Origin and Evolution of the Golden Era of the Department Store, 1846-1930

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After more than 150 years of existence, an important retailing institution shows signs of entering into its final phase of the retail life cycle—decline. It seems important to reflect on this institution, the department store, in terms of the conditions leading to and driving its birth, evolution (through early and late stages), and final decline. The story of the 19th century innovative merchants who helped initiate the golden era of this institution must be told, if we are to fully understand the history of the department store. The department store has contributed much to what we are and how we behave in the marketplace as consumers. On a larger scale, the department store also has had an impact on business practices, on society and has influenced not only our social environment but our physical one as well.

Retailing has been part of the making of economic society a lot longer than academic marketing’s modest beginnings in the early part of the 20th c. Moreover, European retailing was well established centuries before any significant retailing appeared in North America. Bridenberg (1938, p. 42), noted that the number of retail shops in London in 1686 was nearly 100,000. In the late 1700s, the city of London had a population of one million while (colonial) New York’s population in 1790 was only 33,000 (Pencak 1989). Thus, retailing has a rich intellectual heritage that has yet to be fully tapped by marketing historians (Dixon 1984). Moreover, the development of large-scale retailing is missing from Bartels’ history of marketing thought, with the need to update this material (Shaw and Tamilia 1999).

After more than 150 years of existence, the department store shows signs of entering into its final phase of the retail life cycle—decline. As such, it seems important to reflect on this institution in terms of what conditions led to and drove its birth, evolution (through early and late stages), and its final phase. On a broader scale, the department store has also contributed to the transformation of the urban environment of many cities and towns. It is no coincidence that the rise of the department store coincided with industrialization and the need for more innovation in mass distribution, which eventually give birth to a mass consumer society.

In spite of the department store’s long existence as part of the retail landscape, the question is still disputed as to whom really pioneered the first department store? This question is not simply answered by finding a name for it involves an analysis of retail history on a cross continent basis, which is a far more enriching exercise. Moreover, contemporary multidisciplinary sources such as urban and architectural history, among other areas not previously integrated into marketing, will help us better understand the origin and evolution of the department store. European scholars, such as Walsh (1999) and Shaw (1992), suggest that department stores came from England before the 1840s, and were known as “monster shops” or large stores. Others believe that Aristide Boucicaut’s Bon Marché located in Paris was the first department store (Perkins and Freedman 1999). Surprisingly, some American authors have tended to accept the European version (e.g. Nystrom 1915). Hower (1943) was an exception and he was the first to challenge this myth.

This paper will explore some of the arguments presented over the past thirty years that again question the conventionally accepted wisdom of the primacy of the European location Historical analysis of the department store has tended to narrow the focus on France, England, Germany or the US, but not on a cross continent approach. A related issue is the need to define what exactly constitutes a department store.

CURRENT DEFINITIONS

According to Hower (1943, p. 416), the evolution of the department store from its early precursor, the dry goods store, can be traced by the assortment of non-textile merchandise sold by the store and the store’s ability to satisfy the “everyday needs of the ordinary family.” Such a definition of the department store would preclude the “monster shops” because they were “confined to the drapery trades” (Shaw 1992, p. 138), and could not satisfy
the shopping needs of the whole family. However seems to have been unduly influenced by the modern-day department store definition, notably from government sources.

The US Bureau of the Census and Statistics Canada (1979) each offer official definitions regarding what constitutes a department store. For example, Statistics Canada's definition of a department store states that it must sell at least three different commodity lines such as (1) clothing, (2) furniture, appliances, and home furnishings, and (3) others (i.e. cosmetics, jewelry, sporting goods, etc.). No one line can account for more than 50% of the store's total sales and at least 10% of the store's sales must come from the third (other) set of lines (Statistics Canada 1979). On the other hand, the US Department of Commerce has three criteria for defining a department store (SIC 531) that must be respected: (1) the retail establishment must have at least 25 employees, (2) the assortment of goods sold must have dry goods and household items, family apparel, furniture and home furnishings, appliances and TV, (3) if sales are under ten million, no one line of merchandise can account for more that 80% of total sales; if sales are above ten million, the smallest of two lines must have sales of above one million. Bergmann (1987) specifies that such stores need be differentiated from a "specialty store or chain, general merchandise retail company, discount department store, or promotional department store" (p. 12).

It should be noted that the US Bureau of the Census definition does not completely correspond with the US Department of Commerce definition, nor with Statistics Canada (Bergmann 1987). As Rachman and Fabes (1992) pointed out, the department store definition cannot give rise to a single clear type of retail establishment, but to three: the national chain, the discount department store, and the conventional department store. In other words, when based on the number and types of lines handled and their sales, this classification system does not offer a clear view of the department store industry. The question arises whether that is the only proper way to trace the evolution of the department store. Is it then proper to use such a recent department store definition to trace the evolution of the department store, especially from the mid 1800s?

PRECURSOR EXPLANATIONS

French and British retail historians developed their own terminology when referring to precursors to the department store. French retail historians simply called such stores *les grands magasins*, often capitalized, while others used *magasin de grand détail* to distinguish it from a small shop (Feyeux 1883). *Les magasins de nouveautés*, is another term that has been used. These specialty stores were more than likely to have been the first generation of the department store, the equivalent of dry goods stores. For example, *Les Trois Quartiers*, founded in Paris in 1829, was known then as a *magasin de nouveautés* or *magasin de frivolités et de modes* (i.e. fashion novelties), selling mostly fabrics and fancy goods for women. Some *magasins de nouveautés* also sold more than just dry goods, even prior to 1850. Moreover, contrary to currently accepted wisdom, the origin of the *magasins de nouveautés* in Paris is not from the pre department store period, but can be traced as far back as the 13th century, according to Franklin (1894, pp. 1-2). The goods sold in such stores, at least in France, were not for the masses but served a small but rich segment of the market (i.e. members of the bourgeoisie class), with such shops inaccessible to the average shopper. Franklin adds that such stores were often located in or near the king's palace or other members of the royalty, not a store for the average consumer of the period, unlike the department stores of the 19th century.

