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# The State of Department Store Retailing

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**A Thesis for the Honors Program**


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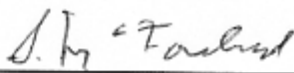
**Juanita Smith**

**Spring 1993**

**Approved by**

  
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There is no doubt that department store retailing has changed dramatically from its beginnings one hundred fifty years ago. Fulfilling far more than just shopping needs, early department stores went to great lengths to entertain their customers and to ensure their comfort. Such stores also set the standards for consumer buying behavior: people bought what the department stores said they should buy.

Today, however, the opposite holds true. Consumers direct the behavior of retail establishments to a much greater extent than in the past. Modern department stores concentrate on offering product mixes desired by the consumer at the current time. The failure to recognize and respond to consumers' changing needs and wants is one reason for the decline of many department stores.

Department stores must adapt to new realities in retailing if they are to remain successful. Such realities include adopting technology that will improve efficiencies and lower expenses and responding to the changing needs and wants of consumers.

These two realities were irrelevant in the early days of department stores. Much of the technology currently utilized by retailers was unavailable. And, customers were driven by retailer-inspired motivations. Nevertheless, it is important to examine the history of department store retailing to gain a better understanding of its place in society and its function in the marketplace.

It is also essential to consider the future of

department stores. The continuing presence of these retailers affects not only competitive forms of retailing but also the consumer himself.

### THE RISE OF THE DEPARTMENT STORE

Prior to 1850, the retailing entity known as the department store did not even exist (Benson 12). In 1850, two types of establishments dominated American retailing: the rural or small-town general store that met the demands of the local market, and the urban shop that specialized in a narrow line of goods, such as umbrellas. General stores eventually grew into department stores as small towns became cities, but the first department stores actually evolved from the urban shops.

Alexander Turney Stewart, Rowland H. Macy, John Wanamaker, and Marshall Field, among others, helped to move retailing into its new era "by diversifying their offerings, adopting the one-price system [eliminating haggling over prices], pledging not to misrepresent merchandise, promising refunds or exchanges for unsatisfactory goods, allowing free access to their establishments without the obligation to buy [previously a purchase was expected], and limiting their dependence on credit in stocking their stores" (Benson 13). These store owners were not consciously seeking a new type of firm but rather were concerned with the immediate health of their businesses (13).

Whether Macy's was America's first true department store is a question that may never be answered satisfactorily. A.T. Stewart's, Zions, and Wanamaker's have also been credited with the same distinction. There is little doubt, however, that Macy's flagship store in New York City, covering 2,200,000 square feet of floor space, became the largest department store under one roof (Hendrickson 61). Macy's also was the largest retail operation in New York before it was twenty years old (Benson 14).

Department stores boasted an unprecedented combination of size and variety. In 1875, Macy's stock included home furnishings, toys and dolls, books, candy, sporting goods, china, glassware, and silver. Macy continued adding departments to attract new customers (16).

Department stores proved to be far more than just places for purchasing an extremely wide variety of goods. They were sources of entertainment as well. Window-shopping became a welcome diversion, and just viewing the decor of department stores was an adventure. Fine woods, gleaming marble, and luxurious carpets were decorating standards (19). "Shopping was not just purchasing but an agreeable and leisurely diversion in luxurious surroundings, lured with exciting events to relieve daily tedium. . . ." (Benson 21).

Department store facilities were designed to encourage shoppers to linger within the store and thus presumably buy

more merchandise. At one time, the stores had lounges supplied with newspapers and stationery. In the mid-1880's, Wanamaker's, Macy's, and Field's provided telephone and telegraph stations as well as post offices. And, in 1878, Macy's opened the first department store cafeteria (20).

### DEPARTMENT STORE DILEMMAS

Although department stores boasted a glorious reputation and fabulous success for years, many have recently closed or undergone major changes in ownership. Everyone in American retailing agrees the country is 'overstored' and that many takeovers, mergers, and bankruptcies can be expected. The number of retail failures rose thirty-five percent from 1990 to 1991, with about 17,315 retailers filing for bankruptcy or closing completely, according to Dun & Bradstreet, Corp. In 1984, the average annual failure rate fell somewhere between 12,000 and 14,000 (Swisher H5).

