



REPORTING GUIDE

Introduction

This Guide has been designed to assist you in completing the Wholesale Price Report. If you require assistance or need additional information, please contact us by telephone at 1-888-881-3666 or e-mail business.surveys.unit.oid@statcan.ca.

Confidentiality

Statistics Canada is prohibited by law from publishing any statistics which would divulge information relating to your business without your prior written consent. **The data reported on your questionnaire will be treated in strict confidence, used for statistical purposes and published in aggregate form only.** The confidentiality provisions of the Statistics Act are not affected by the Access to Information Act or by any other legislation.

Wholesaling

The wholesaling process is the intermediate step in the distribution of merchandise; wholesalers act as marketing intermediaries that neither produce nor consume the finished product, but instead sell to retailers, other merchants, and/or to industrial, institutional, and commercial users.

The wholesale sector is comprised of establishments primarily engaged in the buying and selling of goods on their own account (taking title to goods), or the buying and selling on a commission or fee basis, the goods being owned by others.

This wholesaling sector is comprised of two main types of wholesalers, that is, wholesale merchants, and wholesale agents and brokers. However, this phase of the Wholesale Price Report includes Wholesale Merchants **ONLY**.

A. Wholesale Merchants

Wholesale Merchants are the most prevalent type of wholesalers and normally operate from a warehouse or office. These warehouses and offices are characterized by having little or no display of merchandise. In addition, neither the design nor the location of the premises is intended to solicit walk in traffic. Merchant wholesalers take title to the goods that they distribute; buying and selling goods on their own account.

In addition to the sale of goods they may provide, or arrange for the provision of, logistics, marketing and support services, such as packaging and labelling, inventory management, shipping, handling of warranty claims, in-store or co-op promotions, and product training.

Wholesale Merchants are known by a variety of trade designations depending on their relationship with suppliers or customers, or the distribution method they employ. Examples include wholesale distributors, drop shippers, jobbers, rack-jobbers, import-export merchants, buying groups, dealer-owned co-operatives and banner wholesalers.

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B. Survey Purpose

The wholesaling industry is a vital part of the Canadian economy and the services that wholesalers provide are crucial for an effective and efficient flow of goods through the distribution process. Statistics Canada is conducting this survey to obtain detailed and accurate price information from wholesalers about the wholesale industry. The information collected by this survey will be used to create an index that will measure, through time, the change in prices for the services that wholesalers provide.

The Wholesale Price Index can be used by businesses to measure their performance against industry standards, to plan marketing strategies or to prepare business plans for investors. Governments use index data to develop national and regional economic policies and to develop programs to promote domestic and international competitiveness. The data are also used by trade associations, business analysts and investors to study the economic performance and characteristics of the wholesale industry.

C. Reporting Period Information

Respondents are asked to report monthly price information for specified products on a quarterly basis throughout the year.

D. Concepts and Definitions

1. **Wholesaler** – An entity that is engaged in the buying and/or selling of goods owned by others on a commission or fee basis to retailers, other merchants, and/or to industrial, institutional, and commercial users.
2. **Wholesale Process** – Is an intermediate step in the distribution of merchandise. Wholesalers act as marketing intermediaries that neither produce nor consume the finished product.
3. **Wholesale Activities** – Activities organized to facilitate the sale or arrange the purchase of:
 - a) goods for resale (i.e. goods sold to other wholesalers or retailers;
 - b) capital or durable non-consumer goods; and
 - c) raw and intermediate materials and supplies used in production.

4. **Secondary Activities** – Include; breaking of bulk, in-store or co-op promotions, inventory management, marketing services, product training, shipping, and warehousing.
5. **New Product** – When establishments in the manufacturing sector are engaged in the transformation of materials into new products.
6. **Modified Product** – Includes packaging, repackaging, or bottling of products or chemicals, customized assembly of computers, mixing paints to order, and cutting metals to custom order. These services are **NOT** considered new product(s).
7. **Purchase Price** – The purchase price is defined as the cost of a product to the wholesaler, excluding GST and HST.
8. **Selling Price** – The selling price is the price that the product is sold to retailers and other distributors for re-sale to end users. The selling price excludes GST, HST, PST, TVQ and freight.

