

CHAPTER II—DEFINITIONS AND GENERAL EXPLANATION OF TERMS

This chapter is in four parts. First is a detailed description of the various kind-of-business classifications, arranged in the order in which they appear in Table 1 of this summary and in all State reports. Second is a series of definitions of the several forms of operation, describing particularly the characteristics of local, sectional and national chains, utility-operated stores, leased departments and other forms in which retail business is conducted.

The third part describes briefly the forms of organization, such as proprietorships and corporations, and the fourth is a series of general explanations of terms used throughout the retail reports, such as operating expenses, commodity data, credit business, and returned goods.

KINDS OF BUSINESS DEFINED

Candy and confectionery stores.—In this combined classification are two distinct kinds of stores. The first is the *candy store* or *candy and nut store*, confining its business primarily to the sale of boxed or bulk candies and nuts or to either of the two commodities, and the second is the *confectionery store*. The typical confectionery store also sells candy and nuts, as well as other types of confections and maintains a fountain, dispensing mixed drinks and ice cream. A present trend of confectionery stores is to add lunches and prepared foods, after the manner of the delicatessen store.

Dairy products, eggs and poultry, including milk dealers.—Under this classification are three related kinds of business: First, the *dairy products stores*; second, *egg and poultry stores*; and third, *milk dealers*. The dairy products stores handle a complete line of dairy products, including milk as well as eggs and poultry. Egg and poultry stores likewise handle dairy products, although they do not usually maintain a complete line. The distinguishing feature is that the majority of sales is of eggs and poultry. Milk dealers often handle other dairy products, particularly butter and cheese, and sometimes eggs. Some milk dealers recently have added orange juice and ice cream both on their delivery routes and in their stores.

Delicatessen stores.—These stores confine their sales principally to sales of cooked meats, prepared salads, cheese, and other prepared foods suitable for immediate table use. Often they also carry a limited stock of canned and bottled goods and groceries. Neighborhood delicatessen stores frequently carry a small stock of fresh fruits and vegetables and some candies, con-

fections, cakes and other bakery products, as well as milk and other dairy products. Often they serve lunches, and sometimes develop a substantial restaurant business.

Fruit and vegetable stores.—These stores and stands are more frequent in public or municipal markets, although many stores confine themselves entirely to the sale of fruits and vegetables, especially in the larger cities. Fruits and vegetables out of season in the locality usually can be found in these stores. As in so many kinds of stores, other related and unrelated lines of merchandise often have been added until the store sometimes loses its former identity and becomes in fact a grocery or delicatessen store. As long as fruits and vegetables predominate, the store is included in this classification.

Grocery stores.—This is the store popularly known as a *grocery store*, selling a full line of groceries, usually with a stock of fresh vegetables in season, as well as popular seasonable fruits. These stores may carry smoked meats in limited quantities without changing the classification, but not fresh meats. Grocery stores which carry fresh meats are classified as combination (grocery and meat) stores.

Combination stores.—This term covers two different kinds of stores: First, the *grocery store carrying fresh meats*; and second, the *meat market carrying a staple line of groceries*. The first is the grocery store which has added fresh meats to its grocery stock. The second is the meat market which has added staple groceries to meet its customers' demands and to add to its sales volume. Both usually carry fruits and vegetables and bakery products. In some States they have become large distributors of cigarettes. Many are complete food markets.

Meat markets (including sea foods).—Fresh and smoked meats and fish. These markets usually handle fish and for obvious reasons fish markets have been included in this dual classification. In the inland cities and towns, fish markets are rare, but in the seaboard cities there are a number of strictly fish and sea food markets although fish is also sold by most meat markets and combination stores in the seaboard cities and towns.

Bakery goods stores—Caterers.—*Bakery goods stores* differ from bakeries in that they do not ordinarily produce the goods which they sell. In many instances the small bakeries who bake their own products but sell only at retail to neighborhood consumers have been included. Usually, however, producing bakeries are

included in the census of manufactures. *Caterers* also are included in this classification. They arrange special menus for luncheons and dinners to be served elsewhere, producing and serving the specially prepared foods. This is a specialized business in which service plays an important part.

Other food stores.—This classification includes stores and house-to-house distributors specializing in coffee, tea, and spices; stores handling products of the farm but which do not come within the classification of fruit and vegetable stores; stores handling special health foods; and retailers engaged predominately in the sales of bottled waters, either table or mineral, bottled gas, and bottled beverages.

General stores (country general stores).—These stores are nearly always located in places of less than 10,000 population and correspond roughly to the classification known as general merchandise stores in the larger cities. These stores as a rule handle foods which constitute an important part of their sales. Under this heading there are three related kinds of stores. First, there is the general store carrying, in addition to groceries, a general line of other merchandise. Next, there is the grocery store carrying clothing and often a limited line of shoes. The third kind of store, falling under this general heading, is the grocery store selling dry goods and notions. These stores also may carry fresh meats and still retain the classification of country general stores. Quite common in the smaller towns and rural areas, they are found occasionally in the small cities and on the outskirts of the larger cities. Due to the fact that these general stores sell various other kinds of merchandise in addition to groceries, they have been shown in a special group in the report so that they may be readily grouped with food stores, or with general merchandise stores, or prorated between the two groups.

Department stores.—Department stores are classified as such if they sell \$100,000 or more of merchandise annually (exclusive of food departments); otherwise they are shown as general merchandise stores. They are distinguished from dry-goods stores by the fact that they include also men's departments, and furniture, floor coverings, or other home wares departments. Many department stores have developed from dry-goods stores. The change occurs when customer appeal is made broader than the appeal to women customers.

