

CHAPTER I

SUMMARY OF ALL CHAINS

Retail chains did 21.9 per cent of the total retail business in the United States as reported in the census. Local, sectional, and national chains accounted for 19.2 per cent and other types of chains for 2.7 per cent as shown on page 12.

In all, 7,061 chain-store organizations were reported, operating 159,638 stores or units, or about 10 per cent of all the stores in the country. Sales of these chains aggregated \$10,740,385,208, or 21.9 per cent of total sales in all retail stores, both chain and otherwise, for the year 1929.

Local, sectional, and national chains.—Classified by types, local chains operated 52,465 stores with total sales of \$3,293,890,000; sectional chains operated 41,083 stores with sales of \$2,191,250,000; and national chains operated 51,058 stores with sales of \$3,960,087,000. Mail-order chains operated 25 units or catalogue houses, with total sales of \$395,275,000, exclusive of any retail-store business which may be done by the same companies. Leased department chains operated 3,675 leased sections or departments in various stores, and in these leased departments they do a total business of \$129,702,000.

Chains operated by the public utility companies, for the sale principally of electric and gas household appliances, had 4,053 units with total sales of \$163,371,000; manufacturer-controlled chains operated a total of 3,431 stores with sales of \$389,618,000.

Food chains.—The stores of all types (chains and independents), classified in the census as food stores, numbered 481,891 and reported aggregate sales amounting to \$10,837,421,585. In addition, there were 104,089 country general stores which also sell food and whose total sales of \$2,570,744,006 included \$1,300,000,-000 (estimated) of food sales.

In comparison with this total of \$12,137,000,000 and included in the total food group, there were 1,461 food chains, operating 61,416 stores with sales of \$3,514,390,664, a ratio of 29 per cent. A summary below analyzes these 1,461 food chains in 11 kind-of-business classifications, showing separately the candy and confectionery chains, dairy-products chains, fruit and vegetable chains, grocery chains, combination grocery chains, meat-market chains, caterer and bakery chains, and other food chains.

General merchandise chains.—In the general merchandise group, consisting principally of department stores and variety stores, 54,636 stores of all types were reported with aggregate sales amounting to \$6,444,100,907. This includes 665 chains, operating 12,029 stores with sales of \$2,162,547,176, representing 33.5 per cent of the aggregate sales in this group. Of the 665 chains, 148 were variety chains, 312 were general-merchandise-store chains, 169 were dry-goods chains, 3 were chains of mail-order distributing houses (catalogue business only), and 33 were department-store chains. Ownership groups of department stores, consisting of dissimilar stores which have been merged financially but are separately merchandised, are not operated as chains and are not included in these figures. Their sales total \$1,003,602,600 in department stores and \$15,857,556 in other stores owned by the same groups.

Apparel chains.—In the apparel field chains did 28.2 per cent of the total business. The 114,296 apparel stores of all kinds, with aggregate sales of \$4,240,892,577, included 17,218 chain stores operated by 1,243 chains, and doing business to the amount of \$1,197,036,412. There are 19 business classifications within the apparel group, which consists principally of men's wear, women's apparel, and shoe stores.

Automotive chains.—The automotive group (motor-car dealers and filling stations primarily) included 1,186 chains operating 33,554 units, with aggregate sales of \$1,378,969,750, a ratio of 14.3 per cent. However, this ratio did not fully represent the influence of chains in the automotive field.

Although all but 1,290 of the 40,797 retail motor-vehicle dealers come within the classification of independents, many such dealers confine their sales to some one make of vehicles and in many respects resemble chain units. They are not included in the 1,290 chain units operated by 167 chains which did an aggregate business of \$616,594,816, a ratio of about 10 per cent. There were 128 accessory, tire, and battery chains, with 2,049 units and sales of \$122,031,641.

Of the 121,513 filling stations reported in the census, 30,038 were operated directly by 864 chains, with aggregate sales of \$629,024,296. A large proportion of the balance of the stations rated as independents are in fact agency stations of the larger oil companies, confining their oil and gasoline sales to the products of some one company. Sometimes the oil company owns the station and leases it on a gallonage basis to the independent operator. At other times the land is owned by the operator, the oil company advances the investment required for the station, and the operator repays it on a gallonage basis. A third relationship commonly existing is that the station is owned entirely by the operator, who contracts to handle one company's products exclusively in consideration of an additional margin of profit. In all three cases, however, the operator falls within the classification of an independent.

Furniture—Household appliance—Radio chains.—In the furniture and household group, with 58,941 stores and an aggregate business of \$2,754,720,507, the 505 chains operated 6,814 stores with sales of \$560,073,714, a ratio of 20.3 per cent. This includes 125 furniture chains, 29 home-furnishings chains, 262 household-appliance chains, and 85 radio chains. A large proportion of the household-appliance chains are operated by public utility companies, and are primarily designed to sell electric and gas appliances. Of the 8,931 household-appliance stores, 4,472 were chain units with sales of \$191,547,403, a ratio of 50.5 per cent. However, this does not represent the chain proportion of the total household-appliance business, as many kinds of stores in the general merchandise group also sell household appliances.

