

John Wanamaker: A Life in Retail

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John Wanamaker was a successful retailer a century before Sam Walton started Wal-Mart. However, few realize that in addition to being an astute businessman he was one of the first major department store owners to understand the power of advertising on consumers. Indeed, the advertisements that appeared in newspapers not only informed consumers about articles of clothing but guaranteed their quality. He also advertised the policy of "money back." He was the first retailer to place a full-page newspaper advertisement in the United States. In addition to using newspapers, he advertised in outdoor and on specialty items such as pencils and balloons. Before he retired in the early 1900s he had built one of the largest department stores in the country.

Department stores appeared in major cities throughout the United States after the Civil War. By the late 1800s, these stores occupied as much space as a city block and contained several stories, each of which was filled with numerous commodities for the prospective customer to examine. Numerous large department stores held street fairs and carnivals as well as tied promotional efforts to certain holidays or other days.

These department stores also emphasized decorations such as Egyptian temples, French salons, and Japanese gardens. Concurrently, these stores employed various colors and glass to highlight certain departments and/or commodities. Light, too, was employed for specific effects.

The department stores' windows became a major instrument of promotion. People walking on sidewalks were invariably attracted to what was displayed in the stores' windows. In the early 1900s, windows became stages in the sense that they were used as props to highlight one or two products.

In the early 1900s, the larger department stores often had zoos, restaurants, botanical gardens, beauty and barber shops, museums, fairs, post offices, and libraries, among other attractions and departments, to attract people's interest.

In addition, these large emporiums sold countless personal products as well as numerous commodities for the home. However, department stores did not simply "sell" commodities: they intervened with advertising skills to amplify the excitement of possibility inherent in the

commodity form. They attempted to endow the goods with transformative messages and associations that the goods did not objectively possess. (Leach, September 1984, 327)

By advertising, using displays, and stocking particular brands of goods, the large department stores made people, especially women, fashion-conscious. As women became important consumers of department store merchandise, owners and/or operators hired women as assistant managers and sales clerks. After all, they reasoned, women knew what women needed or desired.

PURPOSE

One of the most successful owners of a large department store was John Wanamaker. He had learned about the American consumer a century before Sam Walton opened his first Wal-Mart store and he had employed retail advertising before Richard Sears and Alvah Roebuck started advertising merchandise in their company's catalogs.

The purpose of this paper is to discuss John Wanamaker's contributions to retail—the business and the advertising.

LITERATURE

The literature about John Wanamaker is varied. Indeed, Wanamaker wrote numerous articles that appeared in newspapers, magazines, and religious publications. These articles concerned various subjects—from his ideas about business to his views on prayer. Of course, other individuals wrote about Wanamaker. Usually, these writers examined his life from one of two perspectives—a successful businessman or a devoutly religious man. These articles appeared in various business and popular magazines or in religious publications. The literature for this paper included several articles that appeared in newspapers, and history and religious publications. In addition, several books about the rise of the merchant in America were consulted. However, the biographical details were found in several articles and the lengthy two-volume study appropriately titled *John Wanamaker* (1926), which was written by Herbert Adams Gibbons.

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JOHN WANAMAKER

John Wanamaker was born on July 11, 1838, to Elizabeth Kochensperger and Nelson Wanamaker near Philadelphia. His parents, Protestants, were devout Christians. His father was of German and Scottish descent, and his mother was of French Huguenot descent.

Wanamaker learned about money from his father, who operated a brickyard. Wanamaker "turned" bricks before and after school, for which his father paid him seven copper cents. In 1850, the family moved to a farm in Indiana, where they experienced a harsh, cold winter.

Nelson Wanamaker moved his family to Philadelphia, where he returned to making bricks. Wanamaker attended school until he was almost 14 years of age. Then he was hired as an errand boy by Troutman and Hayes, publishers of various reference books, for which he was paid \$1.25 a week.

In 1852 Wanamaker was hired by Barclay Lippincott, a clothing store, at a salary of \$2.50 a week. Although his salary eventually doubled, his tasks were menial at best. Wanamaker grew frustrated; he desired to have the opportunity to employ his ideas about advertising and selling. Eventually, Colonel Bennett, who owned Tower Hall, the largest clothing store in Philadelphia, hired him. Wanamaker was paid \$6 a week. More important, he was granted the opportunity to apply what he knew and what he gradually learned, even though he was only 16 years of age.

