

## From Main Street to Mall: The Rise and Fall of the American Department Store

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Household goods piled along curbs with hand-lettered signs saying ‘free’; never-worn clothing hanging in closets, price tags still in place; vacated college dormitory rooms filled with abandoned throw rugs, hair dryers, bookcases; consultants who help us simplify our lives by getting rid of ‘stuff.’ This is the world of things that many Americans inhabit today. Goods are cheap and plentiful and the culture says ‘buy!’ Even the poorest, on the edge of eviction and barely able to pay utility bills, possess many of the trappings of the good life.

Surprisingly, thanks to the ubiquity of mass merchandisers the homes of the poor and the rich may contain many identical goods, such as non-stick cookware, toilet brushes, shoe racks, birthday balloons, and hundreds, maybe thousands, of common everyday objects, most of them made by low-wage workers abroad. Whatever has been lost with the rise of Wal-Mart and other major general merchandisers, it is not, to use Howard’s apt term, ‘the democracy of goods’ (p. 53) pioneered by department stores.

Through much of the 20th century our clothes, our accessories, and the goods that furnish our houses came from department stores that occupied major downtown intersections. Today countless wares are supplied by ‘big box’ chain stores such as Wal-Mart, Costco, and Target, whose specialties – banal necessities – are the same from coast to coast. And who can avoid them completely? Where else can you buy a picnic cooler or back-to-school supplies?

Vicki Howard’s book traces changes in the marketplace through the decades, showing how the traditional downtown department store failed to meet competition and even collaborated in its own decline, aiding the rise of chain store mass merchandisers. Unlike most books that have been published about department stores, she wraps the subject in no enveloping mystique. The book is more a story of decline than rise. Although she draws from records of individual stores, her focus is not on their unique histories, or on stores’ inner workings, but on the entire industry, its development, and its relationship with local, state, and federal government. Her focus on the industry and its relationship to government policy sets it apart from books on the history of department stores that have come before it.

She traces how the chain stores' low prices became the norm, making department stores uncompetitive despite their 19th-century origins as businesses that trumped specialty stores by undercutting prices. In the early 20th century Macy's defied book publishers and caused booksellers distress by selling books under list price. This embroiled the store in legal suits which eventually established sellers' rights to determine price. State and federal price control laws during the Depression – the peak for this legislation – did not seriously deter department stores from cutting prices as they saw fit. The department store industry consistently failed to support legislation that would have barred deep discounts given by manufacturers for large orders, culminating in the Consumer Goods Pricing Act of 1975, which by forbidding manufacturers to fix prices, gave discount mass marketers a bright green light.

By then, the mid-1970s, traditional department stores were already in serious trouble. Burdened by high overheads, they had substantially lost out to discount department stores which were rapidly capturing sales that had once belonged to them. As the 1980s began, Howard reports, conventional department stores accounted for only 40 per cent of department store sales overall.

Throughout the 20th century they had done nothing to control their own rising costs stemming from heavy advertising, elaborate buildings, and large staffs. Far from cutting back during the Depression, many stores added 'ballyhoo' in the form of magic shows, parades, and festivals. Despite self-service competition from dime store chains in the 1920s and discounters after the Second World War, they continued to cling to the personal service model which required large staffs to show merchandise to customers and to complete sales transactions.

Overall, the book depicts traditional department stores, the great retailers of the late 19th and early 20th centuries, as conservative in both their business methods and politics, and largely blind to what was happening around them. When they took positions on government policies or adapted their operations, it was usually in the direction of opposing regulation and favoring big business methods, all of which abetted the growth of chain discounters.

Howard is committed to the position that department store decline was not a natural process of obsolescence and replacement but the result of a series of decisions that could have been otherwise. She reiterates in the epilogue, 'Concentration in the industry and the subsequent loss of local nameplates were enabled by particular political, social, and economic contexts that changed over time. These were historical events and were influenced by historical actors, including consumers, department store executives and their trade associations, and federal, state and local policies' (p. 218).