Buffums in California, an 87-year-old department store chain, announced its liquidation in April 1991 after deeming further reinvestment in the business futile. Chief Financial Officer Chris Tassos commented, " 'There's not really a place for a medium-size department store chain today. We didn't have enough volume to compete with a Nordstrom or May Co. in advertising and maintain our visibility' " (Koselka 71).

In January 1990, Federated Department Stores, along with sister company Allied Stores, filed for Chapter 11 protection. They were unable to draw a high enough price for Bloomingdale's or raise capital in any other way (Solomon 7). In February 1992, Federated Stores, Inc., did emerge from the bankruptcy, the biggest in retail history (Swisher H1).

Massive debts have been a major cause of many department stores' downfall (Solomon 7). Heavy borrowing has financed what industry observers claim has been a huge overexpansion of retail space during the past twenty years (Swisher H5). Store size, however, is expected to decline as retailers attempt to improve profits by reducing the square footage leased. Today, more than eighteen square feet of retail space exists for each American, double the 1972 amount (Schmeltzer 7-1).

But high leverage is not the only problem facing department store retailers. As a group, their market share has been slowly declining. Kurt Salmon Associates, a retail and soft-goods consulting firm, reports department stores accountable for 23.6 percent of all retail dollars spent on the key area of women's apparel in 1990, down from 24.1 percent in 1989 and 24.5 percent in 1988 (Solomon 4). For all apparel, department stores held 21 percent in 1990, down from 21.8 percent in 1989 and 21.6 percent in 1988 (7).

A study by Tactical Retail Solutions, a New York consulting firm, indicated that traditional department



stores accounted for twenty-six percent of the general merchandise sold in the United States in 1991, down only four percentage points from their 1981 share. A "traditional department store" stocks a larger array of goods than stores such as Nordstrom's and Neiman-Marcus. These goods generally include apparel, housewares, and home furnishings.

While several famous department store chains have filed for bankruptcy during the last six years, department stores have relinquished only two percent of the market since 1986. But Tactical Retail Solutions does estimate that department stores' share of the general merchandising market will fall another two percentage points by the mid-1990's (Strom A1).

#### **THE RETAILING REALITY OF NEW TECHNOLOGY**

In order for department stores to reverse the steady erosion they have been experiencing, they must address new retailing realities. One of these is the adoption of new technology.

Dan Raff, assistant professor of retailing at Harvard Business School, believes department stores have not been getting the latest styles onto the sales floor quickly enough. This is largely because they have been slow in implementing new technologies, such as electronic data exchange and bar coding systems, which allow stores to track day-to-day sales of particular items. "This makes it

possible to have lower inventory levels and maintain a more intensive policy of stocking just what people want,' " says Raff. of Federated, handles the parent company's computer

It generally takes several months for the merchandise which department stores order to actually reach store shelves. According to Raff, " 'When you make orders that early, you only have a glimmer of what's going to happen in the future. People's tastes change' " (Solomon 7). The Limited, a specialty store concentrating on women's apparel, estimates it takes between twenty-one and sixty-three days to get merchandise on its shelves. A senior-level executive with a Federated store comments, " 'Some of the success of specialty stores has to do with the fact that they have a more sophisticated way of knowing what they're selling. A big part of retailing is having the product in stock and having it out on the floor.' " (8).

Federated Department Stores, Inc., Dillard Department Stores, and the May Department Stores Company all have some form of computerized inventory-management and back-office record-keeping ("Helping D6). Dillard's, based in Little Rock, Arkansas, with stores throughout the South and Southwest, is perhaps the strongest department store chain in the United States because of the advanced systems that allow the company to keep its inventory lean and still maintain a full assortment of merchandise (Strom D4).

According to Glen H. Griffith, chief executive of the Sabre Group, computerized systems provide " 'instant access

to information that helps you make judgements about how to run your business, which you never had before.' " Sabre, a branch of Federated, handles the parent company's computer system and even sells the system to other retailers. Macy's has been a Sabre client since 1990, a contract worth \$6 million to Federated ("Helping" D6).

In the past six years, most of the "big" department store chains have implemented such new technology. The money saved can be used for training and paying superior salespeople, for improving signs and fixtures, and for achieving better customer service (Strom D4).

#### **THE RETAILING REALITY OF THE CHANGING CONSUMER**

Another retailing reality department stores must address is the changing needs and wants of the consumer. "Knowing when, where, how, and why customers are shopping--and then providing the appropriate hours, venues, methods, and merchandise to match--could be considered a 'nutshell' description of successful retailing" (Gill 32).

