



**THE CANADIAN CONVENIENCE STORE**

**INDUSTRY REPORT**

**2014**

**FACTS AND FIGURES**

## OUR PARTNERS

The Canadian Convenience Stores Association (CCSA) would like to thank our National Associate Members for their support of this year's State of the Industry report.



# DEFINING A CONVENIENCE STORE

Since 2009, the CCSA has prepared an annual State of the Industry report outlining the size and scope of the convenience store industry in Canada and the competitive and regulatory issues that have impacted the industry over the years. From each of these reports, one fact is clear: the industry is changing and adapting to an ever-evolving retail and regulatory environment.

In our reports over the past three years, we have identified the threat of channel blur to the industry – a process by which consumers are moving their purchases of products traditionally associated with convenience stores to alternate channels (like mass merchandisers, club stores, dollar stores, supermarkets or pharmacies). This process has been accelerated as these other channels have adapted their offerings, operations and store environments to better attract the “convenience shopper.” Expanded hours of operation, expanded product offerings and the development of more convenient locations have all contributed to this process. What this has also done is blurred the definition of what a convenience store actually is – as many of these retail outlets now look more like a convenience store than any other type of retail channel.

The CCSA has traditionally defined a convenience store as a retail business that provides the public with a convenient location to quickly purchase a wide variety of consumable products and services, generally consisting of food and gasoline. This general definition creates challenges as retailers from other channels might now fall within CCSA's definition of a convenience store.

In this year's industry report, we have extensively reviewed our data on the convenience store industry and have determined that an update on the definition

of what constitutes a convenience store was necessary. While not fixed, for the purposes of our industry analysis we have broadened our definition to include the following general characteristics:

1. Building size of less than 5,000 square feet (460 square metres).
2. Off-street parking and/or convenient pedestrian access.
3. Extended hours of operation, with many open 24 hours, seven days per week and not subject to holiday restrictions.
4. Offer at least 500 stock keeping units (SKU's)
5. Product mix includes a significant selection of beverages, snacks, candy, tobacco, grocery items, gasoline and lottery.

This broader characterization of our industry now captures far more sites than previously listed – by approximately 10 per cent. Given the changes occurring in the retail environment in Canada, we believe this adjustment was absolutely necessary in order to provide an accurate depiction of the convenience store industry.



**Alex Scholten**  
President  
The Canadian Convenience  
Stores Association

## INSIDE THE 2014 SOI REPORT

This year, we bring together data from top research organizations, including Statistics Canada, Abacus Data and AC Nielsen to provide economic and social insights into the vibrant and vital convenience store sector in Canada. As always, we encourage you to share this information with your employees and industry peers – retailers, distributors and vendors alike – to cultivate our growth and continue to build a unified channel where together we can overcome challenges, embrace opportunities and foster innovation.

# CONVENIENCE STORE COUNT

## NATIONAL AND PROVINCIAL

The convenience store industry in Canada is comprised of independent and chain sites with and without gas. In 2013, the total number of sites operating in Canada was 25,449.