British authors and others did not adopt the French terms but instead called the primitive department store a "bazaar", a "village shop", or an "emporium." Walsh's (1999) and Shaw's (1992) description of 18th c. London stores used "monster stores." More than likely, they were referring to the British version of *magasins de nouveautés*. Moreover, Walsh (1999) questions the idea that the department store was an innovative retail institution because department store characteristics were already in existence in London in the 18th and early part of the 19th centuries such as fixed and marked prices, cash sales, low prices, use of displays, sales volume with turnover, large stores with alluring store designs, many employees, customer service and browsing, among other factors. Do these factors offer a better way to define a department store? Are these indicators unique to the rise of the department store in the late 19th century? Clearly they are not because such retail practices were already in use by some *magasins de nouveautés* in Britain, France and even in the US, prior to the 1850s. However, the combination of such factors under one roof (along with other factors to be presented below) is what made the department store so unique. The department store simply could not have functioned efficiently if haggling had been allowed between the tens of thousands of daily shoppers and sales clerks.

Perrot (1981) proposed the thesis that *some magasins de nouveautés* in Paris were initially "*friperies*", selling second-hand clothing obtained from the bourgeois class's discarded custom-made clothes. Some alterations were needed in order to resell them to other less affluent buyers. Over time, these stores added more dry goods and began selling ready-made clothes, given that alterations were needed anyway and the supply of used clothing outstripped demand. The need to wash, dye, dry, and alter second-hand clothing was inefficient. It made more economic sense to sell ready-made clothes, as argued by Lemire (1988, p. 21). The greater variety of ready-made clothes appealed to consumers' growing taste for more fashionable clothes. Thus, such stores were one of the first to offer ready-to-wear clothes at lower prices than clothing bought at made-to-measure tailor shops. The department store greatly expanded the ready wear market via backward integration, and made shopping there more attractive to consumers. *Friperies* can therefore be considered to have been one of the precursors of the
Parisian grands magasins. The American-style department stores did not follow this evolution. Hower's (1938) proposition is that the department store replaced the ubiquitous general store that was prevalent in US cities. Yet, Marshall Field started as a dry goods specialist and not as a general store merchant, and over time, added more and more lines of merchandise, similar to what many other US dry goods merchants who later operated large scale department stores. Other US merchants began as catalogue retailers in the late 19th c. (e.g. Sears and Montgomery Ward) and only later did they begin to open stores that became department store chains. For example, Sears’ first store opened in late 1925, or some forty years after Richard Sears started his mail order catalogue business. A neat contribution to the department store evolution is William Whiteley’s London’s village-shop concept (i.e. arcade-type with numerous shops). William “the Universal Provider,” Whiteley is known as one of England’s founding fathers of the department store, due to his concept of selling “everything under one roof” (Lambert 1938). Interestingly, the second half of the 20th c. marked the department store’s involvement in shopping center development, supporting its dynamic transformation over time.

The precursor of the department store followed a path of evolution somewhat differently from one country to the next. Nevertheless, the dry goods store in the form of magasins de nouveautés, friperies, the general store, monster shop, or the village shop, seems to be the common denominator as the precursor of the department store. However, the department store, unlike the others, greatly expanded not only the variety, but also the depth of goods. For example, A. T. Stewart’s line of gloves in his 1862 store was very extensive and included kid gloves, silk gloves, chamois gloves, riding gloves, walking gloves, and fur gloves (Gardner 1984). Further, it is likely that the early transformation process leading to a full-fledged department store reflects the evolutionary (and not revolutionary) retail cycle of other types of retail institutions, such as the supermarket or the discount store. For example, the origin of the supermarket can be traced to 1916, according to Soper (1983), with numerous prototypes developed by pioneers who fined-tuned the innovation over the years. Soper believes that it was Mike Cullen, the real pioneer of this industry, who opened his store in 1930 with all of the combined characteristics that soon established the supermarket as an industry (i.e. low prices, high turnover, self service, non food section, parking, large surface area, cash sales, etc.).

WHAT IS A DEPARTMENT STORE?—
THE GOLDEN ERA

Today, retail stores are exhibiting a convergence of characteristics — they are becoming more and more alike, unlike the retail landscape of the past. It’s becoming much more difficult to distinguish between stores based on lines handled due to the increasing popularity of scrambled merchandising. Yet, the department store of today or even a hundred years ago has and had many other distinguishing features, beyond the number of lines available. These stores were very different from the small, guild-run, specialty stores that traditionally handled only a limited number of items and bargained with customers over prices. They began to revolutionize retailing and consumption by carrying a greater variety of goods and offering an impressive array of customer services on a scale never before seen.

One distinguishing feature, is based in the tradition of the department store as a multi-storied, completely detached, retail establishment, with a unique architectural design located in the city or town’s core business district (at least until the 1960s). While most of the well-known retail establishments were located in large urban areas, this does not preclude the fact that some department stores were also built in small towns such as those in Germany (Coles 1999), the US (Lawrence 1992), and Canada (Santink 1990). Such a store is unlike a discount store, which is usually a one-floor building located on the fringe of a city whose design structure is unsophisticated compared to that of the department store, particularly those constructed during the late 19th c. The department store exhibited a new type of architecture and building style that first emerged in the 1830s with no predecessors (Clausen 1988; Whittick 1974). It was a building type never before seen in the history of man. It was retailing’s contribution to the industrial revolution. The department store was the market’s response to the growing complexities of distribution due to urbanization, industrialization, and the tremendous growth of cities in the 19th century.