Industry observers say many department stores have lost touch with the consumer. Kurt Barnard, publisher of Barnard's Retail Marketing Report, argues that department stores instead have largely overlooked 'radical and dramatic' changes in consumer lifestyles during the past twelve to fifteen years (Solomon 17).

Professor Richard Feinberg of Purdue University

observes, " 'Instead of the nuclear family, we have live-alone singles, live-together singles, adults living with adult children, two-career parents with (or without) kids, [and] mine-and-yours families.' " By the year 2000, one-third of adults will be in single-person households, which could cause loneliness. This trend should encourage retailers to focus on the marketing of VCR's, step-up video products with many features, and other items that can be enjoyed alone (Bergmann 77).

The growth of younger two-income families, with discretionary dollars but little time to spend them, has led to a decrease in retail patronization. Not tolerating poor retail service, including long lines and inconvenient hours, these consumers use direct marketing heavily.

The aging population, for instance the "Baby Boom" generation, has great potential for retailers (Flicker 66). The Baby Boomers are not only well-educated and well-established, but they will inherit from the pre-World War II generation, giving them increased disposable income to spend on goods and services. These individuals will demand better service, convenience, quality rather than quantity, and shorter checkout lines (67).

In order to help satisfy the customer's growing demand for high-quality service while increasing productivity (dollar volume per hour), department stores are deploying their employees more effectively and teaching them how to make sales more courteously (Agins B1). Macy's is allotting

more salespeople to so-called "relationship" departments, such as luggage and jewelry, in which customers need extra assistance. In "convenience" departments, such as hosiery, shoppers are on their own (B10). To the stores' benefit, no additional employees are being hired. Existing ones are simply being removed from certain departments to work in others (B1). At Macy's, salespeople no longer have to leave customers to get authorizations on returns and no longer have to complete inventory tasks. This way customers receive faster service and more attention from the salesperson (B10).

Phyllis Tama, vice-president of the executive research firm of Thorndike Deland, believes the real issue of the 1990s will be customer service. And, importantly, customers will shop where they feel the most comfortable and where they will receive the best service, regardless of merchandise selection (Gill 8).

Consumers continue to shop at department stores for several reasons. "First, while specialty stores have built their fortunes either by marketing sharply priced brand names or by developing high-fashion private labels, department stores are still the first place where designers and upscale manufacturers in apparel and home furnishings go to launch their newest collections" (Solomon 8).

Just as designers and upscale suppliers have confidence showcasing their latest lines in department stores, consumers have confidence shopping there. Department store

customers in general trust that the quality and taste level of their purchases will be high.

Department stores also still provide entertainment. For example, Macy's hosts an annual Thanksgiving Day parade. And department stores across the United States have celebrity appearances, decorating seminars, bridal fairs, cosmetic demonstrations, traffic-building one-day sales, and even Santa Clauses to draw in customers.

To many consumers, however, the attraction of department stores is their wide selection of products, from clothes and accessories to linens and glassware. Sue Kronick, senior executive vice-president with Bloomingdale's, comments, " 'Department stores are like vertical malls. As consumers age, how many are going to want to walk three miles through an actual mall just to get what they want?' " (Solomon 8).

Bill Ress, chairman of the retail management consulting firm C.W. Ress, identifies five factors which drive the customer. These factors include service and information, selection, convenience, merchandise and merchandise presentation, and price. According to Ress, department store retailers have been ignoring all of the driving factors except price (Gill 10).

To compete with such discounters as K-mart and Wal-Mart, department stores are pricing items differently. Previously they caused consumers to question their credibility by putting out merchandise at full price and

then marking it down for a sale the next week. This process not only trained customers to delay their purchases but also hurt profit margins. Federated and other chains are now setting prices lower initially and keeping them there. Retailers suggest that this practice conveys to consumers that retail prices are fair prices.

Although initial prices on most items are lower than when sales are run routinely, eliminating markdowns means spending less money in special promotional advertising and on labor costs to reticket merchandise. In addition, this pricing strategy can increase sales and thus lower expenses as well as improve productivity. Bloomingdale's decreased its "spur-of-the-moment" sales, sales on individual items or groups of items as opposed to department-wide sales, by eighty-five percent in the first three quarters of 1992 ("Retailers" D1).

