

## CHAPTER 16.—DRUG STORE CHAINS

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# DRUG STORE CHAINS

## INTRODUCTION

This report of the retail merchandising series presents facts derived from the first nation-wide Census of Distribution, which is a part of the Fifteenth Decennial Census of the United States and covered the operations of the year, 1929. It deals with retail distribution through drug store chains.

Sales at retail by drug store chains in 1929 amounted to \$312,301,721. There were 249 chains, with 3,513 stores or units, of which 169 chains operated drug stores with fountains, and 80 operated stores without fountains. Both kinds of stores are analyzed in this report. Fountain sales usually include lunches.

The 249 chains employ the services of 31,861 full-time employees and 1,556 part timers, at a total annual pay roll cost of \$41,981,491. Other operating expenses, including rent, aggregate \$44,356,022, making a total operating expense of \$86,337,513 or \$27.64 per \$100 of sales. The average rent is \$7.43 per \$100 of sales, computed on the basis of the rent paid for 3,451 stores operated in wholly leased premises. Stocks on hand at the end of the year are valued at cost at \$40,754,028 which, at retail values, would indicate a turnover rate of 5.2 times. The report shows, however, that both the expense rate and the rate of turnover vary considerably between stores without fountains and those with fountains (and usually lunches), and between chains operating in large cities and those operating in the smaller cities and towns. See Tables 9A and 9B for a comparison of stock-sales ratio by geographic divisions, and Tables 7A and 7B for expense comparisons.

Chains operating stores without fountains do a total business of \$23,620,924 in comparison with a total business of \$288,680,797 by chains operating what may be described as typical chain drug stores, which usually derive nearly one-fourth of their revenue from soda fountain sales, and ice cream, confectionery, nuts and bottled beverages and another 18 per cent from the cigar counter.

## SALES BY COMMODITIES

An analysis of more than 91 per cent of all sales by chains operating drug stores with fountains indicates the following relative sales in the order of importance of commodities:

	<i>Drug stores with fountains</i>	Per cent
Prescriptions.....	4. 27	
Drugs, pharmaceuticals, medicines.....	37. 95	
Toilet articles and preparations.....	10. 38	
Soda fountain sales, ice cream, fountain lunches.....	19. 75	
Confectionery and nuts.....	3. 39	
Bottled beverages.....	. 12	
Cigars, cigarettes, and tobacco.....	18. 74	
Miscellaneous merchandise.....	5. 40	
Total.....	100. 00	

A comparable analysis of sales by chains operating drug stores without fountains, based upon a commodity coverage of somewhat less than 50 per cent because the balance of the chains were not able to report their sales by commodities, is as follows:

*Drug stores without fountains*

	Per cent
Prescriptions .....	6. 70
Drugs, pharmaceuticals, medicines.....	35. 99
Toilet articles and preparations.....	22. 88
Confectionery, nuts, ice cream, and bottled beverages....	5. 66
Cigars, cigarettes, and tobacco.....	18. 02
Miscellaneous merchandise.....	10. 75
Total.....	100. 00

### SALES BY SIZE OF CITY

About 77 per cent of all chain sales are in cities of more than 100,000 population; 14 per cent in cities between 100,000 and 30,000 population; 6 per cent in cities between 30,000 and 10,000 population, and 3 per cent in places with less than 10,000 population.

More than 60 per cent of chain sales are in the areas surrounding Chicago, New York, and the Pacific coast cities, in that order of importance. The balance are located quite uniformly throughout the remaining divisions of the country, usually in cities of more than 30,000 population.

### ANALYSIS BY VOLUME OF SALES AND TYPES OF OPERATION

Four chains do an annual volume of sales in excess of \$9,700,000 each, their combined business amounting to more than that of all the other 245 chains combined. The seven largest chains do nearly two-thirds of the total business of all chains operating stores with fountains. This report contains an analysis of sales on the basis of the annual volume of sales of each chain.

Although the great majority of chains are local in territory, and operate about four-sevenths of all the stores, their combined sales are less than those of the 14 sectional and national chains. These 14 chains, with 1,560 stores, do a combined business of \$180,283,809, or about 58 per cent of the total chain store business, while 235 local chains, with 1,953 stores, show aggregate sales of \$132,017,912. Of the chains operating stores without fountains, local chains greatly outnumber the sectional and national chains in the number of stores and in sales. A local chain is any combination of four or more drug stores located in and around one city, owned and operated centrally. A single drug store is classified as a single-store independent; two or three drug stores operated by the same proprietor are classified as 2-store or 3-store independents. A sectional chain is a chain operating drug stores in several cities in the same section or geographic division of the country, and a national chain operates in more than one section. When the census was taken there were too few national chains to permit of their being shown separately in this report, although since then some of the sectional chains have expanded into new territory and have become national chains.

### AGE OF UNITS AND EXPANSION OF CHAINS

Of the 3,031 stores with fountains operating at the end of 1929, nearly one-fourth were established during that year. More than one-third were opened during the four preceding years. Hardly more than one-third of all the chain stores in operation at the time of the census were in existence five years earlier. The largest proportionate and actual increase in 1929 was made by the large chains of more than 50 units, which added 27 per cent of their stores that year; chains

with 26 to 50 units added 24 per cent; chains of 11 to 25 units added 22 per cent; chains of 6 to 10 units added 17 per cent, and chains of less than 6 units added 14 per cent of their stores during the year 1929. Although chains operating drug stores without fountains show a slower rate of growth, of the 482 units in operation at the end of 1929 the number opened during that year is about 17 per cent.

