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DOMINION BUREAU OF STATISTICS
MERCHANDISING AND SERVICES SECTION
OTTAWA, CANADA



OPERATING RESULTS
OF
RETAIL FOOD CHAINS
1947



**OPERATING RESULTS
OF RETAIL
FOOD CHAINS
1947**

**GROCERY CHAINS
COMBINATION CHAINS
MEAT CHAINS**

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FACSIMILE OF THE SCHEDULE

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One copy of this form, properly completed, should be returned on or before

File no.



DOMINION BUREAU OF STATISTICS MERCHANDISING AND SERVICES OTTAWA

OPERATING COSTS - RETAIL CHAINS

1947

The returns from this inquiry will be used in the preparation of a report which will be published for general use of the trade, providing information on average operating results and profits against which the individual firm may compare its own results.

All replies will be treated as strictly confidential. Figures for all firms in the same line of business will be combined and average results only will be shown. Your report will not be used for income tax purposes or divulged to any other government department.

All figures should relate to the calendar year or to your fiscal year conforming most closely to the calendar year. PLEASE answer all questions, inserting 'nil' if the answer is none.

I. DESCRIPTION OF BUSINESS

- (1) Name of firm
- (2) Head office address
- (3) Kind of business
(such as grocery, meats, variety, men's-women's clothing, drugs, etc.)
- (4) On the following dates the number of units in operation was:
(a) Jan. 1, 1947 (b) June 30, 1947 (c) Dec. 31, 1947
- (5) We operated in rented premises ☐ owned premises ☐ some rented and some owned ☐
(check only one square)

The number of owned and rented premises in each type of establishment was:-

	Head office	Warehouse(s)	Stores
Owned
Rented

- (6) This report does not include any wholesale business ☐ includes wholesale ☐ to the extent of% (Insert estimated percentage)
- (7) This business is a corporation ☐ partnership ☐ individual proprietorship ☐

II. PROFIT AND LOSS STATEMENT, 1947:

MERCHANDISING STATEMENT

- (1) Gross sales for the year. Include meals sold or consumed, receipts from repair or other service, goods taken for personal use. Exclude sales tax and non-trading revenues.
- (2) Returns from and allowances to customers
.....
- (3) NET SALES (item 1 minus 2)
.....
- (4) NET INVENTORY OF MERCHANDISE at beginning of year:
In warehouse
In stores
.....
- (5) Merchandise purchased for resale at invoice value, less returns, allowances, cash and trade discounts
.....
- (6) Inward freight, express and truckage
.....
- (7) Total of beginning inventory, purchases and freight
.....
- (8) NET INVENTORY OF MERCHANDISE at end of year:
In warehouse
In stores
.....
- (9) COST OF MERCHANDISE SOLD (item 7 minus 8)
.....
- (10) GROSS MARGIN OR PROFIT (item 3 minus 9)
.....

(OVER)

B.

EXPENSE STATEMENT

	Head office and general	Warehouse	Stores	Total
(1) Payroll - before any deductions	\$	\$	\$	\$
(a) To executives and proprietors - include managers				
(b) To employees				
(2) Payments by the firm to employee pension funds, unemployment insurance, or other staff benefits such as hospitalization, insurance etc., which are not deducted from payroll.				
(3) Tenancy costs - taxes, insurance, repairs and depreciation on owned real estate and rentals on rented premises				
(4) Taxes - except on real estate and federal income tax; include taxes and licences imposed by provincial and local govern- ments; sales taxes collected directly from the customer are to be excluded entirely from this report.				
(5) Repairs and maintenance to fixtures and equipment, including delivery equipment .				
(6) Depreciation on fixtures and equipment, in- cluding delivery equipment				
(7) Supplies - wrapping paper, twine, office supplies, gas and oil for trucks, etc. .				
(8) Heat, light, and power used during the year .				
(9) Advertising				
(10) Travelling expenses		XXXXXX		
(11) Communication - telephone, telegraph, postage		XXXXXX	XXXXXX	
(12) Loss on bad debts - amount written off less amount recovered				
(13) All other expenses - interest on loans, bank charges, professional fees, etc.		XXXXXX	XXXXXX	
(14) <u>TOTAL EXPENSES</u> (total of items 1 to 13 inclusive)				

C.

