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MS-920: Sy Syms Papers, 1944-2012.
Series C: Scrapbooks, 1938, 1970-2000, undated.

Box	Folder
8	1

General, 1985, undated.

For more information on this collection, please see the finding aid on the
[American Jewish Archives](http://AmericanJewishArchives.org) website.

Making the Scene

The Stylish Stylist

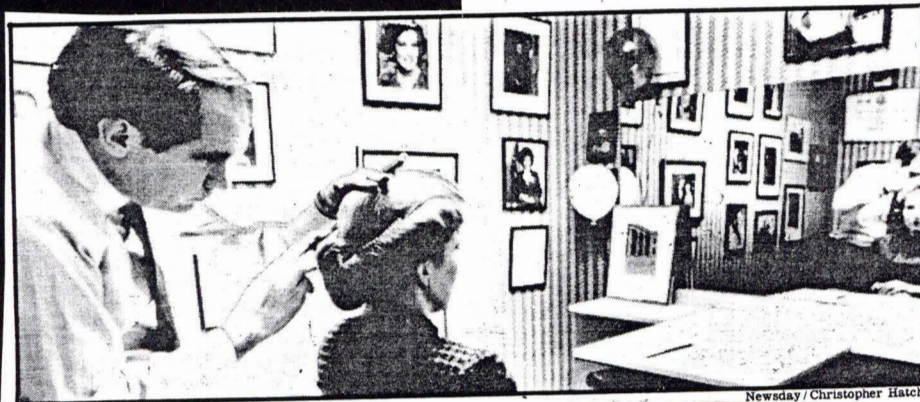
And while some people celebrated the inaugural by picking up commemorative trinkets, Robin Weir picked up a mink.

With no parade to watch, Weir, who is Nancy Reagan's Washington hair stylist, stopped by Nei-

—Continued on next page

JAN. TUESDAY, JANUARY 22, 1985

Part III/3



Newsday / Christopher Hatch

In his salon, Robin Weir, Nancy Reagan's Washington hairdresser, attends to an inaugural ball guest.

—Continued

man-Marcus yesterday and bought a reversible ranch mink jacket. "Not bad," said Weir, as he finished setting the hair of Bootsie Galbraith, the wife of the U.S. ambassador to France. "I get \$200 back for my parade ticket and I spend \$6,000 on a coat."

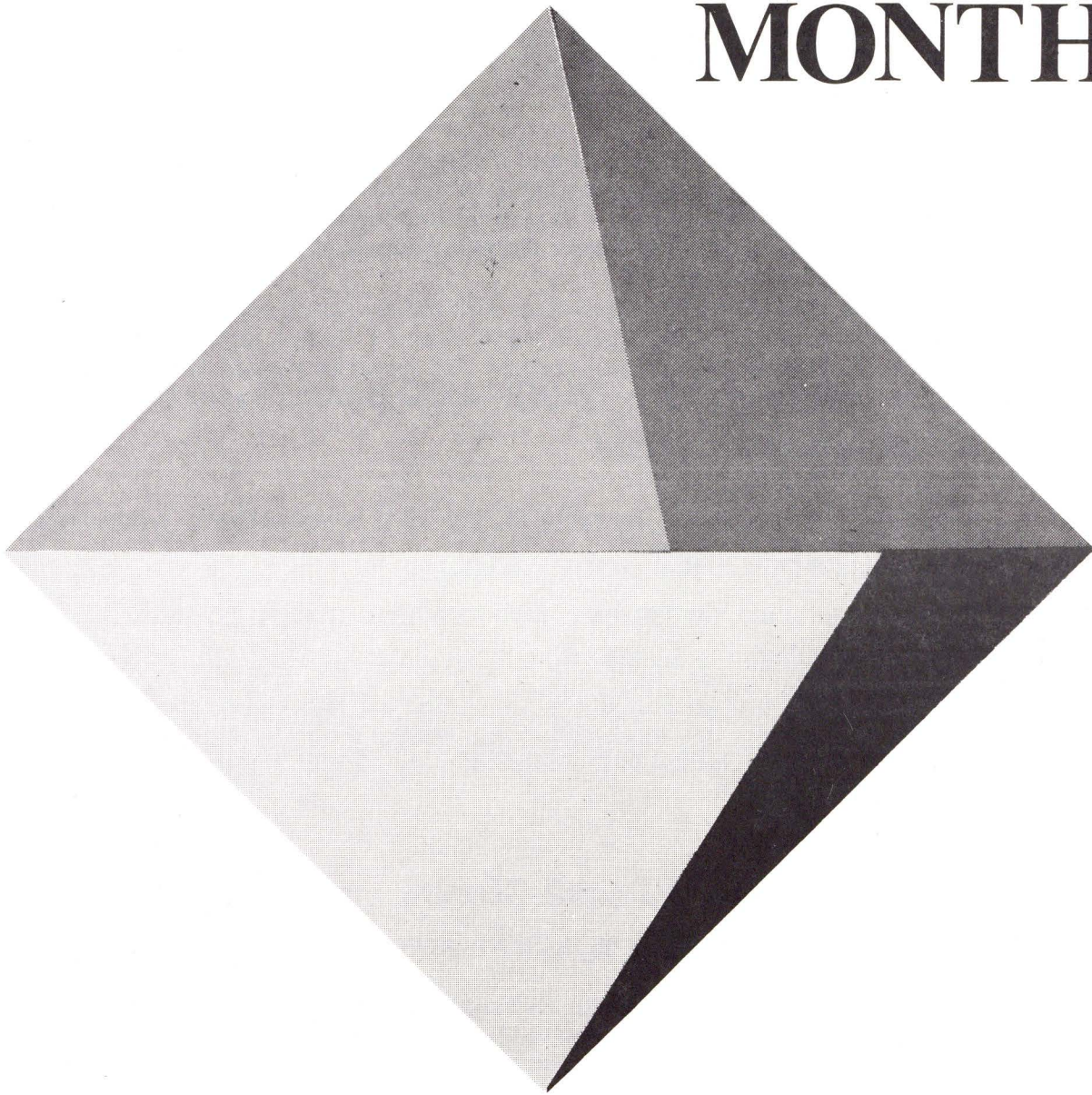
But if Weir's wallet was feeling the pinch, he was hardly complaining. As Washington's hottest hair stylist, Weir has seen his pink and black salon on P Street jammed since Wednesday. (About the only one missing was Nancy Reagan, whose hairstyling needs for the inaugural festivities have been attended to at the White House by her Los Angeles hairdresser, Julius Bengtsson.)