#### **J.C. PENNEY -- ADAPTING TO RETAILING REALITIES**

J.C. Penney Company Inc., America's fourth largest retailer (Zellner 51), is one department store which has responded to new realities in retailing. By adapting to the consumer's desire for higher quality merchandise at lower prices, store profitability has increased dramatically. Ward's Business Directory of U.S. Private and Public Companies - 1993 ranks Penney's third in department store sales, preceded only by Sears Roebuck and Company and the Sears Merchandise Group (see appendix for complete ranking).

Business Week places Penney's seventy-eighth in its 1993 listing of the top one thousand companies ranked by stock market value. Valued at \$9,693,000,000, the department store rose eighteen places from its 1992 ranking ("The Top 1000 Companies" 122). The company's market value rose thirty-four percent from 1992 to 1993, against an industry composite increase of eighteen percent.

In the discount and fashion retailing category, Penney's ranks sixth. With sales of \$18,009,000,000 for the 1992 calendar year, the department store saw an eleven percent increase over 1991 sales. The industry composite for 1992 sales was \$305,316,000,000; for percentage of change from 1991 sales, the industry composite was twelve percent. Penney's profited \$777,000,000 in 1992--a 194 percent increase from 1991, compared to the industry composite of \$6,009,300,000--a four percent decrease from 1991 ("The Top 1000 U.S." 172).

Penney's position was far from profitable less than two years ago. During the 1980s, the chain wisely worked to differentiate itself from rival Sears by eliminating such lines as tires and hardware. Penney's also began offering trendier looks and respected brands like Oshkosh B'Gosh and Levi's. But the effectiveness of these two moves was almost undone by the store's decision to expand its selection of more expensive lines--just when the recession of 1990-91 and the Persian Gulf War were stifling consumer spending. In 1991 store earnings fell thirty-six percent; 1989 earnings were a record \$822 million (Zellner 51).



While declining profits indicated some form of change was necessary, consumer input provided specifics for the new marketing strategy. Quantitative data from surveys and qualitative data from focus groups were obtained from consumers. Information regarding competitive activity and societal trends was also collected (Mack).

William R. Howell, Penney's chairman and chief executive officer, believes consumers have money to spend but have become more pragmatic and value-oriented than ever. According to him, " 'If you give them value and treat them intelligently, they are going to frequent your business' " (Ramey 15). W. Barger Tygart, executive vice-president and director of merchandising for Penney's, feels consumers now use strong price/value criteria centering on quality when shopping ("Working" 92).

Penney's new marketing strategy certainly addresses value, with ten to thirty-three percent price cuts on hundreds of high-volume and fashion items in 1991 (Ramey 15). The price reductions involved mostly private-label goods in hosiery, sportswear, dresses, and intimate apparel, but care was taken to maintain quality. For instance, the price of a silk shell was cut thirty-three percent without any change in construction.

" 'Our margins might be lower on a product, but in total, our margins are improved because we are selling more of it and more of it at less off,' " commented Jim Oesterreicher, president of stores and catalog. " 'Because

our [product] assortments are more focused we don't have as many markdowns on odds and ends, so gross margins are up more than sales,' " he added.

According to Oesterreicher, Penney's current assortment and mix of merchandise better addresses today's consumer. The store's merchandise now also has "genuine fashion quality appeal" (Jovine 6). William Howell believes Penney's has 'tremendous momentum' because the store has found the right balance of private-label merchandise, national brands, and pricing (Ramey 15).

To communicate its new message to consumers, Penney's hired the Dallas advertising agency of Temerlin McClain in late 1991. Utilizing a \$100 million budget for broadcast advertising, up eighty-two percent from 1992, the agency is informing consumers of Penney's quality and value (Zellner 52).

In addition, the advertising campaign emphasizes Penney's change into a more fashionable store. This strategy is based on research which indicated that consumers were not aware of the department store's efforts to update its fashions. According to Oesterreicher, " 'A lot of customers who have taken a vacation from J.C. Penney are gradually coming back -- some as a result of the campaign -- to look us over' " (Jovine 7).

In a telephone interview, Beth Mack, senior vice-president/account director at Temerlin McClain, contrasted Penney's previous and current advertising.

