

10. Rise and Demise of the Department Store

From Humble Beginnings

Arguably the world's first department store was Bennetts of Derby. Opened in 1734 it was initially an ironmonger. Contesting the title was Harding, Howell & Co's Grand Fashionable Magazine at 89 Pall Mall in St James's, opening in 1796. Divided into four departments, it offered furs and fans, haberdashery, perfumery, jewellery, clocks, dresses and millinery. The focus was on fashionable and affluent women, with time to browse and money to spend.

Trading as Watts Bazaar since 1796 as a drapery in Deansgate, Manchester, Kendal Milne expanded, adding the name Faulkner in 1836. It diversified into cabinet manufacture and upholstery, complete with showrooms. At its height in the 1890s it employed over 900 staff and occupied both sides of the road, linked by an underground passage, 'Kendal's Arcade.'

In 1837 James Marshall opened a store at 11 Vere Street, just off Oxford Street, forming a partnership with assistant John Snelgrove in 1848. Three years later a news store opened, on the more prominent corner: the Royal British Warehouse. Changing its name to Marshall & Snelgrove, the firm expanded post World War I to Lancashire and Yorkshire, "cultivating an air of exclusivity" in cities, towns and resorts. Bespoke dressmaking was a speciality.

Pride of place for size goes to Bainbridge of Market Street, Newcastle. Opening in 1838, by 1849 it had 23 departments, increasing to 40 by the 1870s. The floor space of 11,705 square yards was slightly larger than 100 yards square, far larger than a football pitch. On transfer to John Lewis in 1952 it retained its brand name for decades.

Harrods in Knightsbridge dates back to 1849 when a small store sold tea. By the early 1880s its wealthy clientele was enticed by distinctive perfumes, fashionable clothing, fine groceries and more, but in 1883 disaster. A fire destroyed the store. Rebuilt between 1894 and 1905, Harrods became known for its grandeur and palatial elegance. It even had an escalator.

In 1863 William Whiteley opened a 'Fancy Goods' store at 31 Westbourne Grove and within a year employed 15 people. Just four years later it had expanded to a row of shops containing 17 departments and by 1872 had 622 employees and a further 1,000 elsewhere. The second half of the 19th century saw a rapid development of the retail department store. By 1890 the company had 6,000 staff, most of whom lived in female and male dormitories, with 176 rules to be heeded at all times. The working week was said to be 7am to 11pm, six days a week.

The store slogan was: "Everything from a pin to an Elephant." Whiteley undercut rivals who staged 'charivari,' a public shaming with the burning of a 'guy' in a draper's apparel. The first store, described as "an immense symposium of the arts and industries of the nation and of the world," was devastated by fire in 1897. Whiteley, a serial philanderer, suffered a personal and permanent misfortune ten years later. He was shot dead by a man claiming to be his illegitimate son. Still a family business, a new store opened at Queensway in 1911. It was the height of luxury, complete with a theatre and, on the roof, a golf course.

An International Shopping Experience

Tapis Rouge flourished in France but in 1838 a rival opened, Au Bon Marché, initially selling lace, ribbons, bedding, buttons and assorted goods. Mid-century, it offered fixed prices and exchange of goods and introduced new merchandising and marketing methods. Bourgeois competitors soon arrived; Printemps in 1865 and four years later La Samaritaine. Galeries

Lafayette opened in 1895. Working classes were catered for at Les Grands Magasins Dufayel, a huge store in northern Paris. All these stores set out to convince customers that shopping was an exciting social activity and to be enjoyed, rather than seen as a chore.

Irish entrepreneur A. T. Stewart's Italianate "Marble Palace" dry goods emporium, opening in 1850 at 280 Broadway, New York, was a household name in four years. In 1863 the uptown "Iron Palace" expanded into fabrics and ready-to-wear clothing and comforts to entice female shoppers to linger. Whilst Lord & Taylor pioneered window displays, A. T. Stewart focused on a bustling and exciting interior. Multiple levels and departments, tasteful frescoes on walls and ceilings, gilded chandeliers with grand glass globes, graceful Corinthian columns and pale blue tinted windows – all harmonised to create dazzling product displays.

Opened in 1872, the Bloomingdale Brothers East Side Bazaar sold just one type of garment, the hoop skirt. In 1886 came the visionary move to 59th Street and by 1920 the store took up a whole block. Slogans were much in vogue. "All cars transfer to Bloomingdale's" was seen everywhere from billboards and delivery wagons to ladies umbrellas. For Bloomingdale this was free advertising and a smart marketing move for a major competitor had arrived in style.

