	+ 51.4	+ 65.1	+ 81.3	+ 9.6	+ 13.6	+ 200.7
Canned hot foods and canned soup	+ 32.2	+ 8.4	+ 75.8	+ 26.2	- 27.0	+ 185.3
Other foods (sandwiches, salads, casseroles, fruit, chips, etc.)	+ 25.7	x	+ 34.1	+ 20.5	+ 88.9	x
Other non-food items	- 3.6	-	- 6.5	- 73.5	x	x
Totals, all products	+ 19.7	+ 12.6	+ 30.1	+ 13.8	+ 23.2	+ 12.3
Share of the market — 1966	100.0	5.0	34.4	40.4	10.9	9.3
1965	100.0	5.3	31.6	42.5	10.6	10.0

¹ Includes Yukon and Northwest Territories.

In 1966, increases in market share by region were registered in only two regions: in Quebec, where it rose from 31.6 to 34.4 per cent, and in the Prairie Provinces, from 10.6 to 10.9 per cent. On the other hand, the proportion of vending machine

sales accounted for by operators located in Ontario fell—for the first time in several years—declining from 42.5 per cent in 1965 to 40.4 per cent in 1966. Smaller declines were noted in the Atlantic Provinces and in British Columbia.

Reference has been made in previous reports to an emerging trend towards a broader commodity base in the vending industry. Although the three main commodity lines—tobacco products, hot drinks and cold drinks—continued to account for a high proportion of total vending machine sales, this proportion has been declining in recent years as other vended commodities have risen in importance. This trend has continued into 1966, with the three main commodities noted above accounting for 81.7 per cent of sales, slightly lower than the 82.6 per cent registered in 1965 and substantially lower than the 84.7 per cent recorded in 1963.

As in previous years, industrial plants remained the favourite location for vending machine installations—with 21,558 or 25.8 per cent of all machines on location. Not only are they the most popular locations for vending installations; a comparison

with 1965, in which year they accounted for 23.6 per cent of total locations, indicates that the popularity of industrial plants is on the rise. The second largest concentration of vending machines was found in gasoline service stations (14,434 machines, 17.3 per cent of total locations), followed closely by hotels, motels, restaurants, taverns and mess halls (13,917 machines, 16.7 per cent of total locations).

A special tabulation of ovens and coin and bill changers, by type and location, was made for the first time this year. A total of 1,726 machines were reported, including 523 micro-wave and infra-red ovens and 1,203 coin and bill changers. Of these, 425 ovens and 961 coin and bill changers (comprising about 80 per cent of the total) were located in industrial plants. Another 36 ovens and 134 changers were located in hospitals, universities and other institutions. Additional details are provided below:

Number of Ovens and Changers, by Type and Location, as of December 31, 1966

Locations	Ovens		Changers	
	Micro-wave	Infra-red	Coin	Bill
	number			
Industrial plants	218	207	936	25
Business offices	39	11	49	7
Institutions, i.e. hospitals, universities, schools, etc.	11	25	132	2
Other service and retail locations	3	5	34	—
All other locations	2	2	18	—
Totals, all locations	273	250	1,169	34

With the continued development and sophistication of the vending industry in Canada, there has been a growing movement on the part of vending machine operators towards diversification into closely-allied fields of activity, such as manufacturing, canteen and restaurant operations, etc. Be-

cause of the difficulties in obtaining adequate data on employment and salaries from such diversified companies and in stratifying the results between "full-time" and "part-time" operators, the relevant tables will no longer be included in this report.

