



Overview of the Canadian Wholesale Industry[†]

> INDUSTRY PROFILE

The Canadian wholesale industry has historically grown at an average of 7% per year. 2006 revenues reached nearly \$500 billion.

Wholesaling employs about 750,000 Canadians in total. 95% of wholesalers are small businesses, and two-thirds of wholesalers employ fewer than 10 people.

Almost 90% of wholesalers use the Internet for some of their business transactions. Nearly half of wholesalers purchase goods from their suppliers on credit terms.

> HOW DO WHOLESALERS PAY FOR BUSINESS EXPENSES?

Cheques and credit cards are the most widely used payment methods (see *How Wholesalers Pay and Prefer to Pay for Expenses* graph, left).

Of the 60% of wholesalers surveyed that use credit cards, more than half use business credit cards as opposed to personal cards (see *How Wholesalers Use Credit Cards to Pay for Expenses* graph, left). This may be due to higher credit limits and lower interest rates often available on business cards. On average, wholesalers who use credit cards pay for 22% of their business expenses with their cards.

> WHAT DO WHOLESALERS BUY?

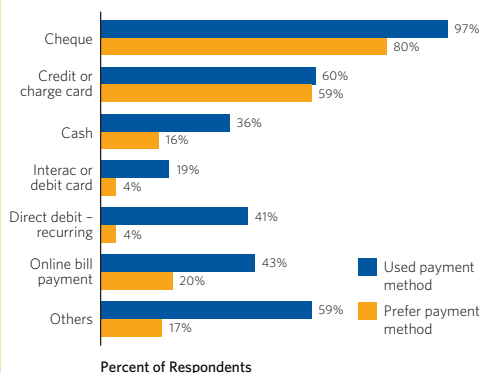
Major expense categories include resale goods and inventory, raw materials, utilities, rent and travel.

> HOW DO CUSTOMERS PAY WHOLESALERS?

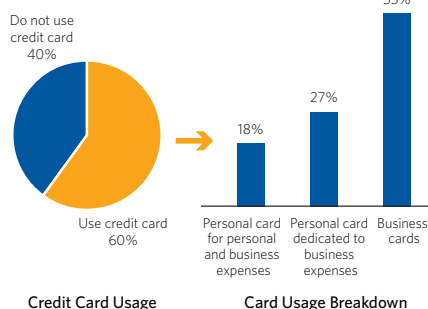
Cheques are the most widely accepted—and preferred—form of payment among wholesalers. Just under half of wholesalers surveyed accept credit cards.

Accepting credit cards has been shown to improve sales and cash flow while also reducing bad debt.

How Wholesalers Pay and Prefer to Pay for Expenses



How Wholesalers Use Credit Cards to Pay for Expenses



[†] In 2007, Deloitte and Ipsos Reid conducted a survey for Visa Canada to determine spending patterns in Canadian business. The survey, "How Business Buys and Sells", reached several conclusions about the Canadian wholesale industry, which are presented throughout this document together with the statistics and charts shown.



VISA® BUSINESS CARDS:

The Right Choice for Canadian Wholesalers

> WHAT ARE THE BENEFITS OF USING A VISA BUSINESS CARD FOR YOUR EXPENSES?

Over other payment methods

- Visa Business cards are convenient, easy to use and facilitate online purchasing.
- They enable quick settlement of funds between you and your vendors, eliminating delays associated with cheque processing times.
- Using Visa Business cards can help save money, as cheque payments often require more time and labour to approve, process and track.
- They can help eliminate some of the risks of using cash or cheques.
- Visa Business cards can help you manage your cash flow by providing a grace period to make payments.

Over personal cards

- Visa Business cards can provide more detailed expense breakdowns, enabling you to analyze your purchasing patterns and potentially renegotiate key supplier contracts.
- They can offer reward programs, such as travel points or cash back, similar to personal cards.
- Visa Business cards can have higher credit limits than personal cards, enabling large-scale purchases and business expansion.



DID YOU KNOW?

Some business credit cards have rewards programs, allowing wholesalers to take advantage of cash back or travel points, for example, based on their purchases.†



DID YOU KNOW?

Wholesalers save an average of \$4,600 per year in collection costs by accepting credit cards.†

> WHY ACCEPT VISA CARDS AS A FORM OF PAYMENT?†

- Quick receipt of funds: over two-thirds of wholesalers experienced improved cash flow as a result of accepting credit cards.
- Over one-third of wholesalers incurred fewer collections and bad debt costs after accepting credit cards.
- As well, a significant percentage of wholesalers found accepting cards to be less expensive than issuing invoices to customers, as it requires less paperwork and administration.
- Accepting credit cards facilitates cross-border and overseas sales, helping your business grow.

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VISA BUSINESS CARDS:

Empowering Canadian Wholesalers

VISA SAVINGS FOR BUSINESS® PROGRAM



The Visa Savings for Business program is an easy way for your business to get exclusive discounts and special offers from selected merchants when you pay using your Visa Business card. Recent offers include:

- 10% off office supplies from Grand and Toy*
- Up to 25% off computers from Lenovo*
- Up to 20% off at Hertz*
- Up to 15% off at selected restaurants across Canada*

*For full terms and conditions, visit visasavingsforbusiness.ca

“Credit cards are useful to keep track of what you spend... They are easier to use and streamline my ability to make purchases.”

George Woodman
Owner, Hub Office Products & Equipment Wholesale, New Brunswick
Visa cardholder †

Visit visa.ca/smallbusiness to learn more

Case Study † 1

Quebec wholesaler pushes ahead with Visa Business cards, sees benefits

A 10-employee Quebec-based tractor wholesaling business, which has been in business for 40 years, recently began using Visa Business credit cards. The wholesaler now enjoys:

- A travel rewards program
- Detailed expense breakdowns by spend category
- The ability to control employee card usage through customized spending limits
- Cost savings, due to reduced administration of cheque payments
- Improved cash flow due to the grace period and float provided by credit cards

Visa Business cards also helped the company to meet their financing requirements, with higher credit levels than the business could access through personal cards.

Case Study † 2

Sales ignite after BC wholesaler accepts credit cards

A motor vehicle parts wholesaler in British Columbia with fewer than 10 employees began accepting credit cards from its customers. Since then, sales have increased by 50%, reaching \$1 million annually and getting a boost from overseas orders. Accepting cards has improved the company's cash flow, since there is virtually no delay in receiving payments. Card payments have also been cheaper than issuing invoices, since there is less labour-intensive paperwork and processing.

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