### CREDIT SALES

Only 93 chains report that they extend to their customers the convenience of a charge account. The total sales of these 93 chains, of which 66 are chains operating stores with fountains and 27 are other drug store chains, aggregate \$42,189,222 or about 13½ per cent of all drug store chain sales. The amount of business done on credit by these 93 chains is \$5,186,002 or 12.3 per cent of their total sales.

A series of tables in this report compares the operating expenses of chains extending credit with those of chains which sell entirely for cash, and indicates that the former operate at a rate somewhat higher in relation to sales than the all-cash, no-delivery chains. This relation exists between the two classes of chains, whether they are compared in total or are further segregated into chains operating stores with fountains and chains operating stores without fountains.

There seems to be justification in this report for asserting that the drug store operating on the full-service basis, with charge accounts and deliveries, is in a class just as distinctly different from the all-cash, no-delivery store, as the fountainless, apothecary-type drug store is in a class distinctly different from the typical drug store with fountain, lunch, and merchandise departments. This has no relation to whether the stores are operated by chains or independents. Each of these classes might be considered a separate kind of business, subject to its own set of principles, its own level of expenses and its own operating policies. The expense comparison tables indicate that the full-service (charge-delivery) drug store operates at an average expense 2.12 per cent higher in relation to sales than does the cash-carry store, and that the store with fountain operates at an average expense 3.4 per cent higher, in relation to sales, than does the fountainless store.

This situation does not mean that the chain offering credit and delivery could drop 2¼ per cent of its expense by withdrawing those services, nor does it mean that the store with fountain could drop 3.08 per cent of its expense by closing its fountain. If it did either of these, it would change the character of its business, would lose a large proportion of its present trade and to maintain its volume it must succeed in attracting new trade of another type to replace it. Such a change would involve not only a change in policy but also a change in business classification. Each kind of business is distinct in itself, and necessarily has its compensating advantages or disadvantages to offset the difference in primary expense rate, because it continues to survive and add new units in free competition with the other kinds of chains.

### EXPENSES COMPARED BY SIZE OF CITY

The report contains expense comparisons between chains operating in large cities (with population over 100,000) and smaller cities (with population of less than 30,000). The tables show separately those chains without fountains and those operating stores with fountains. Only the chains operating all their units in one size of city are included in this expense comparison.

The difference in expense rate between the two sizes of cities averages 4.4 per cent and it is consistently higher in the large cities regardless of the size of the chain. The difference shows primarily in pay roll and rent. Total expense in the large cities is \$30.40 per \$100 of sales, in comparison with \$26.00 per \$100 of sales in the smaller cities. Pay-roll cost is \$15.50 and \$14.00 per \$100 of sales, respectively.

Rental cost in the large cities is 6.3 per cent, in comparison with 4.1 per cent in the smaller cities. Rental cost, wherever it is used in this report, refers to rent paid for wholly leased premises, and is related always to total sales in such leased premises only. That rent, pay roll, and some other expenses are consistently lower in proportion to sales in the smaller cities than they are in large cities has been pointed out in other reports of the Merchandising Series of the Retail Census.

### CENTRAL OFFICE ADMINISTRATIVE SALARIES

Nine drug chains operating stores without fountains report that their pay-roll expense in the central offices, including executives, buyers, merchandisers, and clerks, averages \$3.00 per \$100 of their sales. Of those operating stores with fountains, 24 report that their central office pay roll averages \$2.30 per \$100 of their sales. The 33 chains average less than 2½ per cent. Central office expenses are supposed to have been prorated to the stores and included in the stores' operating expenses. No further detail is available, and the above is included incidentally for such light as it may throw upon the operation of drug store chains.

TABLE 1.—SUMMARY—DRUG STORE CHAINS

Total drug store chains.....	249
Chains operating stores with fountain.....	169
Other drug store chains.....	80
Number of local chains.....	235
Number of sectional chains }.....	14
Number of national chains }.....	
Total units.....	3,513
Chains operating stores with fountain.....	3,031
Other drug store chains.....	482
Local.....	1,953
Sectional and national.....	1,560
Total sales.....	\$312,301,721
Chains operating stores with fountain.....	288,680,797
Other drug store chains.....	23,620,924
Local chains.....	132,017,912
Sectional and national chains.....	180,283,809
Store operating expenses (per \$100 of sales).....	27.64
Chains operating stores with fountain.....	27.88
Other drug store chains.....	24.80
Chains extending credit.....	29.61
Chains not extending credit.....	27.35
Local chains.....	26.66
Sectional and national chains.....	28.37
Pay roll cost, 33,417 employees (per \$100 of sales).....	13.44
Chains operating stores with fountain.....	13.47
Other drug store chains.....	13.12
Local chains.....	13.91
Sectional and national chains.....	13.10
Other store operating expenses, including rent (per \$100 of sales).....	14.20
Chains operating stores with fountain.....	14.41
Other drug store chains.....	11.68
Local chains.....	12.75
Sectional and national chains.....	15.27
Rent—3,451 leased stores (per \$100 of sales).....	7.43
Chains operating stores with fountain (2,988 stores).....	7.65
Other drug store chains (463 stores).....	4.76