NET GAIN STATEMENT

- (1) OPERATING PROFIT OR LOSS (item A(10) minus B(14))
- (2) Federal income tax, 1947
- (3) NET GAIN OR LOSS (before dividends or profit sharing)

III. MISCELLANEOUS INFORMATION

- (1) If not incorporated, please state the number of proprietors and their salaries or
a fair charge for their services. Number Salaries
- Are these included in item B-1 (a) of section II above? (Yes or No)
- (2) What was the value of customers' accounts outstanding at the end of the year?
Include charge accounts, open accounts, instalment accounts or other receiv-
ables. Do not include accounts written off.

NOTES ON EXPENSE STATEMENT

1. Tenancy - In some instances heat or light may be included in rentals. If this is
the case, please indicate in item 8 that these charges are included in
item 3.
2. Delivery - Charges for delivery from warehouses to stores should come under ware-
house expense whether trucks are owned and operated by the firm or
delivery is on a contract basis. Delivery to customers should be
reported as store expense.

IN THIS SERIES.....

OPERATING RESULTS OF RETAIL CHAIN STORES (1947)

1. Food chains
2. Clothing chains
3. Miscellaneous chains

OPERATING RESULTS OF INDEPENDENT RETAIL STORES (1944, 1945, 1946)

1. Food stores
2. Clothing stores
3. Country general and dry goods stores
4. Hardware, furniture, household appliances
and radio stores
5. Miscellaneous stores
6. Filling stations and garages

OPERATING RESULTS OF WHOLESALERS (1947)

1. Food and tobacco
2. Dry goods, piece goods, footwear
3. Miscellaneous wholesalers

Price 25¢ each.

Merchandising and Services Section
Dominion Bureau of Statistics

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MERCHANDISING AND SERVICES SECTION
OTTAWA

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Series, 1947
No. 12

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OPERATING RESULTS OF RETAIL FOOD CHAINS, 1947

Content of the Bulletin

This publication contains the results of a survey on the operations of retail food chains, in 1947, including grocery, combination grocery and meat, and meat market chains. The study is the first detailed inquiry made by the Dominion Bureau of Statistics into operating costs of this phase of retailing.

There are two other publications in the 1947 chain store operations series, one outlining ratios for four types of clothing chains - men's, women's, family clothing and shoe chains - the other containing data for variety, furniture and drug chains.

Purpose of the Survey

The costs of distribution, and the allocation of these costs has become the focus of attention of merchants, the general public and government in recent years. While distribution expenses are by no means confined to middlemen and retailers, the approach to the problem of assessing these costs must be made through these types of business organization. The Bureau has carried on extensive studies into the operating expenses of independent retailers, first for the year 1938, and again for 1944, 1945 and 1946.

As a result of requests from the trade, from individuals and from trade associations, it became apparent that the remaining distributive agencies should be surveyed for operating costs. The result has been studies on the operations of retail chains and wholesalers proper covering the year 1947.

What is Distribution?

The three major channels of distribution -- independent retail firms, chain store firms and wholesalers -- leave untouched much of the field of distribution costs.

The conversion of goods from raw materials to finished products, and the placing of commodities before consumers involves the processes of production and distribution. The distinction between the two terms as made by economics seems quite clear cut. Production involves the addition of physical or form utilities to goods, by means of such acts as processing, fabrication, and transformation. Distribution, on the other hand, involves the addition of time and place utilities to goods, by such means as transportation, storage, merchandising, display, advertising, expenses of carrying stocks (spoilage, shrinkage), losses from bad debts and financing.

It becomes evident from the consideration of this distinction that distribution costs are not limited to the handling of finished consumers' goods, and that a large part of such expense is borne by primary producers and manufacturers during the early stages of fabrication or processing of commodities. The transportation of raw materials, expenses of storage while awaiting processing, financing of inventories, are all distribution costs incurred before the end-product is ready for the ultimate consumer.

While the producer and processor assume some of the costs of distribution, the retailer and wholesaler may take on certain productive functions. Wholesalers may package and repack commodities while certain retailers such as clothiers finish off semi-ready garments or make alterations on finished clothing.

Although the distinction between production and distribution is a useful one, and serves to separate major functions, there are costs which are not clearly one or the other. Some of these difficult to allocate are insurance, financing, taxes, service department costs, and executive salaries. The list is not exhaustive, but where it is impossible to make a clear-cut division of functions, costs are often apportioned on a pro-rata basis, decided upon by the relative expense ratios of more easily allocated functions, such as selling salaries, store occupancy expense, advertising etc.

