

REFERENCE COPY

4776

T
2130
1913
1930

U. S. DEPARTMENT OF COMMERCE
ROY D. CHAPIN, Secretary
BUREAU OF THE CENSUS
W. M. Steuart, Director

FIFTEENTH CENSUS OF THE UNITED STATES

CENSUS OF DISTRIBUTION

RETAIL DISTRIBUTION

(TRADE SERIES)

DRUG RETAILING

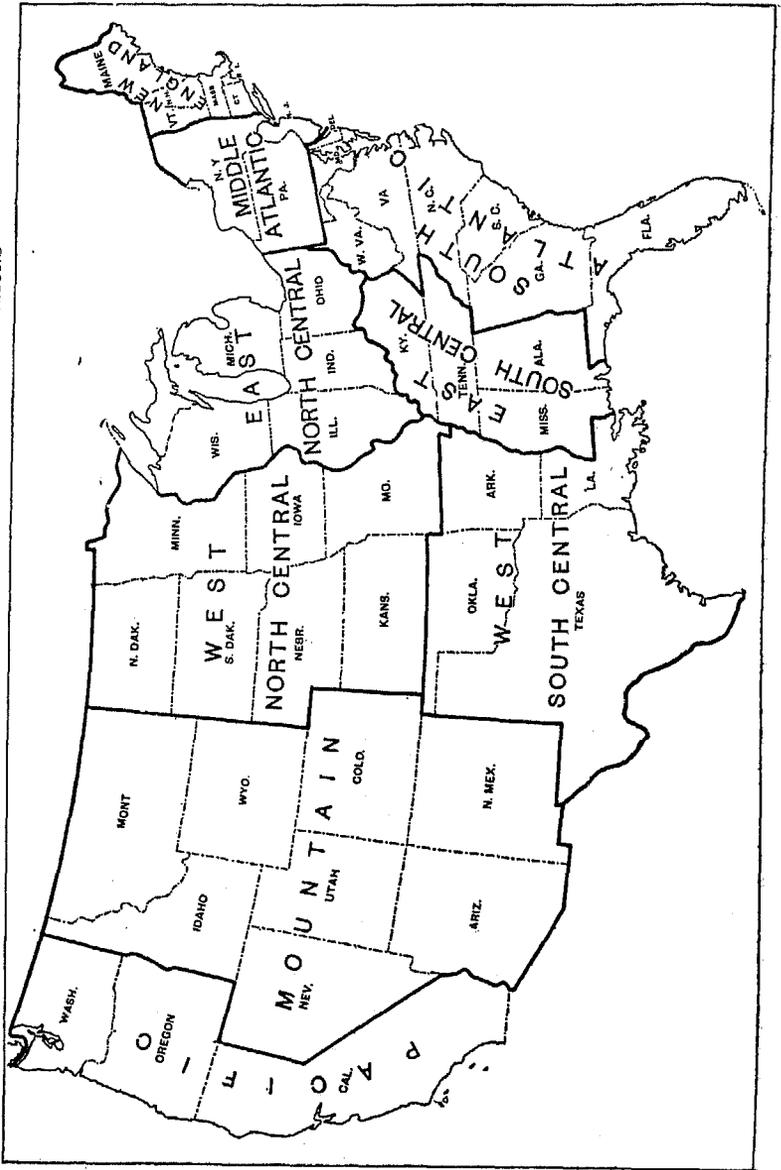


Distribution No. R-78

BUREAU OF THE CENSUS
LIBRARY

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

MAP OF THE UNITED STATES, SHOWING GEOGRAPHIC DIVISIONS



CONTENTS

	Page
Map of United States showing geographic divisions.....	2
INTRODUCTION	5
Scope of the report.....	5
CHAPTER 1.—DRUG STORES AND THEIR OPERATION	6
Description of business.....	6
Number of stores and sales.....	6
Size of stores.....	6
Geographic arrangement of stores and sales.....	7
How size of city affects sales.....	8
Factors affecting sales of drug stores.....	9
Cash versus credit.....	12
Independent versus chains in the drug field.....	13
Drug chains.....	14
Cost of doing business.....	14
Costs vary with size of city.....	15
Cost of rent.....	15
Stocks on hand.....	16
CHAPTER 2.—COMMODITIES SOLD BY DRUG STORES	17
Competition with other kinds of stores.....	17
Commodity sales shown in tables.....	18
CHAPTER 3.—OPERATING EXPENSES OF COMPETING STORES COMPARED	20
CHAPTER 4.—RELATED COMMODITIES	22
Retailers interested in related commodities.....	22
Related commodities are of value to the retailer.....	23
Related commodities are of value to the manufacturer or wholesaler.....	23
CHAPTER 5.—DRUG STORES AS A MARKET	24
Where buyers are located.....	24
CHAPTER 6.—ALL DRUG STORES LOCATED IN THE CHICAGO-MILWAUKEE AREA ANALYZED BY SIZE OF BUSINESS AND BY SIZE OF CITY	27
Stores and sales by size of city.....	28
Expenses compared in various size-of-city groups.....	29
Total operating expenses for the area discussed.....	29
Wage ratios compared.....	30
Variations in rentals in different sizes of cities.....	30
Stores and sales by size-of-business groups.....	30
Expenses of drug stores compared by size-of-business groups.....	31
Comparisons between chains and independents operating in the Chicago-Milwaukee area.....	32
Degree of chain penetration in various sizes of cities.....	32
Average size of drug stores operated by the chains.....	32
Chains predominate as large store operators.....	33
Expenses of chains and independents compared.....	33
TABLES	
Table	
1.—Drug stores and sales, by States and geographic divisions.....	34
2.—Drug stores classified by size of business.....	36
3A.—Credit sales in drug stores.....	37
3B.—Credit sales in drug stores by States.....	38
4.—Drug stores and sales, classified by types of operation, by size of city.....	39
5A.—Operating expenses by kinds of stores.....	43
5B.—Operating expenses by size of city.....	44
6.—Operating expenses—rent.....	44
7.—Commodities sold in drug stores.....	44
8A.—Approximate sales of toilet articles, and preparations in all kinds of stores.....	45
8B.—Comparison of approximate sales of toilet articles and preparations in drug stores and other kinds of stores by States.....	46
8C.—Comparison of approximate sales of drugs, patent medicines, etc., in drug stores and other kinds of stores, by States.....	47
