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Annual Retail Trade

2012

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Annual Retail Trade

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Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the *Statistics Act*
E	use with caution
F	too unreliable to be published
*	significantly different from reference category ($p < 0.05$)

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Annual Retail Trade 2012

Store and non-store retailers' operating revenue increased 2.9% in 2012 to $502.6 billion, the lowest growth rate since the contraction of revenue in 2009. There were increases in 10 out of 12 retail sub-sectors.

In dollar terms, motor vehicle and parts dealers, gasoline stations and food and beverage stores retailers contributed to more than 60% of the total operating revenue growth.

Motor vehicle and parts dealers recorded the largest increase in total operating revenue, up 4.3% in 2012 to $109.1 billion. New car dealers, which represented 79% of this industry group, reported increases in operating revenue of 4.0%. According to the *New Motor Vehicle Sales Survey*, 1.7 million new vehicles were sold in 2012, up 5.4% from the previous year.

Gasoline stations, with a 4.0% rise in operating revenue in 2012, was the second largest contributor in terms of total operating revenue growth. The 2012 rise follows the strong increase of 17.4% recorded in 2011.

Food and beverage stores' operating revenue was up 1.8% in 2012. In this subsector, supermarkets and other grocery (except convenience) stores recorded the largest increase in dollar terms, up 1.0% compared to 2011. Beer, wine and liquor stores recorded the second largest increase, up 2.6%.

Non-store retailers' operating revenue was up 5.7% in 2012. In this subsector, fuel dealers (+5.2%) and electronic shopping and mail-order houses (+9.0%), together representing 97% of this industry group, recorded the largest increases in dollar terms compared to the previous year.

Chain stores continue to gain market share

Store retailers (excluding non-store retailers) are divided into chain stores and non-chain stores. Chain stores, defined as operating four or more locations within the same industry group and under the same legal ownership, have been incrementally increasing market share for more than 10 years.

In 2012, chain stores accounted for more than half of total operating revenue in retail trade in British Columbia, Manitoba, Nova Scotia and Ontario; well above the national average of 48.5%. The province where chain stores account for the lowest share of retail trade was Quebec (38.5%).

Non-chain retailers dominated in the sub-sectors of food and beverage stores, electronics and appliance stores and sporting goods, hobby, book and music stores.

Operating profits

Retailers' operating profits, as a share of operating revenue, was 5.0% in 2012, unchanged over the last two years. Four subsectors of the 12 recorded an increase, offsetting the operating profits' decline of the 8 other subsectors in 2012.

The largest increase was reported by the gasoline stations with operating profits of 6.7% in 2012, up from 5.0% in 2011. Total operating expenses increased (+6.4%), while there were increases in total operating revenue (+4.0%) and cost of goods sold (+1.7%).

In contrast, the largest decrease was reported by the electronics and appliance stores where operating profits as a share of operating revenue was 5.3% in 2012 compared to the reported 6.8% in 2011. Total operating expenses increased (+2.7%), while there were declines in cost of goods sold (-4.2%) and total operating revenue (-3.9%).

Operating profits for building material and garden equipment and supplies dealers' stores (3.9%) were down compared to the previous year (4.7%) as cost of goods sold and total operating expenses increased at a higher rate than total operating revenue.

Miscellaneous store retailers operating profits was 5.5% in 2012, down from 6.2% in 2011.

Retailers' gross margins loosening

Gross margins for all retailers as a share of operating revenue increased slightly to 27.2% in 2012. Of all the retail sub-sectors, gasoline stations reported the largest increase in this ratio.

Gross margins as a percentage of operating revenue vary greatly by retail sub-sector. The margins were the smallest for gasoline stations (15.3%) and motor vehicle and parts dealers (17.4%), while clothing and clothing accessories stores (51.2%), miscellaneous store retailers (43.6%) and furniture and home furnishings stores (42.6%) posted the highest margins.

Inventories stable

Store retailers turned over their merchandise 5.7 times in 2012, maintaining similar rates to the previous two years. Gasoline stations registered a slight decrease in merchandise turnover, at 36.6 days in 2012, down from 37.7 days in 2011.

Store retailers, on average, reported 64.8 days of stock-on-hand, compared to 63.4 days in 2011. The highest increases in 2012 were reported by motor vehicle and parts dealers and by sporting goods, hobby, book and music stores with 90.6 and 160.4 days of stock-on-hand compared to 84.0 and 153.8 days in 2011. General merchandise stores reported the largest decrease of all the retail subsectors with 62.5 days of stock-on-hand in 2012 compared to 70.6 days in 2011.