"You could have wrapped the shop in black mink today," said Weir, who said he would wear his old Blackglama mink coat and a designer tuxedo from Syms for last night's ball.

Back to the business of hair, Weir said, "Everything is gala, a little more volume with lots of chignons and ornaments." His most extravagant style, he said, was for the woman who asked to have a Cartier necklace with "too many diamonds to count" braided into her chignon. "Are they real?" Weir said he asked the client. "And she said, 'Yes, but we don't tell anyone.'"

—Michele Ingrassia

BLACK HISTORY MONTH



GREENBURGH PUBLIC LIBRARY

ART EXHIBIT

Cheryl Hudson - Watercolor and Acrylics
Stephen Tyson - Mixed Media
Dynecourt Mahon - Photography

Sunday, January 27 at 3p.m. at Town Hall

A CAB CALLOWAY CELEBRATION

The noted jazz artist will be honored by Supervisor Anthony Veteran with a proclamation designating this date as Cab Calloway Day. Ernest J. Smith, jazz scholar, will present highlights of Mr. Calloway's international show business career through slides and vintage film clips. Rain date, February 3.

Sunday, February 3 2:30-4:00 p.m.

MEET THE ARTISTS RECEPTION

Thursday, February 7 at 7:45p.m.

LUTHER R. GATLING, PRESIDENT, BUDGET AND CREDIT COUNSELING SERVICES, INC.

Mr. Gatling will discuss how Black Americans can succeed financially in today's economy. He will emphasize spending trends and financial management. Mr. Gatling is the commentator on WBLS' program "The Credit Doctor."

Sunday, February 10 at 2:30p.m.

AUTHOR CLAUDE BROWN - "BLACK PROGRESS IN THE 80's"

Mr. Brown, Visiting Professor in the English Department at City College, is the author of the classic Manchild in the Promised Land and The Children of Ham. He is currently working on a new book and will include in his talk insights on being a Black writer today.

Thursday, February 14 at 7:45p.m.

PATRICIA DUNCANSON, PRESIDENT OF DUNCANSON ELECTRIC COMPANY—"OUR LEGACY AS BLACK AMERICANS"

The company, located in Long Island City, has grossed over three million dollars in special projects. Mrs. Duncanson is well qualified to discuss the Black American's responsibilities in business and society. She has been featured in Essence and Black Enterprise magazines.

Thursday, February 21 at 7:45p.m. at Town Hall

THE CHARLES I. WILLIAMS QUARTET - JAZZ CONCERT

Mr. Williams performs on the alto saxophone and has played with such bands as Frank Foster, Panama Francis and Mercer Ellington. He will discuss the history of jazz. Mr. Williams has taught orchestral music in the Queens Public Schools for 22 years.

Sunday, February 24 at 2:30p.m.

THE BLACK FAMILY, HISTORICAL STRENGTHS FOR THE FUTURE—A ROUNDTABLE

Focus will be on role models and the correlation between mental health and physical well-being. Practical suggestions will be given. This program is co-sponsored by the White Plains-Greenburgh Branch of the NAACP and the Westchester Branch of the Association for the Study of Afro-American Life and History.

Thursday, February 28 at 7:45p.m.

DR. IVAN VAN SERTIMA, AUTHOR OF THEY CAME BEFORE COLUMBUS

Dr Van Sertima will speak on "The African Presence in America Before Columbus." Dr. Van Sertima is associate professor of Africana Studies at Rutgers University. He will discuss his research as described in his book. His most recent book is Blacks in Science.

CHILDREN'S LIBRARY PROGRAM

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The zawadie (gifts) of Africa will be revealed as we tour four
of her countries, Liberia, Zambia, Ethiopia and Uganda.

Join with us in Celebration: hear the music of Africa; listen to
her history, poetry and folk lore; see and make her art and taste
the goodness of her food.

Tuesday Evenings, 7:15 to 8:15, February 5, 19, 26 and March 5

Registration will begin January 2
Ages K and up

Harambee, Harambee!

"Let's all pull together!"

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Scrapbook

ADDRESS CORRECTION REQUESTED

THE ARTFUL SHOPPER

The Sweet Buy and Buy

The Washington Post
MARCH 15, 1985

WEEKEND

Shopping Off-Price and on the Money

9:30 AM: Syms, Rockville (984-3335) — Syms opens at 9 on Saturdays, and to get you there it offers "dividends" (on you never know what) until 10 a.m. every Saturday, cash only. This morning: half-off men's dress shirts, which are already priced below \$10. Too bad this is only a practice run; we really should've brought some money.

By REGINA WARD

Everyone loves a bargain. But not everyone has the time to track down good deals.

However, Gretchen Moore, fashion designer and former retailer, makes it her business to locate discount stores and warehouses and share her findings via lectures and seminars.

For year-round discounts on designer clothing for children, Moore suggests Chocolate Soup, 602 Greenbay Rd., Winnetka. Discounts are from 10 to 30% off regular prices.

Niles is the home of many a good bargain, according to Moore.

The Warehouse Club, 7420 N. Lehigh, Niles, has nine different departments. "It's the wave of the future. You pay \$25 to join and get discounts on food, liquor, paper products, games, and some basic clothing such as men's and children's underwear, socks and gloves," said Moore.

Two examples of good deals: Trivial Pursuit, retailing for \$30 was \$11.25 at The Warehouse Club, and a 19-inch electronically tuned Sony, retailing for \$399, was \$299, said Moore.