8D.—Approximate sales of prescriptions in drug stores, by States.....	48
9.—An analysis of stores, sales, and expenses in the Chicago-Milwaukee area by size of business and by size of city.....	49

DRUG RETAILING

By CHARLES F. BEACH

INTRODUCTION

This report is one of a series of special trade studies prepared from data assembled in the first nation-wide Census of Distribution. It brings together, in one bulletin, much of the available information on the operation of drug stores and in addition is supplemented by certain pertinent facts about competing stores.

This report was prepared under the general supervision of Robert J. McFall, Chief Statistician for Distribution, and John Guernsey, in charge of Retail Distribution.

Scope of the report.—The census material contained herein deals primarily with drug stores and is largely a collection of statistics of national scope. State and city totals appear only incidentally and constant reference should be made to the United States Summary of Retail Distribution and to the separate State reports for complete analyses of drug-store operations in different sections of the country, and in different States and cities.¹

Chapter 1 of this report contains a description of drug-store operations for the calendar year 1929. It supplies, in addition to data on the number of stores and total annual sales, an analysis of sales by size of business (annual sales per store), available data on credit, operating expense information, both for the United States as a whole and for three sizes of city groups, together with a brief discussion of the operation of drug stores by the chains.

Chapter 2 consists largely of a discussion of the various commodity lines sold by drug stores and by their competitors. It also contains data showing the relative importance of each of these commodity lines in drug stores.

Chapter 3 is confined to a comparison of the expense ratios of drug stores and other kinds of stores with which they compete.

Chapter 4 deals with the sale of related merchandise, pointing out some of the different groups to which these data are valuable and supplying some suggested uses for published data on related merchandise.

Chapter 5 is devoted to a discussion of the drug store as a potential market. This chapter has a variety of uses, among which is its value to manufacturers and wholesalers as an effective gauge of the market for any given commodity or line of commodities. It provides the basis for planning sales-promotion campaigns and in developing sales quotas.

Chapter 6 is a special chapter devoted exclusively to the presentation of data on the drug stores located in the 22 counties comprising the Chicago-Milwaukee Area. It contains a detailed analysis of the 3,053 drug stores operating in that area.

¹ Copies of these reports are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C. A nominal charge is made for each copy to defray the cost of printing. The amount of the charge varies from 5 cents to 35 cents each, depending upon the number of pages.