Method of sale

Retailers (excluding non-store retailers) reach their clientele through different methods. The majority of retailers' revenue in 2012 was from in-store sales (95.8%). The other 4.2% comes from catalogue, mail order, telephone, e-commerce, and other methods such as trade shows, in-home sales and card locks.

Catalogue, mail order and telephone sales as a percentage of operating revenue were the highest for automotive parts, accessories and tire stores (9.9%) and miscellaneous store retailers, such as office supplies and stationery stores, and florist shops (4.8%).

Operating revenue increase in 8 of the 10 provinces

Store and non-store retailers in 8 of the 10 provinces reported higher operating revenue in 2012. Alberta contributed to more than one third of the total increase.

In 2012, operating revenue for retailers located in Alberta recorded the largest increase (+6.8%). Operating profits as a share of revenue were 4.5%, up from 4.4% in 2011. In 2012, the operating profit ratio stayed the lowest among all provinces and territories. Cost of goods sold (+6.8%) rose at the same rate as total operating revenue.

Quebec retailers' posted a rise of 2.8% in operating revenues in 2012, a second consecutive increase of nearly 3.0%. The operating profits ratio was 4.6%, a slight increase from 4.5% in 2011. Cost of goods sold increased 2.5% and total operating expenses rose 3.7%.

Retailers located in Ontario reported the weakest growth in operating revenue (+1.6%) among all provinces. The province ranked second in term of gross margin (27.3%), just after British Columbia (30.0%). The operating profits as a percentage of total operating revenue in Ontario (5.0%) rose slightly compared to 2011 (4.9%).

While operating revenue in British Columbia grew by 2.3%, it was the second smallest increase of all the provinces in 2012. This province ranked first in term of gross margin and operating profits as a percentage of total operating revenue (30.0% and 5.9% respectively).

Related products

Selected CANSIM tables from Statistics Canada

080-0011	Annual retail store survey, financial estimates by store type and trade group based on the North American Industry Classification System (NAICS), annual
080-0012	Annual retail non-store survey, financial estimates by trade group based on the North American Industry Classification System (NAICS), annual
080-0013	Annual retail non-store survey, commodity sales for all industries, annual
080-0023	Annual retail store survey, financial estimates by North American Industry Classification System (NAICS) and store type, annual
080-0025	Annual retail store survey, method of sale by North American Industry Classification System (NAICS) and store type
080-0026	Retail trade, total sales and e-commerce sales, by North American Industry Classification System (NAICS) annual

Selected surveys from Statistics Canada

2447	Annual Retail Trade Survey
2448	Retail Non-Store Survey

Selected summary tables from Statistics Canada

- *Retail trade, operating statistics, by province and territory*
- *Retail non-store industries, operating statistics, by province and territory*
- *Retail non-store industries, commodity sales, by industries*

