TABLE 3A.—PROFIT RATES OF LEADING COMPANIES AND OTHER COMPANIES IN 19 CONSUMER GOODS INDUSTRIES, 1963–65

| Industry | Size classes [1] | | | |
|---|---|---|---|---|
| | Leading companies | | All other companies | |
| | Number of companies | Average rate or return 1953–65 [2] | Number of companies | Average rate or return 1963–65 [2] |
| Cosmetics | 4 | 22.7 | 7 | 14.3 |
| Drugs | 4 | 20.4 | 25 | 19.3 |
| Automobiles | 2 | 19.0 | 3 | 10.0 |
| Confectionery | 2 | 16.2 | 2 | 9.8 |
| Radio-TV manufacturers | 4 | 15.5 | 4 | 8.8 |
| Soft drinks | 3 | 13.4 | 3 | 19.8 |
| Tobacco | 4 | 11.4 | 6 | 9.5 |
| Apparel | 4 | 10.8 | 7 | 13.2 |
| Dairy products | 3 | 10.5 | 4 | 9.0 |
| Canned foods | 3 | 10.3 | 4 | 4.0 |
| Malt liquors | 4 | 9.9 | 13 | 9.5 |
| Shoes | 3 | 9.2 | 4 | 9.1 |
| Biscuits and crackers | 2 | 9.1 | 3 | 10.1 |
| Home furnishings | 4 | 8.7 | 5 | 7.8 |
| Tires and rubber | 4 | 8.3 | 7 | 7.8 |
| Distillers | 4 | 7.8 | 7 | 11.1 |
| Bread and pastries | 3 | 7.3 | 3 | 5.7 |
| Watches | 2 | 6.9 | 3 | .3 |
| Meat products | 3 | 6.7 | 4 | 3.4 |

[1] The group of leading companies consists of the 4 largest companies except when fewer than 8 companies are included in the sample for an industry. In this case, the sample companies are divided evenly between the 2 groups with the largest firms going into the group of leading companies. If there is an odd number of companies in industries having less than 8 sample companies, the median company is placed in the all other company category.

[2] A 3-year simple average of company profit ratios.

Note: The packaged food products category was excluded from the group of consumer goods industries for this analysis because it was too broadly defined, and hence contained a number of sample companies which did not compete with one another.

Source: "Underlying Data for Study" by Conrad and Plotkin," Risk and Return in American Industry—An Econometric Analysis.'