

CHAIN STORES IN THE UNITED STATES.*

BY CLYDE L. EDDY.

Over-sanguine chairmen of commercial interests committees and others are apt to tell us that the "chain store idea is unsound" and are inclined to point to the occasional failure of a chain store enterprise as proof that the system is "on its last legs" and that the time is near when every store will have its own proprietor and there will be no more buying and selling in chain store quantities. But the facts do not bear these hopeful statisticians out.

The Great Atlantic and Pacific Tea Company, for instance, has about 10,000 stores, 5000 of them having been established since 1921. This means that the company is opening more than 1600 new stores every year, 133 per month, more than four a day. The F. W. Woolworth Company, operating approximately 1200 five-and-ten-cent stores, last year sold to the American public 167 million dollars' worth of goods—at a net profit of more than eighteen million dollars.

The S. S. Kresge Company, operating a chain of 223 stores, selling merchandise at prices ranging from five cents to one dollar, has seen the number of its stores increase four-fold during the last thirteen years and in the same time watched its sales increase from five to sixty-five million dollars per annum—and its net profit, from \$310,000 to \$7,576,000 per year.

As long ago as 1914 there were 2000 chains of grocery, candy, cigar, drug, department, five-and-ten-cent and other kinds of stores, in each chain of which there were from three to 900 links—or 20,000 stores in all. It is probable that that number has doubled in the last nine years. It is likely that there are upwards of 100,000 chain stores of all kinds in the United States at the present time.

There is no trustworthy sign that chain stores have reached the peak of their development. In nearly all fields they seem, in fact, to be on the up-grade and independent retailers may as well face that fact. We are assured by an authority writing for the United States Chamber of Commerce that "chain organizations are certain to increase and to grow as long as the average manageability of independent store managers is lower than the organized ability of chain organizations and as long as the buying power of chain stores gives them advantage over independent stores."

CHAINS DO SIX PER CENT. OF NATION'S BUSINESS.

According to figures compiled by *The Druggists Circular*, chain drug stores do almost twenty per cent. of the total drug business of the country. Ten per cent. of the total sales in grocery stores are made in chain stores. It is safe to say that six per cent. of the total retail business of the country is done in stores owned by chain store organizations.

It is estimated that a billion and a quarter dollars are spent every year in the retail drug stores of the United States. Approximately twenty per cent. of that money is spent in chain drug stores, six per cent. of it in stores owned by the twenty-one largest operators. In other words, twenty of every hundred dollars spent each year in American drug stores are spent in chain drug stores—and as recently as 1900 there were less than fifty such stores throughout the country. There are

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at the present time in the United States 2014 chain drug stores operated by 327 companies and individuals.

The following figures show the remarkable growth and the present position of the leading chain stores outside of the drug field:

COMPARATIVE STATISTICS OF SOME LEADING CHAINS.
Table showing increase in stores, sales and net profits.

<i>Stores.</i>						
Year.	Woolworth.	Kresge.	Penney.	McCrorry.	Kinney.	
1912.....	631	85	..	93	37	
1913.....	684	101	48	110	40	
1914.....	737	118	71	116	43	
1915.....	805	140	86	117	46	
1916.....	920	157	127	134	53	
1917.....	1000	164	177	143	57	
1918.....	1039	170	197	147	61	
1919.....	1081	176	197	148	64	
1920.....	1111	189	297	156	75	
1921.....	1137	199	312	159	102	
1922.....	1182	212	371	161	120	

<i>Sales.</i>						
Year	Woolworth.	Kresge.	Penney.	McCrorry.	Kinney.	
1912.....	\$60,557,767	\$10,325,487	....	\$4,971,120	\$2,496,514	
1913.....	66,228,072	13,258,227	\$2,636,920	5,551,712	2,932,244	
1914.....	69,619,669	16,097,393	3,560,293	5,224,692	3,346,845	
1915.....	75,995,774	20,943,300	4,825,072	5,641,601	4,524,159	
1916.....	87,089,270	26,396,547	8,415,877	6,792,143	6,529,716	
1917.....	98,102,857	30,090,700	14,880,965	7,830,775	8,673,012	
1918.....	107,179,411	36,309,513	21,336,795	9,608,091	9,764,499	
1919.....	119,496,107	42,668,061	28,778,230	11,486,206	11,742,564	
1920.....	140,918,981	51,245,311	42,822,564	14,199,346	15,065,297	
1921.....	147,654,647	55,859,010	46,641,928	14,406,404	12,249,810	
1922.....	167,319,265	65,191,467	49,035,729	17,123,252	12,329,985	