There are three varieties of stores in this classification: First, *department stores with food departments*; second, *department stores without food departments*; and third, *mail-order general-merchandise houses*. With the exception of the food departments, the two kinds of department stores are alike in that they are departmentized general merchandise stores, usually of the full service type, carrying men's, women's, and children's apparel, furnishings and accessories, dry goods, home furnishings, and many other lines. Shoes,

furniture, and hardware are often but not necessarily represented, although home furnishings, draperies, curtains, and linens are almost invariably carried. Most department stores extend to their patrons the privilege of open charge accounts and installment accounts. For purposes of this census, any departmentized stores having annual sales of less than \$100,000 have been classified as general merchandise stores.

Mail-order houses selling general merchandise by mail carry about the same range of merchandise as do the department stores, and in addition carry farm implements and farmers' supplies, hardware, automotive equipment, and many other lines not ordinarily found in the department store. Goods are delivered by mail, freight, or express, often at the cost of the purchasers, particularly in the case of bulky merchandise. These houses sell largely for cash, but recently have added credit in the form of installment accounts. In view of the limited number of mail-order houses in any one State, it frequently happens that their figures can not be shown separately in the State reports. When this occurs, they are combined with department stores. Department stores owned by the mail-order companies are classified as department stores and not as mail-order houses.

Dry-goods stores (see also department stores).—*Dry-goods stores* sell ready-to-wear and accessories as well as a general line of dry goods, such as linens, piece goods, house furnishings, notions, etc., but not over 10 per cent of men's clothing, men's shoes, or home wares, unless the home wares consist of domestics and bedding. When the line between women's apparel stores and dry-goods stores is in question, the classification is determined by the fact of whether or not piece goods, notions, and patterns are carried. If so, and if they account for as much as 10 per cent of total sales, the store is called a dry-goods store. *Piece-goods stores*, which are included in this classification, are engaged primarily in the sale of piece goods and notions.

General merchandise stores.—The general merchandise classification includes, for the purpose of this census, departmentized general stores having annual sales of less than \$100,000, as well as stores with annual volume of over \$100,000 selling similar lines of merchandise but not known as department stores. There are two *general merchandise store* classifications, one with food departments and one without. Other general merchandise stores are *Army and Navy goods stores* and *women's exchanges*. General merchandise stores do not ordinarily sell furniture, although the sale of furniture does not necessarily warrant a change in the classification. Dry goods, household furnishings and appliances, and men's, women's, and children's apparel, furnishings, and accessories predominate. Army and Navy goods stores sell much the same variety of merchandise although in a lower

price range. Clothing, shoes, camp equipment, blankets, and bedding predominate. A limited stock of hardware is often carried. Women's exchanges are found in limited numbers in the cities, and sometimes in the smaller towns. They carry a general line of merchandise, especially home-prepared foods and handicraft which may be purchased or exchanged for other merchandise.

Variety, 5-and-10, and to-a-dollar stores.—Variety stores, 5-and-10-cent stores, and to-a-dollar stores are combined in one classification, even though it would be desirable to show them separately, because it has been found impossible to avoid disclosure of individual operations of stores and chains in the last two classifications if they are shown separately. These stores carry a variety of small wares, especially the cheaper grades of women's accessories, light hardware, toys, housewares, etc. Sales are usually for cash, without delivery service. The 5-and-10 and to-a-dollar stores are usually operated by chains of sectional and national scope and have become large distributors of candy, hardware, notions, tableware, costume jewelry, cosmetics, and toys. Fountain sales, ice cream, and lunches constitute one of the principal items of sale.

Motor-vehicle dealers (new and trade-in but not including used-car establishments).—This classification is confined to retail sales of new automobiles and commercial vehicles, and such used cars and trucks as have been traded in by new-car purchasers. Stocks of replacement parts and accessories are usually carried and repair departments are maintained to take care of free new-car service, as well as subsequent repairs from which income is derived. Limited quantities of tires and batteries are carried, the sale of which is included. Large establishments often add to their income by utilizing unused floor space for storage. These sources of additional business are negligible in their effect upon the total sales volume in this classification, which is predominately the sale of new motor vehicles.

Used-car dealers.—This classification is used only where the establishments sell used cars or trucks primarily. As a rule, no stock of parts is carried, for the reason that a variety of makes of automobiles is handled. Frequently a limited stock of new tires, tubes, and batteries of the cheaper varieties is carried. A repair department is usually maintained to place the used cars in salable condition, and service and repair the cars after sale. It has little effect upon the total sales, which are primarily of used cars.

Automobile dealers with farm implements and machinery.—These establishments usually are found only in the smaller cities and towns and in rural communities. Large stocks are not maintained normally, most of the business being done on the agency basis. The establishment usually represents the manufacturer of some automobile truck or tractor and may represent

one or more manufacturers of farm implements and machinery. A limited stock of parts is usually carried, as are tires and batteries. A department for repairing automobiles, farm implements, and machinery is maintained.

Accessories stores, tire and battery shops.—Three kinds of stores are included under this classification. First, there are the stores handling all kinds of *automobile accessories, tires and batteries*. Usually no service department is maintained and the articles purchased must be installed by the customer. Secondly, there are *battery shops* selling batteries as well as auto electrical parts and appliances and frequently tires and tubes. These shops maintain a service for repairing or rebuilding batteries and other electrical goods and also for charging batteries. The third class in this group is the *tire shop*, selling new and used tires and tubes and maintaining vulcanizing facilities for tire repairs. Tire shops are also rapidly becoming important distributors of batteries. It is not unusual to find these three kinds of stores selling gasoline and lubricating oils and greases. Tire shops are often manufacturer-controlled, carrying the products of one manufacturer.

Filling stations.—There are three kinds of filling stations. First, there is the station which sells gasoline and oil, maintaining lubricating facilities, but selling no accessories or other merchandise. Second, there is the filling station which performs all of the functions of the first and, in addition, sells tires and accessories, often with emergency tire-repair service. The third variety of filling station performs all the functions of the first, may or may not sell tires and accessories and perform minor repairs, and, in addition, sells other merchandise, such as lunches and refreshments, candy, tobacco, or groceries. This classification also includes the superservice station, combining in one establishment a number of services to motorists.