INDEPENDENT



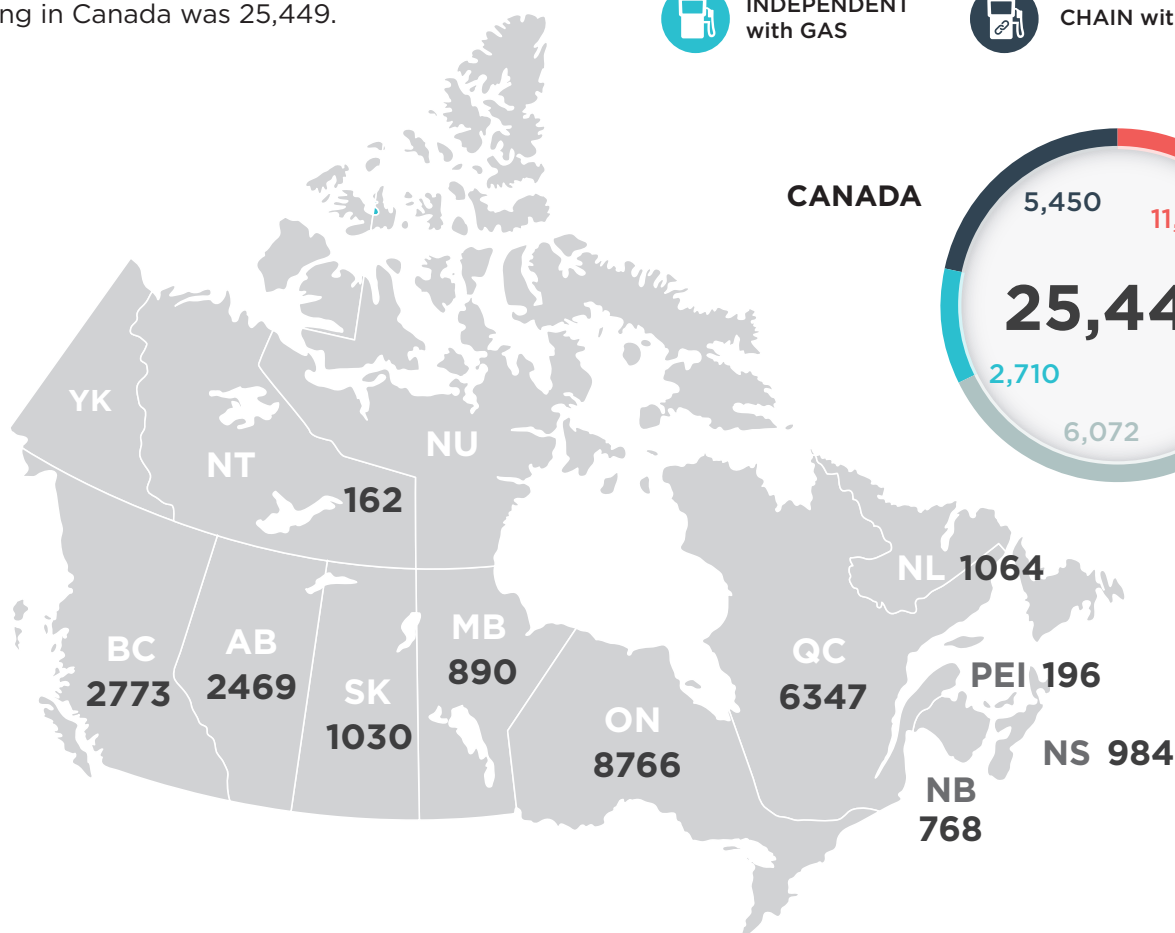
CHAIN



INDEPENDENT  
with GAS



CHAIN with GAS



### YK, NT, NU

	98
	36
	13
	15

### BC

	1276
	414
	289
	794

### AB

	769
	488
	422
	790

### SK

	442
	125
	241
	222

### MB

	389
	112
	183
	206

### ON

	3891
	2439
	754
	1682

### QC

	2892
	1971
	383
	1101

### NL

	603
	137
	154
	170

### NB

	319
	120
	113
	216

### PEI

	84
	19
	54
	39

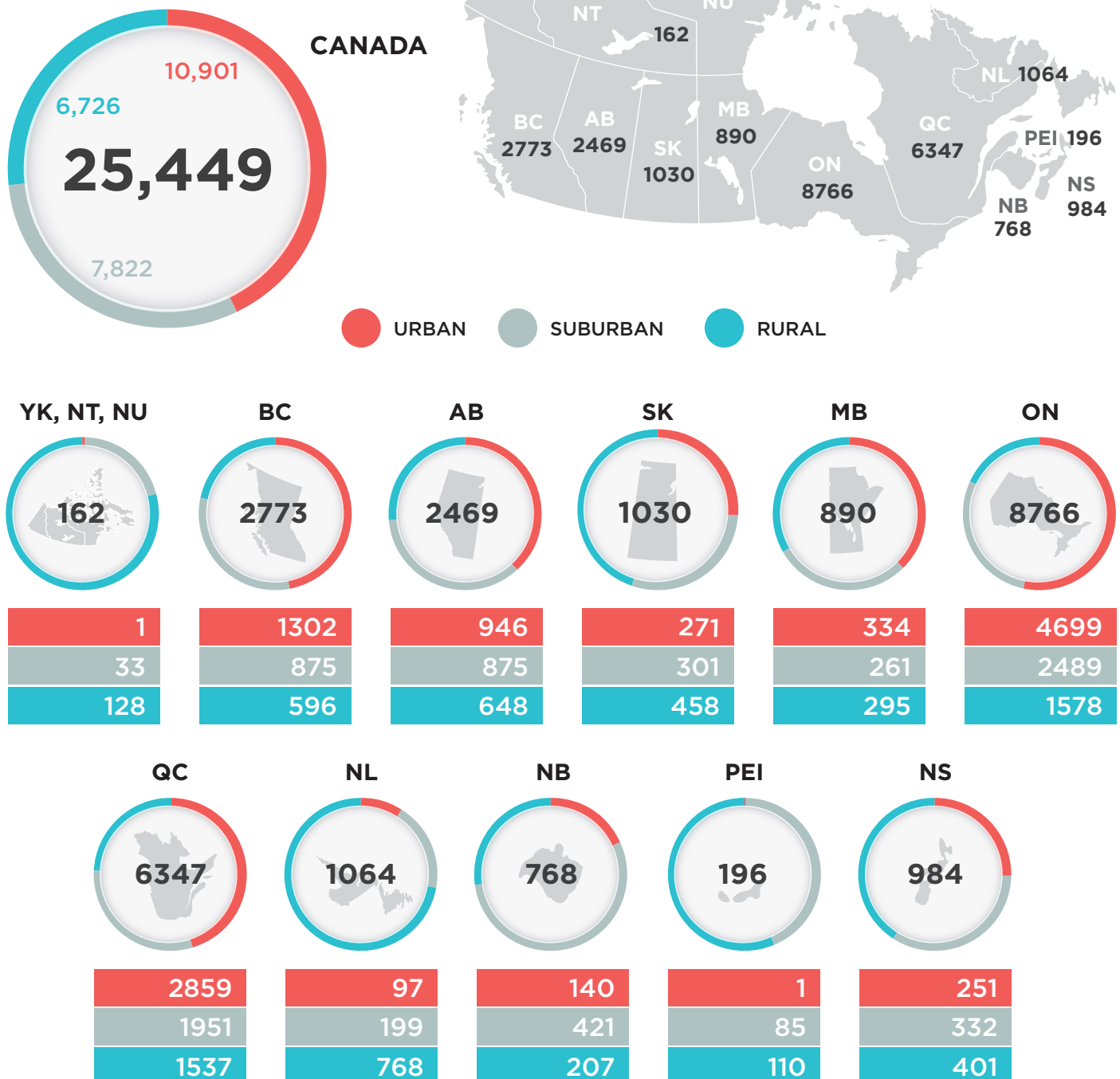
### NS

	454
	211
	104
	215

Source: Abacus Data

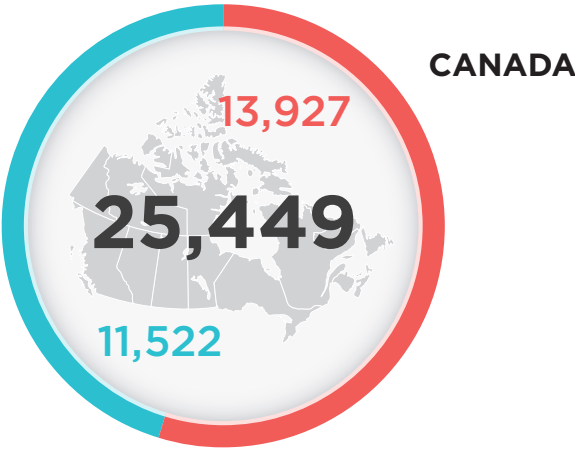
# CONVENIENCE STORE LOCATIONS IN CANADA

Convenience stores are an integral part of the communities they serve in urban, suburban and rural settings. In fact, the 26 per cent of the industry that operates in rural communities are often the sole providers of essential goods and services like milk, bread, gasoline, ATMs and postal services.



