

CHAPTER 19.—OFFICE APPLIANCE CHAINS

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OFFICE APPLIANCE CHAINS

INCLUDING PROFESSIONAL AND SCIENTIFIC SUPPLY CHAINS

INTRODUCTION

Sales at retail by office-appliance chains amount to \$169,707,027, according to reports received from chain-store organizations in connection with the first nation-wide Census of Distribution, which is a part of the Fifteenth Decennial Census of the United States. There are 55 chains, with 1,707 stores or units, of which 1,639 are store and office appliance salesrooms, and 68 are stores selling professional and scientific supplies. Both kinds are analyzed in this report, which also includes a short summary of the 6 typewriter chains of sales branches.

The 55 chains employ the services of 21,011 employees at a total annual payroll cost of \$45,453,321. Other operating expenses, including rent, aggregate \$20,180,517, making a total operating expense of \$65,633,838, or \$38.67 per \$100 of sales. The rent ratio is \$2.32 per \$100 of sales, computed on the basis of the rent paid for 1,504 stores operated in wholly leased premises in relation to sales in such leased premises. Stock on hand at the end of the year is valued, at cost, at \$18,359,151.

OFFICE APPLIANCE CHAINS

There are 45 office, school, and store appliance chains showing aggregate sales in 1,639 units of \$164,535,060. Of this number, 5 are local chains operating 33 units with sales of \$2,888,355, 14 are sectional chains operating 96 units with sales of \$10,452,226, and 26 are national chains operating 1,510 units with sales of \$151,194,479. The latter includes the manufacturer-controlled chains of the typewriter companies. The 45 appliance chains are to be distinguished from 10 chains specializing in professional and scientific supplies.

The appliance chains show average sales per unit of \$100,387 and an average store operating expense of \$38.94 per \$100 of sales. Pay roll is \$27.08 per \$100 of sales. Of the 1,639 stores 1,454 are in leased premises for which the cost of rent averages \$2.29 per \$100 of sales in such leased premises.

GROWTH OF THE OFFICE APPLIANCE CHAINS

Of the 975 chain units classified as to age, only 3 per cent were established in 1929 and 10 per cent were established in the four years from 1925 to 1928. About 7 out of 8 units in operation at the end of 1929 were established prior to 1925. The relatively small number of units established between 1925 and 1929 is unusual in chain retailing, most kinds of chains registering substantial increases during that period.

GEOGRAPHIC DISTRIBUTION OF UNITS

Of the 1,639 chain units analyzed, 1,082 are located in cities of more than 100,000; 430 in cities of 25,000 to 100,000; 113 in cities of 10,000 to 25,000; and 14 in places of less than 10,000 population. The five East North Central States, surrounding Chicago, contain 21.78 per cent. The Middle Atlantic States contain 17.75 per cent, while the South Atlantic States contain 11.78 per cent.

Next in order are the West North Central States with 11.41 per cent and the West South Central States with 9.64 per cent. Table 5 shows the distribution of stores in other geographic divisions, and further analyzed the data by size of chain.

Table 2B, analyzing sales geographically, shows that the division which leads in the number of units does not lead in sales. The Middle Atlantic States, with sales of \$55,512,733, lead the district surrounding Chicago. The South Atlantic States, third in the number of units, is exceeded in sales by the West North Central States with total sales of \$14,725,123, and by the New England States with sales of \$13,002,060. The Pacific Coast States, with sales of \$13,452,457 are ahead of the West South Central States with sales of \$9,954,810, although the latter contain slightly more units. Table 2B shows the distribution of sales in each of the nine geographic divisions, and further divides these data by size of chain.

CREDIT OPERATIONS

Not all appliance chains do a credit business. The 29 chains that report that they extend credit operate 64.55 per cent of the total number of units, and they do 72.98 per cent of the total sales of all appliance chains. They operate 1,058 stores with aggregate sales of \$120,073,205, of which 90.42 per cent or \$108,562,619, is credit business.