Statistical tables

Table 1
Summary Statistics for Retail Trade, 2012

	Total operating revenue	Total operating revenue	Cost of goods sold	Total labour remuneration	Total operating expenses [1]
	percentage share	thousands of dollars			
NAICS - Canada					
Motor vehicle and parts dealers *[441]*	**22.5**	**109,094,842**	**90,166,707**	**8,888,334**	**16,335,300**
New car dealers *[44111]*	17.7	86,208,219	73,198,199	6,138,234	11,219,801
Used car dealers *[44112]*	1.4	6,943,916	5,810,228	430,644	983,459
Other motor vehicle dealers *[4412]*	1.7	8,181,558	6,229,929	935,408	1,727,895
Automotive parts, accessories and tire stores *[4413]*	1.6	7,761,149	4,928,351	1,384,048	2,404,144
Furniture and home furnishings stores *[442]*	**3.2**	**15,587,914**	**8,943,162**	**2,680,826**	**6,024,753**
Furniture stores *[4421]*	2.0	9,589,287	5,741,509	1,570,197	3,547,036
Home furnishings stores *[4422]*	1.2	5,998,627	3,201,653	1,110,629	2,477,717
Electronics and appliance stores *[443]*	**3.3**	**15,874,013**	**10,755,183**	**2,121,322**	**4,274,057**
Building material and garden equipment and supplies dealers *[444]*	**6.0**	**29,062,857**	**19,362,350**	**4,705,981**	**8,555,210**
Food and beverage stores *[445]*	**22.5**	**109,075,969**	**78,339,012**	**11,907,165**	**23,194,670**
Supermarkets and other grocery (except convenience) stores *[44511]*	15.7	76,117,190	57,849,898	8,705,024	17,084,279
Convenience stores *[44512]*	1.6	7,939,022	6,233,787	587,700	1,397,193
Specialty food stores *[4452]*	1.3	6,132,568	3,848,643	1,085,362	2,062,172
Beer, wine and liquor stores *[4453]*	3.9	18,887,189	10,406,684	1,529,078	2,651,026
Health and personal care stores *[446]*	**7.6**	**37,068,254**	**24,722,748**	**5,568,147**	**10,950,365**
Gasoline stations *[447]*	**12.4**	**60,237,754**	**51,020,920**	**1,849,429**	**5,175,571**
Clothing and clothing accessories stores *[448]*	**5.7**	**27,610,682**	**13,468,384**	**5,132,551**	**12,100,962**
Clothing stores *[4481]*	4.3	21,026,414	10,144,637	3,965,543	9,305,317
Shoe stores *[4482]*	0.6	3,127,192	1,559,622	570,670	1,386,897
Jewellery, luggage and leather goods stores *[4483]*	0.7	3,457,076	1,764,126	596,339	1,408,747
Sporting goods, hobby, book and music stores *[451]*	**2.3**	**11,231,237**	**6,887,692**	**1,722,586**	**3,896,600**
General merchandise stores *[452]*	**12.1**	**58,657,513**	**43,102,271**	**6,275,660**	**12,509,913**
Department stores *[4521]*	5.6	27,039,945	18,547,732	3,267,718	6,764,731
Other general merchandise stores *[4529]*	6.5	31,617,569	24,554,538	3,007,942	5,745,182
Miscellaneous store retailers *[453]*	**2.5**	**12,269,576**	**6,917,256**	**2,196,206**	**4,675,272**
Retail trade *[44-45]*	**100.0**	**485,770,610**	**353,685,684**	**53,048,208**	**107,692,671**
Regions					
Newfoundland and Labrador	1.8	8,736,336	6,481,292	938,503	1,782,352
Prince Edward Island	0.4	1,985,189	1,465,800	222,716	421,515
Nova Scotia	2.7	13,081,792	9,601,748	1,446,713	2,819,973
New Brunswick	2.2	10,912,883	8,218,430	1,134,233	2,195,277
Quebec	22.4	108,714,606	79,791,545	12,355,025	23,970,342
Ontario	35.3	171,381,521	124,604,123	17,867,631	38,122,734
Manitoba	3.6	17,357,474	12,769,881	1,850,320	3,624,204
Saskatchewan	3.7	18,101,500	13,400,335	1,892,642	3,644,993
Alberta	14.7	71,431,539	52,494,375	7,792,169	15,707,580
British Columbia	12.8	62,174,783	43,529,214	7,314,211	14,956,750
Yukon	0.1	703,939	508,797	78,292	153,232
Northwest Territories	0.2	793,314	549,072	101,102	189,553
Nunavut	0.1	395,736	271,072	54,651	104,167

1. Operating Expenses excluding cost of goods sold

Note(s): Figures may not add up to total due to rounding.