Motor cycles, bicycles, and supplies.—Three kinds of shops are grouped under this classification. First are the shops selling *motor cycles*, both new and trade-in, and incidental parts and accessories. Second, are the shops selling *motor cycles and bicycles* and their supplies. Parts and accessories are carried, and usually receipts from repairs represent a substantial part of the total income. The third kind of business in this classification is the *bicycle shop*, handling bicycles and parts or accessories therefor. Repairs constitute a part of the business of bicycle shops.

Garages and repair shops (repairs, gas and oil, etc.).—First under this classification are *body, fender, and paint shops* engaged in the repair of automobile and truck bodies and fenders, and auto paint shops. These shops usually confine their services to body and fender work and the installation of new body parts where necessary and do not engage in the repair of

mechanical parts of the vehicle. Paint shops usually confine their work to the actual painting job. Next are *repair garages*, incidentally selling gas, oil, and accessories in addition to making mechanical repairs and body repairs. Receipts from storage sometimes add to the income of garages. Washing and lubrication service is frequently provided, but most of the income is from repairs, new parts, and fuel. The third kind of establishment is the *parking garage* and *parking lot*. In the case of parking garages, additional services such as washing, lubrication and minor adjustments are often provided. Gas and oil are frequently sold. Parking lots generally confine themselves to parking, with occasional sales of gas and oil. Because these lots are not under roof, washing and repairs are not practical in most instances and are not usually available. Parking places which sell nothing but service are not included in this census. *Radiator shops*, which sell radiators, winter fronts, and other radiator accessories, derive much of their income from radiator repairs. These shops frequently make repairs to damaged metal bodies and fenders as well as to radiators. They constitute the fourth kind of business included in this four-part classification.

Other automotive establishments.—Under this heading are two kinds of business; those selling *aircraft* and accessories, and those selling *boats* (motor boats, yachts, canoes, etc.). These establishments also sell supplies and equipment, and repairs. In many States it has been necessary to combine these widely different kinds of business to avoid disclosure of individual operations but they are shown separately wherever possible.

Men's stores (men's and boys' clothing and furnishings).—Under this heading are four kinds of stores. First, *men's and boys' clothing stores* which confine their sales primarily to clothing. Second, the *haberdashery stores*, confining their sales to men's furnishings and accessories; third, *men's clothing and furnishings stores*; fourth, *hat stores*. Men's stores may carry a limited stock of shoes. All classifications are shown separately wherever possible.

Family clothing (men's, women's, and children's).—This is popularly called the family clothing store and carries clothing, furnishings, and accessories for men, women, and children, usually including shoes. Characteristic of many family clothing stores is their use of installment credit as a sales inducement.

Women's ready-to-wear specialty stores.—Women's apparel and accessories, usually including millinery, shoes, lingerie, hosiery, and small wares. Frequently gloves and hand bags are carried and occasionally toiletries and other lines related to women's apparel. This classification frequently includes large stores of equal sales importance to department stores but limited to women's wear, accessories, and dry goods.

Women's accessories stores.—Under the grouping of women's accessories stores there are eight different kinds of shops: *Blouse shops*, *corset and lingerie shops*, *furriers* or *fur shops*, *hosiery shops*, *knit-goods shops*, *millinery shops*, *costume accessories stores* (selling bags, jewelry, and gloves), and *umbrella shops* (selling umbrellas, parasols, and canes). The names reflect the principal articles sold although quite often these shops sell related lines ordinarily sold by other kinds of stores. Millinery shops are often operated as leased departments in women's apparel stores and department stores.

Other apparel and furnishings.—Included are such kinds of business as *children's specialty shops* carrying children's clothing and accessories, *custom tailors*, *dressmakers*, *infants' wear shops* carrying infants' wear and specialties, and *mail-order apparel*. The latter may include men's and boys' mail-order clothing and furnishings, or women's apparel and accessories sold by mail from catalogue.

Shoe stores.—This classification is divided into three kinds of stores: First, *men's shoe stores*; second, *women's shoe stores*; and last, *men's, women's, and children's shoe stores*. The first and second specialize in men's and women's shoes respectively with the *men's stores* usually selling hose and often gloves and the *women's stores* rapidly developing the sale of hosiery, bags, gloves, and underwear. The family shoe stores, as the men's, women's, and children's stores are familiarly called, are more numerous than either of the more specialized shoe stores and serve all members of the family.

Furniture stores.—Under this heading are: First, the *furniture store*; second, *furniture store and undertaker*; and third, the *furniture and hardware store*. The two latter are usually found only in the smaller towns and in rural communities, while the first is found in all cities, in the large towns, and in the suburban areas. The furniture store usually carries furniture, floor coverings, radios, draperies, curtains, etc., and household appliances and other home furnishings. A large proportion of the sales of these stores is on the installment plan. In the smaller cities the furniture stores often carry hardware.

Floor coverings, draperies, curtains, and upholstery stores.—Two kinds of stores are included; *floor coverings stores*, and *drapery stores* which also carry curtains and upholstery materials. Part of the income of drapery stores is often for service, usually upholstery service, and the making of curtains and draperies.

Household appliances stores.—This heading includes four kinds of stores, all more or less closely related. First, *electrical household appliances stores*; second, *stores selling household appliances other than exclusively electrical*, particularly *gas appliances*; third, *stores selling electrical refrigeration*; and fourth, *stores*

selling both electrical and gas refrigeration, or gas refrigeration alone. Many of the stores in this classification are utility-operated stores (of the gas and electric power and light companies). However, a considerable number are operated independently. The utility-operated stores carry appliances and accessories adaptable to their particular utility, while the independently operated appliance stores frequently confine their sales to a limited number of nationally advertised lines of appliances. The larger appliances are usually sold on the installment plan while the smaller, less expensive articles are normally sold on open account or for cash. A large volume of appliance sales by hardware and department stores is not included, of course, under this heading.