SALES BY COMMODITIES

Typewriters and accessories constitute more than 20 per cent of total sales of all chains in the appliance classification. Adding and calculating machines account for more than another 20 per cent, while general office equipment totals 16 per cent. A list of commodities is shown in Table 6.

TYPEWRITER CHAINS

Included in the 45 appliance chains are 6 typewriter chains operating 395 units with sales of \$31,924,025. The average store operating expense for these chains is \$44.18 per \$100 of sales. Pay roll cost is \$30.19 per \$100 of sales. Of the total number of stores, all except one are in leased premises for which the cost of rent averages \$2.57 per \$100 of sales in such leased premises.

PROFESSIONAL AND SCIENTIFIC SUPPLY CHAINS

Not included in the appliance chain figures above are 10 professional and scientific supply chains showing aggregate sales in 68 units of \$5,171,967. There are 2 local chains operating 9 units with sales of \$859,768, and 8 sectional and national chains operating 59 units with sales of \$4,312,199. Stocks on hand at the end of the year is valued at cost at \$700,953. Although all of the geographic divisions of the country are represented, the Middle Atlantic States and the States surrounding Chicago show the greatest volume of sales.

The average store operating expense of these chains is \$30.36 per \$100 of sales. Pay roll is \$17.34 per \$100 of sales. Of the 68 stores, 50 are in leased premises for which the cost of rent averages \$3.06 per \$100 of sales in such leased premises.

The six chains that report that they extend credit operate 50 per cent of the total number of units, and they do 70.69 per cent of the total sales of all the professional and scientific supply chains. They operate 34 stores with aggregate sales of \$3,656,083, of which 79.62 per cent or \$2,910,958 is credit business.

Surveyors' instruments and drawing materials constitute more than 40 per cent of total sales of these professional and scientific supply chains. Surgical instruments, appliances, and supplies add more than 17 per cent, while X-ray machines and supplies add nearly 13 per cent. A list of the commodities is shown in Table 9.

TABLE 1.—SUMMARY

Total number of chains.....	55
Office, school, and store appliance chains (including 6 typewriter chains).....	45
Professional and scientific supply chains.....	10
Number of local chains.....	7
Number of sectional and national chains.....	48
Total number of units.....	1,707
Office, school, and store appliance chains.....	1,639
Professional and scientific supply chains.....	68
Total net sales (1929).....	\$169,707,027
Office, school, and store appliance chains.....	164,535,060
Professional and scientific supply chains.....	5,171,967
Total reported credit sales.....	\$111,473,577
Office, school, and store appliance chains.....	108,562,619
Professional and scientific supply chains.....	2,910,958
Average total operating expense (per \$100 of sales).....	38.67
Office, school, and store appliance chains (per \$100 of sales).....	38.94
Professional and scientific supply chains (per \$100 of sales).....	30.36
Average pay roll cost (included in total expense above)—21,011 employees (per \$100 of sales)....	26.78
Office, school, and store appliance chains—20,521 employees (per \$100 of sales).....	27.08
Professional and scientific supply chains—490 employees (per \$100 of sales).....	17.34
Average rent cost (included in total expense above)—1,504 leased stores (per \$100 of sales)....	2.32
Office, school, and store appliance chains—1,454 leased stores (per \$100 of sales).....	2.29
Professional and scientific supply chains—50 leased stores (per \$100 of sales).....	3.06