"I WISH I lived next door to Syms," said the bargain hunter. Syms, 9840 N. Milwaukee Av., Niles, is a discount warehouse specializing in designer clothes. Here, Moore paid \$17.50 for the identical Schrader beaded sweater that was retailing for \$155.

"Every Saturday, between 9 a.m. and 10 a.m., Syms has several racks of clothing, discounted to \$17.50 and "all quality clothing," said Moore. Another find for the expert shopper was a pair of Ralph Lauren pants, retailing at \$165. She paid \$32 at Syms.

Aparacor Warehouse, 6412 Vapor Ln., Niles, discounts dresses, blazers, blouses, skirts, and shoes. Prices vary according to season. In-season clothes are marked down 25 to 30%; off-season discounts are greater.

Pepperidge Farm Thrift Shops, 312 Lawrencewood Shopping Center, Niles and 1290 Deerfield Rd., Highland Park, offers specials on bakery goods that begin at 10% off and go up to 50% off for specials of the day.

IF YOU'RE in Morton Grove, try Entenmann's Thrift Bakery, 6947 Dempster St., where the mark-downs are much the same as at Pepperidge Farm.

If you want to branch out on bargain hunting, Moore teaches "Shopping Tips Chicago Style," offered through Roosevelt University's non-credit division (341-3637), for \$32.

The syllabus is a list of Moore's 57 varieties of discount outlets for shoes, clothing, furniture, cosmetics, food, vacations, and even automobiles. The first session, which begins Monday, meets in a Roosevelt classroom where Moore will provide background information on which companies take credit, which prefer cash, which prefer ap-

Buy Lines

pointments or have limited hours, which supply decorating services, installation and delivery and which have policies of no returns.

THE SECOND session of the class, beginning April 24, takes to the streets aboard a university van.

First stop will be the second floor studio of Giovanni Calvoretto, at 3811 N. Broadway, Chicago. Inventory and atmosphere are international and eclectic at the studio, where Calvoretto sells hand-made clothing of his own design.

A particularly big draw is the jewelry and accessories Calvoretto has hand-selected: antique and reproduction art deco pieces from Finland and France, starting at \$15; *marquesite* from Holland and Portugal, starting at \$30; Chinese hand-made enamels, from \$15 to \$60; a bone necklace from Nairobi, \$30; and a Moroccan brass belt, \$50. On special recently were feather boas, reduced from \$20 to \$5. Calvoretto recommends appointments by calling 929-2334.

Second stop will be Billy Hork Outlet, 3035 N. Clark St., Chicago, where paper art and posters are channeled from the Billy Hork Galleries and sold framed and discounted for final sale. Custom framing of either their art or yours is below market price.

Moore goes from frames to furs. The Chicago Fur Outlet, 445 W. Diversey, Chicago, deals in used furs on consignment and new furs left over from fur and department stores. There's a wide selection in quality and price. For example, raccoon coats sell from \$400-\$2700, mink coats from \$700-\$6000 and a possum-lined leather jacket for \$895.

APPEALING TO a broader market is Lori's, which sells up-scale women's designer shoes at down-scale prices. The formula has proven so successful at the Halsted St. and Armitage Av., Chicago store that it has generated a new location at 19 E. Chestnut St., Chicago.

Although not on the itinerary, Moore suggests the following as good bets for independent study:

Glover Shade Co., 617 North Wells, Chicago: shades and blinds for 15 to 70% off.

Bill Blass Down Coat Outlet, 1205 S. 7th, La Crosse, Wis.: coats, comforters, men's scarves, sweaters. Off-season discounts are best. You could find sales of 70 to 75% off at this time of year, said Moore.

Ray Oldsmobile, Park Ridge: cars \$50 more than dealer cost, according to Moore.

Helene Curtis, 325 N. Wells, Chicago: free haircut, permanent, color. While this is a year-round offer, an individual can take advantage of this service only twice a year. Call seven weeks in advance for an appointment, Monday through Friday, at 661-0222.

#21
Niles
Scrapbook mm

Bargains Bargains Bargains

Bargain hunter shares her expertise



Sy Syms, second from left, with daughter Marcy and sons Robbie, left, and Steve.

Staff photo by Carmine Galasso

Staff photo by Al Paglione

The Lipari children at the sausage plant: Jimmy, left; Annie, and Joey Jr.

Yogi and Dale Berra, at Yogi's racquetball club in Fairfield.

lived at home with his parents in Montclair until the end of last year, when he married his high school sweetheart. The couple bought a home in nearby Glen Ridge. Out on his own now, yet working under his father's wing on a team that is always expected to excel, will he not feel some additional pressure to perform well and to prove he belongs?

When the Yankees acquired the youngest of Yogi's three sons from the Pittsburgh Pirates in December, principal owner George Steinbrenner went to his manager and asked if there would be any problems.

"If he can play, fine. If he can't, he sits," Yogi told him.

That may be the company line over at 161st Street, but will it really be that simple once the season starts?

Suppose Dale boots one in Baltimore, and it costs the Yankees a game. Will his dad go to bat for him if "Boss" Steinbrenner throws a tantrum, as he has done so often in the past? Or will Yogi have to close his eyes to family ties and defer to his boss?

"No big deal," is Dale's assessment of the situation.

"I ain't worried," says Yogi, who doesn't say much.

Maybe he should talk to Sy Syms, haberdasher to the educated consumer, a frustrated catcher himself, onetime sports announcer, and ruler of a family clothing empire that employs 1,200 workers, including nine members of the Syms family. Four of them are his own children.

Marcy, the oldest (she declined to tell her age), is president of Syms Inc. and heir apparent to her father's post as chairman and chief executive officer of the highly successful discount clothing chain. Stephen, 31, is described by his dad as "probably the best shoe merchandiser in the country." Richard, 27, is in operations. A former store manager, he now supervises all the stores.

And then there's Robert.

Robert Syms, or Robbie, as his father calls him,

See SONS, Page F-7

In the fold

Making room for children in the family business

By Elliot Pinsley
Staff Writer

Relaxing in the carpeted lounge of his Fairfield racquetball club, Yankees manager Yogi Berra ponders the fast-approaching baseball season and the team's chances for success in the highly competitive American League East.

