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CHAIN STORE SALES AND STOCKS MAY, 1951

Chain food stores reported an outstanding gain of 32% in May 1951, by far the largest of the increases reported by the six chain store trades covered in this bulletin. Inventory holdings at May 1, 1951, keeping pace with the sales gain for this trade, were 30% above those held on May 1, 1950.

Women's clothing chains also had a large sales increase of 20%, and an even more substantial gain of 26% in stock holdings.

Sales of chain shoe stores increased 16% over May 1950. A 1% decrease in shoe inventories, though differing from the trend in other trades, is not evidence of extreme stock liquidation. It indicates a convergence of sales and inventory trends which had diverged somewhat over a considerable period of time.

Chain hardware and variety stores, with sales 14% higher than those recorded in May a year ago, reported stock holdings 26% and 25% respectively above year-ago levels.

Chain drug store sales increased a moderate 6%. Inventory holdings on May 1, 1951 were 11% higher than those on the same date a year ago. These increases are comparatively large for this particular trade.

Stocks are reported at selling value.

Prepared in Merchandising and Services Section



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Table 1 - Sales and Stocks, for Six Trades, May 1951.

Trade	May 1950		May 1951		% Change May 1951/1950	
	Sales	Stocks	Sales	Stocks	Sales	Stocks
	\$000's	\$000's	\$000's	\$000's	%	%
Food Stores	40,652	31,126	53,457	40,469	+ 31.5	+ 30.0
Women's Clothing Stores .	2,995	7,082	3,596	8,893	+ 20.1	+ 25.6
Shoe Stores	2,922	17,222	3,381	16,993	+ 15.7	- 1.3
Hardware Stores	1,084	3,855	1,239	4,838	+ 14.3	+ 25.5
Drug Stores	2,168	7,377	2,305	8,201	+ 6.3	+ 11.2
Variety Stores	11,967	37,314	13,672	46,570	+ 14.2	+ 24.8

Table 2 - Sales/Stocks Relationships, May 1951.

Trade	Stocks/Sales Ratio		Stock Turnover Rate
	May 1950	May 1951	May 1951
Food Stores	0.8	0.8	13.8
Women's Clothing Stores .	2.4	2.5	4.2
Shoe Stores	5.9	5.0	2.0
Hardware Stores	3.6	3.9	2.7
Drug Stores	3.4	3.6	3.5
Variety Stores	3.1	3.4	3.3

Stock/Sales Ratios - are obtained by dividing stocks at selling value as at the beginning of the month by sales made during the month.

Stocks Turnover Rates - are obtained by dividing sales in the 12 months ending with the report month by stocks at selling value at the beginning of the report month.

Table 3 - Number of Stores Operated by Sample Firms

Trade	Number of Stores	
	May 1950	May 1951
Food Stores	771	768
Women's Clothing Stores .	269	275
Shoe Stores	468	471
Hardware Stores	37	36
Drug Stores	248	243
Variety Stores	499	519

The number of stores relates to the sample of chain companies used to determine trends. They constitute 85%, by volume, of the total chain store sales in each of the six different trades.