TABLE A2.—AVERAGE PROFIT RATES AND ADVERTISING-SALES RATIOS IN 41 CONSUMER GOODS INDUSTRIES, 1954–57

[In percent]

	Profit rate	Advertising sales ratio
(1) Soft drink	10.0	6.2
(2) Malt liquors	7.2	6.8
(3) Wines	7.3	5.2
(4) Distilled liquors	5.0	2.1
(5) Meat	4.6	.6
(6) Dairy	7.9	2.2
(7) Canning	6.4	2.9
(8) Grain mill products	7.0	1.9
(9) Cereals	14.8	10.3
(10) Bakery products	9.3	2.9
(11) Sugar	5.8	.2
(12) Confectionary	10.6	3.5
(13) Cigars	5.3	2.6
(14) Cigarettes	11.5	4.8
(15) Knit goods	3.8	1.3
(16) Carpets	4.5	2.0
(17) Hats	1.6	2.2
(18) Men's clothing	5.9	1.2
(19) Women's colthing	6.1	1.8
(20) Millinery	−1.3	.8
(21) Furs	5.7	1.0
(22) Furniture	9.7	1.5
(23) Screens and venetian blinds	9.3	1.6
(24) Periodicals	11.7	.2
(25) Books	10.1	2.4
(26) Drugs	14.0	9.9
(27) Soaps	11.7	9.2
(28) Paints	9.9	1.5
(29) Perfumes	13.5	15.3
(30) Tires and tubes	10.2	1.4
(31) Footwear	7.6	1.5
(32) Handtools	11.4	4.2
(33) Household and service machinery (not electrical)	7.3	1.9
(34) Electrical appliances	10.3	3.5
(35) Radio, TV, and phonograph	8.8	2.2
(36) Motorcycles and bicycles	5.2	1.1
(37) Motor vehicles	15.5	.6
(38) Instruments	12.0	2.0
(39) Clocks and watches	1.9	5.6
(40) Jewelry (precious metal)	5.3	3.2
(41) Costume jewelry	1.4	4.0

I.R.S. data for "Screens and Venetian Blinds," in 1947, are included in "Miscellaneous Furniture." As a result, Census value added data for both 1947 and 1957 are used. Similar data problems exist in the case of "Drugs," "Perfumes," "Instruments," and "Costume Jewelry." In all of these instances Census data in 1947 and 1957 are used. With regard to "Perfumes" and "Costume Jewelry," information on value of shipments is available in both years and is therefore used, while value added data are used in the other cases.

Concentration

The classification of industries into Kaysen and Turner concentration classes is based on data for 1954, and their definitions are used in most cases. Where I.R.S. minor industries include a number of Kaysen and Turner markets, weighted averages based on value of shipments are used to determine the appropriate classifications.

Further adjustments are made to account for the local market character of three industries: soft drinks, dairy products, and bakery products. In addition, the soap industry falls just below the boundary between Type I and Type II Oligopolies. Since the same major firms are dominant in the important product lines, the industry is reclassified as a Type I Oligopoly. The radio and television industry falls just above the same boundary. It is classified as a Type II Oligopoly since the largest single subindustry falls into that category. For appliances, the Kaysen and Turner definition differed substantially from that used by the Internal Revenue Service. After an appropriate adjustment the concentration data indicated that this industry is a Type II Oligopoly.