Yogi leans forward to put out his cigarette, then slowly, dispassionately, sizes up one of the new employees, a recently acquired journeyman infielder: "Our scouts said he could help us. They said his best position is third, but he could play short for us also. He never hit for high average, but he drives in a lot of runs. He's got power if he uses it right.

"I'll take anybody who can help us," Yogi says with an impish wink.

Dale Berra, squirming uncomfortably on the couch next to his father, doesn't quite say it, but the awkward grin on his face says it for him: "Thanks, Dad. Thanks a lot."

The Yankees' father and son act is a first for major league baseball. While the legendary Connie Mack of the Philadelphia Athletics managed his son Earle for all of five games between 1910 and 1914, that was a publicity stunt. This is serious business.

The front office is surely mindful of the publicity value in the Berras' relationship, and Dale is already being penciled into the opening day lineup. Yogi expects to platoon him at third base and is counting on him to produce plenty of runs.

Unique as the situation is, going to work for Dad is still a tradition as firmly ingrained in family life

as it is in the history of commerce. Finding a place in the business for junior has been a rite of passage for countless generations of merchants, lawyers, farmers, corporate executives — and generally a pleasant and fulfilling one, at that. But the dynamics of families working together can be complex and thorny. How will Yogi and Dale fare?

We consulted several prominent families in business together, from discount clothier Sy Syms and his offspring, to Passaic Mayor Frank Lipari, who operates a sausage factory with three of his children. Drawing on their years of experience, each offered valuable advice to the Berras — indeed, to any family working under the same roof.

For Yogi and Dale, the experiment begins this week with the advent of spring training. Their mood is upbeat.

Dale is elated about being a Yankee. "I wanted to play here," he says. "I wanted to play for my father, be with my brothers, my family. It's just perfect."

Still, he is very much aware that all eyes will be on him and his dad this spring — watching to see how a legend and his less accomplished progeny can coexist as employer and employee in the "Bronx zoo."

"I'm just going to approach it as if there are not going to be any problems," Dale says, with a hint of annoyance. "If he feels I'm not hitting the ball, he's not going to hesitate to put a pinch hitter in. And after the game, I'm not going to call him up and ask why he took me out. I'm just going to be a player, that's all. And he's the manager. They say he's a good manager to play for — as long as you hit."

A six-year veteran of the big leagues, Dale, 28,



Of sons and daughters in the family business

FROM PAGE F-1

is the family's prodigal son. Now 29, Robbie was a men's clothing buyer for the company until 1980, when Dad got wind of his son's growing disaffection at work. Sy Syms, 58, who founded the firm in lower Manhattan 25 years ago and expanded it into seven markets between New York and Chicago, had one philosophy about taking his kids into the business.

"I told them that if you ever come to work with me and you transmit unhappiness with that job, I'll let you out," he says.

Robert was unhappy. And Sy let him out.

"I fired him," Sy recalls. "I said he couldn't come to work anymore. I think he just had some growing up to do. . . . It was a tough task. But it was for his own good."

Robert spent six months wandering in the wilderness of the garment industry before he returned to the fold. "I gave him a second chance," Sy says. "You can't disassociate the fact that an employee is a member of the family."

Robert was given his old job again, which also included responsibilities in the company's advertising agency. Marcy was in charge of that division, but she stayed out of it. "I left it between my father and Robert," she says. "I really felt that it was something that needed to be resolved between father and son."

"I fired him. I said he couldn't come to work anymore. He just had some growing up to do."

— Sy Syms

Robert says his father did what he had to do when he fired him four years ago. "I needed to get my head straight," he says. "My father is compassionate but firm. He's a tough boss, but he's the best. I came back after I realized this is what I really love."

Marcy Syms, hard-nosed and blunt, defined the challenge of navigating a successful business where family is working for family. "Clari-

ty is necessary," she says. "You need to know what is family and what is business. To make a good business decision, it is often necessary to clear your head of family considerations."

Good advice for Yogi, perhaps, and she has some that might be useful to Dale as well. As the boss's daughter, "there's more focus on you," she says. "You're scrutinized and evaluated every day, by everyone you work with. If you mess up, it's much more important than if someone else messes up."

Dale, of course, has only his own performance to worry about; no one works under him. "Yogi's going to be dealing with a different element," Sy says. "I think there's going to be many more emotions coming into play. Besides, Yogi may not be the one who has to fire Dale. I would have to fire one of my own children."

"If Steinbrenner says get rid of him, I say he'll do it," says Joe Lipari, mayor of Passaic and head of a family sausage concern that employs two sons, Jimmy and Joey Jr., and daughter Annie.

Lipari has watched his own off-



Frank Lucianna with his daughters Diane, left, and Nancy.

Staff photo by Steve Auchard

spring struggle and stumble. "And in the meat business, when you make mistakes it's always costly," he says. "But I don't get rid of them."

Lipari, whose booming temper is legendary around Passaic City Hall,

has been known to throw a few tantrums himself. And though it's clear the kids have felt his wrath when they've fallen short of his exacting standards, they quite literally idolize him. Annie, 25, an aspiring sales-

woman who handles the company's bookkeeping chores, calls him "our best teacher." (The teacher's pet drives a lipstick-red Mercedes 380SL, with plates that read "YOU DAD").

"My dad is an idol to me," says Jimmy, 22, the plant manager.

"He's the best in the business," says Joey Jr., 26, who was set up by his father in a subsidiary of the parent firm that distributes meat to area hotels and restaurants.

Joey Jr. does recall a rainy day a few years back, however, when the delivery truck broke down while he was making his runs. He called in to Dad and suggested that perhaps they might forego deliveries till tomorrow. The request was met by a barrage of furious expletives and a slamming of the receiver at the other end.

er end.
Joey got the message: "The meat's gotta go," as they say in the business.

And it did. With considerable help from a tow truck, Joey completed all his deliveries that day.