Also, such a store is an evolved structure compared to its precursors such as the magasins de nouveautés and dry goods stores, in that some of these precursors may have been multi-storied as per Walsh (1999), but they were usually attached to other buildings and were not necessarily devoted entirely to retailing and wholesaling. The multi-storied retail criterion was, at least initially, more of an American phenomenon than a European one. A. T. Stewart’s 1846 store was a four-story, freestanding, purposely-built building (a fifth floor was added later) with a basement where shoppers could browse and spend time. It even had a washroom for the convenience of patrons. It was mostly devoted to retail and wholesale selling, with an upper floor devoted to some manufacturing. While some London shops in the late 18th or early 19th c. may also have had some manufacturing housed within, they did not evolve to the same scale as engineered by Stewart and others (i.e. Marshall Field, Wanamaker, or Eaton’s). Such a characteristic was to become an important factor in the department store’s venture into large-scale production, at least in the US.

One interesting 18th c. retail complex discussed by Blumin (1989) is the one built by Joseph Cooke, referred to as Cooke’s Folly. It was a commercial complex located in downtown Philadelphia and completed in 1794; its size being 81 ft long x 26 ft, seven stories high (sandwiched
between two adjoining and lower rise buildings), including two underground levels, with the ground floor having full display windows, with shops located there as well on the second floor. It was similar in concept to the elegant shops of London's West End, as discussed by Walsh (1999). After all, Cooke was a Londoner and he thought the city was ready for a London-style commercial building. Unfortunately, it was a total failure because the building was seen as "an oddity of perhaps frightening scale which served not to attract and serve the marketplace but rather to disorient and repel" (Blumin 1989, p. 23). He could not sell the building; moreover, he "could not even sell lottery tickets with the building offered as a prize" (p. 23). Cooke's Folly illustrates well the point that the transfer of retail technology from one country (i.e. England) to another (US) is complex and unpredictable, especially in the pre-department store era. In fact, is it so simple even today?

Second, the (vertical and horizontal) floor space of a department store gradually increased over time to accommodate the ever-increasing range of goods and services offered, as well as the large numbers of customers. Stewart's 1846 store was reputed to be the largest building in the world devoted to retailing (Elias 1992). His 1862 retail complex assumed that title but not for long. New stores built later on, made the large 19th c. shops of the pre-department store era look very small. For example, Macy's 1902 store had one million square feet of selling space (Hower 1943). The need for elevators, escalators, lighting and heating made the design needs of the store unlike any others ever built.

A third distinctive feature of department stores, especially those in the US, was the sale of imported goods from France and other countries. It is no coincidence that A. T. Stewart was the United States largest importer in the 1860s and beyond (Ressugeieu 1965). Consequently, he also had the most extensive network of agents and foreign buying offices of any retailer in the world, unlike his European counterparts. Parisian stores, in particular, were known to sell more finely-crafted specialty goods than mass-produced ones. Such goods were also popular in England but more so in the US (Ressugeieu 1962). Paris was the center of fashion and luxury in the mid-nineteenth century and beyond, and became the consumption capital of the world. Parisian department stores, at least initially, were unlikely to stock a wide variety of imported items, or products that appealed to the masses, a fact supported by Saint (1983). This was so unlike the US department stores, which were more inclined to sell goods that had more of a mass appeal as well as selling imported ones.

A fourth feature was the extent to which the department store was vertically integrated, more of a US phenomenon and unlike their European counterparts, especially those from Paris (Saint 1982). For example, Logan (1958, p. 81) indicated that A. T. Stewart had nine factories in Europe alone. Many other department store merchants also had manufacturing plants including Wanamaker, Marshall Field, and Eaton's of Canada (e.g. Ditchett 1922). The lack of backward integration by French and British stores may have been the result of history. Franklin (1894, p. 33) explained that in the 17th century, Parisian retailers were prohibited by law from selling any products they made. Parisian retailers (then called *merciers* or *mercers*) were allowed to sell products only made by others, although they were able to add some value to them (e.g. packaging). Eventually, many such European retail restrictions, including sumptuary laws, were lifted for they were carry-over of the medieval period (Hollander 1984). Their long historical significance no doubt affected retail business practices in Paris and elsewhere in Europe but not so much in the US or Canada. Not having experienced such restrictions, many US department stores in the 19th and early 20th c. had large manufacturing plants. Thus, such stores were very unlike the magasins de nouveautés, which were popular in France and Britain in the pre-department store era.

A fifth distinction is well illustrated by Perkins and Freedman's (1999) proclamation that the 1869 *Bon Marché* was the very first department store because it was the first one "to provide the head of each department store with a considerable degree of autonomy in buying as well as selling" (p. 127). They have a rather novel way of defining the birth of the first department store based on this fifth distinction of the creation of internal departments. Ressugeieu (1964, p. 149) also claimed that Stewart and his "Marble Palace" of 1846 was highly departmentalized and Cantor (1975, p. 165) even went so far as to say that Stewart "arranged his stock according to a departmental system that became the prototype for the modern department store". All merchandise in Stewart's 1862 store was fully departmentalized, according to Schlereth (1991, p. 147), but under centralized management. However, it is unclear if the departments were managed separately (e.g. buying and selling responsibilities) and/or if merchandise heads existed. We do not know if Boucicaut's merchandise was also departmentalized à la Stewart prior to the appointment of merchandising heads in 1869. However, we do know that Stewart's extensive foreign buying system was managed separately with offices and representatives located in many cities across Europe. We also know that Macy's had an impressive array of assorted merchandise before 1869 as presented by Hower (1938, 1943); but we are unclear as to the way the various classes of goods were first managed.