Table 2-1
Gross Margin and Operating Profit for Retail Trade — Gross margin

	Gross margin					
	2010		2011		2012	
	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue
NAICS - Canada						
Motor vehicle and parts dealers*[441]*	**16,938,132**	**17.1**	**17,932,119**	**17.1**	**18,928,135**	**17.4**
New car dealers*[44111]*	11,748,434	14.9	12,448,030	15.0	13,010,020	15.1
Used car dealers*[44112]*	1,038,023	15.9	1,095,602	16.0	1,133,688	16.3
Other motor vehicle dealers*[4412]*	1,753,682	23.6	1,758,056	23.5	1,951,629	23.9
Automotive parts, accessories and tire stores*[4413]*	2,397,993	35.9	2,630,432	35.7	2,832,798	36.5
Furniture and home furnishings stores*[442]*	**6,570,625**	**42.2**	**6,595,290**	**42.5**	**6,644,752**	**42.6**
Furniture stores*[4421]*	3,915,690	40.5	3,856,472	40.2	3,847,778	40.1
Home furnishings stores*[4422]*	2,654,935	45.1	2,738,817	46.4	2,796,974	46.6
Electronics and appliance stores*[443]*	**4,725,134**	**29.8**	**5,286,219**	**32.0**	**5,118,830**	**32.2**
Building material and garden equipment and supplies dealers*[444]*	**9,539,619**	**33.5**	**9,507,389**	**33.6**	**9,700,507**	**33.4**
Food and beverage stores*[445]*	**29,752,102**	**28.0**	**30,058,929**	**28.1**	**30,736,957**	**28.2**
Supermarkets and other grocery (except convenience) stores*[44511]*	18,186,295	24.1	17,963,655	23.9	18,267,292	24.0
Convenience stores*[44512]*	1,604,060	21.0	1,638,832	21.7	1,705,235	21.5
Specialty food stores*[4452]*	2,052,359	36.0	2,142,126	36.6	2,283,925	37.2
Beer, wine and liquor stores*[4453]*	7,909,388	45.1	8,314,318	45.2	8,480,505	44.9
Health and personal care stores*[446]*	**10,919,874**	**31.7**	**11,621,271**	**32.5**	**12,345,506**	**33.3**
Gasoline stations*[447]*	**7,437,803**	**15.0**	**7,769,684**	**13.4**	**9,216,834**	**15.3**
Clothing and clothing accessories stores*[448]*	**13,252,196**	**51.6**	**13,604,207**	**51.1**	**14,142,298**	**51.2**
Clothing stores*[4481]*	10,202,289	52.1	10,431,132	51.5	10,881,777	51.8
Shoe stores*[4482]*	1,525,190	50.5	1,548,555	50.3	1,567,570	50.1
Jewellery, luggage and leather goods stores*[4483]*	1,524,717	49.1	1,624,520	49.8	1,692,950	49.0
Sporting goods, hobby, book and music stores*[451]*	**4,348,943**	**38.5**	**4,298,402**	**38.2**	**4,343,545**	**38.7**
General merchandise stores*[452]*	**14,762,607**	**27.0**	**15,609,908**	**27.5**	**15,555,242**	**26.5**
Department stores*[4521]*	x	x	8,729,324	32.3	8,492,213	31.4
Other general merchandise stores*[4529]*	x	x	6,880,585	23.1	7,063,031	22.3
Miscellaneous store retailers*[453]*	**5,249,901**	**44.0**	**5,284,574**	**44.2**	**5,352,320**	**43.6**
Retail trade*[44-45]*	**123,496,934**	**27.3**	**127,567,991**	**27.0**	**132,084,926**	**27.2**
Regions						
Newfoundland and Labrador	2,025,099	25.6	2,120,246	25.4	2,255,044	25.8
Prince Edward Island	500,152	27.1	498,376	26.3	519,389	26.2
Nova Scotia	3,469,963	27.2	3,449,916	26.2	3,480,044	26.6
New Brunswick	2,696,905	25.2	2,697,898	24.2	2,694,453	24.7
Quebec	27,001,050	26.5	27,913,775	26.4	28,923,061	26.6
Ontario	44,417,243	27.4	45,423,500	26.9	46,777,398	27.3
Manitoba	4,269,142	26.6	4,474,159	26.4	4,587,593	26.4
Saskatchewan	4,090,254	25.6	4,373,454	25.9	4,701,165	26.0
Alberta	16,605,608	26.6	17,705,297	26.5	18,937,164	26.5
British Columbia	17,887,209	30.0	18,351,907	30.2	18,645,569	30.0
Yukon	182,800	28.8	192,145	27.8	195,142	27.7
Northwest Territories	225,393	31.0	233,084	30.7	244,242	30.8
Nunavut	126,115	35.4	134,235	35.3	124,664	31.5

Note(s): Figures may not add up to total due to rounding.