TABLE 2.—SALES BY SIZE-CLASSES—OFFICE-APPLIANCE CHAINS

A. BY SIZE OF CITY

SIZE OF CITY	TOTAL SALES, ALL CHAINS (45 chains)	CHAINS OF—					
		More than 100 units (5 chains)	51 to 100 units (4 chains)	26 to 50 units (5 chains)	11 to 25 units (11 chains)	6 to 10 units (8 chains)	Less than 6 units (12 chains)
UNITED STATES, total.....	\$164,535,060	\$92,383,294	\$21,903,490	\$17,537,312	\$23,867,821	\$3,287,200	\$5,555,943
Per cent of total sales.....	100.00	56.15	13.31	10.66	14.50	2.00	3.38
Number of units.....	1,639	837	310	177	203	60	52
All cities having popula- tion of:							
More than 100,000.....	\$143,499,199	\$75,398,959	\$18,771,190	\$17,456,049	\$23,586,431	\$2,950,347	\$5,336,223
25,000 to 100,000.....	17,238,452	14,571,306	2,215,243	81,263	240,968	27,793	101,879
10,000 to 25,000.....	3,617,093	2,409,483	782,057	-----	40,422	309,060	76,071
Less than 10,000.....	180,316	3,546	135,000	-----	-----	-----	41,770

B. BY GEOGRAPHIC DIVISIONS

[For number of units see Table 5]

UNITED STATES, total.....	\$164,535,060	\$92,383,294	\$21,903,490	\$17,537,312	\$23,867,821	\$3,287,200	\$5,555,943
New England.....	13,002,060	7,298,621	1,956,431	1,208,353	1,571,172	833,500	133,983
Middle Atlantic.....	55,512,733	30,214,200	6,819,118	6,015,064	8,174,718	1,462,439	2,827,194
East North Central.....	38,306,882	18,872,227	5,512,077	4,337,203	7,383,163	558,595	1,643,617
West North Central.....	14,725,123	8,326,542	1,710,476	1,849,597	2,339,436	260,937	238,135
South Atlantic.....	11,695,756	6,986,608	1,781,472	1,333,405	1,432,818	69,574	91,879
East South Central.....	4,615,607	3,442,825	663,356	267,438	52,722	-----	189,266
West South Central.....	9,954,810	6,402,216	1,101,321	921,057	1,480,941	10,401	38,874
Mountain.....	3,269,632	2,493,001	287,196	269,886	116,708	-----	102,541
Pacific.....	13,452,457	8,347,054	2,072,043	1,335,309	1,316,143	91,754	290,154

TABLE 2.—SALES BY SIZE-CLASSES—OFFICE-APPLIANCE CHAINS—Continued
C. BY VOLUME OF SALES

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

Per cent of total sales	CHAINS OF—											
	TOTAL SALES, ALL CHAINS		More than 100 units		51 to 100 units		26 to 50 units		11 to 25 units		Less than 11 units	
	Num-ber of chains	Net sales (1929)	Num-ber of chains	Net sales (1929)	Num-ber of chains	Net sales (1929)	Num-ber of chains	Net sales (1929)	Num-ber of chains	Net sales (1929)	Num-ber of chains	Net sales (1929)
100.00	45	\$164,535,060	5	\$92,383,294	4	\$21,903,490	5	\$17,537,312	11	\$23,867,821	20	\$8,843,143
51.94	3	85,455,426	3	85,455,426								
19.66	5	32,344,462	1	(X)	3	(X)	1	(X)				
12.95	6	21,315,862					2	(X)	4	14,674,427		
10.75	11	17,685,128					2	(X)	5	7,629,271		
3.15	7	5,193,551	1	(X)	1	(X)	2	(X)	2	(X)	2	(X)
3.65	3	1,089,383									5	3,629,428
.70	6	1,147,161									3	1,069,383
.20	4	324,087									6	1,147,161
											4	324,087
UNITED STATES, total												
Chains with sales of—												
More than \$10,000,000												
\$5,000,000 to \$10,000,000												
\$2,500,000 to \$5,000,000												
\$1,000,000 to \$2,500,000												
\$500,000 to \$1,000,000												
\$250,000 to \$500,000												
\$100,000 to \$250,000												
Less than \$100,000												