This distinguishing characteristic of the department store as a new retail institution occurred when the proprietor, as proposed by Perkins and Freedman (1999), delegated marketing responsibility (i.e. buying and selling) to various sectorial heads. This is an interesting point but before we can accept that Boucicaut was the original inventor of this type of professional management further historical confirmation is needed. More importantly, we see no compelling reason to believe that this new way of managing a store would be so revolutionary as to create a new retail form. More likely, the old *Bon Marché* prior to
having department heads was very similar to the new *Bon Marché* with such managers in place, except perhaps more efficient, responding quicker to market demands, and the store being more profitable. This factor alone cannot be held responsible for the creation of a new industry. We believe it was more of a *combination* of factors taken together (with synergistic effects), as shown previously. An evolution in terms of department store management practices is more likely, rather than a revolution starting in 1869. In line with Walsh’s commentary on the development of the department store (1999), “rather than searching for a revolutionary break with the past at some point in the nineteenth century, it is more effective to consider the subject in terms of elements of continuity and change” (p. 68).

Surprisingly, Walsh (1999) did not discuss any of the issues related to managing a “monster shop” in the 18th century, or for that matter, a department store. As a sixth feature, the department store, as a large-scale mass distribution establishment, presented managerial challenges and problems that were unique and unlike those occurring in smaller shops. Given the nature of such a store, there was a real need for professional managers. It is no coincidence that with more industrialization in the second half of the 19th century, the need for the scientific study of management emerged (i.e. Taylorism) along with the development of professional managers. Managing Stewart’s 1846 store or his 1862 one, or managing Wanamaker’s 1876 Grand Depot, or Macy’s one million square foot store in 1902 could not be handled by one man alone. Managing a Macy’s in 1902 or Stewart’s 1862 store cannot even begin to compare to the management requirements of administering a local *magasin de nouveautés* of the 18th c. selling a restricted number of goods on a cash basis.

A seventh point, corollary to this sixth one, deals with the store’s proprietorship and financial needs. Stewart’s 1846 Marble Palace must have cost a fortune to build. As a result, the emergence of the department store from the 1830s and beyond required large investments, unlike shops of the past. Moyer (1962) explains that the success of large scale retailing, such as the department store in the 19th century, was aided by the ‘invention’ of modern corporate methods such as limited partnerships and the issuing of shares. We can add banking and credit needs. Of course, shares need not have been issued to the public. Company shares could also be issued for privately held companies, as was often the case for department stores, with family members often being the majority or sole shareholders. For example, Macy’s was privately held until it went public in 1922 and so was Eaton’s of Canada from 1869 until 1998, just before it went bankrupt.

Eighth, department stores were at the forefront of the increased development and use of the art of visual merchandising with their use of in-store demand stimulation displays. For example, Stewart wanted to impress his customers by placing mirrors measuring 56 inches in width by 158 inches in height in his 1846 store “making the store appear to be double its present size to persons when they step into the main entrance” (Smith 1974, p. 25). The art of visual stimulation was already in existence in the 18th c. not only in Europe but also in the US (Blumin 1989; Walsh 1999), earlier in the 16th c. (Dixon 1984; Franklin 1894), and even in the 13th c. (Dixon 1994). This practice was adopted by nearly all successful department stores in the late 19th century. This was especially true in the early part of the 20th c. when this visual art form became more institutionalized with the establishment of training schools, trade groups and even a trade magazine (Leach 1989). While some were more adept than others in its implementation, the use of visual stimulation on this scale during the later part of the 19th c. was experienced by a greater percentage of the populace than previously, due to the large numbers of patrons buying in department stores. Department stores, compared to other stores, made extensive use of media advertising on a scale never before seen. For example, Wanamaker was the very first department store owner to run a full-page advertisement in 1879, and the first to pioneer the use of electric lighting in a store (Kingman 1976). Wanamaker was also an important advocate of the truth in advertising movement (Pope 1984).

Thus, a ninth distinguishing feature of the department store vs. other retail stores would be their use of advertising on a scale never before seen for retail stores. The US Industrial Commission (1901) lends credence to the department store’s use of advertising as a competitive weapon that simply could not be matched by other retail institutions.

Tenth, another distinguishing factor of the department store is that it was a store made to appeal to a broad segment of the population (the whole family), unlike a *magasin de nouveautés* more restricted appeal. Moreover, the trading area of the department store was far more extensive. Improvements in roads and public transportation enabled the department store to attract very large numbers of customers from a wider geographical area than even before in the history of retailing. Houghton (1886) even considered the 1862 Stewart store a tourist attraction when he stated that “few strangers ever go to New York and depart without visiting Stewart’s famous store at the corner of Tenth Street and Broadway” (p. 93). The department store’s mass appeal influenced fashion, values and urban lifestyles, because the store helped democratized consumption, more so in the US than in Europe. For example, in 1908, Harry Selfridge established his American style department store in London with its free entry for all. Subsequently, he was “severely censured by London magistrates for his alleged encouragement of shoplifting in doing so” (Abelson 1989, pp. 310-311). Apparently, Selfridge’s American ways of doing business was not appreciated in London. Allowing consumers the freedom to browse and to examine goods on display was thought to encourage shoplifting. Walsh (1999) disputes the fact that the department store was one of society’s most democratic
institutions and was a major force toward a more egalitarian society, especially for women and others. She argues that shoppers did not need to buy when browsing in an 18th century London shop. Shoppers were thus exercising their free (democratic) will to spend. However, the shoppers who frequented such establishments were no doubt part of an elite class and were not your average consumer. In contrast, the patrons who entered Stewart’s 1862 store represented “every grade in life. Rich and poor mingle here freely” (Houghton 1886, p. 95). Let us not forget that prior to the 1850s, the existence of a middle class, a segment crucial to the rise in importance of the department store, was slow to develop in the US, and even slower to develop in Europe (Blumkin 1989).