Table 2-2
Gross Margin and Operating Profit for Retail Trade — Operating profit

	Operating profit					
	2010		2011		2012	
	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue
NAICS - Canada						
Motor vehicle and parts dealers *[441]*	**1,970,033**	**2.0**	**2,377,632**	**2.3**	**2,592,835**	**2.4**
New car dealers *[44111]*	1,350,694	1.7	1,636,084	2.0	1,790,219	2.1
Used car dealers *[44112]*	132,385	2.0	143,300	2.1	150,229	2.2
Other motor vehicle dealers *[4412]*	230,798	3.1	230,668	3.1	223,734	2.7
Automotive parts, accessories and tire stores *[4413]*	256,156	3.8	367,580	5.0	428,654	5.5
Furniture and home furnishings stores *[442]*	**867,415**	**5.6**	**670,812**	**4.3**	**619,999**	**4.0**
Furniture stores *[4421]*	522,629	5.4	359,725	3.7	300,742	3.1
Home furnishings stores *[4422]*	344,786	5.9	311,086	5.3	319,257	5.3
Electronics and appliance stores *[443]*	**645,612**	**4.1**	**1,126,243**	**6.8**	**844,773**	**5.3**
Building material and garden equipment and supplies dealers *[444]*	**1,575,722**	**5.5**	**1,319,838**	**4.7**	**1,145,297**	**3.9**
Food and beverage stores *[445]*	**7,585,403**	**7.1**	**7,773,062**	**7.3**	**7,542,287**	**6.9**
Supermarkets and other grocery (except convenience) stores *[44511]*	1,615,768	2.1	1,442,037	1.9	1,183,013	1.6
Convenience stores *[44512]*	272,834	3.6	343,421	4.6	308,042	3.9
Specialty food stores *[4452]*	218,161	3.8	208,529	3.6	221,753	3.6
Beer, wine and liquor stores *[4453]*	5,478,639	31.2	5,779,077	31.4	5,829,479	30.9
Health and personal care stores *[446]*	**1,223,681**	**3.6**	**1,270,715**	**3.6**	**1,395,141**	**3.8**
Gasoline stations *[447]*	**2,603,336**	**5.3**	**2,904,262**	**5.0**	**4,041,263**	**6.7**
Clothing and clothing accessories stores *[448]*	**2,191,506**	**8.5**	**2,017,590**	**7.6**	**2,041,336**	**7.4**
Clothing stores *[4481]*	1,717,320	8.8	1,546,416	7.6	1,576,460	7.5
Shoe stores *[4482]*	218,886	7.2	166,514	5.4	180,673	5.8
Jewellery, luggage and leather goods stores *[4483]*	255,300	8.2	304,660	9.3	284,203	8.2
Sporting goods, hobby, book and music stores *[451]*	**453,819**	**4.0**	**420,011**	**3.7**	**446,945**	**4.0**
General merchandise stores *[452]*	**2,923,661**	**5.3**	**3,200,854**	**5.6**	**3,045,329**	**5.2**
Department stores *[4521]*	x	x	1,943,519	7.2	1,727,482	6.4
Other general merchandise stores *[4529]*	x	x	1,257,336	4.2	1,317,849	4.2
Miscellaneous store retailers *[453]*	**726,328**	**6.1**	**736,112**	**6.2**	**677,048**	**5.5**
Retail trade *[44-45]*	**22,766,513**	**5.0**	**23,817,128**	**5.0**	**24,392,255**	**5.0**
Regions						
Newfoundland and Labrador	416,208	5.3	458,023	5.5	472,692	5.4
Prince Edward Island	113,698	6.2	112,869	6.0	97,874	4.9
Nova Scotia	755,435	5.9	703,764	5.3	660,071	5.0
New Brunswick	566,985	5.3	572,849	5.1	499,176	4.6
Quebec	4,752,676	4.7	4,789,288	4.5	4,952,719	4.6
Ontario	8,034,480	5.0	8,304,039	4.9	8,654,664	5.0
Manitoba	876,615	5.5	884,608	5.2	963,389	5.6
Saskatchewan	869,040	5.4	970,982	5.7	1,056,172	5.8
Alberta	2,627,202	4.2	2,969,577	4.4	3,229,584	4.5
British Columbia	3,640,007	6.1	3,925,999	6.5	3,688,819	5.9
Yukon	34,805	5.5	40,278	5.8	41,910	6.0
Northwest Territories	49,570	6.8	52,480	6.9	54,689	6.9
Nunavut	29,791	8.4	32,374	8.5	20,497	5.2

Note(s): Figures may not add up to total due to rounding.

Table 3
Summary Statistics for Non-Store Retail Trade, 2012

	Total operating revenue		Cost of goods sold	Total labour remuneration	Total operating expenses [1]
	percentage share	thousands of dollars			
Activity - Canada					
Electronic shopping and mail-order houses	28.5	4,814,150	2,967,391	530,889	1,731,205
Vending machine operators	3.7	616,127	292,271	134,598	278,070
Fuel dealers	58.5	9,867,672	8,603,581	514,224	1,127,064
Other direct selling establishments	9.3	1,577,694	800,896	284,163	675,483
Total, all activities	**100.0**	**16,875,643**	**12,664,139**	**1,463,874**	**3,811,822**
Regions					
Newfoundland and Labrador	2.5	415,204	354,562	23,524	51,759
Prince Edward Island	1.5	247,455	208,354	12,595	29,666
Nova Scotia	4.6	783,717	656,379	45,925	114,784
New Brunswick	3.2	546,894	462,437	31,321	77,371
Quebec	16.1	2,724,954	2,073,986	214,142	579,528
Ontario	43.5	7,339,329	5,256,580	687,684	1,940,401
Manitoba	3.9	652,214	488,439	69,703	142,084
Saskatchewan	4.9	833,485	699,668	53,893	118,557
Alberta	9.6	1,625,379	1,253,302	167,713	328,337
British Columbia	9.1	1,531,307	x	147,451	397,756
Yukon	x	x	x	x	x
Northwest Territories	0.6	92,848	x	x	x
Nunavut	x	x	x	x	4,822