Radio and music stores, numbering 16,037, did an aggregate business of \$561,772,000. In this field there were 85 chains with 864 units, and sales of \$112,801,656, a ratio of 20 per cent. Radios, however, are sold in many kinds of stores other than radio stores, including particularly hardware, furniture, and department stores. The ratio shown above is the chain proportion of radio-store business.

Restaurant chains.—In the restaurant field 288 chains operated 3,392 units, compared with a total of 134,293 eating places in the country. The chains did an aggregate business of \$298,969,460, equivalent to 14.1 per cent of the total restaurant sales. In addition there were 7 restaurant-newsdealer chains with total sales of \$36,433,958.

Other kinds of chains.—In the lumber and building group, the 52,814 yards and stores, with aggregate sales of \$2,621,063,720, included 8,457 chain units of 647 chains, with sales of \$488,491,290, representing 18.6 per cent of the aggregate sales. Included in this total are 561 chains selling lumber and building materials, 20 heating and plumbing chains, and 55 paint, glass, and wallpaper chains.

In the hardware field 75 chains operated 458 stores, with total sales of \$31,595,632.

Other retail classifications in which chains are a factor of considerable importance include cigar stores; coal, wood, and ice dealers; drug stores; jewelry stores; news dealers, including those who also operate eating places, and office-appliance dealers.

Drug stores in the United States totaled 58,258, with sales of \$1,690,398,682. Of these, 3,513 were operated by 249 chains, with sales of \$312,301,721, a ratio of 18.5 per cent. There were 65 jewelry chains operating 438 chain jewelry stores with aggregate sales of \$35,687,555, a ratio of 6.7 per cent. Most of these are installment jewelers, in which field the chain ratio was 31.2 per cent.

Multiunit independents.—In addition to the sales of local chains included in the figures given above, there is even more business done by independents operating two or three local stores in the manner of single-store independents without chain characteristics. Except for a few local branch systems with aggregate sales of \$64,440,998, located in territory immediately surrounding old-established parent stores and merchandised from the parent stores, all multiunit local organizations with four or more stores were classified by the census as local chains, because of limited data as to their method of merchandising.

The distinguishing characteristic of multiunit independents is that the proprietor is operating the same general kind of business in two or more separate locations instead of one, in the manner of a single-store independent and not in the manner of a chain—the latter implying some form of central merchandising facilities such as a warehouse and a central buying office. The multiunit independent merchandises each store separately or he buys for his principal store and interchanges merchandise between it and his other store or stores. As he increases the number of his stores, soon he is unable longer to operate them successfully as independent stores or to merchandise them from the stocks of his parent store, and he adopts central merchandising and becomes in fact a local chain. The operator is aware of the change but it is not always apparent to the public. The line between multiunit independent operation and local chain operation is extremely variable. Where unable to obtain the facts in each case, the Census Bureau has adopted the arbitrary measure of four or more stores as constituting a local chain.

Multiunit independents operated 64,814 stores with total sales of \$4,340,025,921.

Chains summarized by kinds of business.—Each chain is classified in the following summary table in accordance with the kind of business which constitutes its principal activity. The classifications analyzed in the retail series of merchandising reports (which follow the summary) are indicated by report numbers. The page number of the various reports are given in an index at the end of this volume.

CHAIN STORE SUMMARY

[Numbers opposite many classifications refer to report numbers of the merchandising series analyzing these chains in detail]