'Things to learn'

"He was tough because there were things to learn," Joey says in defense of his father. "Whatever happened was for the best."

The elder Lipari says Yogi would be wise to adopt the same approach toward Dale. "Yogi is a street guy," he says. "He's a disciplinarian in his own way. I would guarantee you, if his son doesn't cut the mustard, he's going to tell him. That's it."

Attorney Frank Lucianna employs two of his three daughters in his Hackensack law office. Diane, 28, is a junior partner; Nancy, 23, will be one someday after she is graduated from Fordham University Law School. She clerks for him two days a week.

As a boss, Lucianna is decidedly paternalistic, doting on his daughters the way fathers do. And even if he plays favorites a little bit — Diane made junior partner in less than three years, whereas Lucianna's closest associate, Kevin Roe, did it in five — he insists he demands the same of all his employees.

"I don't favor her in the work here," Lucianna says. "I give her hard cases, like I give Kevin hard cases. And I criticize her, like I criticize him."

Both daughters are aware that their father has given them special opportunities. "But if I thought they weren't any good at this, if they couldn't do the work, they'd know about it," Lucianna says.

"I would advise Yogi to just treat his son the same as he treats anyone else who's got to produce. His son will understand it. I don't think you can play favorites in his business."

Lucianna says some lawyers he knows don't get along well with their sons at the office. "Fathers compete with their sons," he says. "I have a feeling it works out better with a father and daughter."

"Working for someone else is hard. Working for your father is harder," says Nancy. "You don't want to disappoint him. You want to live up to his reputation. I want people to say that Diane and I are just as good — if not better than my father."

The dotted line

That's asking a little much of Dale Berra — his father is a Hall of Famer, after all — but he does have a couple of things up on his dad, no matter how he does this season. And he has them on the dotted line.

For one thing, Dale earns considerably more than his father. At \$670,000, his annual wages are reportedly more than three times higher than Yogi's.

And then there's job security, always a sensitive issue when you work for the Yankees.

"My job's more on the line than his," Yogi says with a chuckle. "He's got four years left on his contract. I don't."

COVER STORY

Firms thrive on mistakes of others

No-frills outlets are havens for bargains

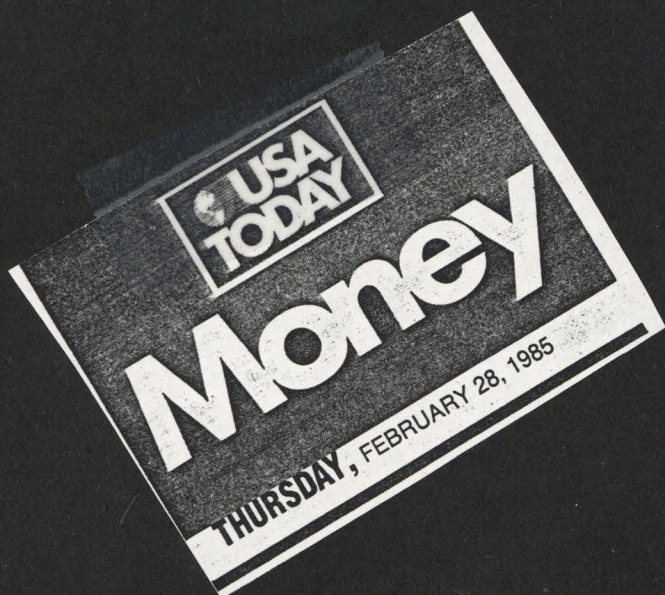
By Constance Mitchell
USA TODAY

DALLAS — By 7:30 this morning, a line should have formed on the stairs outside a drab warehouse in north Dallas. At 8 a.m., when the doors open, shoppers will scramble among cardboard boxes and gray metal shelving to get their hands on Mikasa dinnerware, Wamsutta linens and dozens of other brand-name products at prices half what they would pay in department stores.

The warehouse is Tuesday Morning Inc. — one of an estimated 350 USA surplus stores, which are becoming major contenders in the fast-growing deep-discount retail business.

Today marks the start of something that makes Tuesday Morning unusual even among surplus stores: It is open for business for just four periods a year — four to seven weeks at Easter, Christmas and in the summer and fall — at five

Please see COVER STORY next page ►



COVER STORY

Turning leftovers into megabucks

Continued from 1B

outlets here near company headquarters, and 52 other outlets in cities from Los Angeles to St. Louis to Washington.

"Business is going to be fabulous," predicts Lloyd Ross, Tuesday Morning's founder and chairman. "Manufacturers produced too many goods last year. That creates great opportunities for us."

Surplus merchants like Ross make millions on the mistakes of other companies. The stores thrive by selling — at near-wholesale prices, well below prices at other stores — products that other merchants don't want or can't sell.

Surplus stores, once small one-person businesses operating out of back rooms and basements, are proliferating. By 1992 there will be about 1,100 chains, estimates Fred Wintzer, a retail industry analyst with Shearson Lehman Bros. Inc.

New York-based Job Lot Trading Inc., for example, began in 1949 as a mom and pop store taking in \$300 a day. Now with five stores and five more scheduled to open this year, the hardware products peddler is doing \$15 million per store. The business has grown "from a pushcart to Fifth Avenue," where one of the stores is, says Chairman Phillip Cohen.

The surplus store industry has two distinct groups: firms such as Job Lot that deal mainly in salvage goods with merchandise recovered from fires, floods and other disasters; and stores, such as Tuesday Morning, that handle closeouts, overruns and odd lots from manufacturers, importers and other retailers.

Surplus and salvage stores differ from ordinary discounters because their merchandise is bought at prices far below wholesale.

Other discounters often buy merchandise at wholesale prices but mark it up less than department stores and other retailers. Because surplus and salvage stores buy so cheaply, they can mark up merchandise 100% and still sell items for less.

Surplus and salvage stores keep expenses down by running no-frills operations. Tuesday Morning's setup, with merchandise piled on wooden tables and metal shelves, is typical.