TABLE 2.—SALES OF DRUG STORE CHAINS

A. SALES CLASSIFIED BY GEOGRAPHIC DIVISIONS AND SIZE OF CHAIN

DIVISION	NET SALES (1929)		SALES OF UNITS OF—				
	Amount	Per cent of total	Chains of more than 50 units	Chains of 26 to 50 units	Chains of 11 to 25 units	Chains of 6 to 10 units	Chains of less than 6 units
Total, all drug store chains.....	\$312,301,721	100.00	\$180,679,790	\$35,417,081	\$36,419,124	\$26,116,415	\$33,669,311
New England.....	20,503,056	6.56	15,999,950	—	—	1,856,152	2,646,954
Middle Atlantic.....	74,585,116	23.88	51,520,907	4,299,773	9,568,085	5,650,415	3,545,936
East North Central.....	90,869,399	29.10	49,784,955	14,988,217	15,477,453	5,144,380	5,474,394
West North Central.....	25,690,056	8.23	11,112,881	3,671,386	237,108	1,941,324	8,727,357
South Atlantic.....	29,722,126	9.52	19,837,750	3,751,451	2,794,778	1,284,184	2,053,963
East South Central.....	11,043,148	3.53	6,858,397	1,274,749	1,177,480	1,232,311	500,211
West South Central.....	21,705,752	6.95	3,353,704	6,624,774	4,104,127	3,930,034	3,694,113
Mountain.....	7,931,726	2.54	3,825,767	—	—	1,353,150	2,752,809
Pacific coast.....	30,250,342	9.69	18,385,479	806,731	3,060,093	3,724,465	4,273,574

B. SALES CLASSIFIED BY SIZE OF CITY AND SIZE OF CHAIN

Total, all drug store chains.....	\$312,301,721	100.00	\$180,679,790	\$35,417,081	\$36,419,124	\$26,116,415	\$33,669,311
All units in cities and places of—							
More than 100,000.....	239,489,841	76.69	143,664,310	28,740,066	26,297,516	17,447,423	23,340,526
30,000 to 100,000.....	43,445,275	13.91	25,212,473	3,573,015	5,528,733	5,091,444	4,039,610
10,000 to 30,000.....	20,108,296	6.44	9,274,182	1,800,178	3,104,221	2,050,222	3,879,493
Less than 10,000.....	9,258,309	2.96	2,528,825	1,303,822	1,488,654	1,527,326	2,409,682

TABLE 3.—SALES BY TYPES OF OPERATION AND SIZE OF CHAIN—DRUG STORE CHAINS

[ An (x) indicates that the amount must be withheld to avoid disclosure of individual operations, but it is included in the totals ]

SIZE OF CHAIN	TOTALS, ALL CHAINS				
	Number of chains	Number of units	Net sales (1929)	Per cent of total sales	Average sales per unit
All drug store chains.....	249	3,513	\$312,301,721	100.00	\$88,924
Chains operating drug stores with fountains.....	169	3,031	288,680,797	92.44	95,274
Chains of—					
More than 50 units.....	8	1,595	180,679,790	57.85	113,279
26 to 50 units.....	12	420	34,610,350	11.08	82,406
11 to 25 units.....	24	355	28,069,722	9.00	79,154
6 to 10 units.....	46	320	21,344,159	6.84	66,910
Less than 6 units.....	79	341	23,946,776	7.67	70,225
Other drug store chains.....	80	482	23,620,924	7.56	49,006
Chains of—					
More than 11 units.....	9	145	9,126,133	2.92	62,939
6 to 10 units.....	14	97	4,772,256	1.53	49,199
Less than 6 units.....	57	240	9,722,535	3.11	40,511

TABLE 3.—SALES BY TYPES OF OPERATION AND SIZE OF CHAIN—DRUG STORE CHAINS—Continued

SIZE OF CHAIN	LOCAL CHAINS			SECTIONAL AND NATIONAL CHAINS		
	Number of chains	Number of units	Net sales (1929)	Number of chains	Number of units	Net sales (1929)
All drug store chains.....	235	1,953	\$132,017,912	14	1,560	\$180,283,809
Chains operating drug stores with fountains.....	159	1,527	113,790,454	10	1,504	174,890,343
Chains of—						
More than 50 units.....	2	130	7,533,753	6	1,465	173,146,037
26 to 50 units.....	12	420	34,610,350			
11 to 25 units.....	23	332	26,829,568	1	23	(x)
6 to 10 units.....	45	312	21,132,495	1	8	(x)
Less than 6 units.....	77	333	23,684,288	2	8	(x)
Other drug store chains.....	76	426	18,227,458	4	56	5,393,466
Chains of—						
More than 11 units.....	6	94	3,909,528	3		(x)
6 to 10 units.....	14	97	4,772,256			
Less than 6 units.....	56	235	9,545,674	1		(x)

TABLE 4.—CLASSIFICATION OF CHAINS BY VOLUME OF SALES—DRUG STORE CHAINS

## A. CHAINS OPERATING DRUG STORES WITH FOUNTAINS

	ALL CHAINS		Per cent of total sales
	Number of chains	Net sales (1929)	
Total.....	169	\$288,680,797	100.00
Chains with annual net sales—			
In excess of \$5,000,000.....	7	179,957,336	62.33
\$2,500,000 to \$5,000,000.....	12	40,806,312	14.13
\$1,000,000 to \$2,500,000.....	12	19,328,250	6.70
\$500,000 to \$1,000,000.....	22	19,620,179	6.80
\$250,000 to \$500,000.....	34	14,123,368	4.89
\$150,000 to \$250,000.....	57	12,203,038	4.23
Less than \$150,000.....	25	2,642,314	.92