"Before Penney's advertising was soft-sell, lifestyle-oriented, and out-of-store. Now it's a visual depiction of the shopping experience in the store." While a field previously was used as the setting for advertising, today it is the actual store.

Although Penney's is using a greater amount of advertising, the same media, principally network television and pre-printed inserts, are carrying the message. Local stores do have the authority to make some adjustments, for example airing radio commercials.

Mack considers the ability of Penney's current advertising to address reality its best aspect. "The advertising truly reflects what the store is. We have a wonderful thing to tell people about" (Mack).

It appears that Penney's has done an excellent job of responding to the changing needs and wants of consumers, a new retailing reality. President Oesterreicher asserts, "We [Penney's] are the retailer that is most in tune with the consumer today, and we want to stay that way" (Jovine 7).

Penney's has also adopted technology to improve efficiencies and lower expenses, a second retailing reality. Aside from the fairly common practices of electronic data exchange and bar coding, Penney's utilizes satellite television in the purchasing of merchandise. Through a partnership with GTE Spacenet, buyers for individual stores select merchandise by watching television programs broadcast

via satellite every quarter. The assortment of merchandise shown is selected at the wholesale level by national buyers for Penney's working with manufacturers and suppliers ("How" 80). But local buyers retain the power to order what they feel will sell the best in their particular areas. Thus customers' needs and wants are met more appropriately (Brown).

The direct broadcast program began in 1984 as a test, but, based on its success, 725 of Penney's 1300 stores now have the necessary receiving equipment ("How" 80). Buyers for stores without their own equipment travel to other stores (Brown).

At first, buyers had reservations about the program. Not being able to actually handle the merchandise disturbed them. But the benefits of the program quickly overcame the buyers' reservations. Stores receive and send order information at a much quicker rate. Within ten days of a broadcast, individual stores will have entered their orders by item.

Utilizing the highest quality television equipment available helped to compensate for the inability to touch the merchandise. The buyers presenting merchandise on the television programs also became better skilled at describing items ("How" 85).

David Brown, a buyer of women's clothing for Penney's in Bowling Green, Kentucky, is quite pleased with the direct broadcast program. He believes it has become a permanent part of the department store's buying procedure (Brown).

Other department stores do not give individual stores the luxury of selecting merchandise. Instead, there are usually branch operations in particular markets. A group of buyers does all the purchasing for certain stores and then simply designates how much of the selected merchandise goes to each store ("How" 80). Penney's is definitely a pioneer in the use of video technology ("How" 84).

### THE FUTURE OF DEPARTMENT STORES

Several concerns must be addressed when examining the future of department store retailing. Competition is particularly important as the continuing rise of discounters like Wal-Mart and specialty retailers such as the Gap has left industry specialists and the public amazed. Such competition has hurt department store sales.

According to Bill Flatley, Kurt Salmon Associates' director of retail strategy services, "There are some specialty businesses out there taking major chunks of share from department stores. But the situation is not really one form of retailing taking share from department stores; many different forms are nibbling away" (Solomon 7). According to Walter Salmon, professor of retailing at Harvard Business School, department stores in the past have not integrated the effective retailing formulas utilized by various specialty chains and category killers, like Toys 'R' Us, into their own businesses. Instead, they have simply

considered their competition to be other department stores (Strom D4).

Because of specialty stores' great success in the areas of toys, consumer electronics, and furniture, more and more department stores have abandoned these product categories over recent years. As a result of such category abandonment, the line between department stores and specialty stores has blurred and, according to experts, probably will not become any more distinct in the near future (Gill 8). Some department stores are now beginning to consider themselves as a collection of specialty stores (women's sportswear, children's clothing, furniture) under one roof. The stores use various signs and fixtures to indicate where one "store" ends and another begins as well as to guide customers (Strom D4).

Many in the retailing industry believe attention should focus on how department stores present the merchandise they do carry and on how they market themselves to customers rather than on what merchandise department stores should offer or re-offer (Gill 8). Merchandise presentation, giving people good ideas, is a major issue. Retailers do not sell housewares; they sell access to better cooking (10).

Executives agree that it would be extremely difficult for department stores to attempt to re-enter businesses they have abandoned. Experts also caution that any further elimination of product categories carried by department

stores could result in decreased success in remaining categories since customers would have fewer reasons to shop the stores. According to Phyllis Tama, vice-president of the executive research firm of Thorndike Deland Associates, which specializes in retailing, "When people today think of a specialty business to go into, they think of what department stores have gone out of" (8).