Other home furnishings and appliance stores.—Under this general heading are grouped a large number of stores handling various types of home furnishings and appliances, which could not be grouped with the other more specific kinds of business without distorting the other classifications. Under this heading are included stores *selling antique furniture with used furniture, retailers of brushes and brooms, stores selling pictures and frames, aluminumware retailers* (usually house-to-house selling organizations), *stove and range stores, china, glassware, crockery, tinware and enamelware stores, interior decorators, lamp and shade shops, and shops selling awnings, banners, flags, window shades, and tents.* Included also are *antique shops* which sell authentic antique furniture and objects of art at retail, differing in many respects from the antique furniture—used furniture stores.

Radio and music stores.—Two kinds of stores are included: First, the *radio and electrical shop* (the usual kind of radio store frequently selling other related lines of merchandise and usually providing radio service, and sometimes the servicing of other types of electrical appliances); second, the *radio and music store* selling radios and various musical instruments, sheet music, and music rolls.

Restaurants, cafeterias, and lunch rooms.—These classifications, which include restaurants having full table service, cafeterias, and lunch rooms having limited table service in addition to counter service, are sometimes combined to avoid disclosure. However, they are shown separately in the larger cities and in state-wide compilations. The *restaurant* classification is used only when the eating place provides table service primarily or exclusively. If counter service is also provided, as well as table service, it is classified as a *lunch room*. If there is counter service alone, it is classified as a *lunch counter*. The *cafeteria* is characteristically self-service, although this kind of eating place often provides cafeteria service for breakfast and luncheon, with full table service for dinner. Similarly, many of the full-service restaurants are now providing

breakfasts on the cafeteria or self-service plan. The lunch room is restricted in service, providing table service to a limited number of its patrons and depending upon counter service for a majority of its business. For the purpose of this census, *automats* are classified as cafeterias.

Lunch counters, refreshment stands, fountain-lunches, etc.—Five kinds of lunch services are included under this classification. First, there are the *box lunch* companies. Their product consists of a lunch of sandwiches, fruit, and dessert, varied daily and sold ordinarily by street vendors or on regular delivery routes. These box lunches are sometimes sold at soft-drink and refreshment stands. Second, there is the *refreshment stand*, carrying a varied line of prepared foods as well as soft drinks. These stands are frequently found on the principal highways and adjacent to factories and office buildings, where lunches and drinks may be obtained and consumed quickly. Third, is the *fountain-lunch*, often operating in the downtown sections or in the vicinity of factories and office buildings. Salads, sandwiches, light lunches, and desserts are served as well as the usual variety of fountain drinks. The fountain-lunch often is an outgrowth of the drug store fountain. Fourth, is the *lunch counter* with variations such as the street "diner" and the hole-in-the-wall eating place. The modern *sandwich shop* is included in this classification. The last classification in this group is the *soft-drink stand* with its usual line of bottled drinks, candy, and limited stocks of sandwiches as well as packaged goods and candy. Seasonable fruits are often sold in soft-drink stands.

Lumber and building material dealers.—Under this heading are grouped the various kinds of yards and stores engaged in the sale of lumber and building materials. First are the *yards selling lumber and other usual kinds of building materials*. Next are the *lumber yards also carrying builders' hardware*. Included also are the *stores or yards specializing in one line of materials* such as roofing, asbestos products, brick and tile, building stone, cement, glass, granite and marble, lime and plaster, nonmetallic roofing materials, sand, gravel and crushed stone, and those selling any other single kind of building material. Frequently a concern specializing principally in one line will carry stocks of related materials. For example, a roofing concern primarily engaged in the sale of composition roofing in roll or shingle form may also carry other asbestos products as well as other types of roofing materials. The cement firm often carries lime and plaster. The brick and tile concern may sell building stone, granite, or marble. The sand, gravel, or crushed-stone yard may handle cement. The classification used herein indicates the principal material sold.

Electrical shops (without radio).—These shops sell lighting fixtures, incandescent lamps, heating and cooking appliances, cables, outlets and boxes and do some installation jobs, and make electrical repairs.

Heating and plumbing shops (including heating appliances).—Under this heading are two kinds of stores those selling *heating appliances and oil burners* and those selling *plumbing, heating, and ventilating supplies*, including fixtures, as well as ventilating equipment. Installation charges and minor repairs are a source of income.

Paint and glass stores.—Two kinds of stores are included. *Glass and mirror shops* sell window and plate glass. Mirrored glass and framed mirrors are sold and old mirrors are resilvered. The *paint and glass stores* usually carry a line of paints, varnishes, and lacquers in addition to glass. Wall paper is sold in considerable quantities by the paint and glass stores.

Hardware stores.—This classification is confined to one kind of store, namely, the store carrying a line of hardware and tools for general use, builders' hardware and electrical goods, as well as paints, brushes, etc. The modern hardware store is developing a greater and greater diversification of merchandise and is adding many related lines, such as radios, electric refrigerators, gas appliances, etc.

Hardware and farm implement stores.—This classification includes retail dealers selling *farm implements and hardware*, those selling *farm implements and hay, grain, and feed*, those selling *farm implements only*, and *dealers in carriages and wagons*. The relative importance of these classifications to hardware stores varies greatly in different parts of the country.

Farmers' supply stores.—Under this heading of farmers' supply stores are *feed stores* selling flour, feed, grain, and fertilizer, *fertilizer retailers* dealing principally in fertilizer, *harness shops*, dealers in *irrigation and drainage equipment* and *ranchers' supplies*, stores specializing in *seeds, bulbs, and nursery stock, cooperages* dealing in barrels, boxes, crates, casks, and sawdust, *coal and feed stores, grain elevators* selling at retail, and *feed stores handling staple groceries*. The latter are classified separately from other feed stores in State reports.