In some ways, the stores are similar to the giant off-price apparel chains such as Syms and Loehmann's, which sell designer-label clothing at a discount. What Syms is to the apparel business, Tuesday Morning is to housewares.

But the firm stands out among surplus stores because it is open just four times a year and because it is the most upscale of the surplus stores, selling American Tourister luggage, Swedish crystal and British-made stainless-steel flatware.

But the key to Tuesday Morning's success is, of course, price — 50% to 80% below department store prices.

Tuesday Morning typically pays 25 cents on the dollar for merchandise that it marks up 100%. For example, a 45-piece set of dinnerware that has a manufacturer's suggested retail price of \$150 might be bought by Tuesday Morning for \$37.50. The store's markup would raise the retail price for that product to \$75, a \$37.50 profit for the company and savings of \$75 for the consumer.

The supplier "is happy because he's getting rid of his drabs and drabs, and the consumer gets a good price," says Ross.

What does Ross get? One of the fattest profit margins in the retail business.

According to Wintzer, stores like Tuesday Morning have gross profit margins that average 50%, compared with 40% for department stores and 30% for discount stores such as K mart Corp. and Zayre Inc. Net after-tax profit margins (gross profits minus operating costs and taxes) average 5%, compared with 3.5% for department stores.

In the off-price business, getting merchandise is often as important as selling it, so companies like Tuesday Morning constantly court suppliers. "Manufacturers would not sell to us if they thought we would compete with their department store business," Gould says.

As surplus stores boom, they are becoming increasingly important to suppliers as an outlet to move merchandise they overproduce. Last year, for example, Bloomingdale's in New York contracted with a manufacturer to produce wineglass and carafe sets. Once they were finished, Bloomingdale's decided the products weren't exactly what it wanted. "But they were hot sellers in our stores," Gould says.

Tuesday Morning's formula has worked well for the 10-year-old chain. The company said sales were \$43 million in 1984, up 13.2% from \$38 million in 1983.

Though Tuesday Morning would not release its 1984 income, analysts estimate earnings were up slightly from 1983's \$1.8 million. Because 1984 was a sluggish year for traditional retailers, analysts expect stores like Tuesday Morning to outperform the industry in 1985 by selling all those products that manufacturers couldn't move.

On Wall Street, the company gets mixed reviews.

"As long as manufacturers overproduce, surplus stores have a bright future," says Charles Glovsky, securities analyst at Eppler, Guerin & Turner Inc.

Contributing: Darcy Trick

Steal a little thunder
from a rose.



TEA ROSE



The Perfumer's Workshop Ltd.
Paris · London · New York

at **l. magnin**

© 1985

Ellen Breslow

scrapbook

Where the Buys Are: A Cross-Country Guide to Discount Shopping

**Who wants to pay
full price? Not you!**

**Right here is MLE's
nationwide guide to
factory outlets,
chains and
warehouses that
offer irresistible
savings on name-
brand merchandise**



Boston

● **Artisan Outlet Village**, 72 Mirona Road,
Portsmouth, NH, 603-436-0022

One day when you have time on your hands and money to spend, head north along Route 1 to this charming cluster of factory outlet stores. There are literally rooms upon rooms of brand-name and designer clothes, shoes, menswear, activewear, housewares and more for 20–50 percent off regular retail prices. And New Hampshire's no-sales-tax policy makes savings even greater. You can easily while away hours bargain-hunting here, breaking for lunch at the village's charming restaurant. And if you have any energy left, you can continue north: From Boston to Maine, Route 1 is known for its abundance of outlet shops. Store hours—M–F: 10–9; Sat, Sun: 10–6; Sun in winter: 12–6.

● **Filene's Basement**, Washington St., Boston, MA, 617-357-2644

As traditionally Boston as baked beans, Filene's Basement is more than just a shopping place—it's an experience. Only die-hard shoppers should venture here. Several floors, zillions of racks and countless bins and counters are brimming with goodies—and the crowds never thin. It's best to hone in on what you're looking for—designer wear, underwear, menswear and so on—and stick to that department. (Don't worry,

there's enough picking and choosing to keep you busy for hours.) Price tags are dated and the discounts increase with time: Everything's initially marked down 25 percent; after 18 days it's reduced by 50 percent; after 24 days it goes down 75 percent and if it's not sold after 30 days it's given to charity. (If you find an item mistakenly left on the floor for more than 30 days, your payment goes to the charity of your choice. If your eye is sharp and your timing's good you could walk off with top designer looks for a fraction of their cost.

In keeping with the casual atmosphere, trying-on is in the aisles. Nobody's shy here. One Filene's Basement veteran offers her special try-on tip: "I wear only a leotard and pull-on skirt. That way I can stay fully dressed and still get a perfect fit." Other Filene's Basements are located around Boston, in Connecticut, New Hampshire and on Long Island. Store hours—M–Sat: 9:30–7; Sun: 12–6.

● **Frugal Fannie's**, 24 Wilson Way, Westwood, MA, 617-329-8990

Word of mouth has made Frugal Fannie's one of the most popular discount warehouse operations in the Boston area. It's located in an industrial park about ten miles outside the city and only open Friday nights and weekends—which means that you may have to make a bit of an extra effort to shop here. Is it worth it? Just walk in and see for yourself. An ocean of racks greets you, overflowing with such labels as Henry Grethel, Richard Evans and Villager. Discounts are never less than 30 percent, and special clearance sales are events to look forward to. Despite the unembellished environment, you'll find pleasant shopping conditions, including two oversized dressing areas. You can return anything within two weeks. The refund policy is neatly summed up by the store's slogan: "Cash back, no flak." Store hours—F: 5–9:30; Sat: 8–6; Sun: 12–6.

● **Designer Shoe Outlet**, 1935 Revere Beach Pkwy. (Rte. 16), Everett, MA, 617-389-8655. It's a bit hard to find, but if you're a Joan & David shoe fan, you won't mind that this outlet is slightly off the beaten path, located behind the Joan & David distribution center on a small side street about 20 minutes outside of Boston. (Call for directions if you're not familiar with the area.)