BY KINDS OF BUSINESS	Number of chains	Number of chain stores	Total net sales of chains	Chain ratio ¹
UNITED STATES, totals.....	7, 061	159, 638	\$10, 740, 385, 208	21. 9
Food group, total.....	1, 461	61, 416	3, 514, 390, 664	² 29. 0
Candy, nut, and confectionery chains.....	123	1, 461	53, 893, 969	
Dairy products chains.....	85	1, 201	335, 561, 369	
Fruit-and-vegetable chains.....	51	383	15, 426, 330	
Grocery-and-meat chains, total.....	1, 053	56, 501	3, 028, 594, 826	44. 0
Grocery chains (R-70).....	313	12, 330	490, 946, 311	
Combination-store chains (R-70).....	475	41, 136	2, 381, 827, 445	
Meat-market chains (R-70).....	234	2, 753	139, 577, 081	
Fish-market chains (R-70).....	12	51	1, 540, 415	
Grocery-and-dry goods store chains (R-70).....	10	187	11, 331, 102	
Grocery-and-feed store chains (R-70).....	9	44	3, 372, 472	
Caterer-and-bakery chains.....	110	1, 216	40, 572, 053	
All other food chains.....	39	654	40, 342, 117	
General merchandise group, total ³	665	12, 029	2, 162, 547, 176	33. 5
Department store chains (R-74).....	33	2, 560	665, 172, 168	
Mail-order chains (catalog business only).....	3	25	395, 274, 978	
Dry-goods store chains.....	169	1, 336	66, 592, 876	
General-merchandise store chains.....	312	2, 661	225, 749, 036	
Variety-store chains (5-and-10, and to-a-dollar) (R-73).....	148	5, 447	809, 758, 118	89. 5
Apparel group, total.....	1, 243	17, 218	1, 197, 036, 412	28. 2
Men's wear chains, total.....	286	3, 054	270, 959, 214	
Clothing chains (R-60).....	84	893	88, 432, 317	
Clothing-and-furnishings chains (R-60).....	87	701	110, 571, 557	
Custom-tailoring chains (R-60).....	29	288	19, 073, 534	
Men's-furnishings chains (R-60).....	49	480	23, 588, 439	
Men's-hat chains (R-60).....	37	692	29, 293, 367	
Women's-apparel chains (R-8).....	221	2, 132	292, 228, 825	
Family-clothing chains.....	137	1, 769	142, 633, 156	
Millinery chains.....	167	3, 062	74, 389, 008	
Shoe chains, total.....	320	6, 099	369, 149, 760	45. 8
Men's-shoe chains (R-67).....	24	505	25, 510, 704	
Women's-shoe chains (R-67).....	62	850	78, 294, 199	
Family-shoe chains (R-67).....	234	4, 744	265, 344, 857	
All other apparel chains, total.....	112	1, 102	47, 676, 449	
Furrier chains.....	7	47	3, 871, 811	
Glove chains.....	3	27	1, 444, 393	
Hosiery chains.....	66	718	32, 160, 243	
Infants'-wear chains.....	5	27	1, 555, 983	
Knit-goods chains.....	5	57	2, 611, 968	
Lingerie-and-corset chains.....	20	158	4, 848, 373	
Umbrella chains.....	2	46		
Other apparel and accessories chains.....	4	22	1, 183, 678	

¹ The ratio (per cent) of sales by chains to sales by all stores can be shown only by groups. In comparing this summary with Table 6 it should be realized that many chains operate some stores of a kind different from the kind-of-business classification applicable to the chain itself. General merchandise chains operate some department stores, some dry goods stores, and some men's stores. Combination-store chains do about 50 per cent of straight grocery business, operate a few meat markets and only about one-half of their total business is combination-store volume. If any of the kinds of stores shown in Table 6, the chain ratios shown in that table are the true proportions of total sales done by all kinds of chains operating such stores, regardless of the business classification that may apply to the chains themselves.

² Relates to total sales of food group plus food sales of country general stores.

³ A report entitled "Retail Distribution by Ownership Groups of Department Stores" (R-69) describes the operations of 14 groups with total sales of \$1,019,460,156. The stores are independently operated and are not included in chain totals.