1. Operating Expenses excluding cost of goods sold
Note(s): Figures may not add up to total due to rounding.

Table 4-1
Gross Margin and Operating Profit Non-Store Retail Trade — Gross margin

	Gross margin					
	2010		2011		2012	
	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue
Activity - Canada						
Electronic shopping and mail-order houses	1,480,413	39.2	1,663,937	37.7	1,846,759	38.4
Vending machine operators	317,875	53.5	322,501	52.4	323,856	52.6
Fuel dealers	1,269,864	16.5	1,340,220	14.3	1,264,091	12.8
Other direct selling establishments	711,765	51.5	780,643	50.4	776,798	49.2
Total, all activities	**3,779,915**	**28.1**	**4,107,299**	**25.7**	**4,211,504**	**25.0**
Regions						
Newfoundland and Labrador	x	x	61,048	14.8	60,642	14.6
Prince Edward Island	x	x	35,651	15.9	39,101	15.8
Nova Scotia	143,885	20.7	135,917	17.5	127,338	16.2
New Brunswick	89,272	20.9	82,987	16.3	84,457	15.4
Quebec	596,308	26.5	642,917	24.1	650,968	23.9
Ontario	1,846,433	31.5	1,999,772	29.1	2,082,749	28.4
Manitoba	173,002	27.8	198,415	28.3	163,775	25.1
Saskatchewan	120,458	18.6	130,290	16.5	133,817	16.1
Alberta	307,822	26.7	359,777	24.0	372,077	22.9
British Columbia	371,098	32.2	421,295	31.1	x	x
Yukon	x	x	x	x	x	x
Northwest Territories	x	x	x	x	x	x
Nunavut	x	x	x	x	x	x

Note(s): Figures may not add up to total due to rounding.

Table 4-2
Gross Margin and Operating Profit Non-Store Retail Trade — Operating profit

	Operating profit					
	2010		2011		2012	
	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue	thousands of dollars	percentage of revenue
Activity - Canada						
Electronic shopping and mail-order houses	66,464	1.8	62,386	1.4	115,554	2.4
Vending machine operators	36,184	6.1	37,110	6.0	45,786	7.4
Fuel dealers	223,732	2.9	213,459	2.3	137,027	1.4
Other direct selling establishments	96,234	7.0	102,264	6.6	101,315	6.4
Total, all activities	**422,612**	**3.1**	**415,217**	**2.6**	**399,682**	**2.4**
Regions						
Newfoundland and Labrador	x	x	9,839	2.4	8,883	2.1
Prince Edward Island	x	x	3,985	1.8	9,435	3.8
Nova Scotia	27,134	3.9	17,777	2.3	12,554	1.6
New Brunswick	14,831	3.5	5,493	1.1	7,086	1.3
Quebec	61,182	2.7	63,858	2.4	71,440	2.6
Ontario	133,551	2.3	147,197	2.1	142,348	1.9
Manitoba	23,145	3.7	27,599	3.9	21,691	3.3
Saskatchewan	15,038	2.3	18,208	2.3	15,260	1.8
Alberta	77,726	6.7	59,026	3.9	43,740	2.7
British Columbia	47,638	4.1	56,255	4.2	x	x
Yukon	x	x	x	x	x	x
Northwest Territories	x	x	x	x	x	x
Nunavut	x	x	x	x	x	x

Note(s): Figures may not add up to total due to rounding.

Data sources, definitions and methodology

Description

The Annual Retail Trade Survey and the Annual Retail Non-store Survey measure, on an annual basis, the operating and financial characteristics of Canadian retailers.

Data from these surveys provide information on revenue, expenses and inventory. The data are used by all levels of government, government agencies, the retail industry and individuals in assessing trends within the industry, measuring performance, benchmarking and to study the evolving structure of the retail industry. The information is also a critical input into the measure of gross margins in the Canadian System of National Accounts (CSNA).