Distribution costs, therefore, are not limited to middlemen or retailers but are a part of the interlocking distribution-production system which prepares finished goods and places them before the consumer. The practical distinction between distribution and production is made, however, by dividing industry into units which perform chiefly either productive or distributive functions.

Major distributive agencies may be classified as follows:

Wholesalers or the Intermediary Trade

Wholesalers proper
Manufactures' sales branches or
offices
Petroleum bulk tank stations
Agents and Brokers
Assemblers of primary products
Other types of operation

Retailers

Independent Retailers
Independent Consumer Co-operatives
Chains - Voluntary chains
Chains under central owner-
ship and control.
Retail co-operative chains.

Relative importance to total trading of chain organizations is brought out by the table below.

<u>Retail Trade</u>	<u>Percent</u>	
Independents	81.1	
Chains	18.7	Source: 1941 Census, Vol. X, Table 13, P. 398
Other types	0.2	
	100.0	

A comparison between the three food classifications in terms of the relative importance of chain and independent form of organization in 1941 is demonstrated by the following table.

Comparison of Chain Sales to Total Sales, 1941

Kind of Business	1941 Total Sales	1941 Chain Sales	Percentage Chains to Total
	\$	\$	%
Grocery	266,027,500	26,523,300	9.97
Combination	301,351,000	145,794,100	48.38
Meat	80,064,400	5,088,500	6.36

Source - 1941 Census, Vol. X.

The Schedule

A sample questionnaire was drawn up in the Bureau and despatched to the firms in the various trades surveyed. An accompanying letter requested that the companies make suggestions in order that the form be designed in such a way that it could be filled out with a minimum of effort from existing accounting records. The suggestions received were invaluable in the format of the final form.

A facsimile of this final schedule is presented on page 2 to help clarify meanings of terms used.

Methods

The ten kinds of business in the survey were selected for their importance in the field of retail distribution. As the majority of firms indicated that they could not give results for individual stores, a consolidated report only for each firm was required. When received, some returns could not be used for such reasons as manufacturing activities or outside wholesaling for which expenses could not be separated from retailing costs. Where the number of reports was sufficient, the results were tabulated according to the most suitable sales-size range. In most reports, no clear distinction between head office, warehouse and store expense was made, so that results for these functions are shown separately for only a few kinds of business. The salaries of proprietors of unincorporated firms are included with executive salaries. Income tax tabulation was made only for incorporated firms.

As with all surveys conducted by the Bureau, average results only are shown, and all information submitted by the co-operating firms has been kept in strictest confidence. This study does not replace the regular annual survey of retail chains which takes in all kinds of business and covers such items as: number of stores, net retail sales, salaries, store and warehouse stocks and customers' accounts outstanding.

RESULTS OF THE SURVEY.

All known chain firms in the three retail food trades were canvassed by mail in this survey. A few were excluded because of inability to complete the form or to separate outside wholesale business from their warehouse operations. The coverage, however, was nearly complete and the results shown are considered as quite average.

Chain firms were classified according to their overall business as separate reports were not requested for individual stores. For this reason, grocery chains include any meat business conducted in some of their stores and combination chains include some straight grocery stores. The rate of stock turnover is based on the average of beginning and year end stocks which is divided into cost of goods sold. This stock average is not a 12 month average. A comparison of major expense and profit items in the three kinds of business is shown below.

No detailed written analysis of the results is offered, since it is felt that the figures themselves are the portion of the report which will be used to greatest advantage. Summary statements point only to major items, and accompany the tables to follow.

Retail Food Chains - Main Profit and Loss Items Compared, 1947

Kind of Business	Average Sales per Store	Gross Profit	Salary Expense	Occu-pancy	Total Expenses	Net Profit before Income Taxes
	\$	%	%	%	%	%
Grocery	82,739	16.80	9.42	1.27	14.44	2.36
Combination ...	319,713	15.99	8.38	0.88	13.23	2.76
Meat	85,179	20.51	11.28	1.23	17.24	3.27

Combination chain ratios are undoubtedly generally smaller because of greater volume sales. By comparing chains of similar size **range in the three kinds of business, the effect of meat handling** costs may be observed. Grocery chains handle only small amounts of meat, combination chains are characterized by a meat department and meat market chains sell this commodity principally. (See table below).