Inside, you'll find first-quality, in-season shoes from Joan (continued on page 272)

MADEMOISELLE • APRIL 1988

PUT ON THE POWER OF SHEER ENERGY!



The power of Sheer Energy® pantyhose comes from special springy fibers that massage and soothe your legs. Sheer Energy's all day massage makes your legs feel lively, energized...and you feel ready to light up your days—and nights. So put on the power of Sheer Energy. In Control Top, too.

Nothing beats a great pair of Leggs®.



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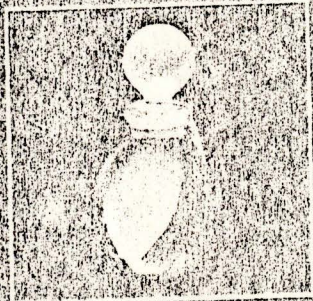
From #64

● Syms

An educated consumer is our best customer," says this 14-store chain's advertising slogan. And it's true—a smart shopper knows that the buys here are terrific. If you like to borrow from the boys, this is the place to go. While the stock changes constantly, the men's departments are always well supplied with terrific designer basics—blazers, sweaters, polo shirts, button-downs, ties, etc.—for 40–60 percent off. With racks upon racks of clothes and generally crowded communal try-on areas, the atmosphere in the women's sections is often frenzied, but the bargains are just as worthwhile as the ones in the men's departments. Syms stores are located in New York, Chicago, Philadelphia, Washington, Boston and Florida. For the store nearest you, call: 201-935-7500.

Steal a little thunder
from a rose

TEA ROSE



The Boston Warehouse Co.
1000 Washington St., Boston, MA 02111

all magallo

Ellen Breslow

Mademoiselle (April 85

Where the Buys Are: A Cross-Country Guide to Discount Shopping

Who wants to pay
full price? Not you!
Right here is MLE's
nationwide guide to
factory outlets,
chains and
warehouses that
offer irresistible
savings on name-
brand merchandise

there's enough picking and choosing to keep you busy for hours.) Price tags are dated and the discounts increase with time: Everything's initially marked down 25 percent; after 18 days it's reduced by 50 percent; after 24 days it goes down 75 percent and if it's not sold after 30 days it's given to charity. (If you find an item mistakenly left on the floor for more than 30 days, your payment goes to the charity of your choice.) If your eye is sharp and your timing's good, you could walk off with top designer looks for a fraction of their cost.

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Boston

• **Artisan Outlet Village**, 72 Mirona Road, Portsmouth, NH, 603-436-0022

One day when you have time on your hands and money to spend, head north along Route 1 to this charming cluster of factory outlet stores. There are literally rooms upon rooms of brand-name and designer clothes, shoes, menswear, activewear, housewares and more for 20–50 percent off regular retail prices. And New Hampshire's no-sales-tax policy makes savings even greater. You can easily while away hours bargain-hunting here, breaking for lunch at the village's charming restaurant. And if you have any energy left, you can continue north: From Boston to Maine, Route 1 is known for its abundance of outlet shops. Store hours—M—F: 10—9; Sat, Sun: 10—6; Sun in winter: 12—6.

• **Filene's Basement**, Washington St., Boston, MA, 617-357-2644

As traditionally Boston as baked beans, Filene's Basement is more than just a shopping place—it's an experience. Only die-hard shoppers should venture here. Several floors, zillions of racks and countless bins and counters are brimming with goodies—and the crowds never thin. It's best to hone in on what you're looking for—designer wear, underwear, menswear and so on—and stick to that department. (Don't worry,

EUROPEAN-STYLE

CONTINUED FROM PAGE 270

ever I was, and she would work to keep it that way.

Four months later, she wrote me that she was coming to the United States for a visit. I took time off to be with her. We played, we went out with my friends and we lived in my apartment together. She made no demands on my time and accepted my odd work schedule without complaint. Most American women would not have been so compliant. They are more dedicated to calendars and they like having specific plans.

I loved Jeanne more in the United States than I did in France. But there was still something missing. I kept looking for commitment to a purpose or to a career. I appreciated the fact that Jeanne might be more devoted to a husband and family than an American woman, more forgiving of a man's transgressions and less likely to bolt and run. But deep inside I yearned for the ambition of American women and their broader outlook.

Finally, when the time came to decide whether Jeanne would live with me permanently, I bowed out. I did not think the relationship would make it through the years. In so many ways, Jeanne was my ideal—a combination of Bardot, Loren and Anouk Aimee that I could call my own. But I knew that the bond between us wouldn't hold for a lifetime. The truth was, I wanted a partner more than a mate.

When I told Jeanne, she responded just as I thought she might. She appeared sad, but she was haughty and elusive about how she felt. She did not fight the decision.

In the months that followed, I thought often about her sensuality and her allure. Whenever I was with an American woman whose aggressiveness became irritating, I wished she was more like Jeanne.

But I had made my decision.

About a year later, I heard from an acquaintance in Paris that Jeanne was getting married. The groom was a French lawyer, a "nice guy" who knew exactly what he wanted from a woman—unlike me.

I was wistful then, and a bit envious. When I'd sent Jeanne back to France, had I acted with my head rather than my heart? To this day, I'm not absolutely certain whether I made the right decision. It's a bit too elusive. But then again, so are Dietrich and Garbo, Loren and Bardot, Deneuve and Kinski. ☐

William Sherman is a Pulitzer Prize-winning journalist who lives in New York.

Do you have something to say about what you've read? Send your comments to Mademoiselle. Letters to the Editor, 350 Madison Ave., New York, NY 10017. We'll pay \$10 for every letter we publish.

DISCOUNT SHOPPING

CONTINUED FROM PAGE 118

& David, Joan Halpern and Harvard Square. The best news: They're 30 to 75 percent below retail cost. All sizes are well represented and everything's displayed on shoe racks for easy self-service. There sometimes are Joan & David belts and leather accessories for 25-50 percent off. Store hours—M-Sat: 10-4.