## B. OTHER DRUG STORE CHAINS

	Number of chains	Net sales (1929)	Per cent of total sales
Total.....	80	\$23,620,924	100.00
Chains with annual net sales—			
In excess of \$1,000,000.....	6	9,683,440	40.99
\$500,000 to \$1,000,000.....	5	2,779,719	11.77
\$250,000 to \$500,000.....	18	4,863,189	20.59
\$100,000 to \$250,000.....	36	5,273,897	22.33
Less than \$100,000.....	15	1,020,679	4.32

TABLE 5.—CHAIN UNITS CLASSIFIED BY AGE OF UNITS—DRUG STORE CHAINS  
A. CHAINS OPERATING DRUG STORES WITH FOUNTAINS

AGE OF UNIT	ALL CHAINS		NUMBER OF UNITS IN CHAINS OF—									
	Per cent of total units	Total number of units	More than 50 units		26 to 50 units		11 to 25 units		6 to 10 units		Less than 6 units	
			Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number
Total.....	100.00	3,031	100.00	1,595	100.00	420	100.00	355	100.00	320	100.00	341
All units established 1929.....	23.89	724	27.65	441	24.05	101	22.53	80	16.88	54	14.08	48
All units established 1925 to 1928, inclusive.....	36.92	1,119	39.81	635	35.48	149	30.14	107	32.50	104	36.36	124
All units established prior to 1925.....	39.19	1,188	32.54	519	40.47	170	47.33	168	50.62	162	49.56	169

B. OTHER DRUG STORE CHAINS

AGE OF UNIT	ALL CHAINS		NUMBER OF UNITS IN CHAINS OF—					
	Per cent of total units	Total number of units	More than 11 units		6 to 10 units		Less than 6 units	
			Per cent	Number	Per cent	Number	Per cent	Number
Total.....	100.00	482	100.00	145	100.00	97	100.00	240
All units established 1929.....	16.81	81	21.38	31	27.83	27	9.58	23
All units established 1925 to 1928, inclusive.....	28.84	139	33.79	49	34.02	33	23.75	57
All units established prior to 1925.....	54.35	262	44.83	65	38.15	37	66.67	160

TABLE 6.—OPERATING EXPENSES 1—DRUG STORE CHAINS  
A. ALL DRUG STORE CHAINS

	STORES IN CHAINS OF—						Less than 6 units
	More than 100 units	50 to 100 units	26 to 50 units	11 to 25 units	6 to 10 units		
Total, all chains	\$312,301,721	\$13,219,025	\$38,353,057	\$35,960,854	\$27,381,416	\$33,669,311	
Net sales (1929).....	249	3	13	31	62	136	
Number of chains.....	1,953	130	420	385	450	568	
Units operated by local chains.....	478	62	60	74	8	13	
Units operated by sectional chains.....	1,082	1,082	1,082	1,082	1,082	1,082	
Units operated by national chains.....	1,082	1,082	1,082	1,082	1,082	1,082	
Operating expenses.....	\$86,337,513	\$3,363,771	\$10,024,506	\$9,840,259	\$7,508,275	\$8,927,841	
Per \$100 of sales.....	27.64	25.45	26.14	27.36	27.42	26.52	
Pay roll.....	\$41,981,491	\$2,014,797	\$5,118,655	\$4,666,844	\$3,794,279	\$4,918,483	
Per \$100 of sales.....	13.44	15.24	13.35	12.98	13.86	14.61	
Other store operating expenses, including rent.....	\$44,356,022	\$1,348,974	\$4,905,851	\$5,173,415	\$3,713,996	\$4,009,358	
Per \$100 of sales.....	14.20	10.21	12.79	14.38	13.56	11.91	
Rent in 3,451 leased premises, per \$100 of sales in such leased premises (included in above line).....	7.43	5.18	5.97	5.94	5.86	4.65	
Stocks on hand, end of year, at cost.....	\$40,754,028	\$1,732,799	\$4,002,460	\$4,772,907	\$4,443,432	\$6,135,524	
EMPLOYMENT DATA							
Full-time employees.....	31,861	1,492	4,285	3,705	3,032	3,561	
Men.....	22,377	1,042	3,238	2,513	2,298	2,711	
Women.....	9,484	450	1,047	1,192	734	850	
Total pay roll, full time.....	\$41,353,732	\$1,958,455	\$4,997,123	\$4,570,565	\$3,664,739	\$4,764,238	
Part-time employees.....	1,556	154	279	279	332	353	
Men.....	1,297	122	242	216	281	281	
Women.....	259	37	37	63	47	72	
Total pay roll, part time.....	\$627,759	\$56,342	\$121,552	\$96,279	\$129,540	\$154,185	