Kind of Business	Average Sales per Store	Gross Profit	Salary Expense	Occu-pancy	Total Expenses	Net Profit before Income Taxes	Stock turn-over
	\$	%	%	%	%	%	%
Grocery (under \$750,000	71,326	16.16	8.46	1.18	13.07	3.09	9.0
Combination (under \$1,000,000)	107,978	16.20	9.36	1.18	15.00	1.20	10.7
Meats (under \$500,000)	62,320	12.05	12.45	1.47	18.85	2.20	36.3

OPERATING RESULTS OF RETAIL FOOD CHAINS, 1947

GROSS PROFIT = NET PROFIT + SALARIES + OTHER EXPENSES

ANNUAL SALES
VOLUME

PERCENTAGE OF NET SALES

0 5 10 15 20 25

UNDER \$ 750,000

\$ 750,000 AND OVER

ALL SIZES (COMBINED)

GROCERY

UNDER \$ 1,000,000

\$ 1,000,000 — 4,000,000

\$ 10,000,000 AND OVER

ALL SIZES (COMBINED)

COMBINATION

UNDER \$ 500,000

OVER \$ 500,000

ALL SIZES (COMBINED)

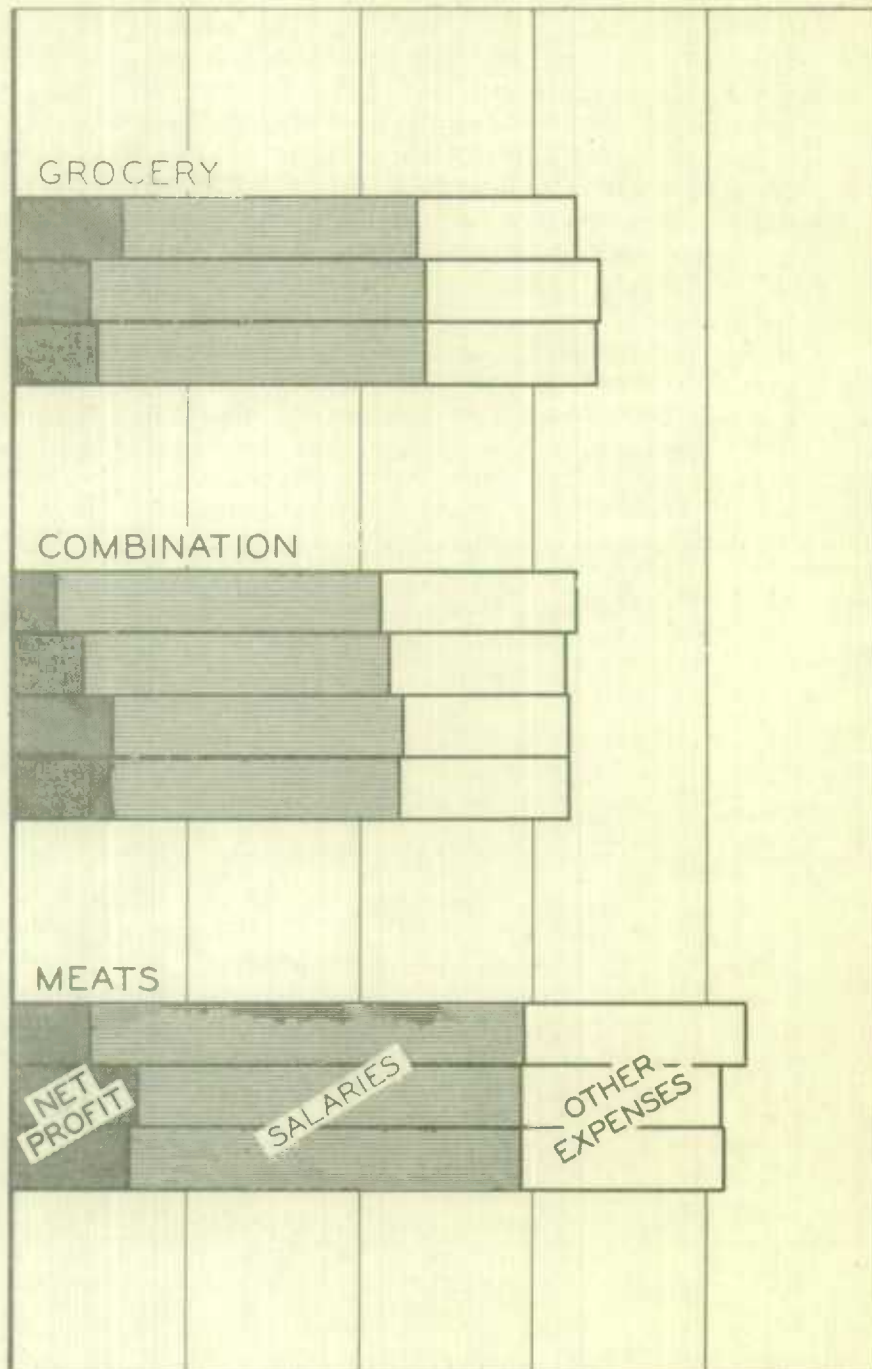
MEATS

NET
PROFIT

SALARIES

OTHER
EXPENSES

0 5 10 15 20 25



GROCERY CHAINS.

Seventeen reports on the operations of retail grocery chains were completed satisfactorily and were used in this survey. The eleven incorporated and six unincorporated companies operated 245 outlets. Tabulation was made for two size-of-business groups, \$750,000 annual net sales and over, and under \$750,000, with 7 firms in the larger and 10 in the smaller range. In the group of smaller firms, 5 were unincorporated compared to only one of the large size class.

1. The most striking feature of the reports received was the similarity in expense ratios from firm to firm. While there were sizable differences in certain expenses, the uniformity was general, and was true of combination and meat chains as well as of the grocery chain firms.
2. Operating profits (before income tax deductions) amounted to an average of \$3.09 out of every \$100 sales in the smaller chains and \$2.21 in those with net sales over \$750,000 in 1947. Gross profits were remarkably consistent in the firms included in the survey - \$16.16 in the smaller and \$16.93 of each \$100 net sales in the larger chains. Employees' wages were the main factor in the higher expense ratios of the larger firms.
3. More than half the expense dollar was absorbed by employees' salaries, the larger size stores expending 8.81 per cent and the smaller 6.90 per cent of net sales on this item. Head office executive salaries made up 0.80 and 1.56 per cent respectively.