TABLE 3.—CREDIT AND INSTALLMENT SALES—OFFICE APPLIANCE CHAINS

SIZE CLASS	Number of chains reporting credit sales	Total net sales of chains reporting credit	CREDIT SALES				CASH SALES	
			Open account		Installment		Amount	Per cent of sales
			Amount	Per cent of sales	Amount	Per cent of sales		
All chains which report credit, total.....	29	\$120,073,205	\$91,779,743	76.44	\$16,782,876	13.98	\$11,510,586	9.58
Chains having—								
More than 50 units.....	5	81,920,302	59,229,534	72.30	13,318,816	16.26	9,371,952	11.44
26 to 50 units.....	5	17,537,312	14,611,852	83.32	2,882,100	16.43	43,360	.25
11 to 25 units.....	8	16,317,017	15,146,483	92.82	384,517	2.36	786,017	4.82
6 to 10 units.....	5	1,955,040	966,332	49.43	122,560	6.27	866,148	44.30
Less than 6 units..	6	2,343,534	1,825,542	77.90	74,883	3.19	443,109	18.91

TABLE 4.—OPERATING EXPENSES—OFFICE APPLIANCE CHAINS

ITEMS	Total all chains	CHAINS OF—					Less than 6 units
		More than 50 units	26 to 50 units	11 to 25 units	6 to 10 units		
Net sales (1929).....	\$164,535,060	\$114,286,784	\$17,537,312	\$23,867,821	\$3,287,200	\$5,555,943	
Number of chains.....	45	9	5	11	8	12	
Units operated by local chains.....	33	41	15	15	18	18	
Units operated by sectional chains.....	96	37	27	33	30	26	
Units operated by national chains.....	1,510	1,147	177	158	20	8	
Operating expenses, total.....	\$64,063,875	\$47,029,331	\$6,536,247	\$7,968,680	\$970,204	\$1,559,413	
Per \$100 of sales.....	38.94	41.15	37.27	33.39	29.51	28.07	
Pay roll, total.....	\$44,556,757	\$33,579,696	\$4,657,162	\$4,612,664	\$687,819	\$1,019,416	
Per \$100 of sales.....	27.08	29.38	26.56	19.33	20.92	18.35	
Other store-operating expenses, including rent.....	\$19,507,118	\$13,449,635	\$1,879,085	\$3,356,016	\$282,385	\$539,997	
Per \$100 of sales.....	11.86	11.77	10.71	14.06	8.59	9.72	
Rent (1,454 leased premises); Per \$100 of sales in such leased premises (included in expense figures above).....	2.29	2.01	2.48	3.44	3.36	2.79	
Stock on hand, end of year, at cost.....	\$17,653,198	\$11,288,659	\$2,244,980	\$3,129,210	\$279,692	\$715,657	
Full-time employees, total.....	20,361	15,107	2,204	2,340	287	423	
Men.....	16,889	12,716	1,737	1,856	235	345	
Women.....	3,472	2,391	467	484	52	78	
Total full-time pay roll.....	\$44,438,034	\$33,493,577	\$4,657,162	\$4,610,109	\$687,819	\$989,367	
Part-time employees, total.....	160	137	4	4	19	19	
Men.....	143	120	4	4	19	19	
Women.....	17	17	—	—	—	—	
Total part-time pay roll.....	\$118,723	\$86,119	—	\$2,555	—	\$30,049	

NOTE.—This compilation of expense includes no return on capital invested in merchandise, fixtures, or accounts. Expenses do not include, of course, the cost of merchandise sold nor profit.