Source: Abacus Data

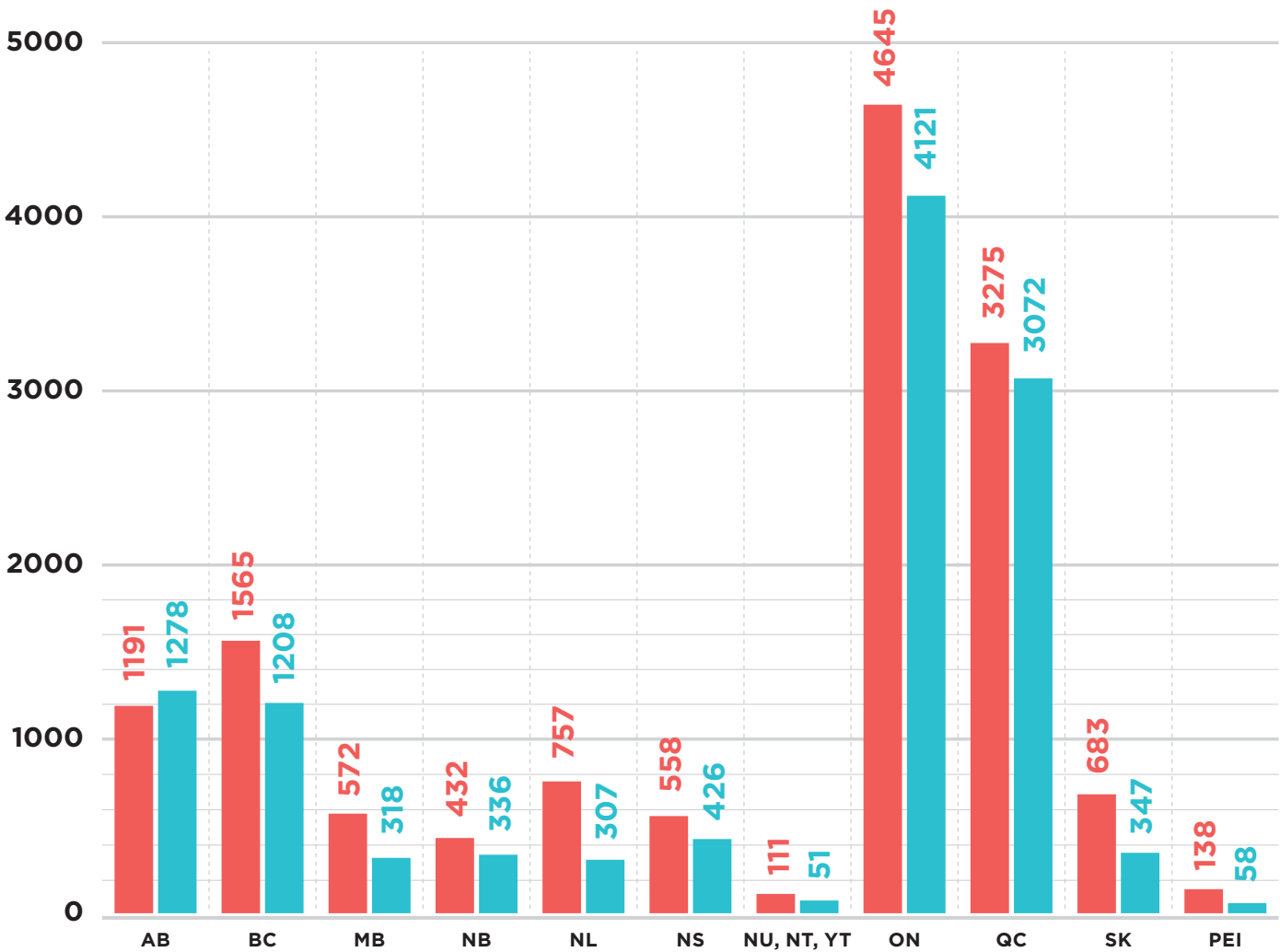
# INDEPENDENT AND CHAIN CONTROLLED SITE NUMBERS NATIONAL AND PROVINCIAL



INDEPENDENT



CHAIN



Source: Abacus Data

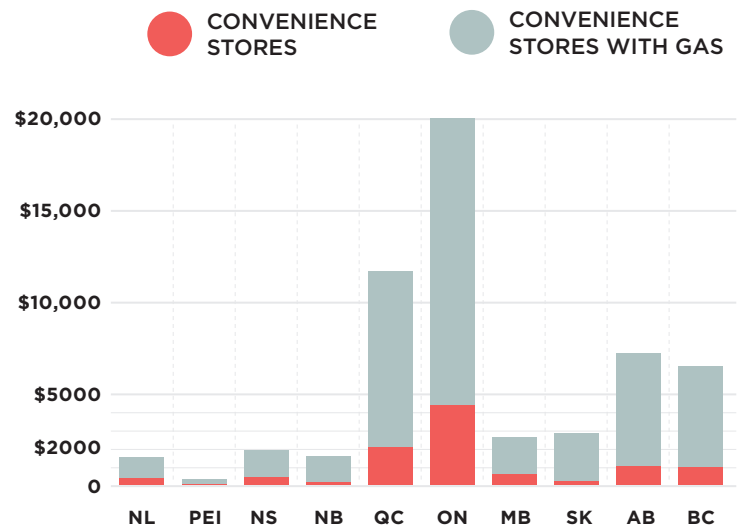
# CONVENIENCE STORE SALES

## BY PROVINCE AND REGION

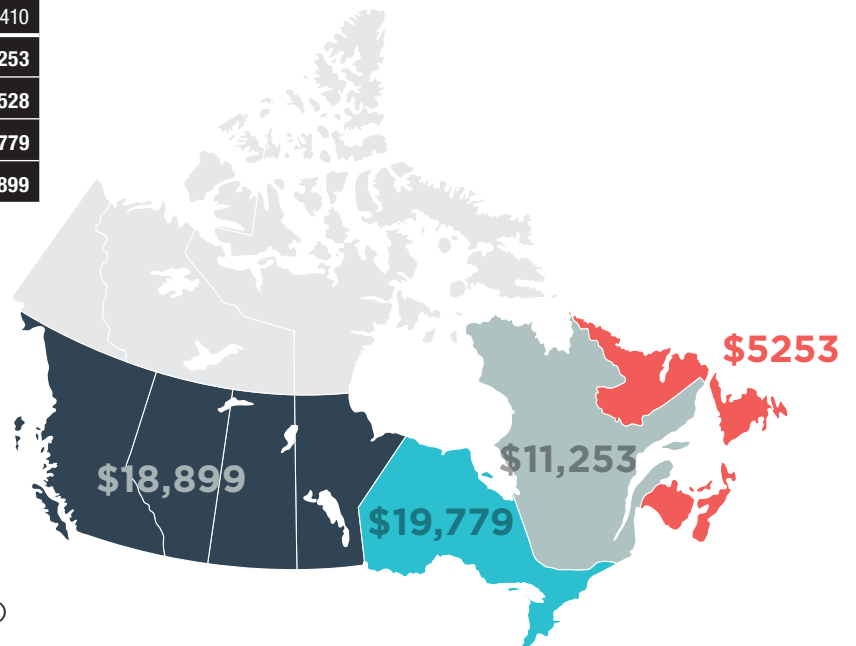
Sales in the convenience store industry in Canada reached \$55.6 billion in 2013. The following data provide national, provincial and regional sales figures.