<i>Net Profits.</i>						
Year.	Woolworth.	Kresge.	Penney.	McCrorry.	Kinney.	
1912.....	\$5,441,798	\$ 525,000	....	....	....
1913.....	6,461,118	733,000	\$ 333,609	....	....
1914.....	6,429,895	1,021,000	406,331	....	....
1915.....	7,548,209	1,167,000	559,078	....	....
1916.....	8,713,444	2,024,000	1,069,236	....	\$737,792	
1917.....	8,020,139	1,720,000	900,467	....	883,103	
1918.....	6,156,595	1,560,000	1,695,754	\$347,113	867,065	
1919.....	10,361,556	2,140,000	1,877,692	464,208	1,483,295	
1920.....	9,795,251	2,613,000	355,746	619,484	1,143,264	
1921.....	13,792,959	3,260,000	1,254,634	687,771	855,613	
1922.....	18,324,398	6,474,000	3,325,720	1,185,069	1,208,963	

And so we see no immediate signs of the "breaking down of the chain store system." Chain stores, apparently, are here to stay. With the wish as father to the thought we may think that the limit, in the drug field at least, has been reached but it is folly to ignore the fact that the larger chains in all fields continue to expand from year to year.

Retailers are urged to face the facts, chain store competition is not impossible to meet—even their buying advantage may be overcome by coöperative buying.

The solution to the chain store problem does not lie in hoping for its solution through the happy demise of chain stores but in a thoughtful study of the points in which chain store service excels—and in an earnest effort to give service as good and at as low a price to the public.

WHAT A BIG CITY DRUG STORE HOLDS OUT FOR A RECENT GRADUATE.*

BY CLIFFORD H. RUDES.¹

The college of pharmacy graduate stands on the threshold of his career in many ways. Being young and unsophisticated he is apt to take the mistaken attitude that, inasmuch as he has completed his college course successfully and has perhaps conquered the state board examination, he is already "made." Such an attitude is by no means criminal, it is simply a grossly mistaken one and pardonable because it is the outgrowth of enthusiastic, confident youth. Nevertheless, the sooner the college graduate comes to a realization of his standing with the world, the better for himself and everyone concerned, and the higher the order of his intelligence, the quicker will this true adjustment come.

To hasten this adjustment it would be well for the college graduate to realize that his college course has done exactly what it was intended to do—given him the best possible assortment of mental tools and the best possible training for using them in his future efforts to carve out a career for himself.

The world lies ahead of him, hard and cruel, but always interesting and full of treasure for those who play the game straight, honestly and intelligently. It is a question if there ever will be a more momentous period in the life of a young man than when he emerges triumphant from college to do battle with the world.

He has many important things to decide regarding his future course of action. The first step may influence his whole future career. Of such vast importance is the careful consideration of this first step, that in the hope of impressing it as strongly as possible it seems that a little story regarding the two proverbial Irishmen who were putting up in a hotel for the first time would not be out of order—

They were in their rooms on the 8th floor of the palatial hotel.

Says Pat to Mike, "Where is the bathroom?"

Answers Mike—"Go to the end of the hall and take the last door to the left."

Pat went, opened the wrong door, stepped through and landed at the bottom of the elevator shaft, 8 floors below.

Mike, worried over Pat's absence, went to investigate.

His suspicion was aroused on seeing the elevator shaft door open, so he stepped to it and called down, "Pat, are you there?"

Faintly back from the shaft's bottom comes the answer "Yes—look out for that first step."

PRACTICAL EXPERIENCE.

Generally speaking, about the first step taken by the average college graduate is the securing of a desirable position. Comparatively few go directly into business, "lack of funds," as a rule, preventing such a step. In a way this condition at this

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