**TABLE 1. Sales by Vending Machine Operators, by Product and by Region,
1965 and 1966**

Products	Canada		Atlantic Provinces		Quebec	
	1965	1966	1965	1966	1965	1966
	dollars					
Tobacco products	47,685,010	54,771,457	2,992,824	3,259,099	15,998,559	19,098,425
Ice cream	242,278	228,056	x	8,398	79,341	86,924
Milk and milk products	2,594,466	2,744,811	44,733	24,050	433,605	520,682
Cold drinks:						
Vended in bottles, cans or cartons	4,728,097	5,977,566	650,035	911,282	1,394,857	1,881,403
Vended in disposable cups	8,196,638	11,236,106	459,319	454,338	3,025,496	4,314,961
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	13,550,644	15,941,774	183,601	181,132	3,025,595	4,128,107
Bulk (unwrapped) confectionery	1,255,490	1,255,469	156,130	114,159	378,690	361,313
Packaged confectionery	3,499,169	4,422,518	151,692	241,584	932,932	1,472,704
Pastries	3,005,542	4,549,494	47,614	78,615	1,699,651	3,081,629
Canned hot foods and canned soup	1,009,512	1,334,739	11,881	12,884	218,110	383,401
Fresh foods (sandwiches, salads, cas- seroles, hot dogs, etc.)	4,006,546	{ 4,914,231 122,897 }	x	{ 40,534 6,000 }	1,243,366	{ 1,550,239 116,897 }
Other foods (fruit, chips, etc.)						
Other non-food items	42,023	40,525	—	—	10,589	9,897
Totals, all products	89,815,415	107,539,643	4,736,979	5,332,075	28,440,791	37,006,582
	Ontario		Prairie Provinces		British Columbia ¹	
	1965	1966	1965	1966	1965	1966
	dollars					
Tobacco products	14,387,163	15,794,640	6,591,498	7,877,420	7,714,966	8,741,873
Ice cream	113,046	89,196	x	x	26,731	24,652
Milk and milk products	1,968,246	1,971,498	127,604	202,542	20,278	26,039
Cold drinks:						
Vended in bottles, cans or cartons	2,048,343	2,253,345	468,974	731,655	165,888	199,881
Vended in disposable cups	3,725,007	5,334,670	592,309	777,466	394,507	354,671
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	9,151,870	10,229,687	887,895	1,088,774	301,683	314,074
Bulk (unwrapped) confectionery	499,597	524,463	174,648	192,975	46,425	62,559
Packaged confectionery	1,755,136	1,898,345	428,993	552,403	230,416	257,482
Pastries	1,199,343	1,314,319	54,675	62,123	4,259	12,808
Canned hot foods and canned soup	660,806	833,615	110,157	80,423	8,558	24,416
Fresh foods (sandwiches, salads, cas- seroles, hot dogs, etc.)	2,642,138	{ 3,183,882 — }	57,184	{ 108,049 — }	x	{ 31,527 — }
Other foods (fruit, chips, etc.)						
Other non-food items	26,576	7,051	x	x	x	4,224
Totals, all products	38,177,271	43,434,711	9,509,379	11,712,089	8,950,995	10,054,186

¹ Includes Yukon and Northwest Territories.

TABLE 2. Percentage Distribution of Sales by Vending Machine Operators, by Product and by Region, 1965 and 1966

Products	Canada		Atlantic Provinces		Quebec	
	1965	1966	1965	1966	1965	1966
Tobacco products	53.1	50.9	63.2	61.1	56.3	51.6
Ice cream	0.3	0.2	x	0.2	0.3	0.2
Milk and milk products	2.9	2.6	0.9	0.5	1.5	1.4
Cold drinks:						
Vended in bottles, cans or cartons	5.3	5.6	13.7	17.1	4.9	5.1
Vended in disposable cups	9.1	10.4	9.7	8.5	10.6	11.7
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	15.1	14.8	3.9	3.4	10.6	11.2
Bulk (unwrapped) confectionery	1.4	1.2	3.3	2.1	1.3	1.0
Packaged confectionery	3.9	4.1	3.2	4.5	3.3	4.0
Pastries	3.4	4.2	1.0	1.5	6.0	8.3
Canned hot foods and canned soup ...	1.1	1.2	0.3	0.2	0.8	1.0
Fresh foods (sandwiches, salads, casseroles, hot dogs, etc.)	4.4	4.6	x	0.8	4.4	4.2
Other foods (fruit, chips, etc.)						
Other non-food items	--	0.1	--	--	--	--
Totals, all products	100.0	100.0	100.0	100.0	100.0	100.0
	Ontario		Prairie Provinces		British Columbia ¹	
	1965	1966	1965	1966	1965	1966
Tobacco products	37.7	36.4	69.3	67.3	86.2	86.9
Ice cream	0.3	0.2	x	x	0.3	0.3
Milk and milk products	5.1	4.5	1.3	1.7	0.2	0.3
Cold drinks:						
Vended in bottles, cans or cartons	5.4	5.2	4.9	6.3	1.9	2.0
Vended in disposable cups	9.8	12.3	6.2	6.6	4.4	3.5
Hot drinks (coffee, tea, hot chocolate and cup-vended soup)	24.0	23.6	9.3	9.3	3.4	3.1
Bulk (unwrapped) confectionery	1.3	1.2	1.8	1.6	0.5	0.6
Packaged confectionery	4.6	4.4	4.5	4.7	2.6	2.6
Pastries	3.1	3.0	0.6	0.5	--	0.1
Canned hot foods and canned soup ...	1.7	1.9	1.2	0.7	0.1	0.2
Fresh foods (sandwiches, salads, casseroles, hot dogs, etc.)	6.9	7.3	0.6	0.9	x	0.3
Other foods (fruit, chips, etc.)						
Other non-food items	0.1	--	x	x	x	0.1
Totals, all products	100.0	100.0	100.0	100.0	100.0	100.0

¹ Includes Yukon and Northwest Territories.