At first, Wanamaker polished the large knobs on the front door. He was determined to prove to Colonel Bennett that he was willing to do any menial task in exchange for the opportunity to learn how to sell. Then he learned about stock and subsequently became a proud salesman. Always energetic, he was promoted; he was put in charge of the men's clothing department and persuaded Colonel Bennett to allow him to purchase certain items such as shirts and socks for the department. However, in 1857, as various businesses failed because of the economy, his health deteriorated. Tall and thin, he worked long hours at the store, then devoted hours to religious activities at the First Independent Church. He was advised by a physician to leave Philadelphia and rest.

At 19 years of age, Wanamaker traveled to the Northwest, where his health improved. After several months, he returned to Philadelphia, where he contemplated studying for the ministry. Wanamaker realized that he did not have the formal education to become a minister, so he became involved in the Philadelphia Young Men's Christian Association (YMCA), which had been founded by George Stuart in 1854. Wanamaker was hired as a full-time secretary of the organization in 1858; he earned \$1,000 a year. He recruited 2,000 new members in his first year as secretary. He was responsible for the organization's engaging in evangelistic programs as well as instrumental in the organization's efforts to help the army during the Civil War. He was also responsible for raising money to

purchase the building in which the organization was located. He remained active in the organization until 1887.

Wanamaker's first love, however, was Bethany Church and Sunday School, which he founded two years before he married Mary Brown in 1860 and three years before Oak Hall. He was proud of Bethany Church, and because of his religious convictions, he devoted considerable energy and money to its development and growth.

In 1861 Wanamaker approached Colonel Bennett about purchasing an interest in Tower Hall. Bennett, who respected Wanamaker and his abilities, refused Wanamaker's proposition. Wanamaker approached his brother-in-law, Nathan Brown, and proposed that they open a clothing store for men. Although family members and several friends attempted to discourage them, Wanamaker and Brown opened Oak Hall on April 8, 1861. Sales totaled \$24.76 the first day. Wanamaker desired to stock merchandise that would have an immediate appeal. He traveled to New York to purchase goods on credit. When these goods were displayed in the store, the first advertisement appeared in the Philadelphia Public Ledger on April 27, 1861:

OAK HALL CLOTHING BAZAAR Southeast corner Sixth & Market Streets

WANAMAKER & BROWN desire to say to their many friends and the public generally, that they open to-day with an entire new and complete stock of ready-made clothing; and having purchased their goods under the pressure of the times at very low rates, will sell them accordingly. (P. 1)

Other brief advertisements for Wanamaker and Brown were scattered in the same column as this advertisement and were headed "Oak Hall Clothing Bazaar," "Whole Suits for Three Dollars," "Right at the Corner," "John R. Houghton," and "Opens To-day." John R. Houghton, the store's cutter, encouraged his friends to visit the store.

The price for the suits attracted attention. However, profits from sales were not high, and advertising was expensive. During the first few months, the proprietors earned very little. Occasionally, even money for their lunches went to pay for advertising. According to Linda Kowall (1989), "Store advertisements were generally simple notices of goods for sale, printed in microscopic type and buried inside the newspapers." (P. 20)

Wanamaker, who had tried after Bull Run to serve his country by volunteering but was turned down because of his health, secured contracts to clothe the officers of two regiments. This experience encouraged him to secure similar contracts for police officers, firemen, and military cadets months later.

Wanamaker, now a father of a son, enjoyed retailing, even though the business demanded most of his attention. His wife seldom saw him during the day but nonetheless

listened to his ideas at night. Always supportive, Mary enjoyed being married to a young entrepreneur.

One of the store's first policies was to guarantee certain fabrics such as all-wool, which attracted new customers. Advertising quality goods helped establish Wanamaker and Brown as a reputable clothier. Wanamaker realized that price, too, should be advertised in order to appeal to certain prospective customers. However, problems in marketing were evident; sales suffered periodically. Wanamaker finally realized that the solution or at least part of the solution to lagging sales might be found by studying the consumer. To him, merchandising should be a public service, not an argument between the retailer and the customer over price. Thus, in addition to guaranteeing the quality of the goods in his store, Wanamaker ticketed every article. Although he was given credit for initiating the one-price system in retail merchandising, he claimed that A. T. Stewart, who owned a large department store in New York, was the first to employ the one-price rule for dry goods. In 1865 the firm announced that customers could return an article and get their money back, as long as the article had not been used. "Money back" was revolutionary in the sense that he was the first retail merchant to have the policy; it was also revolutionary for Wanamaker and Brown's sales, which increased dramatically.