In 1878 a *New York Times* headline announced "The Great Sixth-Avenue Bazaar; Opening Day at Macy & Co. – A Place Where Almost Anything May Be Bought." The special attraction was "universality of the stock, almost every article of dress and household furniture being for sale there, and at the most reasonable prices." In November 1902, they moved to 34th Street but it wasn't until 1924, on doubling its size, that Macy's began to take the lead as a retailing giant. By the end of the 1920s it had become the USA's largest department store.

For Sears Roebuck, founded in 1893, their mail order catalogue catered to the two-thirds of Americans who lived in rural areas. Containing 500 pages of merchandise, customers could now purchase an immense variety of items from clothing and furniture to musical instruments and firearms – all delivered to your front door. Shopping in the comfort of a front room had immense appeal. The first bricks and mortar store was in 1925 in Chicago. Expansion quickly followed in typically working class districts. The emphasis was durability and practicality, such as tools and hardware and making a home in which to live the American Dream.

Ritz, Glitz and Razzmatazz

Harry Gordon Selfridge left school at 14 to work for a bank and aged 18 switched to working at the Chicago department store, Marshall Field & Co. In four years he was assisting the general manager. Three years later he had taken his job.

Field was Chicago's most prestigious store but too formal. 'Mile-A-Minute-Harry' made sweeping changes, helped by huge advances in technology. He installed phones, improved lighting and lit beautiful window displays at night. Flower-arranging classes were offered, home-décor advice given, a wedding gift list introduced and a parcel and coat depository so customers could relax and shop. The slogan, "the customer is always right" was a winner. So was the catchphrase, "only [so many] Shopping Days until Christmas."

He also created what was possibly the first USA in-store restaurant. Opened in 1890, Field's Tea Room served 'light luncheon' dishes at tables bedecked with crisp linen; a fresh rose in a crystal vase added to the ambience. Just 60 diners ate there the first day. Within a year, it had more than 1,500 covers daily. In 1904 Harry set up a rival store in Chicago, selling it two years later for a quick profit. It was time to make another bold move.

His wife, Rosalie, daughter of a wealthy property investor, gave him her blessing to move to London to plan his dream store. She stayed in America with their four children. On arriving in 1906 he was amazed that department stores, with the exception of Harrod's domed grand retail palace, lacked the panache, style and drama of American and Paris rivals. Determined to take Britain by storm, he had his eyes on the Marble Arch end of Oxford Street.

The initial design was by Daniel Burnham, a big-spirited American architect who had worked for Marshall Field and, significantly, had designed much of the 1893 Chicago World's Fair, a successor to London's Great Exhibition of 1851. A Burnham's assistant in London was Thomas Tait, one of whose major works was the extension to the British Museum in 1905. In Oxford Street, Selfridge's design team created a palatial Beaux Arts, Corinthian columned shopping extravaganza that, for customer comfort, had nine Otis lifts. Harrods now had a major rival.

On 15th March 1909 a bugle sounded at 09:00. It was the cue for a vast crowd to surge into this neo-classical and elegant emporium: Selfridge & Co. Some 600,000 invitations had been sent. Newspaper adverts exhorted all to visit the store. There were elegant restaurants with modest prices, a library, reading and writing rooms, post office, special reception rooms for French, German, American and "Colonial" customers, first-aid room and a silence room, with soft lights and deep chairs - all designed to keep customers in the store. Staff members were taught to assist customers, but not aggressively, and the best techniques to clinch that sale. Shoppers were attracted by educational and scientific exhibits. Louis Blériot's monoplane was shown in July 1909, and a first public demonstration of television by John Logie Baird in 1925.

Cosmetics, on display at the front of the store on the ground floor, were placed centrally and similar attention to detail was paid to all high value products. Selfridges provided a fleet of horse-drawn delivery vehicles and later delivery vans, tailor-made for bulky items. With the company livery emblazoned on the side this was a wonderful advertisement for the company, discerning customers and nosey neighbours, intent on keeping up with the Jones. Keen to ring the changes, he opened a bargain basement, the world's biggest bookstore and a very special department, selling everything a pampered pet might need.

Harry Selfridge liked to say: 'I helped emancipate women. I came along when they wanted to step out on their own. They came to the store and realised some of their dreams.' Men or women, customer comfort was a priority, believing that shopping should be both a visual and tactile experience with merchandise put on low counter tops.