The Annual Retail Trade Survey estimates does not include companies that are classified as direct sellers, e.g., direct door-to-door selling; sales made through automatic vending machines; sales of newspapers or magazines sold directly by printers or publishers; and sales made by book and record clubs. These retail activities are collected and estimated as part of the Annual Non-store Retail Survey.

Except for the following conditions, internet retailing activities are included in the Annual Retail Trade Survey**:**

– where the store retailer financially accounts and reports for their store versus internet sales as two separate activities, store sales become part of the Annual retail Trade Survey estimates and internet sales become part of the Annual Non-store Retail Survey estimates

– internet retail sales, when performed as an exclusive activity, are always included as part of the Annual Non-store Retail Survey

– internet purchases from a non-Canadian retail site are always excluded from the estimates.

Target Population

The target population for the Annual Retail Trade Survey consists of all retail establishments operating in Canada for at least one day between January and December of a calendar year. Direct sellers and operators of vending machines are excluded from the target population of this survey.

The survey population is comprised of all statistical establishments coded to NAICS 441 through 453 on Statistics Canada's Business Register, as well as those small unincorporated businesses not on the Business Register, which are classified to the retail industry.

The target population for the Annual Retail Non-store Survey consists of all non-store retail establishments operating in Canada for at least one day between January and December.

The survey population is comprised of all statistical establishments coded to North America Industry Classification System (NAICS) 454 (Non-Store Retail Trade Sector) on Statistics Canada's Business Register. Direct sellers and operators of vending machines are included in the target population of this survey.

Definitions

A "**retail store chain**" is defined as an organization operating four or more outlets in the same industry class under the same legal ownership at any time during the survey year.

A **non-chain store** consists of "Franchise" and "Independent" stores with less than four locations in the same industry class under the same legal ownership at any time during the survey year.

A **franchise** is defined as a person, group of persons, partnership or incorporated company granted a contractual privelege permitting the sale of a product, use of a trade name or provision of a service within a specific territory and/or in a specified manner.

An **independent store** is a non-franchise operation with less than 4 locations.

Sales of goods purchased for resale refers to the total sales of merchandise purchased for resale, less returns, adjustments and discounts. Trade in allowances are not deducted. Sales values of trade-ins and parts used in repair are included. Goods and Services Tax (GST), Harmonized Sales Tax (HST) and any other sales taxes collected for remittance to a government are excluded.

Commission revenue from merchandise sales is the total gross commission revenue earned from selling merchandise on account of others. It includes commission revenue from concessions.

Commission revenue from services is the total gross commission revenue earned from selling services on behalf of others (e.g. lottery and bus tickets, phone cards).

Sales of goods manufactured are sales of goods produced by the business unit.

Repair and maintenance revenue is labour receipts from installation, repair and maintenance. It excludes parts used. Parts used are included in sales of goods purchased for resale.

Revenue from rental and leasing of goods is revenue from the rental or leasing of goods and equipment such as video, computer or tool rental.

Revenue from the rental of real estate is revenue received from renting out or leasing property owned by this business unit.

Other operating revenue include operating subsidies, and other types of revenue not elsewhere reported on the questionnaire. It excludes interest income and dividends, which are included in non-operating revenue.

Total operating revenue is the sum of sales of goods purchased for resale, commission revenue, sales of goods produced, repair and maintenance revenue, revenue from rental and leasing and other operating revenue.

Inventories is the value of goods held for resale in establishments and warehouses within or outside Canada and is owned by the business unit. It includes inventory in transit or out on consignment to others. Excluded are goods held on consignment for others. Inventory data are reported at book value (i.e. the value maintained in the accounting records). The inventories would include any goods on hand resulting from any secondary manufacturing activity by the business unit.

Purchases is the value of total net purchases of goods (gross value less returns, adjustments and discounts) at delivered price (including freight-in, insurance, import duties and other related specific costs). This includes new and used goods purchased for resale, as well as direct labour costs and other direct costs for those business units carrying on secondary activity of a manufacturing nature.

Cost of goods sold respresents the cost value of goods sold and recognized in revenue, during the reporting period. It is determined by calculating: Opening inventory + Purchases – Closing inventory.

Gross margin is the difference between total operating revenue and cost of goods sold.

Wages and salaries of employees refers to the total wages and salaries earned by all employees for the year (including head office and warehouse personnel), before deductions for income tax, unemployment insurance, employee social security contributions, etc. It excludes all payments and expenses associated with outside contract workers and employment agencies or personnel suppliers.