B. CHAINS OPERATING DRUG STORES WITH FOUNTAINS

Net sales (1929)-----	\$288,680,797	\$163,718,058	\$13,219,025	\$38,353,057	\$28,089,722	\$21,344,159	\$23,946,776
Number of chains-----	169	4	3	13	24	46	79
Units operated by local chains-----	1,527		130	420	332	312	333
Units operated by sectional chains-----	422	261	62	60	23	8	8
Units operated by national chains-----	1,082	1,082					
Operating expenses-----	\$80,480,671	\$46,672,861	\$3,363,771	\$10,024,506	\$8,107,285	\$6,226,501	\$6,085,747
Per \$100 of sales-----	27.88	28.51	25.45	26.14	28.85	29.17	25.41
Pay roll, total-----	\$38,884,011	\$21,468,433	\$2,014,797	\$5,118,655	\$3,840,042	\$3,124,621	\$3,317,463
Per \$100 of sales-----	13.47	13.11	15.24	13.35	13.66	14.64	13.85
Other store operating expenses, including rent-----	\$41,596,660	\$25,204,428	\$1,348,974	\$4,905,851	\$4,267,243	\$3,101,880	\$2,768,284
Per \$100 of sales-----	14.41	15.40	10.21	12.79	15.19	14.53	11.56
Rent in 2,088 leased premises, per \$100 of sales in such leased premises (included in line above)-----	7.65	9.08	5.18	5.97	6.42	6.35	4.29
Stocks on hand, end of year, at cost-----	\$36,150,667	\$19,666,906	\$1,732,799	\$4,002,460	\$3,237,717	\$3,443,989	\$4,066,796
EMPLOYMENT DATA							
Full-time employees-----	29,751	15,786	1,492	4,285	3,163	2,528	2,497
Men-----	20,730	10,575	1,042	3,238	2,144	1,916	1,815
Women-----	9,021	5,211	450	1,047	1,019	612	682
Total pay roll, full time-----	\$38,330,235	\$21,398,552	\$1,968,455	\$4,997,123	\$3,749,963	\$3,024,830	\$3,201,312
Part-time employees-----	1,364	159	154	279	260	242	270
Men-----	1,139	122	151	202	202	210	212
Women-----	225	37	3	37	58	32	58
Total pay roll, part time-----	\$553,776	\$69,881	\$56,342	\$121,532	\$90,079	\$99,791	\$116,151

<sup>1</sup> This computation of expenses includes no return on capital invested in merchandise, fixtures, or accounts. Expenses do not include, of course, the cost of merchandise sold, nor profit. The size-figures in this table do not agree with the other tables for the reason that combinations were necessary to avoid disclosure of individual operations.

TABLE 6.—OPERATING EXPENSES—DRUG STORE CHAINS—Continued  
C. OTHER DRUG STORE CHAINS (WITHOUT FOUNTAINS)

	STORES IN CHAINS OF—						Less than 6 units
	More than 100 units	50 to 100 units	26 to 50 units	11 to 25 units	6 to 10 units		
Total, all chains	\$23, 620, 924			\$7, 861, 132	\$6, 037, 257	\$9, 722, 535	
Net sales (1929)	80			7	16	57	
Number of chains	426			53	138	235	
Units operated by local chains	56			51		5	
Units operated by sectional chains							
Operating expenses	\$5, 856, 842			\$1, 732, 974	\$1, 281, 774	\$2, 842, 004	
Per \$100 of sales	24.80			22.04	21.23	29.23	
Pay roll	\$3, 097, 480			\$826, 802	\$669, 658	\$1, 601, 020	
Per \$100 of sales	13.12			10.32	11.09	16.47	
Other store operating expenses, including rent	\$2, 739, 362			\$906, 172	\$612, 116	\$1, 241, 074	
Per \$100 of sales	11.68			11.52	10.14	12.76	
Rent in 463 leased premises, per \$100 of sales in such leased premises (included in line above)	4.76			4.54	3.57	5.56	
Stocks on hand, end of year, at cost	\$4, 603, 361			\$1, 535, 190	\$999, 443	\$2, 068, 728	
EMPLOYMENT DATA							
Full-time employees	2, 110			542	504	1, 064	
Men	1, 647			369	382	896	
Women	463			173	122	168	
Total pay roll, full time	\$3, 023, 497			\$820, 602	\$639, 909	\$1, 562, 986	
Part-time employees	192			19	90	83	
Men	158			14	75	69	
Women	34			5	15	14	
Total pay roll, part time	\$73, 983			\$6, 200	\$29, 749	\$38, 034	



TABLE 6.—OPERATING EXPENSES—DRUG STORE CHAINS—Continued  
E. ALL-CASH CHAINS—DRUG STORES WITH FOUNTAINS

		EXPENSES OF STORES IN CHAINS OF—						
Total, all chains		More than 100 units	50 to 100 units	26 to 50 units	11 to 25 units	6 to 10 units	Less than 6 units	
Net sales (1929).....	\$253,087,581	\$163,718,058	\$13,219,025	\$27,559,873	\$19,570,343	\$12,326,082	\$16,694,200	
Number of chains.....	103	4	3	9	14	26	47	
Units operated by local chains.....	1,042	130	332	197	181	202	202	
Units operated by sectional chains.....	350	261	62	23	4	4	4	
Units operated by national chains.....	1,082	1,082						
Operating expenses.....	\$69,893,969	\$46,672,861	\$3,363,771	\$6,801,405	\$5,462,673	\$3,659,783	\$3,933,476	
Per \$100 of sales.....	27.62	28.51	25.45	24.68	27.91	29.69	23.56	
Pay roll.....	\$33,297,240	\$21,468,433	\$2,014,797	\$3,411,242	\$2,563,323	\$1,699,030	\$2,140,415	
Per \$100 of sales.....	13.16	13.11	15.24	12.38	13.10	13.78	12.82	
Other store operating expenses, including rent.....	\$36,596,729	\$25,204,428	\$1,348,974	\$3,390,163	\$2,899,350	\$1,960,753	\$1,793,061	
Per \$100 of sales.....	14.46	15.40	10.21	11.30	14.81	15.91	10.74	
Rent in 2,440 leased premises, per \$100 of sales in such leased premises (included in above line).....	7.88	9.08	5.18	5.86	6.22	7.07	3.95	
Stocks on hand, end of year, at cost.....	\$30,601,818	\$19,666,906	\$1,732,799	\$2,787,355	\$2,001,804	\$1,842,244	\$2,570,710	
EMPLOYMENT DATA								
Full-time employees.....	25,460	15,786	1,492	3,031	2,197	1,314	1,640	
Men.....	17,300	10,575	1,042	2,158	1,367	1,008	1,150	
Women.....	8,160	5,211	450	873	830	306	490	
Total pay roll, full time.....	\$32,932,221	\$21,398,552	\$1,958,455	\$3,334,611	\$2,519,039	\$1,651,618	\$2,069,946	
Part-time employees.....	946	159	154	212	152	108	161	
Men.....	779	122	151	183	107	97	119	
Women.....	167	37	3	29	45	11	42	
Total pay roll, part time.....	\$365,019	\$69,881	\$56,342	\$70,631	\$44,284	\$47,412	\$70,469	