In addition to advertising in newspapers, Wanamaker employed outdoor advertising. He hired painters to paint "W. & B." in letters 12 feet high on boards all over Philadelphia. He had handbills distributed at county fairs. He used large balloons to attract attention to his store, as well as toy balloons, which were given to children. Other instruments that were used to announce Wanamaker and Brown included Oak Hall slates, pencils, tracing books, children's books, picture postcards, pen-and-ink sketches, calendars, clocks, and the cover as well as inside pages of the 1865 City Directory.

Nathan Brown, his partner, died in 1868, the year Wanamaker and Brown became the largest retailer of men's clothing in the country. Wanamaker purchased his partner's interest in the business and established John Wanamaker and Company in 1869 on Chestnut Street, which, to a certain extent, resembled the store owned by A. T. Stewart of New York. Wanamaker's new store was luxurious; it contained a skylight in the center, which was open; carpeting; paintings; and mirrors. Wanamaker stocked lines of clothing that would not have sold in Oak Hall. He desired to attract a different clientele that preferred service and quality rather than price.

The store had six departments by 1874. These included gentlemen's ready-made clothing, youths' and boys' ready-made clothing, a department for children, ladies' coats and habits, measure goods, and a haberdashery.

The same year he placed the first half-page advertisement that was ever published in a newspaper, even though he depended, to a certain extent, on the store's windows to attract potential shoppers. However, the

advertising for the Chestnut Street store was more restrained than the advertising for Oak Hall.

Wanamaker opened additional stores in Pittsburgh, Pennsylvania, Washington, D. C., and Richmond, Virginia, in the early 1870s but soon realized that these stores were not managed according to his wishes. As a result, he closed various branch stores in the mid-1870s and concentrated on those in Philadelphia.

In 1876 he opened the largest department store of its kind. Termed the Grand Depot, Wanamaker's "New Kind of Store" had been the Pennsylvania freight depot. Wanamaker had paid almost \$500,000 for the land the structure. This sum did not include the costs for renovation. The Grand Depot was devoted to clothing, including men's. Wanamaker advertised the store's opening with fanfare, attempting to attract visitors who had come to Philadelphia for the Centennial Exhibition. Inside the store, "the spruced-up shed counters radiated outward in concentric circles, their arcs broken by aisles that crisscrossed the shed like grand avenues. Wanamaker embellished the façade with minarets and a Moroccan motif." (Klein, December 1980, 10-11)

Wanamaker focused on high volume and low cost, a focus that was extremely profitable, and to prevent sluggish sales periods he advertised special sales, which, for the most part, moved goods. He wrote many of the advertisements for the store. Although display advertisements had become common, his advertisements, even when they were large, were filled with conversational language that discussed the bargains of the day.

According to William Leach (1993), "Wanamaker claimed that his 'New Kind of Store,' as he put it, was built principally for profit but also in response to the needs of the people." (P. 113)

In 1877 the Grand Depot offered additional lines of clothing, including women's. The emporium was termed a "dry goods store" by George W. Childs of the Philadelphia Public Ledger, as Wanamaker purchased additional lines of goods and added new departments. The Grand Depot's success was staggering. The number of employees increased from more than 600 to more than 1,200 within a year. Wanamaker introduced shoppers to electrical lighting in 1878. Electricity also helped him solve the problem of ventilation.

Wanamaker also published several journals that contained anecdotes, comments, and advice about shopping. These journals included Everybody's Journal, which was published first for Oak Hall shoppers and employees, then for the general public at a cost of 10 cents. The Farm Journal, which was published for the first time in 1879 for the Grand Depot, also attained respectability among the public. In 1879 The Ladies' Journal, which contained poems and articles, was targeted to women. In addition to these journals for the stores, Wanamaker published several religious periodicals for his church.