Although some of the consequences of historical trends, such as suburbanization, clearly could not have been fully foreseen, Howard suggests that there were actions that traditional department stores could have taken that would have at least slowed their decline. She argues that in the Second World War when the federal government's Office of Price Administration (OPA) tried to halt inflation with price and wage ceilings the industry 'could have gone a different way – toward acceptance of greater government controls over price competition, wages, and the supply of goods' (p. 131). Could they have?

It seems reasonable to raise the question of how likely it was that things could have worked out differently. It may be true, as she points out, that Britain and France were able to delay concentration in the retail industry, but in the United States the tendency to concentration was already present in the development of 19th-century department stores, not all of which were family owned. (Greater attention to early ownership might have dispelled further myths held by department store nostalgists, who figure throughout as a target of the book's overall argument.) Plus, who was going to stop concentration in a culture that admired bigness? Despite its sentimental attachment to country stores and family-owned department stores, the United States is not a nation of small shopkeepers whose loyal customers will endure inconvenience to keep them in business.

Rather than making the department store industry look powerful, it appears weak in this book. Rather than stable, it appears to be on shaky ground almost from the start. The heart of the book begins in chapter six, 'The race for the suburbs', when the conditions that supported the rise of the department store began to change radically. Again, it might have been worthwhile to look more closely at the stores of the late 19th century, which resembled the big box stores of the present in a number of ways. Not the grand stores, such as John Wanamaker and Marshall Field, but the numerous bargain stores such as The Fair in Chicago or The Maze in San Francisco, the latter's motto 'We can underbuy and undersell any credit concern on the face of the earth'.<sup>(1)</sup> Or Boston's Houghton & Dutton which proclaimed, 'It is our mission on earth to make war on high prices'.<sup>(2)</sup>

Howard does not analyze what merchandise the various stores carried. But in fact bargain department stores of the 19th century bear further comparison with discount department stores of recent times in that neither were fashion centers. Both types of stores began by selling job lots. The 19th-century bargain department stores relied heavily upon the sale of merchandise for the home, much of it dry goods but not exclusively so. This points up the problem of citing the luxurious A. T. Stewart in New York City as the prototypical department store forerunner. The stores of the late 1870s through the 1890s were nothing like Stewart's store with its imported paisleys and cashmere shawls.

By contrast with bargain stores, the upscaled traditional downtown department stores of the 1920s emphasized fashion as style merchandise departments and sub-departments spread throughout the store. When branch stores proliferated after the Second World War, they were predominantly stocked with clothing and accessories. Big box mass retailers, on the other hand, carried mostly non-fashion staples. Their interiors were, and are, filled primarily with shelves, not racks.

Many of the bargain stores of the 1880s and 1890s did not survive in the 20th century. They were not nationwide chain stores with streamlined practices that compare with Wal-Mart's or Target's, for instance. But their ambitions to make a profit through volume rather than mark-up and their claims to be stores for 'the people' match up well. As The Maze explained in an advertisement in 1891, 'We are with the people first, last and all the time ... the more we can sell the larger we can buy, and the larger we can buy the cheaper we can sell, and the cheaper we can sell the more you can save ...'.<sup>(3)</sup>

Given how rocky the life of traditional department store was, even in a good decade such as the 1920s, when, as Howard comments, 'cracks appeared in its foundation' (p. 51), it is fairly surprising it lasted as long as it did. Why, one might wonder, did the bargain stores of the 1880s and 1890s not persist in full force, following a straight line of development up to the present-day big box stores? Why did department stores, aiming at the middle of the market, scale up to become magnificent objects of admiration and, now, nostalgia? Was it an aberration, or evidence of a deluded notion that there would be no end to the rise of the people's material ambitions and social ascension?