E. About the Wholesale Price Report

Question 1 – Is this business unit primarily a wholesaler (merchant, drop shipper, distributor)?

The purpose of this question is to ensure that this survey includes **ONLY** businesses engaged in wholesaling activities. For the purpose of creating a Services Producer Price Index for Wholesale, this study includes only Wholesale Merchants. This will ensure that the information collected by this survey is accurate, comprehensive and representative of the wholesale sector.

Question 2 – Please identify the three (3) main products for this business based on amount of sales in the past fiscal year.

This question asks wholesalers to identify 3 main products sold by their business. **Selection of the main products to be reported is based on the amount of sales in the past fiscal year.** The products that have the most sales are often those most representative of the industry and will be the first used in establishing the index. If possible, we would like products that are sold regularly throughout the year. .

Question 3 – Which wholesale activities does this business perform for the product(s) listed in Question 2?

The wholesaler is asked to specify which activities are performed for the products listed in Question 2.

Please refer to the definitions below for the wholesale activities specified in Question 3 of the Wholesale Price Report:

Breaking Of Bulk – Wholesalers save their customers money by buying in carloads and breaking these large lots into smaller quantities.

In-Store Or Co-op Promotions – Wholesalers help manufacturers reach small customers at a low cost through in-store or co-op promotions. The wholesaler has more contacts and is more often trusted by the buyer than the distant manufacturer.

Inventory Management – Wholesalers often help customers train their sales staff, improve store layouts and displays, and set up accounting and inventory control systems.

Marketing Services – Wholesalers give information to suppliers and customers about competition, new products, and price developments in the wholesaling sector..

Product Training – Depending on the activity the business performs, wholesalers can train **buyers and sellers** on the uses and functionality of the product(s).

Shipping – Wholesale trade merchants operate in accordance with two main service delivery processes. The Non-Drop Shipper service delivery process and the Drop Shipper service delivery process.

Warehousing – Wholesalers hold inventory thereby reducing the inventory costs and risks for suppliers and customers.

Other Activities – Wholesalers may perform other business activities which may facilitate the sale of goods.

Questions 4 to 6 – Price Information for Products 1 to 3.

The purpose of this question is to collect price information for Products 1, 2 and 3 of Question #2. This section contains 2 steps. “Step 1” requires wholesalers to report if the product is currently imported, and if so, from which country. “Step 2”, asks the wholesaler to report the average purchase and the average selling prices (per unit) by product for the previous three months. If applicable, the wholesaler is asked to indicate the **main reason** for any change in the purchase and/or selling prices.

Product Description – Identifies the product attributes which can be used to uniquely identify and track the product through time.

Wholesale Average Purchase Price – The purchase price is defined as the cost of a good/product to the wholesaler from the supplier or manufacturer, excluding all taxes.

Wholesale Average Selling Price – The selling price is defined as the cost to the retailer, merchant, and/or industrial, institutional, or commercial user as charged by the wholesaler, excluding taxes and freight..

Unit of Measure – Refers to a particular quantity, defined and adopted by convention, with which other quantities of the same kind are compared. Units of measure have conventionally assigned names and symbols (PLU, SKU, etc.).

The **Comments** section provides space to collect feedback from respondents completing this survey.

The **Certification** section provides space for several important pieces of information. The first part asks for your signature and information on logistics to prove authenticity. As part of Statistic Canada’s ongoing efforts to minimize respondent burden, the time to complete question collects information to gauge the time spent by Wholesalers completing the Wholesale Price Report.

The question on **Pre-filled** information allows Wholesalers to view previously reported data for the purposes of consistency, as well as to lessen respondent burden. This section **must be** signed and dated by the respondent.

For more information about Statistics Canada or our surveys, you can visit our website at www.statcan.ca.

Thank You!