4. Although average sales per store were greater in the larger sized firms, larger inventories were maintained than the average store stock of the smaller class, with the result that their rate of stock turn was less than that for firms under \$750,000 sales - 8.2 and 9.0 times respectively. In both classes, inventories at the end of the year had increased over those held at the beginning, a function of the upward trend in the trade rather than a typically seasonal characteristic.

Table 1. - OPERATING RESULTS OF GROCERY CHAINS, 1947

By Size of Firm			
Item	Under \$750,000	\$750,000 and over	All sizes
Number of firms	10	7	17
Number of stores	49	196	245
Average sales per chain \$	349,496	2,396,591	1,192,418
Average sales per store \$	71,326	85,593	82,739
Average cost of goods sold ... \$	59,802	71,099	68,840
Average inventory per store			
Beginning of year \$	4,438	5,779	5,511
End of year \$	5,839	6,861	6,656
Stock turnover (times per year).	9.0	8.2	8.3
Profit and Loss Data (Items expressed as percentage of net sales)			
Gross margin or profit	16.16	16.93	16.80
Operating expenses:			
Salaries - executives	1.56	0.80	0.93
- employees	6.90	8.81	8.49
Employees' benefits	0.07	0.13	0.12
Occupancy	1.18	1.29	1.27
Taxes (1)	0.15	0.09	0.10
Repairs (1)	0.32	0.18	0.21
Depreciation (1)	0.22	0.31	0.29
Supplies	0.68	0.76	0.75
Heat, light and power	0.36	0.33	0.34
Advertising	0.29	0.37	0.35
Travelling expense	0.08	0.15	0.14
Communication	0.12	0.17	0.16
Bad debt losses	0.05	0.06	0.06
All other expenses	1.09	1.27	1.23
Total operating expenses	13.07	14.72	14.44
Operating profit before income taxes	3.09	2.21	2.36

(1) Excludes amount attributed to real estate which is included in occupancy.

COMBINATION CHAINS.

Twenty-four firms in this classification submitted satisfactory reports which were used in this survey. While these firms sold both fresh meats and groceries not all of the stores operated carried both lines.

For tabulation, the firms were placed in three sales-size groups; 6 over \$10,000,000, 7 between \$1,000,000 and \$4,000,000 (none between \$4,000,000 and \$10,000,000), and 11 under \$1,000,000 annual net sales. The latter group consisted of 4 incorporated companies and 7 individual proprietorships or partnerships while the other two size classes were entirely composed of incorporated companies.