The department stores that survive will offer consumers many reasons for shopping them yet will be focused as well. They also will anticipate rather than follow what customers want. These statements, in fact, define any retail company that will flourish in the 1990s and beyond (Bergmann 77).

Walter K. Levy, chairman of Walter K. Levy & Robert E. Kerson Associates, sees department stores becoming essentially large-space specialty stores. "Even now, says Levy, there are not really any full-line department stores left. And they shouldn't try to be all things to all people in all product areas--that is what a mall is. Besides, these retailers cannot compete department-to-department with specialty stores, so they have to pick certain businesses to pursue and then try to set themselves apart." The move to the next century, as Levy envisions it, will require retailers to find new ways of selling and to be willing to take risks (9). Consumers will gradually increase their spending as they become more assured of their financial positions. "It won't be a passion to shop with a banzai spirit and a 'who cares' attitude, but we will see an

evolutionary change to more positive attitudes,' " according to Arnold Aronson, chairman and chief executive officer of Woodward & Lothrop of Washington (Swisher H5).

According to Sue Sprunk, vice-president of sales promotion for Mervyn Stores, there is currently a fragmentation in loyalty and much more fluidity in willingness to accept different formats than ever before. Consumers want quality merchandise, fashion, value, and respect for their time. They want retailers to want their business, and they want them to express it. Sprunk states that at Mervyn "we feel very, very strongly that, if we present our merchandise to our customers, give them what they want, in a way that they want it, that business is going to be good. . . ." (Sprunk 14R).

And business could very well be good for many department stores. Despite the mistakes made, analysts indicate the department store as a retail formula still works. " 'There's nothing inherently bad about department stores,' " claims Bill Flatley, Kurt Salmon Associates' director of retail strategy services (Solomon 8).

Vice-president of U.S. Trust Bill Becker adds, " 'The ones that have followed their customers really haven't done all that badly' " (Solomon 8). Flatley notes, " 'There are still some very successful department stores that have not fallen prey to severe problems. Dillard's and May Co. are financially solid and Nordstrom has grown dramatically' " (Solomon 8).



" 'What everyone seems to forget is that department stores, many of which have been around for more than 130 years, have withstood the growth of the mass merchandisers, the discount stores, the specialty stores, and the category killers,' " comments Stephen E. Watson, president of the Dayton Hudson Corporation which operates the Dayton's, Hudson's, and Marshall Field's department-store chains (Strom D4). Many analysts of the retail industry suggest that the well-publicized problems of Macy's and others represent the latest transformation of the industry rather than its demise (Swisher H1).

Addressing new realities in retailing can only improve the positions of department stores. As they provide the merchandise and service desired by the consumer and utilize the latest in technological advances, their profitability will only increase as more money is spent in department stores by customers who see their needs being met.