Book stores.—This classification covers stores engaged primarily in the sale of books, with stationery and related articles secondary. Included also is the sale of books and other merchandise by circulating libraries.

Cigar stores and cigar stands.—Included are three kinds of cigar stores and stands: *Cigar stores with fountain* (and lunch), *cigar stores without fountain*, and *cigar stands* in pool rooms, bowling alleys, railway stations, and other public places. Cigar stores often sell books and magazines and novelty merchandise, cosmetics, and proprietary drug preparations in addition to their more usual merchandise. The cigar

stand frequently sells soft drinks in addition to the sale of cigars, cigarettes, tobacco, and smokers' supplies. Packaged candies and an increasing variety of novelty merchandise are now sold in many cigar stores and stands.

Coal and wood yards—ice dealers.—This classification includes *coal and wood yards* and *ice dealers*. In a large number of States, many of the coal and wood yards sell substantial quantities of ice during the summer months, and ice dealers frequently sell coal, wood, and sometimes fuel oil during the winter months. Many coal and wood dealers are selling increasing quantities of fuel oil, and some are selling and installing oil-burning equipment.

Drug stores.—Drug stores could be segregated into a variety of kinds if all data were available. However, in view of the limited amount of information contained in the majority of drug store schedules, the classifications were limited to two, namely, those with fountains and those without. Normally, *drug stores without fountains* sell (in addition to drugs and prescriptions) toiletries, cosmetics, patent medicines, magazines, and smokes as well as novelty merchandise. *Drug stores with fountains* usually sell the same kinds of merchandise but often realize nearly as much sales volume from the fountain-lunches and novelty merchandise as from all of their more usual departments. Circulating libraries and book sales are becoming increasingly important in the neighborhood drug stores. Downtown stores are increasing the sale of sandwiches and light lunches.

Florists.—This classification is confined to flower shops and does not include stores predominately engaged in selling seeds, bulbs, and nursery stock. The florist shop sells cut flowers and growing plants, with occasional sales of other merchandise.

Gift shops—novelties and toys—cameras.—Four kinds of stores are included under this heading. First are the *toy shops*; second, *art and gift shops*; third *novelty and souvenir shops*; and fourth, *camera and photographic supply dealers*. The toy shops, primarily selling toys, very frequently carry novelties, gifts, and souvenirs. Art and gift shops often carry toys as well as souvenir novelties but their principal business is in the more substantial merchandise and objects of art. Novelty and souvenir shops like the others carry toys and gift merchandise, novelties and souvenirs. From the schedule it is often difficult to distinguish between the three kinds of shops. Camera and photographic supply dealers add materially to their sales of cameras and photographic supplies through sales of novelties as well as through developing and printing service.

Jewelry stores.—*Installment jewelry stores* are classified separately from other *jewelry stores* and are separately analyzed in State reports and in many city reports. Installment jewelers base their appeal, in

large part, on the convenience of deferred payments and the great majority of their business is on the installment plan. Other jewelry stores also sell on credit as well as for cash, and a small proportion of their business often is on the installment basis but they do not base their appeal on installment credit. Jewelry stores are tending to sell more and more related merchandise. Income is also derived from repair service and sometimes from optical departments.

Luggage and leather goods stores.—These stores sell trunks, hand luggage, gloves, handbags, pocketbooks, pass cases, leather belts, and hat boxes. Often saddles and other riding equipment are carried.

Monument and tombstone works.—These dealers are usually craftsmen skilled in stonecutting who buy their stone or marble in the rough and finish it to specifications. Frequently other kinds of stone work are done by these dealers in addition to the cutting and inscribing of tombstones and monuments.

Musical instruments and music stores (without radios).—This classification is confined to those stores engaged primarily in the sale of musical instruments, sheet music, music rolls, phonographs, and records. If radios and radio equipment are carried at all, their sales are negligible. (See also radio and music stores.)

News dealers.—These stores sell local newspapers, current magazines, and out-of-town papers, smokes, souvenirs, and novelty merchandise, including toys. In many instances news dealers sell books and stationery, and often they operate circulating libraries.

Office, school, and store supplies and equipment.—This classification combines five kinds of retailers; namely, those selling *office and school supplies, office and store mechanical appliances, office and store furniture and equipment, store fixtures, and typewriters*. Many manufacturers in these fields maintain their own direct selling offices or branches and operate service departments from which a part of the reported total income is derived. Dealers in equipment sold primarily to the industrial user rather than to the individual user are not included.

Opticians and optometrists.—Stores engaged in the fitting of eyeglasses, and the sale of lenses and frames together with other optical goods, are included. These stores often handle related lines of merchandise such as opera glasses, binoculars, cameras, and photographic supplies.

Sporting goods stores.—This heading combines two kinds of stores, those commonly known as *sporting goods specialty stores* and those *handling, in addition to sporting goods, such lines as stationery and toys*. The first usually handle a full line of sporting goods, including gymnasium and playground equipment and sportsmen's equipment as well as firearms and ammunition. The second carry a more restricted line of novelty sporting goods, toys, and stationery.

Scientific and medical supplies and equipment (at retail).—This classification is confined to retail sales of scientific and medical supplies and equipment sold to physicians at retail or sold to individuals on doctors' prescriptions. Establishments selling primarily to hospitals and those handling equipment for hospitals, laboratories, schools, and universities are classified as wholesale.

Stationers and printers.—This classification includes four kinds of stores. First, *dealers selling blank books, accounting and legal forms*. Second, *paper and paper products stores*. Third, *retail sales by printers and lithographers*. Fourth, *retail stationers and engravers*. The latter constitute the great majority of the stores included in this classification group.