	Convenience Stores Sales	Convenience Stores with Gas Sales	Combined
<b>CANADA</b>	<b>\$9,871</b>	<b>\$45,589</b>	<b>\$55,460</b>
Newfoundland	\$343	\$1,152	\$1,495
PEI	\$1	\$298	\$299
Nova Scotia	\$401	\$1,491	\$1,892
New Brunswick	\$118	\$1,449	\$1,567
Quebec	\$2,032	\$9,495	\$11,528
Ontario	\$4,260	\$15,519	\$19,779
Manitoba	\$548	\$2,044	\$2,592
Saskatchewan	\$194	\$2,627	\$2,821
Alberta	\$1,011	\$6,066	\$7,077
British Columbia	\$963	\$5,447	\$6,410
<b>ATLANTIC</b>	<b>\$863</b>	<b>\$4,391</b>	<b>\$5,253</b>
<b>QUEBEC</b>	<b>\$2,032</b>	<b>\$9,495</b>	<b>\$11,528</b>
<b>ONTARIO</b>	<b>\$4,260</b>	<b>\$15,519</b>	<b>\$19,779</b>
<b>WESTERN</b>	<b>\$2,716</b>	<b>\$16,184</b>	<b>\$18,899</b>

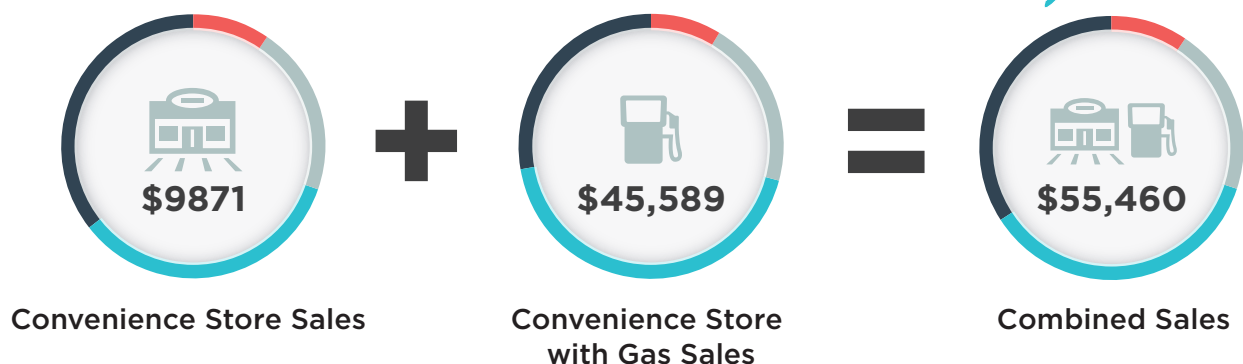
2013 Sales by Province (in millions of dollars)