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Rank	Company Name—Executive Officer	Address, City, State, Zip	Phone	Type	Fin	Emps
25	Brigadier Homes Inc (Sylvester Georgia)—Bob Colby	PO Box 567, Sylvester GA 31791	912-776-3437	R	< 1*	< 1
<b>TOTALS: SIC 5271 Mobile Home Dealers</b>						
Companies: 25		Financial Data: 262		Employees: 1.3		
<b>5311 Department Stores</b>						
1	Sears Roebuck and Co—Edward A Brennan	Sears Tower, Chicago IL 60684	312-875-2500	P	57,242	450.0
2	Sears Roebuck and Co Sears Merchandise Group—Michael Bozic	Sears Tower, Chicago IL 60684	312-875-2500	D	31,986	302.0
3	JC Penney Company Inc—William R Howell	14841 N Dallas Pkwy, Dallas TX 75240	214-591-1000	P	17,295	185.0
4	Dayton Hudson Corp—Kenneth A Macke	777 Nicollet Mall, Minneapolis MN 55402	612-370-6948	P	16,115	168.0
5	May Department Stores Co—David C Farrell	611 Olive St, St Louis MO 63101	314-342-6300	P	10,402	115.0
6	RH Macy and Company Inc—Edward S Finkelstein	151 W 34th St, New York NY 10001	212-695-4400	R	7,344	76.4
7	Federated Stores Inc—Allen Questrom	7 W 7th St, Cincinnati OH 45202	513-579-7000	S	7,100	110.0
8	Federated Department Stores Inc—Allen J Questrom	7 W 7th St, Cincinnati OH 45202	513-579-7000	P	6,932	78.9
9	Montgomery Ward and Company Inc—Bernard F Brennan	1 Montgomery Ward Plz, Chicago IL 60671	312-467-2000	S	5,800	66.3
10	Montgomery Ward Holding Corp—Bernard F Brennan	1 Montgomery Ward Plz, Chicago IL 60671	312-467-2000	R	5,600	66.3
11	Mervyn's—Walter T Rossi	25001 Industrial Blvd, Hayward CA 94545	510-785-8800	S	4,143	50.0
12	Dillard Department Stores Inc—William Dillard	1600 Cantrell Rd, Little Rock AR 72201	501-376-5200	P	4,036	40.5
13	General Cinema Corp—Robert J Tarr Jr	27 Boylston St, Chestnut Hill MA 02167	617-232-8200	P	3,588	39.6
14	Dayton Hudson Department Stores Co—Stephen Watson	700 on the Mall, Minneapolis MN 55402	612-375-2200	S	2,931	35.0
15	Arnes Department Stores Inc—Stephen L Pistrner	2418 Main St, Rocky Hill CT 06067	203-257-2000	P	2,819	35.0
16	Belk Stores Services Inc—John M Belk	2801 W Tyvola Rd, Charlotte NC 28217	704-357-1000	R	2,810*	33.0
17	Mercantile Stores Company Inc—David L Nichols	1100 N Market St, Wilmington DE 19801	302-575-1816	P	2,442	26.0
18	Carter Hawley Hale Stores Inc—Philip M Hawley	444 S Flower St, Los Angeles CA 90071	213-620-0150	P	2,128	24.0
19	PA Bergner and Company Inc—Stanton Bluestone	331 W Wisconsin Ave, Milwaukee WI 53203	414-347-4141	R	2,000	18.0
20	Bradley's Discount Department Store Co—Barry A Berman	1 Bradley Cr, Braintree MA 02184	617-380-8000	S	1,772	N/A
21	Neiman Marcus Group Inc—Robert J Tarr Jr	PO Box 9187, Chestnut Hill MA 02167	617-232-0760	P	1,745	15.7
22	Hills Department Stores Inc—Michael Bozic	15 Dan Rd, Canton MA 02021	617-821-1000	P	1,680	21.5
23	Shoppko Stores Inc—Dale P Kramer	PO Box 19060, Green Bay WI 54307	414-497-2211	P	1,648	17.4
24	Venture Stores Inc—Julian M Seeherman	2001 E Terra Ln, O'Fallon MO 63366	314-281-5500	P	1,522	16.2
25	Taubman Investment Company Inc—Bernard Winograd	PO Box 200, Bloomfield Hills MI 48303	313-258-6800	R	1,500*	18.0
26	Macy's California Inc—Daniel Finkelstein	121 Stockton St, San Francisco CA 94119	415-397-3333	S	1,461	15.4
27	RH Macy and Company Inc	180 Peachtree St NW, Atlanta GA 30303	404-221-7221	S	1,210	11.1
28	Neiman Marcus Co—Terry J Lundgren	1618 Main St, Dallas TX 75201	214-741-6911	S	1,209	9.9
29	Neiman Marcus Group Inc	685 N Glebe Rd, Arlington VA 22203	703-558-1200	D	1,203	13.0
30	May Department Stores Co Hecht's—Irwin Zazulka	424 5th Ave, New York NY 10018	212-391-3344	D	1,185	11.5
31	May Department Stores Co Lord and Taylor—Marshall Hilsberg	PO Box 1971, Houston TX 77002	713-651-7038	D	1,176	10.2