Miscellaneous classifications, combined (all remaining kinds of business not specifically covered, except secondhand stores).—Under the heading "Miscellaneous classifications, combined" are included 50 different kinds of business which do not fit the more definite classifications previously enumerated and do not lend themselves readily to grouping. The stores or shops included under this general heading are: Harness repair shops, including some sales of harness and shoes, art galleries (selling at retail), stores selling artificial limbs, sales of artists' supplies at retail, athletic and playground equipment (not to be confused with sporting goods stores' sales of such equipment), auction rooms (miscellaneous goods at auction), autographs and philatelists' supplies (stamps), automatic vendors (miscellaneous products vended by machine), barbers' supplies at retail, beauty parlors and barber shops (sales of merchandise), blacksmiths (sales), blue printers (sales), chemicals other than drugs at retail, clipping and trade list bureaus, concessions (merchandise sold through games of chance), dental supplies at retail, toilet articles and preparations including perfumes, embroidery, needlework and stamped goods, fireworks (retail sales only), hotel supplies and ship chandleries, institutional stores (not operated for profit), iron, steel, and metals at retail, junk dealers (retail sales only), leather and findings at retail, licensed liquor dealers, livery stables (sales), livestock dealers (retail only), locksmiths (sales only), automatic-sprinkler supplies at retail, machinery stores (retail only), malt products and supply stores, patent medicines, remedies, perfumes and extracts (usually house-to-house canvassers), dress pattern shops and leased pattern departments, pet shops (animals, birds, etc.), photographers and illustrators, regalia, badges, and emblems, religious goods stores, rubber goods stores, rubber stamps, janitors' supplies, sanitary supplies (insecticides, disinfectants, etc.), scales and balances, sign shops, undertakers' funeral supplies, and unclassified. Detailed figures for each of these classifications can be found in the State reports for

Connecticut, Massachusetts, and Ohio, but in all other States these miscellaneous classifications are combined.

Secondhand stores.—Under the general heading of "Secondhand stores," usually shown as a single item in the reports, will be found several minor subclassifications, which for clarity will be defined separately.

Tires, accessories, and parts dealers (secondhand).—Under this classification are included five kinds of stores; those selling secondhand automobile parts and accessories, those selling secondhand tires and batteries, those selling secondhand motor cycles, bicycles and supplies, dealers in used boats, and dealers in used aircraft. Sales principally are of secondhand goods, although occasionally new merchandise in the lower price lines is sold.

Furniture (secondhand).—These stores sell secondhand furniture primarily, and occasionally some new furniture in the lower price lines. Stores selling antique and used furniture are classified elsewhere.

Pawn shops (sales).—This classification includes sales of miscellaneous merchandise through pawn shops and does not include loan transactions.

Clothing and shoes (secondhand).—Stores selling secondhand clothing and shoes. Some new merchandise in the lower price lines often is included as well as some small amount of shoe repairing.

Building materials and hardware (secondhand).—This includes two kinds of business: First, yards selling

secondhand lumber and building material (and incidental hardware); second, secondhand hardware stores. The latter may sell some new hardware in the lower price lines.

Books (secondhand).—Stores included in this classification sell secondhand books primarily, although some new books and stationery are frequently sold.

Office appliances (secondhand, including typewriters).—Two kinds of stores are included: First, those selling rebuilt typewriters with related equipment and supplies; second, stores selling other secondhand office appliances, often including secondhand typewriters when they constitute less than one-half of total sales.

Radios, phonographs, musical instruments (secondhand).—Two kinds of stores are included: First, stores selling secondhand musical instruments, including used pianos; second, stores selling used radios and phonographs.

All other secondhand stores.—This group includes the remainder of the classified secondhand stores: First, stores selling secondhand store fixtures and equipment; second, establishments selling used barrels, boxes, crates, casks, etc., usually including sawdust; third, stores or yards selling secondhand machinery; fourth, stores selling secondhand household appliances and furnishings; fifth, stores selling secondhand carriages and wagons, saddles, and harness; sixth, stores selling used farm implements and machinery; seventh, secondhand stores not otherwise classified.

TYPES OF OPERATION DEFINED

Independents.—*Single-store independents* and *2-store* and *3-store independents* are shown separately. Between them and the local chains is a classification called *local branch systems*.

A **branch system** differs from a local chain, either of which can have four or more units, mainly in the method of merchandising and the relation of the various stores to each other. A branch system always revolves around a dominant parent store, from which the branches grew and from whose stocks the branches draw most of their merchandise for sale.

A **local chain** is a group of substantially similar stores under the same ownership and operation, merchandised from a central warehouse or other common point or points, but not from the stocks of a parent store. In a local chain, a majority of its stores are located in and around one city.

A **sectional chain** is one whose stores are located in a number of cities so that its operations are more than local, but a large majority of whose stores is located within one geographic division, or an equivalent area. Chains operating entirely or principally within the Pacific Coast States, or in New England, or in the South Atlantic States, or in any other distinct section of the country, are sectional chains.

National chains are those operating in two or more geographic divisions, or sections of the country, whose interests and operations are broader than those of any one section.

Manufacturer-controlled chains are operated to distribute at retail the products of a manufacturer, or a group of manufacturers who are joint owners of the stores. Manufacturer-controlled chains are primarily interested in furthering the sales of predetermined commodities, in contrast to the primary interest of most stores and chains in determining customer-preference and buying merchandise to sell which will most nearly fill that want. The interests of the two classes of merchandisers are different, and require separate classification. Manufacturer-controlled chains are not classified as to the extent of territory covered. This classification includes sales branches of manufacturers of specialties, such as typewriters and plumbing fixtures, sold directly to the public at retail.

Utility-operated stores are those operated by public-utility companies and are mainly for the sale of electric and gas household appliances.

Mail-order houses.—The classification "mail-order houses" is limited to catalogue business. It does not include the retail-store business of the companies

usually known as mail-order concerns. Such retail-store business is properly classified under the heading of national chains.

Country buyers shown in the retail reports are retailers who combine with their store business the function of buying and assembling farm produce. This operation is primarily that of assembling and shipping to wholesalers and processors. This type classification should not be confused with country general stores, which is a kind-of-business classification. Retailers who operate partially as country buyers of farm products are classified in the retail tables in accordance with their major kind of business. Their total business is included under the heading of sales but that portion of their business which is country buying is shown in Table 11-B.