The spirit of the age and innovation was on Harry's side. He sold telephones, refrigerators, ice-making machines – even aeroplanes. He pioneered the celebrity appearance: world champion Freda Whittaker skated on the roof-top rink, whilst Wimbledon champion Suzanne Lenglen demonstrated her service on the roof-top court. Bold and imaginative, there appeared no limit to his flair and flamboyance, wrapped up and expressed in the customer shopping experience.

Acquisitions & Mergers

Not until 1864 did John Lewis open a small draper's shop open in Oxford Street. Less well known is John Lewis buying control of Peter Jones. Son of a Welsh hat maker, Peter Jones opened his first eponymous shop in Chelsea in 1871, before moving to the wealthy end of the King's Road and Sloane Square. In 1893 the Illustrated London magazine said the elegant store had few equals and "probably no superior in London." It remarked on his concern for staff welfare. "The residential quarters of the staff are replete with the very appointment that is conducive to social enjoyment" including a library, piano and two billiard tables. Floated as

a public company, the store was bought by John Lewis in 1905. Peter Jones, ill for some time, died the same year. His obituary reads "that he never knowingly offended anyone."

The first David Lewis store opened in Liverpool in 1856 as a men's and boys' outfitters only, with stock mostly manufactured by his own suppliers. Eight years later they sold women's clothing too, adding shoes in 1874 and tobacco in 1879. Lewis also had a Christmas Grotto. Manchester opened in 1877, boasting a large ballroom. New stores appeared in a frenzied burst of building between 1929 and 1936: Glasgow, Leeds, Hanley and Leicester. A branch even opened on Blackpool promenade. In 1965 Lewis became part of the Sears Group.

Debenham's traces its history to 1778 with William Clark's drapers store at 44 Wigmore Street in London's West End, selling expensive fabrics, bonnets, gloves and parasols. In 1813 William Debenham invested in the firm which became Clark & Debenham, opening a replica store in Cheltenham in 1818. Renamed Debenham & Freebody in 1851, it included a wholesale cloth and fabric business. In 1905 Debenhams merged with Marshall & Snellgrove and in 1920 purchased Knightsbridge retailer Harvey Nichols. But family control was waning and in 1928 Debenham became a public company. By 1940 it was the biggest department store group in the UK, owning 110 stores and 84 companies. Central buying was introduced in 1966.

Formed in Glasgow in 1849, Fraser & Sons grew steadily early next century and by 1936 had acquired prominent names: Scottish Drapery (1952), Barkers of Kensington (1957), Dickins & Jones and Harrods (1959), J.J. Allen (1969) and Army & Navy Stores (1973). In the 1970s over 50 stores joined the group and growth continued but market conditions were changing. Takeover by Lonhro was rejected by the Monopolies and Mergers Commission in 1981. Three years later the group became House of Fraser with over 70 companies, excluding subsidiaries. Ownership passed to the Al Fayed family the very next year, 1985, in a £615m deal.

Spectre of Administration

In 1927 main rival, Harry Gordon Selfridge, bought Whiteleys but in the 1950s capacity was far greater than turnover and, in 1961, Whiteleys was purchased by United Drapery Stores. Profitability declined further and in 1981 the store was bought by the Hanson Trust, heralding imminent closure. The brand was purchased by a consortium, the Whiteley Partnership.

On 17th December 2008, at the height of the financial crash, administrators announced that all 807 Woolworth stores would close by early January 2009, with 27,000 job losses. This was "the first domino of physical retail Armageddon." Reasons included: poor management, bland customer offering, a rapidly evolving retail world, the digital age and circling vultures, alias discount pound stores. Hikes in business rates and rent added to their woes and long leases. A once great brand lacked a purpose.

In 2016 BHS collapsed, leaving 11,000 staff out of work and a pension fund with a massive £571m deficit. Philip Green had sold BHS to Dominic Chappell for £1 in March 2015, insisting collapse was not his fault. In 2019 Chappell was banned from holding directorships for 10 years for "abusing his responsibilities." This included diverting £1.5m to a company based in Sweden, the day after the Board discussed placing BHS into administration.

By 2018 Debenham's annual loss was nearly £500m, signalling closure of almost a third of its 165 stores. Sales were falling and costs rising. Many stores were on long leases, agreed at a time when business was buoyant. The rental bill alone of £300m was 13% of turnover with sales declining annually by over 2%. Meanwhile, online sales nationally were growing at over

12%. A business rates re-evaluation was a further nail in the retail bricks and mortar coffin. At £80m per annum this was not far off the firm's market valuation.