All the firms in the largest size class were able to provide a breakdown between store expense and head office and warehouse expense, the latter two functions combined (see table 3). Too few in the other sizes separated these expenses to permit analysis.

1. The three size classes differed very slightly in gross profit from the average for all stores of 15.99 per cent of net sales. Operating expenses, however, were greater in ratio in the smaller stores to net them an operating profit of 1.20 per cent as compared to 1.97 per cent in the middle class and 2.84 per cent in the largest group.
2. Salaries paid to employees absorbed over half the operating expenses. Out of every \$100 sales an average of \$7.96 went to employees' salaries, slightly less in the smaller firms and a fraction more in the two larger groups. Salaries paid to head office executive formed a smaller proportion of net sales on the average in larger firms than in the smaller, ranging from 1.80 per cent in the firms with 1947 sales less than \$1,000,000 to 0.36 per cent in the class with sales at \$10,000,000 and over.
3. The larger firms paid more proportionately for employees' benefits, taxes, advertising and travelling expenses while the other items decreased in ratio with sales volume.

4. The final net gain of the incorporated firms representing the two largest size classes, was reduced by income taxes to 1.62 per cent and 1.15 per cent of net sales from the operating profits of 2.84 per cent and 1.97 per cent.
5. Inventories were greater at the end of the year than at the beginning in all sizes. The average stock in combination chain stores in 1947 formed 4.95 per cent of net sales at the beginning and 6.49 per cent at the end of the year.
6. Stock turnover, based on the average of the two inventories divided into the cost of goods sold, averaged 14.7 times per year. This rate increased with volume of business from 10.7 times in the smallest to 14.9 times per year in the largest size group.
7. The sale of fresh meats affects certain items such as gross profit, stock turnover and some expense items. The percentage of stores selling meats in the groups was: largest size, 74 per cent; middle size, 62 per cent; smallest class, 91 per cent. The percentage of actual dollar volume of such sales is not known.
8. In the largest size firms (over \$10,000,000) for every \$100 net sales, head office and warehouse expense absorbed \$3.97 and store expense \$9.18 to make up a total operating expense of \$13.15.

One notable feature was the disproportionately large ratio of employees' benefits in head office and warehouses as compared to salaries. While store-employee salaries were 6.14 per cent of net sales head office and warehouse employees were 1.83 per cent, yet employees' benefits in the latter were only slightly lower - 0.11 per cent as compared to 0.13 per cent for store employees.

Table 2. - OPERATING RESULTS OF COMBINATION CHAINS, 1947

By Size of Firm				
Item	Under \$1,000,000	\$1,000,000 to \$4,000,000	\$10,000,000 and over	All sizes
Number of firms	11	7	6	24
Number of stores	55	86	691	832
Average sales per chain \$	539,889	2,038,476	40,965,537	11,083,389
Average sales per store \$	107,978	165,923	355,707	319,713
Average cost of goods sold .. \$	90,484	139,588	298,824	268,592
Average inventory per store				
Beginning of year \$	7,418	8,946	17,336	15,813
End of year \$	9,528	10,803	22,862	20,735
Stock turnover (times per year)	10.7	14.1	14.9	14.7

Profit and Loss Data
(Items expressed as percentage of net sales)

Gross margin or profit	16.20	15.87	15.99	15.99
Operating expenses:				
Salaries - executives	1.80	0.84	0.36	0.42
- employees	7.56	7.97	7.97	7.96
Employees' benefits	0.08	0.08	0.24	0.22
Occupancy	1.18	1.11	0.86	0.88
Taxes (1)	0.10	0.18	0.23	0.23
Repairs (1)	0.44	0.37	0.29	0.30
Depreciation (1)	0.31	0.43	0.31	0.31
Supplies	1.09	0.96	0.69	0.71
Heat, light and power	0.32	0.31	0.27	0.27
Advertising	0.42	0.47	0.51	0.51
Travelling expense	0.06	0.08	0.09	0.09
Communication	0.15	0.08	0.10	0.10
Bad debt losses	0.31	0.07	(a)	0.01
All other expenses	1.18	0.95	1.23	1.22
Total operating expenses	15.00	13.90	13.15	13.23
Operating profit before income taxes	1.20	1.97	2.84	2.76
Income tax		0.82	1.22	
Net profit		1.15	1.62	

(1) Excludes amount attributed to real estate which is included in occupancy.