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Wanamaker placed the first full-page newspaper advertisement of any retail merchant in 1879. Kowall (1989) noted that

This new "Wanamaker Style" of advertising—the bold use of consecutive full-page advertisements which were like news items themselves—marked the beginning of his unprecedented effort to make a science of advertising. To create advertisements . . . Wanamaker began to educate his advertising staff, sending them to visit factories, interview artists and become familiar with quality, sources of supply and manufacturing processes. In addition to its impact on modern advertising practices, the Wanamaker Style, soon emulated by other retailers, played a major role in the rapid rise of powerful and increasingly independent city daily newspapers by infusing them with the advertising dollars, which began to provide a substantial and reliable new revenue base. (P. 22)

In 1880 John E. Powers, who had written advertisements for the Lord and Taylor department store in New York, was hired by Wanamaker to create advertisements that were honest, direct, and simple. Powers employed a typeface that was much more readable than other typefaces found in advertisements, and his advertisements were undeniably attractive. However, Powers was independent and, to a certain extent, not open to suggestions, even those proposed by Wanamaker. His closed-mindedness and candor forced Wanamaker to dismiss him in 1886.

By 1881 Wanamaker's Grand Depot had almost three acres of selling space on one floor, 46 departments, and more than 2,000 employees. Wanamaker had pneumatic tubes installed between the sales clerks and the cashier's office; as a result, cash transactions took less time. Other physical improvements, such as steam heating, carpeting, artwork, and music, occurred over the years, which made the Grand Depot one of the public's favorite places to shop. According to Neil Harris (1990), "Wanamaker . . . filled his stores with pictures, careful to select and hang them to maximum effect. He objected to the crowding of pictures in museums, which he likened to a three-ring circus." (P. 65)

Wanamaker was the first American retailer to place buyers of merchandise in various European cities. Wanamaker, who had hired his friend Robert Curtis Ogden to manage Oak Hall in 1879, invited Ogden to help him manage the Grand Depot. His oldest son was also involved in the management of the Grand Depot. Wanamaker's brothers managed the Chestnut Street store.

In 1886 he introduced the half-day Saturday to his employees. This reduced the workweek to five and a half days. (In 1914 Saturdays in July and August were made full holidays.) He also provided medical benefits and a retirement system for his employees.

In 1887 Wanamaker entered the wholesale dry goods business when he purchased three wholesale businesses, one of which was the third largest in the country. By 1888 his new business was prosperous.

In 1896 Wanamaker established the John Wanamaker Commercial Institute, a school that was for the young boys who worked at his retail stores. The institute was eventually expanded to include girls and older boys who had been deprived of a proper education. (In 1908 the institute was chartered as the American University of Trade and Applied Commerce.)

Wanamaker entered the New York retail market in 1896, when he purchased A. T. Stewart and Company. He enlarged the advertising staff and demanded that every writer of advertising copy actually examine articles of clothing before writing a word. Wanamaker's advertisements, which were large and illustrated, appeared every day except Sunday in various daily newspapers. Wanamaker was a firm believer in the power of advertising, especially during periods when sales were off. He said (Gibbons, 1926),

When the times are hard and people are not buying, is the very time that advertising should be the heaviest. You want to get the people in to see what you have to sell, and you must advertise to do that. When the times are good they will come of their own accord. But I believe in advertising all the time. I never stop advertising. (Pp. 25-26)

Under the watchful eye of Wanamaker, Robert C. Ogden and his staff maintained the New York store until it, like the other Wanamaker stores, had become successful. Although many had predicted failure because of the store's location, which was at Ninth Street and Broadway, a part of town that was no longer attractive to retailers, Wanamaker was victorious.

Wanamaker purchased adjoining property and had a 14-story building erected. The building, which was connected to the older building as well as to the recently completed subway system, was designed to display furnishings for the home. For instance, the upper floors were devoted exclusively to furniture, floor coverings, house furnishings, glassware, and draperies. The lower floors contained specialty shops for men. The building also contained the House Palatial, which was a private home consisting of 22 rooms; a large, magnificent restaurant; a three-story, 1,300-seat auditorium; and a storage plant for furs.

The building, which opened in 1907, tripled the selling space of Wanamaker's in New York. Wanamaker used the older building for women's wear and dry goods. When Ogden retired, Wanamaker put his son Rodman in charge of the New York store.

Later in 1907 panic struck the financial center in New York, and Wanamaker's sales began to decrease. Concurrently, he feared that he could not complete the

addition to his building in Philadelphia, which had been started, even though he was assured by his friends, including those who were loan officers in banks, that he would be given a loan if he so desired. Wanamaker weathered the financial storm. Unfortunately, certain small creditors requested payment. Wanamaker paid the few who demanded settlements and, primarily because of his deep religious beliefs, endured. Of course, he could have sold his business for millions and walked away, but he was determined to keep the business in his hands.