CHAIN STORE SUMMARY—Continued

BY KINDS OF BUSINESS	Number of chains	Number of chain stores	Total net sales of chains	Chain ratio
Automotive group, total.....	1, 186	33, 554	\$1, 378, 969, 750	14. 3
Motor-vehicle dealer chains (R-71).....	167	1, 290	616, 594, 816	10. 0
Used-car dealer chains (R-71).....	6	33	5, 116, 484	
Accessory, tire and battery chains, total (R-72).....	128	2, 049	122, 031, 641	
Tire chains (R-72).....	67	1, 137	58, 381, 233	
Automobile accessory chains (R-72).....	52	855	59, 486, 300	
Battery chains (R-72).....	9	57	4, 164, 108	
Filling-station chains (R-63).....	864	30, 038	629, 024, 296	85. 2
Garage chains (R-63).....	15	91	4, 051, 340	
Bicycle-dealer chains.....	3	12	148, 172	
Aircraft-dealer chains (R-71).....	3	41	2, 003, 001	
Furniture and household group, total.....	505	6, 814	560, 073, 714	20. 3
Furniture chains (R-64).....	125	992	207, 849, 904	
Home-furnishing chains (other than furniture and electrical appliances) (R-64).....	29	468	46, 571, 748	
Household-appliance chains, total.....	262	4, 472	191, 547, 403	50. 5
Electrical-appliance chains (R-61).....	154	3, 045	115, 697, 787	
Gas-appliance chains (R-61).....	49	505	20, 098, 352	
Electric and gas appliance chains (R-61).....	59	922	55, 751, 264	
Tent and awning dealer chains.....	4	18	1, 303, 003	
Radio chains, total.....	85	864	112, 801, 656	20. 0
Radio (only).....	6	48	5, 312, 626	
Radio and accessories.....	23	261	31, 275, 510	
Radio and musical instruments.....	56	555	76, 213, 520	
Restaurants and eating group, total.....	288	3, 392	298, 969, 460	14. 1
Restaurant chains (R-77).....	58	523	91, 043, 276	
Cafeteria chains (R-77).....	36	646	99, 994, 258	
Lunch-room chains (R-77).....	82	714	39, 770, 293	
Lunch-counter chains (R-77).....	52	652	27, 244, 642	
Fountain-and-lunch chains (R-77).....	14	297	32, 460, 153	
Refreshment-stand chains (R-77).....	31	406	6, 228, 969	
Soft-drink stand chains (R-77).....	15	154	2, 227, 869	
Lumber and building group, total.....	647	8, 457	488, 491, 290	18. 6
Lumber and building material chains.....	561	6, 937	418, 285, 542	
Other lumber and building chains.....	8	105	8, 685, 600	
Heating and plumbing chains (R-68).....	20	831	35, 535, 858	
Paint, wallpaper, and glass chains (R-68).....	55	565	25, 365, 336	
Electrical supply chains (R-68).....	3	19	618, 954	
Other chains, total.....	1, 066	16, 758	1, 139, 906, 742	14. 4
Hardware chains (R-68).....	75	458	31, 595, 632	
Art and gift chains.....	13	106	3, 270, 279	
Blue prints and printers (chains).....	5	35	2, 364, 013	
Book-store chains.....	30	349	35, 482, 077	
Cigar-store and cigar-stand chains.....	90	2, 218	102, 733, 330	25. 0
Coal, wood, and ice dealer chains.....	116	1, 415	184, 143, 677	
Farm-machinery dealer chains.....	11	86	5, 692, 520	
Farmers-supply-store chains.....	7	54	3, 103, 040	
Feed-store chains.....	100	1, 019	71, 142, 705	
Drug-store chains, total.....	249	3, 513	312, 301, 721	18. 5
Drug stores with fountain (R-66).....	169	3, 031	288, 680, 797	
Drug stores without fountain (R-66).....	80	482	23, 620, 924	
Florist chains.....	22	124	5, 790, 189	
Hatcheries (chains).....	12	87	1, 500, 970	
Jewelry chains, total.....	65	438	35, 687, 555	6. 7
Installment jewelry chains (R-65).....	41	283	29, 135, 314	31. 2
Jewelry chains (R-65).....	24	155	6, 552, 241	1. 5
Luggage chains.....	6	51	935, 070	
Music-store chains (without radio).....	10	108	5, 519, 435	
Monument-dealer chains.....	4	17	1, 624, 165	

CHAIN STORE SUMMARY—Continued

BY KINDS OF BUSINESS	Number of chains	Number of chain stores	Total net sales of chains	Chain ratio
Other chains—Continued.				
Newsdealer, including restaurant newsdealers, total.	68	2,684	\$60,741,224	
Newsdealer chains (R-76).....	61	882	24,307,266	
Restaurant-newsdealer chains (R-76).....	7	1,802	36,433,958	
Novelty store chains.....	7	39	811,537	
Office-appliance chains (equipment, furniture, and supplies) (R-75).....	45	1,639	164,535,060	
Scientific-and-medical supply chains (R-75).....	10	68	5,171,967	
Optical-goods chains.....	20	148	6,878,233	
Patent-medicine chains (house-to-house).....	6	55	574,997	
Photo-supply chains.....	3	44	12,018,895	
Rubber-goods store chains.....	2	17	1,732,316	
Sanitary-supply chains.....	3	30		
Seed-store chains.....	5	28	2,987,460	
Sewing-machine chains.....	5	1,145	50,134,564	
Sporting-goods chains.....	4	40	3,568,125	
Beauty-shop chains (only those which sell merchandise).....	20	396	15,212,019	
Stationery chains.....	5	29	3,750,616	
Undertaker chains (only those which sell supplies).....	11	53	2,198,925	
All other chains.....	9	64	3,565,135	
Secondhand-store chains.....	28	201	3,139,291	

SUMMARY BY TYPES OF OPERATION

BY TYPES OF OPERATION	Number of units	Total net sales of chains	Per cent of total chain sales
Total, all types of chains.....	159,638	\$10,740,385,208	100.0
Local chains.....	52,465	3,293,890,233	30.7
Sectional chains.....	41,083	2,191,250,396	20.4
National chains.....	51,058	3,960,086,992	36.9
Mail-order chains.....	25	395,274,978	3.7
Leased-department chains.....	3,675	129,702,438	1.2
Utility-operated chains.....	4,053	163,370,589	1.5
Manufacturer-controlled chains.....	3,431	389,618,089	3.6
Miscellaneous minor types of chains.....	3,848	217,191,493	2.0