Many other factors could be added to show the extent to which a department store was a new breed of store, unlike precursor stores, as have been discussed. For example, staff size, employee benefits, employee training, supervision and compensation, the need to create new types of positions such as cash girls or boys and floorwalkers, were all unlike the prevailing norms. Moreover, the department store on both sides of the Atlantic had to house and feed daily hundreds and hundreds of its employees in specifically designed living quarters, kitchens and restaurants, at least initially.

One final distinguishing feature to be argued is that for the first time in the history of retailing, department stores acted as magnets to attract consumers for shopping and entertainment. The department store offered new customer services never before seen in a retail outlet such as restaurants, restrooms, reading and writing rooms, libraries, quiet rooms, tearooms, sick rooms, art galleries, musical entertainment (from piano to full orchestras), cafés, beauty parlors, lost and found, telephone, stenographers, travel agents, free gift-wrapping, free decoration service, home delivery, returned goods, extended store hours, supervised nurseries, and so forth. Walsh (1999) argued that some consumer services were also available in the pre-department store era. Serving tea to shoppers was a service offered in some London specialty shops in the 18th c. and the department store simply borrowed this long established British retail tradition. However, serving tea as a refreshment in a shop cannot be compared to serving tea in a specifically designed and architecturally planned tearoom for shoppers located on an upper floor, as was done for department stores built in the late 19th and early 20th centuries. Besides, the transfer of retail knowledge (i.e. customer services) from 18th c. London to late 19th America or elsewhere is speculative and needs further support.

The British Toilet Association runs the prestigious Loo of the Year Award. The winners see their sales go up “which just goes to show the pulling power of a decent loo” (The Economist 2002, p. 48). Over a century ago and without the aid of consumer surveys, Marshall Field knew the sales impact of his lavishly kept restrooms. His 1907 store had 39 of them. This added service (along with many others) appealed to customers and they responded by coming back to shop again and again. The manner by which these value-added services were offered to customers is unlike the rather bland and unexciting appeal now given to today’s consumers such as “air miles” and piped-in music.

**THE FIRST DEPARTMENT STORE**

The department store, as defined above, first appeared in New York and Paris in the 1850s. For a long time, retailing historians attributed its birth to Aristide Boucicaut’s Paris store, in 1852, called the Bon Marché. This store (as well as the Louvre) has been immortalized in Emile Zola’s famous Au Bonheur des Dames (translated as The Ladies’ Paradise, Alexander 1997). However, later studies have questioned whether Aristide Boucicaut was the true original “pioneer” of the 19th c. department store. Some feel, like us, that A. T. Stewart, with his 1846 “Marble Place” store in New York City, may have been the original entrepreneur who helped establish this new “world” industry (Ressague 1962, 1964, 1965). In fact, Gillet (1952, pp. 613-614), while acknowledging that Boucicaut was the founding father of the French department store, readily admitted that Boucicaut had knowledge of some of the successful management and merchandising techniques used by Stewart. The Stewart legacy does not limit itself to only Boucicaut, for his influence reached a rather elite group of people who later became department store gurus themselves, such as Potter Palmer (Chicago), John Wanamaker (Philadelphia), Marshall Field (Chicago), and Harry Selfridge (London). Hower (1943) added that Boucicaut’s Bon Marché was not such a successful store in the early 1850s with sales in 1852 of about $90,000 (450,000 FF). It was only when Boucicaut’s co-partner, Videau, withdrew from the firm in 1863 that his progressive ideas were put into practice; even then, sales were only 7 million FF (or $1.4 million). Hower also stated that the Magasins Coin de Rue had sales of over 7 million FF in 1859, which were higher then the sales level reached by the Bon Marché three years later. Can we now accept that the Bon Marché was really the first department store when in reality, the store only started to have an impact on the Parisian retail landscape in the late 1860s, or more than twenty years after A. T. Stewart’s very successful Marble Place or his 1862 Cast Iron Palace?

The 1846 Marble Palace was enlarged many times even before Boucicaut had built his very first store. By 1850, the store had five floors (Ressague 1964, p. 151). Stewart then built a second uptown store (built in two phases) that was finished in 1862 (Barth 1980; Gardner 1984). It covered a whole city block between Broadway and 4th Avenue and 9th and 10th Street, and was known as the “Cast-Iron Palace,” given its cast iron front, an innovation at the time. In 1868, the store was enlarged again such that it had a 325,000 square-foot floor area and it “was the largest iron-framed building in the world aside from the London Crystal Palace” (Landau and Condit 1996, p. 51). The 1902 Marshall Field store had twelve stories with over
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one million square feet of floor space. A new Chicago Marshall Field department store opened in 1907, and by 1920, the store "covered almost two million square feet of retailing (Harris 1987, p. 154). No European department store was ever built during the golden era that matched the number of floors of Stewart's 1862 store, the 1902 Marshall Field store, or the 1902 14th Street Macy's store which had nine floors with two basements, totaling 23.5 acres of floor space (Hower 1943, p. 323).