32	May Department Stores Co	22 E Flagler St, Miami FL 33131	305-635-5151	S	1,127	12.7
33	Burdines Inc—Howard Socol	1800 Moler Rd, Columbus OH 43207	614-471-4722	R	1,100	10.0
34	Federated Department Stores Inc	20800 Eisenhower Dr, Alexandria VA 22314	703-329-6460	S	1,080*	13.0
35	Schottenstein Stores Corp—Saul Schottenstein	1000 3rd Ave, New York NY 10022	212-705-2000	S	1,067	11.6
36	Woodward and Lothrop Inc—Arnold Aronson	20 Glover Ave, Norwalk CT 06856	203-846-1641	S	1,001	16.0
37	Taubman Investment Company Inc	331 W Wisconsin Ave, Milwaukee WI 53203	414-347-5340	S	1,000*	17.5
38	Bloomingdale's Inc—Michael Gould	111 N State St, Chicago IL 60602	312-781-1000	S	1,000*	14.0
39	Federated Department Stores Inc	6160 Laurel Canyon, North Hollywood CA 91608	818-508-5226	D	968	11.7
40	Calor Inc—Don R Clarke	801 Market St, Philadelphia PA 19107	215-629-6000	P	968	13.9
41	Carson Pirie Scott and Co—Stanton Bluestone	835 Market St, San Francisco CA 94103	415-764-2222	D	950	9.6
42	PA Bergner and Company Inc	699 Race St, Cincinnati OH 45202	513-369-7000	S	914	11.2
43	Marshall Field's—Marvin Goldstein	N54 W13600 Woodale Dr, Menomonee Falls WI 53051	414-783-1640	P	863	12.9
44	Dayton Hudson Corp	N54 W13600 Woodale Dr, Menomonee Falls WI 53051	414-783-5800	S	863	12.9
45	May Department Stores Co May Company California—David P Mullen	40 Hartz Way, Secaucus NJ 07096	201-330-6000	P	855	7.9
46	May Department Stores Co	422 Fulton St, Brooklyn NY 11201	718-875-7200	S	835	9.4
47	Strawbridge and Clothier—Peter S Strawbridge	601 Olive St, St Louis MO 63101	314-444-3111	D	822	10.3
48	Carter Hawley Hale Stores Inc Emporium-Weinstock's Co—Barbara Bass	223 Perimeter Center, Atlanta GA 30346	404-913-4000	S	809	8.8
49	Carter Hawley Hale Stores Inc	400 5th Ave, Pittsburgh PA 15219	412-232-2000	D	785	8.9
50	Lazarus Inc (Cincinnati Ohio)—Mark Cohen	600 W 7th St, Los Angeles CA 90017	213-488-5522	D	729	7.7
51	Federated Department Stores Inc	1601 3rd Ave, Seattle WA 98181	206-344-2121	S	719	6.7
52	Kohl's Corp—William S Kellogg	1300 Market St, Philadelphia PA 19107	215-422-2000	S	700*	8.0
53	Kohl's Corp	Rte 4, Paramus NJ 07652	201-845-5500	S	641	8.3
54	Jamesway Corp—Herbert Fisher	450 Washington St, Boston MA 02205	617-357-3000	S	614	5.8
55	Abraham and Straus Inc—Chalm Edelstein	800 S Hope St, Los Angeles CA 90017	213-612-5000	D	600*	7.3
56	Federated Department Stores Inc	631 Hamilton Mall, Allentown PA 18101	215-821-4377	S	563	5.4
57	May Department Stores Co Famous-Barr—Anthony J Torcasio	8300 Santa Fe Springs, Santa Fe Springs CA 90670	310-948-2511	R	510*	8.0
58	May Department Stores Co	426 Washington St, Boston MA 02101	617-357-2100	D	500	6.1
59	Rich's Inc—Carl Tooker	301 N Washington St, Green Bay WI 54301	414-435-6611	R	470*	5.6
60	Federated Department Stores Inc	40 Walnut St, Wellesley MA 02181	617-348-7000	P	465	2.7
61	May Department Stores Co Kaufmann's—William T Tobin	960 Main St, Hartford CT 06115	203-522-1920	D	456	4.2
62	May Department Stores Co Robinson's—Robert L Mettler	158 Euclid Ave, Cleveland OH 44114	216-684-6000	D	438	4.4
63	May Department Stores Co					

Note: Financial figures in millions. An asterisk (\*) indicates an estimated financial figure. Employees in thousands. An indented line indicates immediate parent of the preceding company when they share a primary 4-digit SIC. The company type code used is as follows: R = Private, P = Public, S = Subsidiary, D = Division, J = Joint Venture, I = Investment Fund. The total financial and employee figures provided at the end of each SIC reflect the totals for those companies listing financial and employee information only. Abbreviations, Codes, and Symbols are defined in the introductory section. See Volumes 1, 2, and 3 for complete company information.