2013 Combined Sales by Region (in millions of dollars)



2013 National Sales (in millions of dollars)



Sources: Statistics Canada and Abacus Data

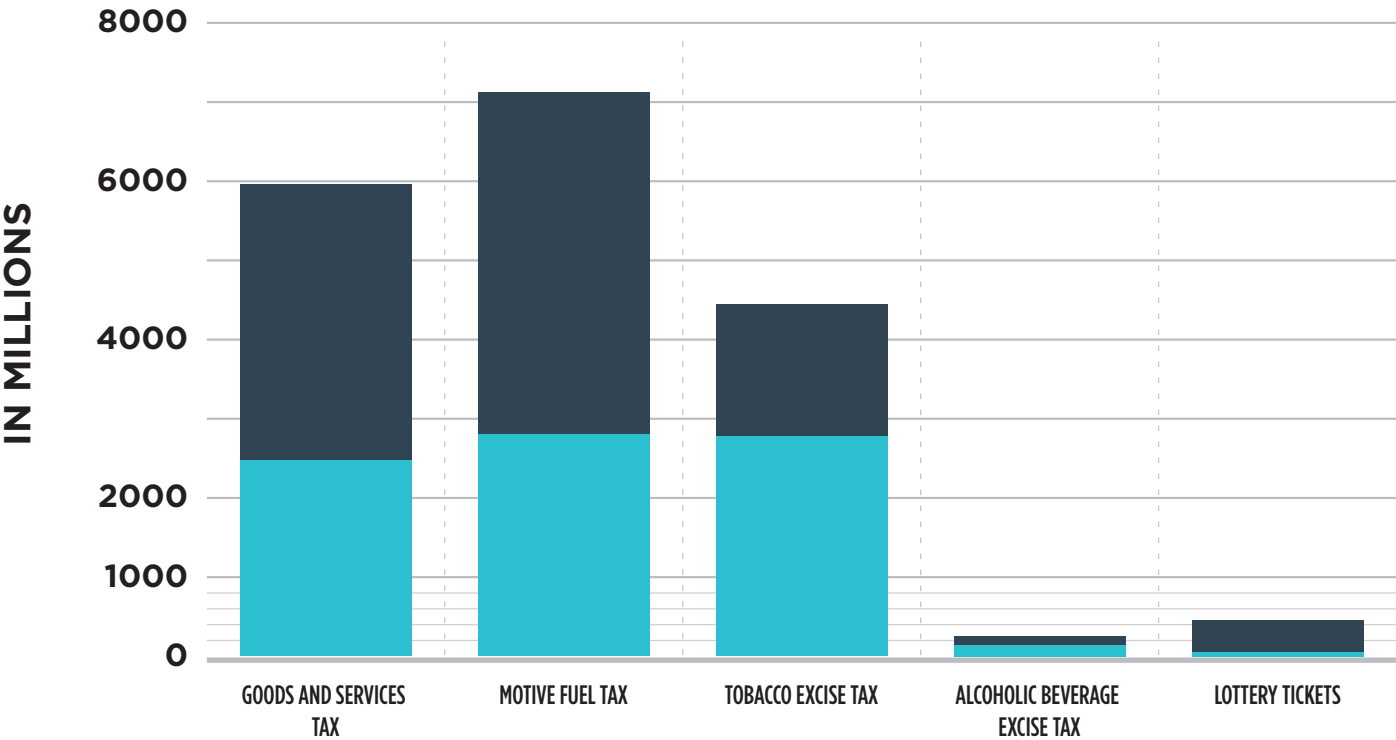
# TAX REVENUE COLLECTED FOR GOVERNMENT BY CONVENIENCE STORES IN CANADA

The following data outlines the revenue collected by convenience stores for federal and provincial governments in Canada on certain product and service categories within the convenience store industry. These taxes represent 17 per cent of all government revenues collected under the noted categories. On average each convenience store in Canada collected \$716,566 for federal and province governments in 2013.

- FEDERAL
- PROVINCIAL

TOTAL TAX REVENUE ON GOODS AND SERVICES COLLECTED BY C-STORES FOR GOVERNMENT

	FEDERAL	PROVINCIAL	TOTAL
Goods and services tax	2,474,444,523	3,493,165,023	5,967,609,546
Motive fuel tax	2,800,143,266	4,319,840,857	7,119,984,124
Tobacco excise tax	2,777,621,300	1,666,572,780	4,444,194,080
Alcoholic beverage excise tax	144,420,235	103,262,305	247,682,540
Lottery tickets	51,885,679	404,544,238	456,429,917
TOTAL	8,248,515,004	9,987,385,203	18,235,900,207
STORE AVERAGE	324,119	392,447	716,566