(a) Less than 0.005 per cent.

Table 3. - OPERATING EXPENSES OF COMBINATION CHAINS, 1947

Head office and warehouse compared with store expenses.

(Size range over \$10,000,000)

Item	Head Office and Warehouse	Stores	Total
Operating expenses:			
Salaries - executives	0.36	-	0.36
- employees	1.83	6.14	7.97
Employees' benefits	0.11	0.13	0.24
Occupancy	0.15	0.71	0.86
Taxes (1)	0.08	0.15	0.23
Repairs (1)	0.06	0.23	0.29
Depreciation (1)	0.10	0.21	0.31
Supplies	0.09	0.60	0.69
Heat, light and power	0.07	0.20	0.27
Advertising	0.09	0.42	0.51
Travelling expense	0.09	-	0.09
Communication	0.06	0.04	0.10
Bad debt losses	(a)	-	(a)
All other expenses	0.88	0.35	1.23
Total operating expenses	3.97	9.18	13.15

(1) Excludes amount attributed to real estate which is included in occupancy.

(a) Less than 0.005 per cent.

MEAT CHAINS.

In 1947, 11 meat market chains submitted satisfactory reports on operating costs, six of which were incorporated companies and five individual proprietorships or partnerships. These firms were divided into two sales-size groups for tabulation, under \$500,000 and \$500,000 and over with 5 firms operating 25 outlets in the smaller and 6 firms with 63 stores in the larger size group. Too few firms divided executive and employee salaries to permit separate tabulation.

1. Gross profits of chain store meat markets were higher than those of other food chains, as were net profits. In the smaller class (under \$500,000 net sales in 1947) gross profit on \$100 net sales was \$21.05, expenses \$18.85 resulting in operating profit of \$2.20. The margin - \$20.36 - was smaller in the larger sales group (over \$500,000), but the expense figure at \$16.81 was so much lower that net profit in this group was greater than in the smaller sales class, \$3.55 on every \$100 of net sales.
2. Salaries and wages were proportionately greater in meat chains than in other food chains, reflecting the greater amount of handling required in the sale of meat. Salaries at 11.28 per cent of net sales formed 65 per cent of total expenses. Smaller chains reported salary expense as a greater ratio (12.45% of net sales) than the large size group (10.97%).
3. The smaller size class of meat chains paid a greater ratio for most of the other expense items - advertising, travel, communication and the all other expense category excepted - to net a profit, before income tax deduction, of 2.20 per cent as compared to one of 3.55 per cent for chains with sales volume of \$500,000 and over.
4. With comparatively small inventories - 1.92 per cent at beginning and 2.11 per cent of net sales at end of year - meat chains sold and replaced their stock approximately 40 times per year. The larger firms effected a greater rate of stock turnover than those with sales under \$500,000.

Table 4. - OPERATING RESULTS OF MEAT CHAINS, 1947

By Size of Firm			
Item	Under \$500,000	\$500,000 and over	All sizes
Number of firms	5	6	11
Number of stores	25	63	88
Average sales per chain \$	311,601	989,621	681,430
Average sales per store \$	62,320	94,250	85,179
Average cost of goods sold ... \$	49,203	75,056	67,711
Average inventory per store			
Beginning of year \$	1,105	1,848	1,637
End of year \$	1,603	1,874	1,797
Stock turnover (times per year).	36.3	40.3	39.4

Profit and Loss Data
(Items expressed as percentage of net sales)

Gross margin or profit	21.05	20.36	20.51
Operating expenses:			
Salaries and wages	12.45	10.97	11.28
Employees' benefits	0.14	0.16	0.16
Occupancy	1.47	1.16	1.23
Taxes (1)	0.09	0.08	0.08
Repairs (1)	0.71	0.58	0.61
Depreciation (1)	0.78	0.38	0.46
Supplies	1.30	0.96	1.03
Heat, light and power	0.61	0.33	0.39
Advertising	0.18	0.42	0.37
Travelling expense	0.03	0.17	0.14
Communication	0.18	0.20	0.19
Bad debt losses	-	0.01	0.01
All other expenses	0.91	1.39	1.29
Total operating expenses	18.85	16.81	17.24
Operating profit before income taxes	2.20	3.55	3.27

(1) Excludes amount attributed to real estate which is included in occupancy.

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



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