Chemetov and Marrey (1984) even go as far as to state that the first Parisian department store was built in 1864 (called Au Coin de Rue), while the enlarged Bon Marché, which began construction in 1873, was finished in 1876. By then, Stewart's second store had eight floors, or twice the number of the new 1876 Bon Marché. It is true that Boucicaut acquired ten small stores in the interim period of building his first store (Gaillard 1997), similar to what Stewart did, among others. But that still does not justify the long established accepted truism that Boucicaut was the one who really started the department store business. A possible proof that the Bon Marché may have been the first department store even in France can be found in Ellis (1851). On page 64 in a section of volume 1, there is a rather unique advertisement for the Aux Villes de France, magasins de nouveautés. The advertisement lists dresses for sale, linen goods, ribbons, shawls, as well as carpets, furniture, gloves, laces, etc. Can we conclude that these stores were more than dry goods stores? In fact, these stores were probably more like a department store, given their wide range of merchandise, including furniture.

Hower (1943, pp. 414-415) is uncertain if such stores actually sold furniture, in spite of the use of the word "meubles" (furniture) in these French advertisements. He feels that these stores were selling household furnishings rather than furniture per se. If that is the case, perhaps the use of the word furniture in the 1851 advertisement was a bad translation from French to English, and referred more to household furnishings, such as tapestries, china figures, and vases? If furniture was not sold in these stores, it begs the question as to where consumers purchased such goods? Also why would Stewart's 1862 store have three freight elevators for hoisting goods if not for heavy goods? (Houghton 1886, p. 93). It should be noted that the Villes de France name does not appear in any references consulted, not even in Marrey's (1979) extensive historical review of such Parisian stores. However, Ville de Paris is mentioned and this store opened for business in October 1843 and was the largest magasin de nouveautés in France with 11 million FF and 150 employees (Hower 1943; Marrey 1979; Barth 1980).

Despite these historical facts, Barger (1955) even went so far as to state that in America "for all practical purposes...in 1879, there were no department stores" (page 11). Yet A. T. Stewart, Macy's, Marshall Field and many more stores were in the department store business by then. In fact, Macy's was already a department store having introduced toys, silver and house-furnishings departments before 1869, as well as books, stationery and a soda fountain by 1870, a fancy grocery department by 1873, china in 1874, women's and children's shoes by 1875, and a restaurant in 1878 (Hower 1938). Newer historical studies not available to some of these authors may explain their position while for other researchers other reasons may be at play.

Whether or not A. T. Stewart's Marble Place was actually the "cradle of the department store," as Ressegui (1964) claims, may warrant further investigation for those who still need more proof. One thing is certain, from the 1850s and beyond, the department store spread to other European and American cities, such as Chicago, Boston, Philadelphia, Cincinnati, Brussels, Toronto, London, to name a few. It should be noted, however, that the diffusion rate was quite uneven across countries and continents. One hundred years ago, the world's most concentrated markets for department stores were located in the downtown business districts of Chicago and New York City. In other words, by the end of the 19th century Paris had been displaced as the consumption capital of the world.

The city of London, where the small shop dominated the retail scene for most of the nineteenth century, was slow to introduce department stores, as depicted. In fact, the first US-style department store to open in London (and perhaps in Europe) was the 1908 Selfridge store, the same Harry Selfridge who had managed Marshall Field's Chicago store for many years. There are many reasons for the slow adoption rate in London, including political, legal and urban development ones as explained by Lawrence (1990). For example, Landau and Condit (1996, pp. X and 399) discuss the Queen Anne Mansions in London, two non-commercial buildings erected in 1875 and 1877 of heights of 100 and 130 feet with a passenger elevator. Queen Victoria was quite annoyed at seeing the height of such buildings and eventually succeeded in passing a law that restricted London building height to no more than 80 feet. The law was repealed only in 1954. As such, the department store and other tall buildings were not part of the London skyline as the case in many other European and US cities. Of course, London was not the only city where the height of buildings was limited, at least initially. In 1893, a zoning ordinance was adopted that limited Chicago's new buildings to no more than 130 feet and New York also had such a law later on. But these laws did not prevent skyscrapers from eventually being built in these cities.

Notwithstanding the many innovative characteristics of such stores, Chandler (1977) stated that the 1846 A. T. Stewart store located in New York, was not a department store but a dry goods store, because it did not handle enough lines. Yet, the Stewart store was then the largest retail establishment in the world, a four-story building especially designed for consumer shopping. The whole store was devoted to the distributive trades, unlike the tradition at that time of using part of the store for living quarters, office space or for other non-business related uses (Ressegui 1964; Gardner 1984). Moreover, Ressegui
(1965) argued that the Stewart store became a full-fledged US-style department store in 1862 when it added lines (other than clothes) such as jewelry, furniture, and glassware.

Stewart was selling mainly dry goods, especially in 1846, but so were most of these types of stores in the 1850s, including other famous Parisian stores such as the Ville de Paris, Coin de Rue, Toile Rouge, Bon Marché, la Samaritaine, la Jardinière, and au Printemps. Initially, these stores were not selling furniture, toys, jewelry, and other assortments of goods we tend to associate with a department store. Nor were they selling consumer appliances, because they had yet to be invented. Yet these first generation department stores were really different, as has been described. These stores were bright and spacious, unlike many of the small, cramped, and poorly lit retail stores of the time. The department store, as a store for the average shopper, had the merchandise well displayed, a one-price policy, and a returned goods privilege if the customer was not satisfied. Such stores also had home delivery and pre-set opening hours, as well as credit. For example, Marshall Field offered home delivery as early as 1871 and consumer credit by 1877 (Twyman 1954). Such services were not offered to a select class of customers but to thousands, even hundreds of thousands.