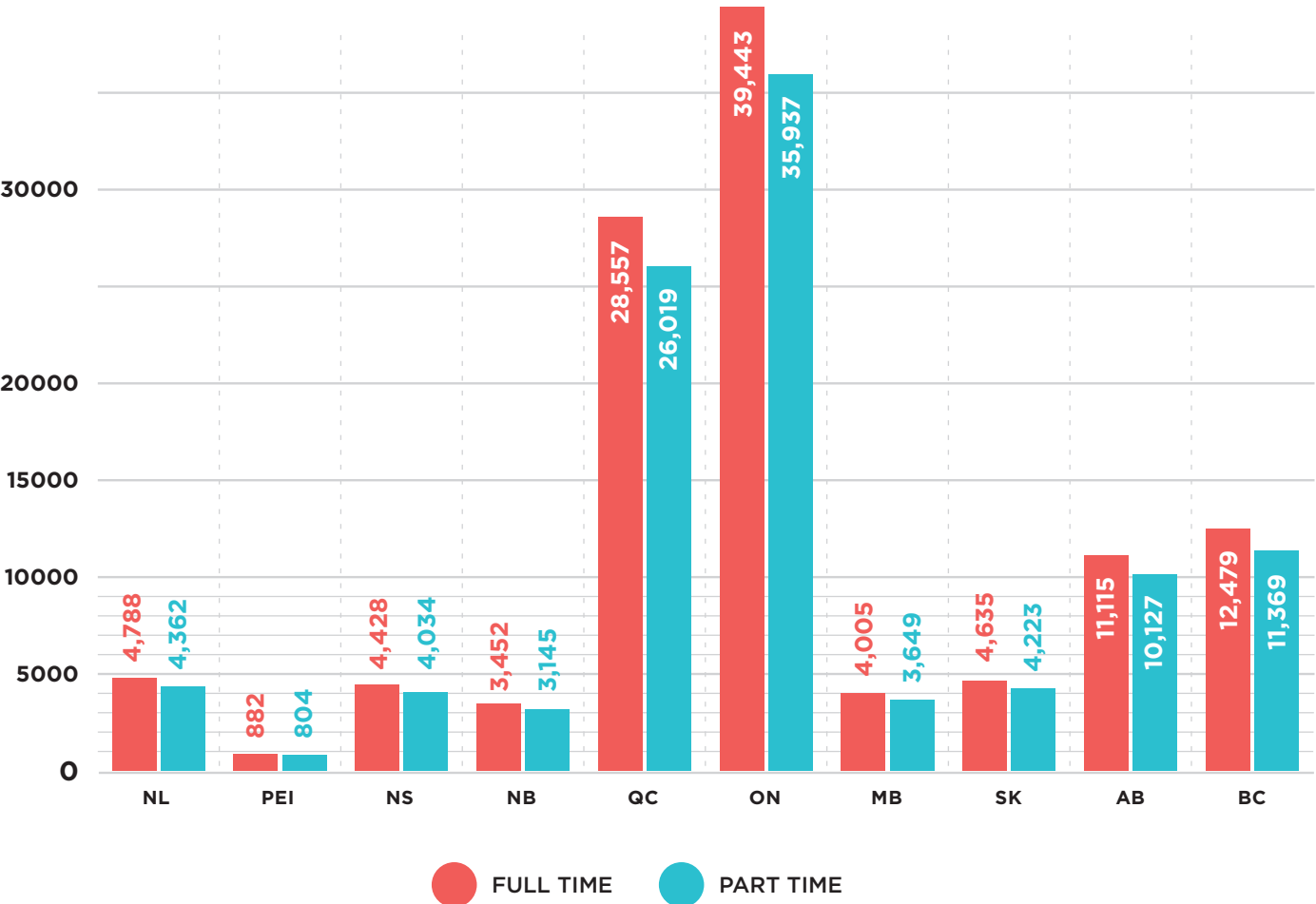


Source: Public Accounts and Provincial Lottery Corporation’s Annual Report

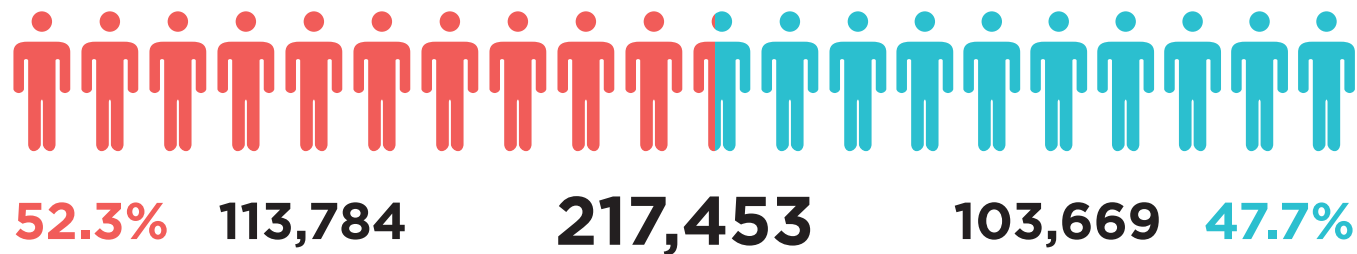


# EMPLOYMENT IN THE CONVENIENCE STORE INDUSTRY PROVINCIAL AND NATIONAL

Convenience stores continue to be an important economic driver in Canada, employing some 217,453 full-time and part-time workers.