Roadside markets or stands provide retail outlets for farm products and other merchandise often produced locally. These markets or stands, which are most often found in the rural areas and in the smaller towns, are operated principally during the crop seasons.

Curbside markets or stands are for the most part engaged in the sale of products of the farm although occasionally other miscellaneous merchandise is thus sold. This classification includes stalls or concessions in public or municipal markets.

Itinerant vendors (popularly called peddlers) operate both in the cities and rural areas. They may operate with packs, pushcarts, wagons, or trucks, but do not operate on regular schedule over established routes.

Rolling stores, popular in the rural areas and in city suburban areas, are, for the most part, mobile food stores although other merchandise such as ready-to-wear, dry goods, and hardware is also sold by rolling stores. Rolling stores usually operate over prescribed routes and make immediate delivery from stock in contrast to solicitors who take orders from sample for later delivery.

Industrial stores (including commissaries), found principally in industrial and mining communities and in lumber camps, are operated by the industrial concerns primarily for the benefit of their employees. These stores usually carry groceries and a line of general merchandise with work clothing and homewares predominating.

Leased departments are sections or departments of stores which are operated either by outside individuals or chains on the basis of a fixed monthly rental or on the basis of a percentage of sales. The departments most often leased are those which require a high degree of specialization or where skilled service is essential. The lessee owns the merchandise and directs its pricing. The store provides supplies, delivery, heat, light, power, and protection, and handles the receipts, both cash and charge. It usually pays the lessee's sales-people through its regular pay roll, and at the end of

the month it pays to the lessee the amount received less pay roll, supplies, sometimes delivery, and the agreed rental. (For a more complete explanation see the Special Merchandising Report for Ownership Groups of Department Stores, which contains a section on leased departments.)

Cooperative associations are groups of individuals associated primarily for the purpose of cooperating in the purchase of goods in wholesale quantities for distribution to members. Often this takes the simple form of pooling the purchases of members, buying in bulk from a wholesaler or manufacturer at a price somewhat lower than the retail price, and distributing the goods immediately upon arrival without storage or any other expense. Such associations are formed frequently among farmers for seasonal purchases of such commodities as coal, feed, seed, and fertilizer.

Another development in cooperative purchasing is the operation of a cooperative store. This form introduces such additional expenses as rent, the pay-roll cost of warehousing, stock keeping, and the assembly of goods to fill orders, heat and light, taxes and insurance, bookkeeping, and the inevitable mark downs caused by damage, overstock, shortages, competitive prices, and unpopularity of some lines. Usually when a cooperative association operates a store it follows the practice of opening it to the public, marking the goods at regular retail prices, and distributing the profits, if any, at stated intervals to members of the association in proportion to their purchases.

Frequently retailers are members of cooperative buying associations, formed for the purpose of pooling the requirements of a number of smaller stores in order to enter the market with orders or buying power in such quantity as to put the group on a price parity with chains. Occasionally such associations develop into extensive organizations, including in their services advice and help in store arrangement, methods of display, control of stocks, and sales promotion. Such associations then are known as *voluntary chains*. The member stores of such associations are included in the census as individual stores, but the associations themselves are not included in the classification called cooperative associations.

Many voluntary chains of retail stores are operated by wholesalers. An interesting report on the growth of voluntary chains, prepared by the Federal Trade Commission, is available from the Superintendent of Documents, Washington, D. C.

The retailer-wholesaler classification is used to designate dealers who do both a retail and a wholesale business. It is used only in places of less than 10,000 population and only when the return or schedule received from the store does not indicate the ratio of either kind of business to the other.

RETAIL DISTRIBUTION

FORMS OF ORGANIZATION

Stores are classified as to whether they are *corporations or proprietorships* (partnerships and sole proprietorships). *Cooperative associations* which were reported as such are shown separately. The proprietorship classification is further broken down to show separately any *negro proprietorships* and any *oriental*

mutuals. The latter are retail partnerships whose members are Chinese or Japanese. (Table 12.)

At the request of negro organizations, the census includes a further analysis of stores operated by negro proprietors, with a table showing them analyzed by kinds of business. (Table 12-B.)

GENERAL EXPLANATIONS

Employment data.—Employment tables show the full-time paid employees, part-time employees, and the proportion of the total salaries and wages paid to each class. Part-time employees include all persons employed for parts of days or for only a few days per week, full-time employees being those employed during the whole or greater part of each working day and for the normal number of days in each week. Persons employed only part of the year but working on a full daily and weekly basis were returned as full-time employees.

Number of employees.—Wherever possible, a report was obtained of the number employed on April 15, July 15, October 15, and December 15; also, of the number employed at the date of the enumerator's visit in the spring of 1930. The number of employees given in the table includes the average of the numbers employed on these dates wherever a full report was obtained. In a number of instances, however, particularly among the smaller concerns, it was found impracticable to obtain a figure for all these dates, and frequently the only figure obtained was the count of employees on the day on which the enumerator made his visit. Table 3 (seasonal employment characteristics), confined to employees and proprietors, necessarily includes only those schedules which contained complete seasonal and sex data. The percentage of coverage shown indicates the proportion of the total number of employees covered by this table and not the proportion of stores.

Proprietors.—Proprietors of businesses which are not incorporated are excluded in the count of employees, but are shown separately in Table 1. The compensation of such proprietor-owners is partly in merchandise, partly in cash taken from the funds of the store at regular or irregular intervals to meet personal and family expenses, and partly in regularly declared profits credited to the proprietor's account and withdrawn at his pleasure. In the absence of a sound basis for equitable measurement of proprietors' compensation, the average annual earnings of full-time employees in each particular kind of business are used and calculations of the wage value of proprietors' services appear in a separate column in the table herein which deals with employment, wages, and the cost of doing business.