DOMINION BUREAU OF STATISTICS, OTTAWA

Merchandising and Services Division

AUTOMATIC VENDING MACHINE OPERATORS

1966

Please mail
within one month
of receipt

Please correct any mistakes in Name or Address

Taken in conformity with the requirements of the Statistics Act, Chapter 257, RSC/52.

Your figures will be treated with strict confidence

INSTRUCTIONS

If your firm is connected in any way with the operation of automatic vending machines, please complete all the sections of this questionnaire.

1. DESCRIPTION OF BUSINESS

(a) Did you operate vending machines on your own account during 1966?

☐ Yes Number _____

☐ No

(b) Are you engaged in any business other than vending machine operations?

☐ Yes

☐ No

(c) If your answer to question (b) is "yes", please state

(1) the other businesses in which you are engaged _____

(2) the approximate percentage of your total sales which is derived from vending machine operations %

(d) Did you operate vending machines in your own business premises?

☐ Yes Number _____

☐ No

(e) Did you operate vending machines in other locations
i.e. in other than your own business premises?

☐ Yes Number _____

☐ No

(f) Date vending machine operations commenced _____

2. TOTAL SALES BY PRODUCT - 1966

Report on a calendar-year basis (1966) if at all possible, or for your fiscal period ending closest to December 31, 1966.

Report total gross sales on the following goods sold through the vending machines you operate. (Include sales through machines on your own premises as well as through those that are located on the premises of others. Careful estimates will be satisfactory if actual figures are not available.)

PRODUCTS	SALES BY REGIONS - 1966 (Omit cents)					
	CANADA	Atlantic Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
	\$	\$	\$	\$	\$	\$
(a) Tobacco products						
(b) Ice cream						
(c) Cold refreshments:						
Milk & milk products						
Other cold drinks:						
(1) vended in bottles, cans or cartons						
(2) vended in disposable cups.....						
(d) Hot refreshments (coffee, tea, hot chocolate and cup- vended soup)						
(e) Bulk (unwrapped) confectionery (gum, peanuts, popcorn, candy, etc.)						
(f) Packaged confectionery (wrapped) (biscuits, chocolate bars, candy, gum, etc.)						
(g) Pastries (cakes, pies, tarts, doughnuts, etc.)						
(h) Fresh foods (sandwiches, salads, cas- seroles, hot dogs, etc.)						
(i) Canned hot foods & canned soup						
(j) Other foods, if any (specify)						
.....						
.....						
.....						
(k) Other non-food items (specify)						
.....						
.....						
.....						
.....						
.....						
.....						
.....						
TOTAL						

3. NUMBER OF MACHINES BY TYPE AND LOCATION

Report the number of each listed type of machine that you operated in each listed type of location as at December 31, 1966.

TYPE OF MACHINE	TYPE OF LOCATION							
	All locations (total)	Industrial Plants	Business Offices	Amusement and Recreation Centres i.e. theatres, bowling alleys, etc.	Hotels, motels, restaurants, taverns, mess halls	Gasoline Service Stations	Institutions i.e. hospitals, universities, schools, etc.	Other retail and service locations
(a) Cigarette machines								
(b) Ice cream machines								
(c) Bottled drink machines								
(d) Canned drink machines								
(e) Cartoned milk or juice machines								
(f) Cup-vending machines:								
(1) Milk								
(2) Other cold drinks:								
(a) post-mix								
(b) pre-mix								
(3) Hot drinks:								
(a) with instant coffee								
(b) with ground coffee								
(c) other hot drink machines								
(g) Confectionery machines:								
(1) Bulk (unwrapped) (item (e) page 2)								
(2) Packaged confectionery (item (f) page 2)								
(3) Pastries (item (g), page 2)								
(h) Canned food machines - Hot								
(i) Fresh food machines (not listed above):								
(1) Heated								
(2) Cold								
(j) Ovens:								
(1) Micro-wave								
(2) Infra-red								
(k) Changers:								
(1) Coin								
(2) Dollar bill								
(m) Other types (specify)								
.....								
.....								
Total machines								



1010714392

(omit cents)

4. EMPLOYMENT AND SALARIES

This section should be completed by firms or divisions of firms who are engaged solely in vending machine operations

- (a) Number of proprietors if firm is unincorporated No.
- (b) Number and salaries of working executives of incorporated firms No. \$
- (c) Number and salaries of office employees No. \$
(Exclude (a) or (b)).
- (d) Number and salaries of service employees No. \$
(i.e. employees engaged in maintaining and repairing venders)
(Exclude (a) or (b)).
- (e) Number and salaries of all other employees No. \$

CERTIFICATE

This is to certify that the information contained in this report is correct and complete to the best of my knowledge and belief and covers the period

from to

Signature

Title

Date