F. CREDIT-GRANTING CHAINS—OTHER DRUG STORE CHAINS

Net sales (1929).....	\$6,595,006					\$1,771,074	\$4,824,932
Credit sales.....	\$1,156,920					\$234,632	\$922,288
Per cent of net sales.....	17.54					13.25	19.21
Number of chains.....	27					5	22
Units operated by local chains.....	150					63	87
Units operated by sectional chains.....	5					5	5
Units operated by national chains.....							
Operating expenses.....	\$1,908,941					\$528,348	\$1,385,593
Per \$100 of sales.....	28.94					29.56	28.72
Pay roll.....	\$1,076,064					\$297,203	\$778,861
Per \$100 of sales.....	16.31					16.78	16.14
Other store operating expenses (including rent).....	\$832,877					\$226,145	\$606,732
Per \$100 of sales.....	12.63					12.77	12.58
Rent in 149 leased premises, per \$100 of sales in such leased premises (included in above line).....	5.21					5.27	5.19
Stocks on hand, end of year, at cost.....	\$1,352,242					\$358,062	\$994,180
EMPLOYMENT DATA							
Full-time employees.....	729					185	544
Men.....	604					163	441
Women.....	125					22	103
Total pay roll, full time.....	\$1,035,617					\$275,629	\$759,988
Part-time employees.....	112					73	39
Men.....	93					63	30
Women.....	19					10	9
Total pay roll, part time.....	\$40,447					\$21,574	\$18,873

See footnote, bottom of page 227.

TABLE 6.—OPERATING EXPENSES—DRUG STORE CHAINS—Continued  
G. ALL-CASH CHAINS—OTHER DRUG STORE CHAINS

	STORES IN CHAINS OF—						Less than 6 units
	Total, all chains	More than 100 units	50 to 100 units	26 to 50 units	11 to 25 units	6 to 10 units	
Net sales (1929).....	\$17,024,918	-----	-----	-----	-----	-----	\$4,897,603
Number of chains.....	53	-----	-----	-----	-----	-----	11
Units operated by local chains.....	276	-----	-----	-----	-----	-----	75
Units operated by sectional chains.....	51	-----	-----	-----	-----	-----	-----
Units operated by national chains.....	-----	-----	-----	-----	-----	-----	-----
Operating expenses.....	\$3,947,901	-----	-----	-----	-----	-----	-----
Per \$100 of sales.....	23.19	-----	-----	-----	-----	-----	-----
Pay roll, total.....	\$2,021,416	-----	-----	-----	-----	-----	\$758,426
Per \$100 of sales.....	11.87	-----	-----	-----	-----	-----	17.78
Other store operating expenses, including rent.....	\$1,926,485	-----	-----	-----	-----	-----	\$372,455
Per \$100 of sales.....	11.32	-----	-----	-----	-----	-----	8.73
Rent in 314 leased premises, per \$100 of sales in such leased premises (included in above line).....	4.59	-----	-----	-----	-----	-----	\$385,971
Stocks on hand, at end of year, at cost.....	\$3,251,119	-----	-----	-----	-----	-----	9.05
		-----	-----	-----	-----	-----	3.29
		-----	-----	-----	-----	-----	\$641,381
		-----	-----	-----	-----	-----	\$1,074,548
EMPLOYMENT DATA							
Full-time employees.....	1,381	-----	-----	-----	-----	-----	542
Men.....	1,043	-----	-----	-----	-----	-----	319
Women.....	338	-----	-----	-----	-----	-----	219
Total pay roll, full time.....	\$1,987,880	-----	-----	-----	-----	-----	455
Part-time employees.....	80	-----	-----	-----	-----	-----	100
Men.....	65	-----	-----	-----	-----	-----	65
Women.....	15	-----	-----	-----	-----	-----	-----
Total pay roll, part time.....	\$53,536	-----	-----	-----	-----	-----	\$364,280
		-----	-----	-----	-----	-----	-----
		-----	-----	-----	-----	-----	17
		-----	-----	-----	-----	-----	12
		-----	-----	-----	-----	-----	39
		-----	-----	-----	-----	-----	5
		-----	-----	-----	-----	-----	\$8,175
		-----	-----	-----	-----	-----	\$19,161

See footnote, bottom of page 227.