Debenhams, known for designer collections such as Jasper Conran and Julien Macdonald, axed outdated fashion brands but replacements lacked appeal. Choice and customisation were in vogue and online a relentless competitor. Select online - deliver into store, showed patchy results. The digital world had transformed retailing. By 2018 no less than 32 major retailers had gone to the wall with closure of 12,770 stores and loss of over 175,000 jobs.

In that same year came the collapse of House of Fraser, snapped up by Mike Ashley in hours of being placed into administration with 17,500 job losses, including 11,500 concession staff. Brands such as Mulberry, Giorgio Armani and Gucci suffered and suppliers were owed nearly £500m. Even in 2004, House of Fraser was thought an 'online laggard.' Only in 2017 was an online platform upgraded at a cost of £25m. John Lewis at £500m invested 20 times more.

In gobbling up stores, diversity was lost. So was failing to replace outdated brands. House of Fraser lacked a distinctive identity and brand image. Uncertainty began in 2003, followed by a series of attempted takeovers, resulting in sale to a Chinese group in 2014. This heralded a collapse in share price and meant inevitable administration.

There was a parallel between these famous store brands. Mike Ashley insists that Debenhams carried on paying shareholders, "despite their balance sheet not worth the paper it was printed on," whilst "House of Fraser was an unmitigated disaster." Thanks to an incompetent management it was "dead, finished and destroyed" and "told fairy tales about its sustainability to stakeholders, including suppliers."

Known as Fancy Fair and Oriental House when it opened in 1881, Beales was floated in 1995. Soon, Whittakers of Bolton was acquired. Between 2002 and 2011 Beales acquired 25 stores in spite of announcing "a major drop in profits" in 2004 at its flagship Bournemouth store. In 2015 the company delisted and in 2018, in a company buy-out, the CEO acquired 97% of all shares. One year later Beales said it was looking to "deliver a sustainable business model for the future." In January 2020 Beales went into administration and the next month announced the closure of all 23 stores.

The March of Time

"Don't ask the price, it's a penny." This was the slogan Michael Marks used when he opened his first bazaar in Leeds in 1884. Ten years later he went into partnership with Tom Spencer. The rest, as they say, is history.

In a drastic shake-up, outlined in 2018, Marks & Spencer is accelerating a closure programme, This will result in closure of 100 department stores by 2022; one third of their clothing, home and food branches. Profits have almost halved from 2008 just prior to the financial crash. Clothing market share has declined too by half to 7%, on par roughly with Primark and Next. Typical comments have been: unsure of its market, out of touch and a tired clothing range.

In 2018 M&S had 1,000 stores in the UK. It sells into 57 countries and worldwide has almost 1,500 stores and 80,000 staff. "The long-term downward trajectory has continued," stated Chairman Archie Norman in 2019, adding M&S has "drifted." In a blunt statement he spoke of a failure to adapt, not helped by many outdated stores, located in declining high streets. The challenge, he said, "is to make M&S great again."

John Lewis echoes the decline with a drop in operating profit from £75m to £40m, driven by weak sales in homeware and electrical goods and higher costs too. Faced with a stagnant housing market and economic uncertainty, shoppers are shying away from home purchases. Smaller products, such as gadgets, are now bought online. With falling profits, John Lewis, warns of possible closures, including some Waitrose stores. The difficulty is many are on long leases. This year, staff bonuses have been set at 2%, the lowest since 1953.

The demise of the department store has to be viewed in the context of the retail market and high street where there is over-capacity and heavy investment in bricks and mortar. Growth of internet shopping has been relentless in a market dominated by Amazon. Online shopping is quick and convenient with similar products displayed too. Each customer's buying history is logged and matched with millions of others, analysing trends, patterns and probable future purchases. Psychographic profiling is used too, a helpful predictive buying tool - for retailers.

Even the shopping mall is not immune. Inu owns Manchester's Trafford Centre and Lakeside, the complex in Essex. On 12 March they expressed doubts about survival unless extra funds could be raised. Current debts are in the order of £5bn so the knock-on is enormous.

It's all a far cry from the department store heyday. The magic has gone and the ambience. So has 'old-fashioned' customer service as we used to know it. Gone too are floor walkers, chatting to customers and keeping merchandise tip-top, including displays. Maybe out there is another Harry Selfridge, able to revolutionise and reinvigorate the department store. But time has moved on. It feels a different world now – and is.

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