Employer portion of employee benefits represents the employer expense portion of employee life and health/dental care plans, CPP/QPP contributions, employer pension contributions, workers' compensation, employment insurance premiums, retiring allowances/lump sum payments at termination or retirement. It excludes contributions to provincial health and education payroll taxes, which are reported under "all other operating expenses".

Total labour remuneration is the sum of salaries and wages of employees plus the employer portion of employee benefits.

Rental and leasing expenses includes rental of office space or other real estate, motor vehicles (without driver), other machinery and equipment (without operator) and computers and peripherals (without operator).

Advertising and promotion includes the service of advertising (planning, creating and placement) and the purchase of advertising space or time.

Amortization and depreciation expenses includes capital assets, intangible assets and capital lease obligations.

Total operating expenses includes all expenses such as labour, rental and leasing, advertising, amortization and depreciation, management fees, etc. This excludes interest expenses.

Operating profit is obtained by subtracting total operating expenses and the cost of goods sold from total operating revenues.

Sampling

· Annual Retail Trade Survey

This is a sample survey with a cross-sectional design.

In order to reduce the respondent response burden and still produce reliable figures, exclusion thresholds based on industrial, provincial, and size dimensions were implemented. Administrative (tax) data were used to estimate for small businesses below the threshold and data for the retailing establishments above the prescribed threshold were collected mainly through questionnaires, but also through direct replacement with tax data for several businesses.

Before sample selection, the survey population is delineated into cells representing the provincial, industrial groups (mainly, but not only four digit level NAICS), and size dimensions required. The establishments in the survey population are first stratified according to their province/territory and industrial group based on the NAICS industrial classification. The trade groups are mutually exclusive classifications, each representing similar businesses.

Within each province/territory, by industrial group combination, four size strata are created to group businesses of a similar size. The boundaries are determined using total estimated revenues for the businesses. The resulting groups are one take-all stratum of the largest businesses (which are all included in the sample), two take-some strata (from which representative samples are selected) and one take-none stratum (containing small businesses which are not eligible to be sampled). Optimal stratum boundaries or thresholds are determined to minimise the total sample size. It should be noted that the chains of stores (defined as an organization operating four or more outlets in the same industry class under the same legal ownership at any time during the survey year) are all included in the take-all stratum, thus, all included in the sample.

Following the sample selection process, data for the take-all and take-some strata are collected through questionnaires. However, for 55% of the selected 'simple' businesses, that is, those that operate in a single province and conduct all their activities in the same industry, under the same legal entity, tax data is substituted for survey collection. For those units belonging to the take-none stratum, a census of administrative (tax) records is used to collect selected financial information.

All sampled units are assigned a sampling weight. An initial weight equal to the inverse of the original probability of selection is assigned to each entity. The sampling weight is a raising factor attached to each sampled unit to obtain estimates for the population. For example, if two units are selected at random and with equal probability out of a population of 10 units, then each selected unit represents five units in the population, and it is given a sampling weight of five. These weights are subsequently adjusted, at the time of producing survey results, to reflect as closely as possible the characteristics of the population in this industry.

· Annual Retail Non-store Survey

This survey is a census with a cross-sectional design.

Data are collected for all units of the population therefore no sampling is done.

Data Sources

Responding to this survey is mandatory. Data are collected directly from survey respondents and extracted from administrative files.

A large portion of survey data are collected directly from survey respondents. However, in order to reduce response burden, as tax replacement program (TRP) has been implemented since 2002 where survey data are extracted directly from administrative data files as opposed to be directly collected from respondents.

Data accuracy

While considerable effort is made to ensure high standards throughout all stages of collection and processing, the resulting estimates are inevitably subject to a certain degree of non-sampling error. Non-sampling error is not related to sampling and may occur for many reasons. For example, non-response is an important source of non-sampling error. Population coverage, differences in the interpretation of questions, incorrect information from respondents, and mistakes in recording, coding and processing data are other examples of non-sampling errors.

Measures such as response rate (total number of completed questionnaires as a percentage of the total active, in-scope survey sample) and response fraction (the proportion of the estimate based upon reported data) can be used as indicators of the possible extent of non-sampling errors.

Sampling error can be measured by the standard error (or standard deviation) of the estimate. The coefficient of variation (CV) is the estimated standard error percentage of the survey estimate. Estimates with smaller CVs are more reliable than estimates with larger CVs.