TABLE 7.—COMPARISON OF OPERATING EXPENSES—DRUG STORE CHAINS

A. CHAINS OPERATING DRUG STORES WITH FOUNTAINS

ITEM	LARGE-CITY LOCALS (With population of 100,000 and over)			
	Total <sup>1</sup>	Chains of—		
		11 to 25 units	6 to 10 units	Less than 6 units
Number of chains.....	64	9	20	35
Number of units.....	420	126	141	153
Net sales (1929).....	\$28,630,696	\$9,183,474	\$10,721,935	\$8,725,287
Total operating expenses.....	\$8,704,833	\$2,946,842	\$3,189,871	\$2,568,120
Per \$100 of sales.....	30.40	32.09	29.75	29.43
Total employees.....	3,696	1,199	1,403	1,094
Total salaries.....	\$4,316,938	\$1,375,532	\$1,532,239	\$1,409,167
Per \$100 of sales.....	15.08	14.98	14.29	16.15
Full-time employees.....	3,460	1,199	1,260	1,001
Full-time salaries.....	\$4,208,201	\$1,375,532	\$1,473,314	\$1,359,355
Part-time employees.....	236	—	143	93
Part-time salaries.....	\$108,737	—	\$58,925	\$49,812
Other operating expenses (including rent).....	\$4,387,895	\$1,571,310	\$1,657,632	\$1,158,953
Per \$100 of sales.....	15.32	17.11	15.46	13.28
Rent, per \$100 of sales in such leased premises (included in above line).....	6.47	6.75	6.88	5.67

  

ITEM	SMALLER CITY LOCALS (With population less than 30,000)			
	Total <sup>1</sup>	Chains of—		
		11 to 25 units	6 to 10 units	Less than 6 units
Number of chains.....	18	2	3	13
Number of units.....	96	22	20	54
Net sales (1929).....	\$4,478,853	\$1,024,303	\$1,091,900	\$2,362,655
Total operating expenses.....	\$1,150,461	\$285,528	\$220,896	\$644,037
Per \$100 of sales.....	25.69	27.87	20.23	27.26
Total employees.....	515	104	106	305
Total salaries.....	\$583,015	\$134,228	\$108,609	\$340,178
Per \$100 of sales.....	13.02	13.10	9.94	14.40
Full-time employees.....	455	91	100	264
Full-time salaries.....	\$562,012	\$129,679	\$107,206	\$325,127
Part-time employees.....	60	13	6	41
Part-time salaries.....	\$21,003	\$4,549	\$1,403	\$15,051
Other operating expenses (including rent).....	\$567,446	\$151,300	\$112,287	\$303,859
Per \$100 of sales.....	12.67	14.77	10.29	12.86
Rent, per \$100 of sales in such leased premises (included in above line).....	4.28	4.87	3.16	4.55

<sup>1</sup>Totals on this table will not agree with other tables as only 3 of the size-of-city classes were used here.

<sup>2</sup>In 412 leased premises.

<sup>3</sup>In 95 leased premises.

See footnote, bottom of page 227.

TABLE 7. COMPARISON OF OPERATING EXPENSES—DRUG STORE CHAINS—CON.

## B. OTHER DRUG STORE CHAINS

ITEM	LARGE-CITY LOCALS (With population of 100,000 and over)			
	Total <sup>1</sup>	Chains of—		
		11 to 25 units	6 to 10 units	Less than 6 units
Number of chains.....	38	2	5	31
Number of units.....	189	24	33	132
Net sales (1929).....	\$7,591,163	\$933,270	\$522,651	\$6,135,242
Total operating expenses.....	\$2,323,649	\$214,837	\$186,767	\$1,922,045
Per \$100 of sales.....	30.61	23.01	35.73	31.33
Total employees.....	954	86	119	749
Total salaries.....	\$1,308,185	\$126,129	\$115,665	\$1,066,391
Per \$100 of sales.....	17.23	13.51	22.13	17.38
Full-time employees.....	887	78	119	690
Full-time salaries.....	\$1,277,695	\$122,091	\$115,665	\$1,039,939
Part-time employees.....	67	8	-----	59
Part-time salaries.....	\$30,490	\$4,038	-----	\$26,452
Other operating expenses (including rent).....	\$1,015,464	\$88,708	\$71,102	\$855,654
Per \$100 of sales.....	13.38	9.50	13.60	13.95
Rent, per \$100 of sales in such leased premises (included in above line).....	<sup>4</sup> 6.13	4.98	5.41	6.37
ITEM	SMALLER-CITY LOCALS (With population less than 30,000)			
	Total <sup>1</sup>	Chains of—		
		11 to 25 units	6 to 10 units	Less than 6 units
Number of chains.....	20	-----	2	18
Number of units.....	87	-----	12	75
Net sales (1929).....	\$2,965,446	-----	\$440,429	\$2,525,017
Total operating expenses.....	\$782,723	-----	\$122,463	\$660,260
Per \$100 of sales.....	26.39	-----	27.80	26.15
Total employees.....	343	-----	69	274
Total salaries.....	\$457,185	-----	\$67,414	\$389,771
Per \$100 of sales.....	15.41	-----	15.30	15.44
Full-time employees.....	314	-----	62	252
Full-time salaries.....	\$445,522	-----	\$65,325	\$380,197
Part-time employees.....	29	-----	7	22
Part-time salaries.....	\$11,663	-----	\$2,089	\$9,574
Other operating expenses (including rent).....	\$325,538	-----	\$55,049	\$270,489
Per \$100 of sales.....	10.98	-----	12.50	10.71
Rent, per \$100 of sales in such leased premises (included in above line).....	<sup>5</sup> 3.92	-----	5.56	3.63

<sup>1</sup>Totals on this table will not agree with other tables as only 3 of the size-of-city classes were used here.<sup>4</sup>In 182 leased premises.<sup>5</sup>In 14 leased premises.

See footnote, bottom of page 227.