TABLE 5.—CHAIN UNITS CLASSIFIED ACCORDING TO DATE OF ESTABLISHMENT AND GEOGRAPHIC DIVISIONS—OFFICE APPLIANCE CHAINS

A. BY DATE OF ESTABLISHMENT

	Per cent of total units	Total units all chains	UNITS IN CHAINS OF—					
			More than 100 units	51 to 100 units	26 to 50 units	11 to 25 units	6 to 10 units	Less than 6 units
Total.....		1,639	837	310	177	203	60	52
Total classified by date established.....	100.00	975	498	222	37	106	60	52
In 1929.....	3.00	28	4	7	2	11	3	1
1925 to 1928.....	10.00	95	6	17	1	33	18	20
Previous to 1925.....	87.00	852	488	198	34	62	39	31

B. BY GEOGRAPHIC DIVISIONS

[For dollars of sales, see TABLE 2B]

UNITED STATES, total.....	100.00	1,639	837	310	177	203	60	52
New England.....	8.36	137	58	30	14	20	13	2
Middle Atlantic.....	17.75	291	129	57	40	37	17	11
East North Central.....	21.78	357	158	75	37	55	16	16
West North Central.....	11.41	187	100	27	23	27	6	4
South Atlantic.....	11.78	193	108	38	19	21	3	4
East South Central.....	5.61	92	57	20	7	4	-----	4
West South Central.....	9.64	158	89	29	15	20	1	4
Mountain.....	4.70	77	52	10	6	5	-----	4
Pacific.....	8.97	147	86	24	16	14	4	3

TABLE 6.—SALES BY COMMODITIES—OFFICE APPLIANCE CHAINS

	Net sales (1929)
Net sales (1929) (coverage 100 per cent).....	\$164,535,060
	<i>Per cent</i> 100.00
Commodities:	
Office and school supplies.....	7.39
Office and store mechanical appliances.....	32.56
Adding and calculating machines.....	23.83
Addressing machines.....	1.26
Batteries.....	.08
Check-protecting devices.....	1.09
Dictating machines.....	.66
Dictographs.....	.85
Duplicating machines and supplies.....	4.34
Printing and autographic registers.....	.45
Office and store furniture and equipment.....	25.29
Filing equipment.....	2.71
Store equipment.....	.88
Store furniture.....	2.82
Office equipment.....	16.56
Office furniture.....	1.23
Safes and vault doors.....	1.09
Typewriters and accessories.....	21.23
Repairs and service.....	6.00
Sales to other retailers.....	.05
Secondhand merchandise.....	.04
Store fixtures.....	7.44
Billiard tables.....	.03
Butchers' supplies.....	.12
Cash registers.....	4.64
Counters and show cases.....	.02
Refrigerators.....	.69
Scales.....	1.85
Trucks (hand).....	.09

TABLE 7.—SUMMARY—PROFESSIONAL AND SCIENTIFIC SUPPLY CHAINS

	Net sales (1919)
Number of chains.....	10
Number of units operated by:	
Local chains.....	9
Sectional chains.....	29
National chains.....	30
Total net sales (1929).....	\$5, 171, 967
Stock on hand, end of year, at cost.....	\$700, 953
Expenses.....	\$1, 569, 963
Average expense ratio (per \$100 of sales) (Includes rent in 50 leased premises amounting to \$3.66 per \$100 of sales in such leased premises.).....	30. 36
Total number of employees.....	490
Total pay roll.....	\$896, 564
Total operating expenses, except pay roll.....	\$673, 399

NOTE.—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.

TABLE 8.—SALES BY COMMODITIES—PROFESSIONAL AND SCIENTIFIC SUPPLY CHAINS

	Net sales (1929)
Net sales (1929) (coverage, 100 per cent).....	\$5, 171, 967
	<i>Per cent</i> 100. 00
Commodities:	
Surveyors' instruments and drawing materials.....	40. 64
Surgical instruments, appliances, and supplies.....	17. 03
X-ray machines and supplies.....	12. 80
Professional and scientific instruments and supplies.....	8. 66
Artificial limbs and accessories.....	5. 17
Biologicals.....	7. 05
Drugs.....	3. 73
Nautical instruments.....	1. 54
Repairs and service.....	1. 19
Miscellaneous commodities.....	2. 19