As a further indication of the importance of such stores during the 19th century, A. T. Stewart was able to generate more than $7 million in sales in 1853, $50 million by 1865, and sales had reached $208 million by 1876 (Rességue 1964, Elias 1992). Similarly, sales at the Bon Marché were around half a million FF in 1852; they rose to 7 million FF by 1863, 67 million FF by 1877, and by 1893, sales had reached 150 million FF (D’Avenel 1896).

It would be interesting to trace the etymological origin of the term “department store,” especially across countries. It is a rather recent expression and was probably first used at the end of the 19th century in America. The first article where we managed to locate the term was by Adams (1897) or fifty years after the “birth” of the department store. Even King in his 1893 description of the New York retail landscape did not use the term but used the expressions ‘emporium,’ ‘dry goods emporium’ or ‘bazaar.’ But manufacturers readily used the term. For example, King (1893, p. 898) states that Francis Leggett, a food producer, had 25 departments, “each of which is in charge of a competent manager.” Thus, the term ‘department store’ may have been a spin-off of the term used by a manufacturer’s various departments. As a store added more lines perhaps it became more appropriate to refer to such a store as a department store, given its wide range of merchandise.

It is somewhat ironic that the Paris-based International Association of Department Stores was established only in 1928, or ten years after the founding of the Retail Research Association, a similar US group in 1917, which later became part of Associated Merchandising Corporation, which at one time was the most powerful department store service organization of the world (Pasdermadjian 1950).

These trade groups started to represent the industry sixty to seventy years after the department store’s existence by then, it had reached its golden era. After all, by the 1920s and 30s, the department store located in central business districts was already in the maturity phase of its institutional retail life cycle.

**WORLD’S FAIRS AND THE DEPARTMENT STORE**

World’s fairs have existed since before medieval times. However, in the modern age, world’s fairs really began with the 1851 Crystal Palace Exhibition in London. The 1851 Crystal Palace Exhibition can be considered the first fair in the modern age that expanded world trade on a scale never before seen. The 1851 Crystal Exhibition showed visitors the wonders of modern science and technology, a scenario that was repeated for each subsequent World’s fair.

Such world exhibitions played a major role in nineteenth-century Europe and America as disseminators of new technology, new construction methods and materials, new architectural designs, new products, and new ways to appeal to both the B2C buyer and the B2B one. The Crystal Palace Exhibition, and subsequent ones, inspired the creators and builders of department stores to new heights of creativity and innovation. These fairs were a source of new products and new ways to seduce and excite would-be shoppers.

Only three World’s fairs were held in the US in the 19th century compared to the five in Paris alone. The International Exhibitions of 1855 and 1867 in Paris made the city a shopper’s paradise. Paris was already an established “consumerist” city and these two international events simply furthered that reputation with the vast assortment of new and technologically more advanced goods displayed there. Lewis (1983) felt that the 1855 Paris International Exposition marked a departure from previous ones in that consumer goods were more on display than industrial goods. For the first time in history, the means of producing such goods were given less visibility in contrast to consumer goods, which matched Parisian tastes at that time for luxury and exquisite goods that symbolized class, culture and noblesse. In fact, le Louvre grand magasin was first opened during the 1855 Parisian Universal Exposition on July 9th while the Exposition was in progress (des Rotours 1891).

Every World’s fair was seen as one overarching “theme product.” It was similar in concept to a visit to Disney World, or Sea World, or to some other theme park. The Fair’s “ambiance” as reflected in its location, its architecture, its exotic buildings, and the economic, cultural and entertainment value, provided visitors with a unique experience in an age where foreign travel was a novelty. The World’s fairs projected an aura of excitement, fun and pleasure, which stimulated the senses, especially the visual one. These world’s fairs attracted tens of millions of visitors
during the time they were held. The 1900 Paris Exhibition, alone, attracted close to 50 million visitors, equivalent to the number who visited the 1967 Montreal Exposition.

World’s fairs were key to facilitating the transfer of technology and social networking from suppliers, innovators and entrepreneurs, especially to department store merchants who could translate prototypes or ready-to-sell products to the mass market (Ryddell 1984). Not only were department stores displaying goods at world’s fairs, they were also buyers. For example, at the 1893 Chicago Exposition, exhibitors were at first prohibited from letting customers take the goods they had purchased with them for fear of diluting the exhibitors’ displays. After many complaints and reassurance from the exhibitors that ample stocks were on hand, the rule was changed. Department stores quickly purchased some of the entire exhibits of some vendors to sell in their own stores (Lewis, 1983).

Lewis (1983) went as far as to say that these international exhibitions and the department store developed simultaneously in the 19th century.

The link of the department store with world’s fairs has no coincidence. Wanamaker, one of the world’s most famous department store pioneers, “was closely involved in the planning of the United States’ first Centennial Exhibition held in Philadelphia in 1876” (Clausen 1988, p. 88). Moreover, during the 1893 Chicago Fair, many department stores promoted themselves as if they were an extension to the event. Lewis (1983, p. 45) reported that the 65-foot French Republic, the statue that captured the splendor of the Chicago Columbian Fair, was duplicated and put on the main floor of a New York department store. Schlesinger and Mayer, a famous 19th c. Chicago department store, had six new store window exhibits every Monday during the event. No doubt it was to give the store the same sense of excitement and imagery found at the Fair. The mass appeal of the visual display business was broadened by the department store in this age of very limited print media and non-existent electronic media.

Marshall Field and A. T. Stewart were known to have attended these fairs (e.g. Twyman, 1922). Moreover, Stewart had the most extensive foreign buying organization among American importers of European dry goods (Ressegueil 1964). His established business network no doubt kept him informed of what was happening at such events. Many other US and Canadian department stores also had foreign buying offices such as Macy’s, Marshall Field and Eaton’s. We do not know the extent to which Aristide Boucicaut regularly attended them, especially those that were held in Europe. Despite this lack of travel evidence, they were nevertheless the quickest merchants to capitalize on the new technology on display in order to make their stores appear to be at the forefront of modern merchandising by offering the latest goods technology provided (Lewis 1983).