TABLE 8.—SALES BY COMMODITIES—DRUG STORE CHAINS

A.—CHAINS OPERATING STORES WITH FOUNTAINS

	Total 169 chains, net sales, 1929	8 chains of more than 50 units	12 chains of 26 to 50 units	24 chains of 11 to 25 units	46 chains of 6 to 10 units	79 chains of less than 6 units
Net sales—chains operating stores with fountains.....	\$288,680,797	\$180,679,790	\$34,610,350	\$28,099,722	\$21,344,159	\$23,946,776
Less—amount which can not be broken down into commodities.....	24,047,235	2,726,071	3,743,168	5,744,683	4,947,614	6,885,699
Sales further analyzed.....	264,633,562	177,953,719	30,867,182	22,355,039	16,396,545	17,061,077
	<i>Per cent</i> 100.00	<i>Per cent</i> 100.00	<i>Per cent</i> 100.00	<i>Per cent</i> 100.00	<i>Per cent</i> 100.00	<i>Per cent</i> 100.00
Commodities:						
Prescriptions.....	4.27	2.96	8.46	4.39	7.40	6.91
Drugs, pharmaceuticals, chemicals, patent medicines, and compounds.....	37.95	42.32	32.31	29.23	27.78	23.88
Soda fountain sales and ice cream, lunches.....	19.75	19.89	16.38	23.06	23.19	16.76
Confectionery and nuts.....	3.39	3.28	2.61	4.00	3.99	4.53
Bottled beverages.....	.12			.34	.39	1.03
Toilet articles and preparations.....	10.38	10.05	10.79	11.56	7.41	14.29
Cigars, cigarettes, and tobacco.....	18.74	18.88	22.30	18.09	13.35	16.83
Miscellaneous merchandise (including stationery, school supplies, rubber goods, surgical and hospital supplies, and all other merchandise not otherwise classified).....	5.40	2.62	6.97	9.33	16.49	15.77

B.—OTHER DRUG STORE CHAINS

	Total 80 chains, total sales	9 chains of more than 11 units	14 chains of 6 to 10 units	57 chains of less than 6 units
Net sales—other drug chains.....	\$23,620,924	\$9,126,133	\$4,772,256	\$9,722,535
Less—amount which can not be broken down into commodities.....	12,601,149	2,908,319	2,386,792	7,306,038
Sales further analyzed.....	11,019,775	6,217,814	2,385,464	2,416,497
	<i>Per cent</i> 100.00	<i>Per cent</i> 100.00	<i>Per cent</i> 100.00	<i>Per cent</i> 100.00
Commodities:				
Prescriptions.....	6.70	3.28	.21	21.89
Drugs, pharmaceuticals, chemicals, patent medicines, and compounds.....	35.99	35.16	39.02	35.14
Ice cream, confectionery and nuts, and bottled beverages.....	5.66	5.83		10.78
Toilet articles and preparations.....	22.88	30.35	23.43	3.12
Cigars, cigarettes, and tobacco.....	18.02	15.61	37.34	5.17
Miscellaneous, unclassified.....	10.75	9.77		23.90

TABLE 9.—STOCK—SALES RATIO<sup>1</sup> BY GEOGRAPHIC DIVISIONS—DRUG STORE CHAINS

## A. CHAINS OPERATING DRUG STORES WITH FOUNTAINS

DIVISION	Number of chains	Number of units	Total net sales	Cost of stock	Per cent of sales
Total, all divisions.....	2 155	1, 429	\$102, 101, 099	\$14, 177, 411	13. 89
New England.....	11	60	3, 618, 719	589, 383	16. 29
Middle Atlantic.....	29	353	24, 854, 772	3, 475, 018	13. 98
East North Central.....	39	351	22, 474, 206	3, 125, 485	13. 91
West North Central.....	16	122	13, 231, 327	1, 721, 829	13. 01
South Atlantic.....	10	89	6, 994, 951	792, 941	11. 34
East South Central.....	7	136	5, 427, 396	990, 822	18. 26
West South Central.....	22	190	16, 463, 128	2, 083, 598	12. 66
Mountain.....	10	55	3, 625, 494	583, 242	16. 09
Pacific coast.....	11	73	5, 411, 106	815, 093	15. 06

## B. OTHER DRUG STORE CHAINS

[An (x) indicates that the amount must be withheld to avoid disclosure of individual operations, but it is included in the total]

DIVISION	Number of chains	Number of units	Total net sales	Cost of stock	Per cent of sales
Total, all divisions.....	2 75	442	\$20, 343, 329	\$3, 794, 861	18. 65
New England.....	6	27	884, 387	177, 299	20. 05
Middle Atlantic.....	9	53	1, 939, 674	478, 041	24. 65
East North Central.....	14	112	6, 333, 163	1, 174, 738	18. 55
West North Central.....	8	33	1, 090, 116	264, 693	24. 28
South Atlantic.....	9	53	1, 163, 892	180, 327	15. 49
East South Central.....	1	(x)	(x)	(x)	(x)
West South Central.....	9	40	1, 802, 854	283, 321	15. 72
Mountain.....	2	(x)	(x)	(x)	(x)
Pacific coast.....	17	112	6, 453, 757	1, 099, 798	17. 04

<sup>1</sup> Stock—sales ratio is the per cent or ratio of stock at the end of the year, at cost, to net sales for the year at retail. It is not equivalent to turnover, to compute which requires a monthly stock figure at retail, averaged throughout the year.

<sup>2</sup> Only those chains located wholly in 1 geographic division were used in this table.