The same year, as if his financial problems were not enough to worry about, his home outside Philadelphia, Lindenhurst, was destroyed by fire. Wanamaker's loss was estimated to be more than \$2 million. Wanamaker built a second Lindenhurst on the same property.

In 1908 sales were also sluggish, and the doomsayers were predicting failure. Wanamaker, on the other hand, was optimistic. He placed large orders, which helped wholesalers and manufacturers; he completed the building in Philadelphia. The same year his son Thomas B. Wanamaker, who had been ill, died; he was 47. Wanamaker, already burdened with financial problems, was stricken with grief. He focused on his business.

In 1909 sales increased primarily because the panic that had gripped New York was over, which not only helped Wanamaker but silenced the doomsayers. Wanamaker, acknowledging that the business in New York was rebounding, returned to Philadelphia, where a new building was almost ready to open in time for the Golden Jubilee—the celebration of 50 years in business.

In October, 1911, more than 6,000 employees and family members helped Wanamaker celebrate 50 years of serving the public. Other luncheons and events sponsored by various organizations were scheduled primarily for the purpose of honoring him.

Now in his early 70s, Wanamaker was advised by some to retire. Others suggested that he let his son Rodman handle the business. However, when he was in Philadelphia, he went to his office every day except Sunday. When he was in New York for any period of time, he maintained the same routine.

Wanamaker voiced his opinion when World War I erupted. He wrote brief, pro-American "editorials" that prefaced his businesses' daily advertisements. These editorials explained how Wanamaker's was helping in the war effort and what the average American citizen thought as he or she learned about certain developments or events. Wanamaker also aided the Red Cross and directed the Liberty Loan campaigns. He devoted considerable time, energy, and money to both causes.

In 1918, at 80 years of age, he served as one of the directors of the War Welfare Council. He continued his patriotic chore until the Treaty of Versailles was signed. After the war, American lives changed. Many were working for the first time. Wages of those who had been working for years suddenly climbed, and the cost of living increased. Prices of goods and services, too, increased,

which worried Wanamaker. Could the average American afford to shop at Wanamaker's if prices continued to increase?

In response to this question, Wanamaker decided to offer every product in his stores at 20 percent off the ticketed price. The advertisement that announced this decision appeared on May 3, 1920. On May 8, a Saturday, a world's record was established for the amount of sales in a retail store: Wanamaker's sold more than a million dollars' worth of merchandise. Certain Philadelphia and New York merchants adopted a similar policy. In time the idea spread across the country. Wanamaker ended his sale July 2. The high cost of living actually slowed as a result of Wanamaker's brilliant scheme.

In 1921 he had been in business 60 years. Celebrations occurred in Philadelphia and New York, and Wanamaker was the guest of honor.

On December 12, 1922, he died from heart failure. Financiers and certain retailers attempted to persuade Wanamaker's heirs to sell the business, but the store remained independent for years. For instance, Rodman managed the business until his death in 1928. The company was then managed by trustees for the benefit of Rodman's children. Although the Stewart store closed in 1952, and the store next to it closed two years later, another store was built in New York and remained in the family's control.

In 1978, however, Wanamaker's, with 16 stores and sales of more than \$300 million a year, was purchased by the Carter Hawley Hale Stores, a California-based department store chain. This chain was acquired by Woodward and Lothrop before Woodward and Lothrop filed for bankruptcy in the mid-1990s.

SUMMARY

In addition to his emphasis on advertising, Wanamaker purportedly was the first retailer to offer vacations, with pay, to his employees; the first to introduce electricity and the telephone into a retail business; the first to open reading and resting rooms for his customers; the first to build a hotel for his female employees; the first to provide Christmas bonuses to his sales staffs; the first to build a camp for the boys who worked in his stores; the first to establish Saturdays in July and August as holidays for his employees, with pay; the first to offer medical services to his employees; the first to introduce the satisfaction-guaranteed-or-your-money-back policy; and the first to install an elevator in a retail business.

According to Leach (1993),

He translated the new economy into a new culture for many Americans—we might call him one of this country's domesticators of commercial culture, a man who not only "revolutionized retailing," as he said himself, but who also legitimated fashion, fostered the cult of the new,

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democratized desire and consumption, and helped produce a commercial environment steeped in pecuniary values. (P. 34)

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