URBANIZATION AND THE DEPARTMENT STORE

The department store emerged at a time and place in history as a result of mass urbanization and industrialization with a heavy concentration of people in a centralized city core. An urban setting means that people cannot be self-sufficient and must therefore buy most of their necessities of life to survive. The department store catered to their needs for economic goods and services, including their every day needs for grocery items. Of course there were exceptions to this norm with many department stores establishing themselves in less densely populated cities both here and in Europe (Coles 1998; Lawrence 1992). For example, Eaton’s of Canada preferred to open a brand new store in Winnipeg in 1905 rather than in Montreal, then the most populated city of Canada (Santik 1990).

Paris had a population of over a million in 1856 while New York’s population was more than half a million. By 1870, New York’s population had reached over a million. At the turn of the century, Paris had 2.5 million people, London had 5 million, and New York had 2.5 million. Chicago’s population in 1850 was less than 30,000, increased to 300,000 by 1870, over one million by 1890 and by 1920, it had over 3.5 million people. One reason for the high population increase in US cities was due to the tens of millions of immigrants who came to America from the 1880s to 1920, a situation unlike Europe and unprecedented in history. The size of these cities meant large numbers of shoppers. Thus, it should come as no surprise to learn that from 15,000 to 60,000 shoppers per day entered the A. T. Stewart store (i.e. his second) in New York in the 1860s (Houghton 1886). In fact, over one thousand people per hour visited the Stewart’s Marble Palace on opening day in October of 1846, with the need to have police control traffic due to the large number of carriages which converged there (Ressegueil 1964). At the 1876 opening of Wanamaker’s new store in Philadelphia (often called the Grand Depot), "over seventy thousand people entered the three-acre bazaar, the largest space in the world devoted to retail selling on a single floor" (Schlereth 1991, p. 147).

D’Avenel (1896) estimated that up to 18,000 people entered the Bon Marché store in a typical Parisian day in the 1890s. In the late 1890s, as many as 40,000 customers entered the Wanamaker department store, the leading store in Philadelphia (Madison 1976, p. 102). Also, Ashley (1929, p. 921) reported that the first Macy store located on 14th street and Broadway in 1902 had up to 25,000 persons entering the store on an average day while the new store on 34th Street had up to 250,000 persons entering the store per day. Furthermore, Abelson (1989, p. 256), cited that during the first six days, the new 1902 Marshall Field store in Chicago drew two million visitors. Abelson (1989, p. 249) quoted a Macy’s executive who, in 1904, said “you are perfectly safe in making the assertion that about 150,000 persons visit the establishment of R. H. Macy & Co. daily.” Lancaster (1995) also supported the large number of customers visiting the department store by stating that the
Marshall Field store in Chicago "often saw two hundred thousand customers pass through its doors daily" (p. 68).

These stores also needed a large workforce to service customers. For example, A. T. Stewart had 2,000 employees serving his customers (Barth 1980). The new Chicago Marshall Field department store opened in 1907 and by 1920 employed some 15,000. Contemporary students tend to think that mass marketing began after WWII with the "invention" of the 4Ps paradigm and Kotlerian marketing thought. Surely the statistics presented here should convince anyone that mass marketing was alive and well during the 19th and early 20th centuries and the department store, as the world's first mass selling institution, was well equipped to meet and service the demand of an urbanized and mixed class of customers.

THE DEPARTMENT STORE: A DYING BREED?

The competitive position of the department store era weakened in the late 1920s and the 1930s, not only as a consequence of the emergence of new types of retailers such as chain stores and the supermarket, but also because of the changing structure of cities. Many other reasons can be advanced to explain why the downtown department store lost its competitive edge to new forms of urban retailers, such as traffic congestion in downtown areas and the difficulty of finding parking spaces (Sternlieb 1962; Hyppps 1937). Many owners of US department stores during the golden era were reluctant to abandon their old ways of doing business, given the long established legacy of their stores. The stores they built and managed were their world; the bigger the store the better. It was only in the 1950s that the department store finally ventured to the suburbs, at least in the US, and later in Canada. By then, their focus of being just large-scale retailers had changed and they became more involved in shopping center development and the need to manage numerous branch stores, which became more and more segmented. Specialty retailers became more forceful competitors and the managerial skills needed to succeed in such an environment became more demanding. The increased use of information technologies for supply chain management and other needs (e.g. floor space productivity), altered the department store business model. The department store could no longer rely on its nostalgic image of being the beloved store geared to meet the shopping needs of the whole family. Many stores could not adapt and went bankrupt, while others survived and became part of department store chains.

The department store of today is no longer just one large store located downtown, as was the norm in the US, but less so in Canada and Germany. The 21st c. US department store now is made up of numerous branch stores, scattered all over the US and in other countries. The department store is now big business subjected to hostile takeovers and mergers, and financial considerations for the investors matter much more than previously, due to their publicly held status. The formation of giant department store chains in the 1990s, such as the Federated Department Stores with over 440 stores and the May Department Stores in the US have created an assortment of stores ready to serve all market segments in all regions (Grant 1996). The US is not unique in this respect with such retail giants as France's Carrefour and the growing list of many other international retailers from the UK and Germany, even including Wal-Mart, the largest retailer in the world. Thus, the department store is still with us but it is not the same breed of store that left its mark on the retail sector, on marketing and business practices, on the consumer, as well as on the economy from the mid-1800s to the 1930s.

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