It could be argued that the traditional department store of the mid-20th century was reconstructed in the creation of the present shopping landscape. On the one hand are the mass merchandisers. They are the biggest, but they have not by themselves fully replaced the classic department stores that people mourn. To recreate the range of merchandise sold by the old stores specialty chains come into the picture. Shoppers may go to Wal-Mart for certain items, say picnic coolers, but when they are looking for dress-up clothing, suits for the office, or the latest teen fashions and accessories they head for H&M, Brooks Brothers, or Eddie Bauer. This is particularly true of the fraction of the middle class with good incomes. Big box discounters did not in fact replace the traditional department stores, nor does their success fully account for the failure of traditional department stores. The post-Second World War department store branches in shopping centers and malls were also defeated by specialty chains that chipped away at their business in much the same way that department stores had once done to independent specialty stores.

The book is strongest when it investigates the cumulating problems that traditional department stores

encountered after the Second World War, with suburbanization and the proliferation, then concentration, of discount department stores. Howard ably marshals figures that show how devastating the rapid rise of discounters was to traditional stores.

But one of the confounding problems of the argument that the traditional department stores were unable to compete is revealed in their response to suburbanization. As customers moved outward from inner cities – encouraged by government programs that underwrote mortgages, built roads, and subsidized shopping centers – downtown stores followed them. By doing so, by creating branch stores in shopping centers, they diluted their identities, offered a reduced breadth of merchandise, and, as Howard observes, became prime exemplars of the vapidness of suburbia. And, despite doing what seemed reasonable to serve their customers, they still managed to encourage the rise of discounters in the 1960s. Yet, by also continuing to do business downtown, where their headquarters stores preserved a measure of identity and civic engagement, they also erred, as the cost of doing business rose while the number of shoppers declined. What should they have done? This isn't at all clear.

Should they, for instance, have urged the government to support mass transit, thus preserving denser development rather than sprawl and thereby possibly preserving downtown shopping? This would, of course, seem no more likely to have happened than their acceptance of price controls.

Whatever the answer, it comes off as more convincing that government's encouragement of the suburbs had a greater impact than many of the bills passed in congress in the 1930s through the 1950s. There is much discussion of Miller-Tydings, Robinson-Patman, McGuire, and other Acts of Congress, but what government failed to do becomes more significant in the story. It failed to stop concentration thus encouraging the growth of large corporate retailing chains. Pro-suburbanization policies, by contrast, were positive actions yet their influences were perplexingly indirect. Department stores were not the only actors in society that failed to fully anticipate the far-reaching impact of the changes that ensued.

Other trends that assisted the rise of the stripped-down discount stores might have been included in the discussion though they lie outside Howard's main thesis. The intriguing suggestion that the entire culture was shifting, including the population's relationship to shopping and acquiring goods, could be enlarged upon. Howard says the discount model of retailing 'would have failed ... if it were not for a larger cultural embrace of mass consumption and widespread demand for low-priced consumer goods' (p. 181). The implications of this would have been worth following. One wonders if the downtown department store represented a too-bourgeois way of life that became obsolete especially as the middle class and the suburbs have both declined.

As for the industry, despite Howard's focus on government policies and its reaction to them, there is not much analysis of rifts or disparities within representative retailing organizations such as the National Retail Dry Goods Association. How coherent was the industry's political identity? Clearly there were disparate members, such as the big national chains Sears, Penney's, and Montgomery Ward's, small town stores, stores belonging to holding companies, chains, and independently owned stores, to name the biggest differences. And, it's worth noticing that the stores that most resembled the discounters, national chains such as Sears, have also experienced business troubles.

Now, as the brick and mortar stores experience challenges from online shopping, with Amazon.com now ranked as one of the top ten American retailers, it will be interesting to examine the shift using Howard's perspective. Questions such as how government action or inaction might favor the growth of internet retailing or whether mass retailers would be wiser to pursue internet retailing themselves come to the fore. Howard's book has certainly taken department store history far beyond the examination of their marvels.

## Notes

1. The Maze advertisement, *San Francisco Chronicle* (30 June 1891), p. 10.[Back to \(1\)](#)
2. Houghton & Dutton advertisement, *The Sunday Herald* (24 March 1895, Boston), p. 3.[Back to \(2\)](#)
3. The Maze advertisement. Op cit.[Back to \(3\)](#)

The author thanks Ms. Whitaker for her review.

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