Operating expenses.—Operating expenses include all expenses paid during 1929 covering wages, salaries, rent for leased premises, interest on money borrowed to conduct the business, taxes, insurance, administration, office and overhead expenses, and all other items of expense paid during the year. The cost of goods purchased for resale is not included and neither is interest on invested capital. The operating expenses were reported under four heads: (1) Salaries and wages paid to all employees for the year; (2) rent, if any, paid for the premises during the year; (3) interest, if any, paid during the year for money borrowed for the business; and (4) all other expenses paid during the year. In securing this information the stores were asked to use their income-tax figures so far as possible; and the enumerators were advised to ascertain first, the total operating expenses, which most firms have at hand, and then ascertain and deduct the payments for wages, rent, and interest. In tabulating the returns, interest is not separately shown but it is included with all other expenses.

Commodity data.—All stores which were believed to be able to furnish commodity analyses of their sales were interrogated on that point by the field enumerators, in cities of more than 10,000 population. No store of less than \$60,000 annual volume was included. In editing the returns, any which were obviously estimates at great variance with other stores of the same classification were rejected for commodity-analysis purposes. The resulting commodity breakdowns wherever the coverage is substantial, are believed to be representative of the kind of stores included therein. (See Table 15.)

The tables in State reports contain two percentage columns. The second column presents the ratio which total sales of each commodity bear to total sales of all commodities in all the stores analyzed, in the same kind of business. The figures in this second column add to 100 per cent. Not every store sells every commodity, however. The first column of percentages represents the ratio of each commodity to total sales of all stores (in that kind of business) which reported any sales of that commodity. When this percentage is higher than the general percentage, it indicates that some of these stores are not carrying that commodity.

The items listed in the commodity tables are limited to the specific commodities included in the printed schedules or questionnaires used by the field enumerators, which limit the breakdown that can be shown.

Commodities shown in the table in the form of indented items with their corresponding percentages shown in short, indicate a further breakdown of the principal commodity group under which they are indented. This method of presentation has been adopted whenever the total sales involved in the further breakdown aggregate less than 50 per cent of the total sales of the principal commodity group under which they are indented, but are believed to constitute a sample sufficiently representative to justify its inclusion in this form.

Number of stores.—Each separate place of business is counted as a separate store and the census includes all retail establishments, canvassed by the enumerators in 1930, that were in existence during the year 1929. It does not include stores which came into being after the census year and it may not include some stores which were discontinued during 1929 or shortly thereafter.

The term "stores" embraces all retail places of business, including restaurants, garages, filling stations, lumber yards, cigar stands, and market stands. Regardless of the nature of the premises, the retail census includes no part of those seemingly retail establishments which are found to be doing more than one-half of their business at wholesale.

Net sales.—This term represents total receipts from all business sources, including the sale of merchandise, the sale of services, and receipts from repairs and storage. It is exclusive of returned goods or merchandise returned after it has been sold. Returned goods are separately reported and represent sales made in addition to the net sales shown herein, but subsequently canceled.

The net sales shown in the retail census do not include sales at retail by manufacturers and wholesalers, although such sales are separately reported herein. However, they do include sales made by one retailer to another retailer of merchandise for use or for resale. Also, they include a small amount of country buying (assembling) of farm products.

Credit business.—This term represents the total sales by retailers on any other basis than immediate exchange of cash or goods. It includes installment or deferred-payment credit and also open-account credit. In the case of installment credit the reported amount represents the credit extended by retailers, but does not always include deferred payments financed by finance companies independent of the retailer. In some kinds of business, deferred-payment contracts made between the purchaser and the finance company,

by means of which the retailer is enabled to obtain the proceeds of his sale immediately, are not reported as installment sales.

Rental cost.—Rent is shown only when the premises are not owned by the reporting store. The amounts shown under this heading represent the actual amount of rent paid for wholly leased premises, and are related to the net sales in such premises. No rent, or rental value of premises, is shown for stores occupying their own premises. Wherever it is impossible to relate the rent paid for premises to the sales in such premises, the rent item has not been separately shown in Table 2 but is included in the expense classification known as "All Other Reported Expenses, including rent." Rent expense is a fair measure of the cost of tenancy.

Tenancy.—Tenancy is the right to occupy, and tenancy cost is the cost or expense of enjoying that right. Rent is the usual form of tenancy cost, in leased premises. In wholly owned premises, tenancy cost includes taxes, insurance, depreciation, bond interest, and certain other expenses. In the case of buildings constructed on long-term ground leases, tenancy cost includes the ground rent as well as taxes, insurance, depreciation, etc., on the building. The same is true of premises partly owned and partly leased. The census did not attempt in its field canvass to obtain tenancy costs because of the obvious complications involved in accurate, uniform reporting of the constituent parts, but it submits accurate rental costs in wholly leased premises as a fair approximation of all tenancy cost, especially in view of the fact that 72 per cent of total sales is in wholly leased premises.

All other expenses.—This heading is used to include all reported operating expenses with the exception of pay roll. It always includes rent unless otherwise specified, and it includes such expenses as interest on borrowed money, taxes, insurance, travel, communication, advertising, and depreciation of fixtures. Although it includes rent, the rental cost of wholly leased premises is shown separately and is related to total sales in such leased premises.

Interest.—Interest on money borrowed is included under the heading "All Other Reported Expenses." It does not include interest charges on a store's own invested capital.

Returned goods and allowances.—Separately shown in all retail reports are tables presenting the amount of returns and allowances which have been deducted from gross sales in arriving at reported net sales. The causes for such returns and allowances may be defective merchandise, errors in delivery, substitutions, change of mind on the part of the customer, or sales on approval. Returned goods constitute a considerable but inevitable item of expense in retailing.

RETAIL DISTRIBUTION

RETAIL MAP OF THE UNITED STATES

COMPARING RETAIL SALES AND POPULATION, BY STATES