## NATIONAL

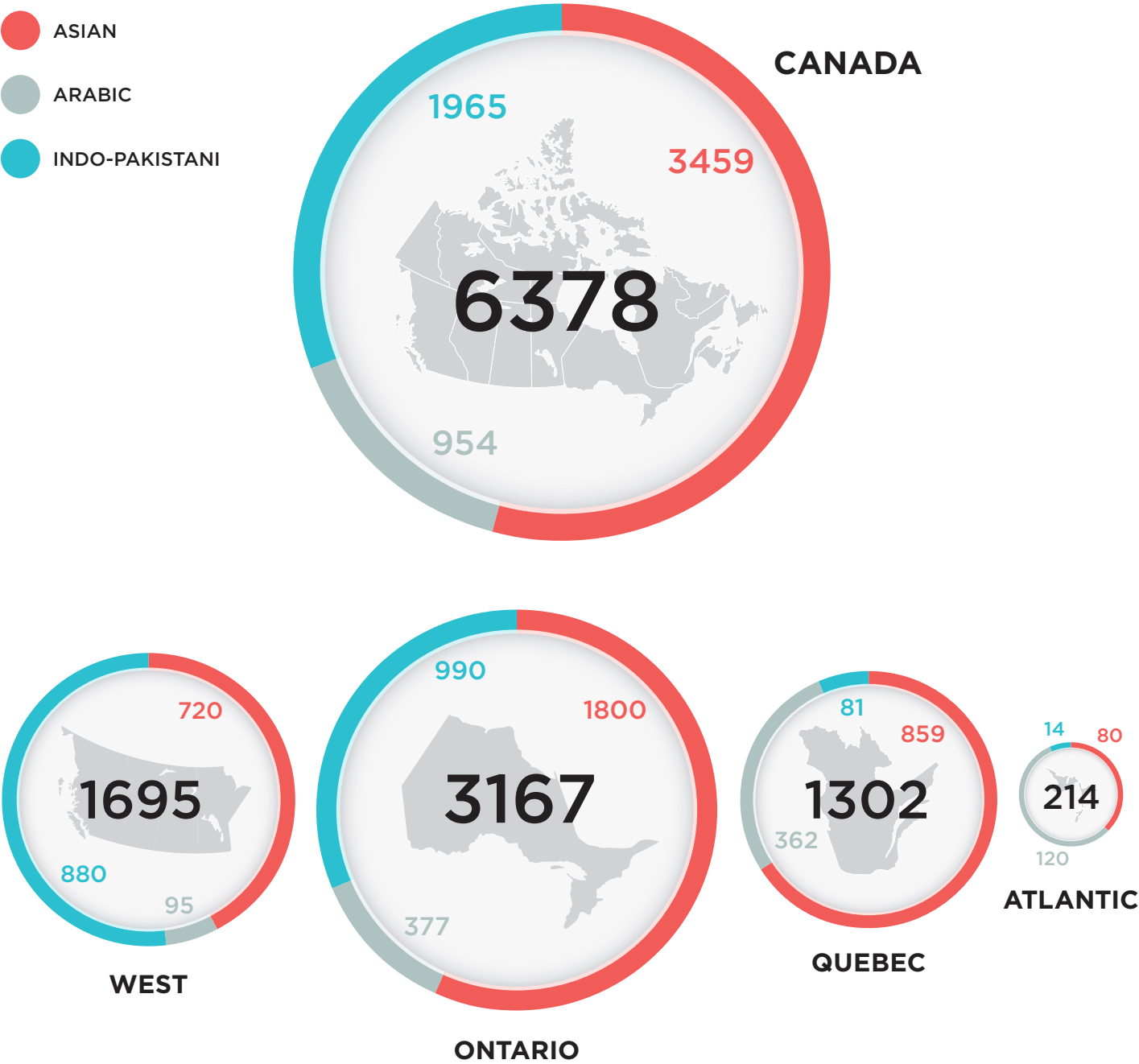


Source: Abacus Data

# ETHNICITY OF OWNERS IN THE CONVENIENCE STORE INDUSTRY

## REGIONAL AND NATIONAL

For many newcomers the convenience store industry represents an introduction to business in Canada. Nationally, one quarter of all convenience stores are owned by those of Asian, Arabic or Indo-Pakistani decent. The following numbers are a break-down of the ethnicities most represented in the industry.



Source: Abacus Data

# TOP 10 SALES CATEGORIES IN THE CONVENIENCE STORE INDUSTRY

Convenience stores in Canada sell a wide range of products and services. In 2013, the top ten sales categories in the industry included the following:

2012
  2013
  SALES INCREASE FROM 2012 TO 2013
  SALES DECLINE FROM 2012 TO 2013



Source: AC Nielsen Canada

# TOP TEN GROWING SALES CATEGORIES IN THE CONVENIENCE STORE INDUSTRY

The following data represents the top ten growing sales categories within the convenience store industry in Canada.



Source: AC Nielsen Canada

# TOP 10 DECLINING SALES CATEGORIES IN THE CONVENIENCE STORE INDUSTRY

With consumer trends changing, it's not uncommon to see the sales of various products fluctuate year over year. The following are product categories which had a steep decline in the convenience industry in Canada in 2013.



Source: AC Nielsen Canada

# REFERENCES

Pg 4. Convenience Store Count

**Source:** Abacus Data

Pg 5. Convenience Store Locations in Canada

**Source:** Abacus Data

Pg 6. Independent and Chain Controlled Site Numbers

**Source:** Abacus Data

Pg 7. Convenience Store Sales

**Source:** Statistics Canada and Abacus Data

Pg 8. Tax Revenue Collected for Government by Convenience Stores in Canada

**Source:** Public Accounts and Provincial Lottery Corporation Annual Report

Pg 9. Employment in the Convenience Store Industry

**Source:** Abacus Data

Pg 10. Ethnicity of Owners in the Convenience Store Industry

**Source:** Abacus Data

Pg 11. Top 10 Sales Categories in the Convenience Store Industry

**Source:** AC Nielsen Canada

Pg 12. Top 10 Growing Sales Categories in the Convenience Store Industry

**Source:** AC Nielsen Canada

Pg 13. Top 10 Declining Sales Categories in the Convenience Store Industry

**Source:** AC Nielsen Canada



## OUR MISSION

The CCSA fosters the success of the convenience store industry in Canada by representing the best interests of our members – retailers, distributors and vendors/manufacturers – and the communities they serve.

We accomplish our mission by:

- » Leading government relations and advocacy
- » Promoting the professionalization of the industry
- » Offering networking opportunities to all our members
- » Developing a robust grass roots organization
- » Creating Industry recognition and awareness





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