• John Barry, 75 Kneeland St., 10th fl., Boston, MA, 617-426-4291

John Barry opened more than 20 years ago in the hub of Boston's garment district as a wholesaler for retail stores that were too small to meet manufacturers' buying requirements. Today there's a whole floor open to the public, full of misses and junior sportswear and dresses for 20 to 80 percent off. Come here if you're looking for good silk dresses—the selection runs the gamut. Also, you're apt to catch top-name separates from Anne Klein or Nancy Heller for a slight reduction. Recently opened: a bridal department, with gowns for the bride and attendants available at great discounts. Watch for the warehouse sales in June and December. Store hours—T-F: 10-6; Sat: 9-5.

Chicago

• Buyer's Outlet Designer Mart, 9 W. Washington St., Chicago, IL, 312-750-1025

What's lacking in organization is more than made up for in bargains. Here you'll find racks and tables overflowing with up-to-date merchandise. If you've got the time—and the patience—you're likely to turn up items by Tahari, Harvé Benard and Sasson for as much as 85 percent below retail. The store has an interesting pricing policy: On any given day, all sweaters, no matter what their value, might be \$3.99, all skirts might be \$8.99, etc. (Some labels are clipped out and you will find irregulars.) For higher-quality, better-displayed inventory, be sure to check out their across-the-street, ground-floor shop at 16 W. Washington. In both, dressing rooms are communal. (Since the stores are right in the Loop, they do get crowded during lunchtime.) Store hours—M-W: 9:30-6:30; Th, F: 9:30-7; Sat: 9-6.

• Coats Coats Coats, Plaza del Prado, 2715 Pfingsten Rd., Glenview, IL, 312-291-0333

Recommended by several Chicagoans not only for coats but for sportswear and activewear as well, this store moved from its old downtown quarters three years ago to an expanded suburban space. You may not find all the popular names you would at other places, but don't let that stop you. "I used to be a coat manufacturer," says owner Harold Lepp. "I know quality and won't let my customers pay without getting it." Some of the best buys include Harvé Benard coats and suits, Ille Wacs coats, Nipon blouses, Bonnie and Bill sweaters and more. Discounts range from 25 to 50 percent, sizes go from 4 to 18. The atmosphere is pleasant, with helpful salespeople and individual dressing rooms. "We're the only

discounter in the area with a person who does alterations on the premises," adds Lepp. Store hours—M, T, W, F: 10-6; Th: 10-9; Sun: 11-4.

• Handmoor, 300 N. Michigan Ave. Chicago, IL, 312-726-5600

In the Midwest, Handmoor is one of those things, like good china and Grandma's brooch, that mothers pass down to daughters. After 30 years, the store has built one following that spans several generations and reaches to cities as far away as Detroit. This is top fashion at rock-bottom prices. Look for clothing from the latest American and European designers for a minimum of 20 percent off. At this flagship store (there's another Handmoor in Deerfield, Illinois) you'll also find Ecco shoes and Maple furs—plus well-informed salespeople and private dressing rooms. Store hours—M, T, W, F: 10-6; Th: 10-7; Sat: 10-5; Sun: 12-5.

• T.H. Mandy, 55 N. Waukegan Rd., Deerfield, IL, 312-940-8400

The big difference here—service. Walk in, select a few items, enter one of the semiprivate dressing rooms and the action starts. Saleswomen at the try-on areas work double-time, exchanging wrong sizes, suggesting and locating alternate items, coming up with stylish ways to pull together one piece with another. Discounts range from 20 to 50 percent on top-brand designer clothes. While the store doesn't advertise brands, you'll find such names as Bill Blass, Christian Dior, Harvé Benard and Perry Ellis. With merchandise coming in two to three times a week, it's worth a few return visits—the first doesn't yield what you want. There are four other T.H. Mandy's in the Chicago area, as well as branches in Philadelphia, Washington, Dallas and Houston. Store hours—M-F: 10-9; Sat: 10-6; Sun: 12-5.

Los Angeles

• M. Fredric & Co., 2251 So. Sepulveda Blvd., Los Angeles, CA, 213-477-3002

Sandwiched between warehouses, this outlet is—surprise!—about as polished and put-together as any store you'd hope to find. Everything's well displayed on glass shelves and chrome racks, which adds to the pleasure of discovering markdowns of up to 80 percent on French Connection, Jag, Reminiscence and more. Dressing rooms are private and the service is top-notch. Store hours—M-Sat: 10-6; Sun: 12-5.

• Pure Sweat, 2235 So. Sepulveda, West Los Angeles, CA, 213-478-3472

Great basic sweatclothes are what you'll find here—in so many gorgeous colors that even Miss Piggy might be inspired to work out! Everything goes for 40-50 percent off regular retail prices—sweatshirts, for example, sell for about \$5.90. Most of the clothes are unisex and private dressing rooms are provided. Store hours—M-Sat: 9:30-8; Sun: 11-5.

• Shoes by Shirley, 17037 Ventura Blvd., Encino, CA, 818-788-1195

(continued on page 274)

CONTINUED FROM PAGE 227

Wednesday

BREAKFAST

1 fruit selection

LUNCH

Chicken Kabobs: 3½-oz. skinless, boneless chicken breast, cubed and alternately skewered with unlimited zucchini, peppers, mushrooms, brushed with Garlic Vinaigrette, then broiled

1 bread selection

SNACK

1 fruit selection

DINNER

3½-oz. lobster or frozen crab, steamed and served over 5-7 kinds of vegetables tossed with Garlic Vinaigrette or lemon juice

1 bread selection

Thursday

BREAKFAST

1 hard-cooked egg

1 bread selection

LUNCH

Shrimp or Crab/Egg Salad (see Monday)

1 bread selection

SNACK

1 fruit selection

DINNER

Chicken on a Bed of Vegetables: 3½-oz. skinless, boneless chicken breast seasoned with garlic powder, then broiled on top of 1 cup spinach and 4 thinly sliced mushrooms sprinkled with nutmeg

1 fruit selection

Friday

BREAKFAST

Herb Omelette: 1 egg, chopped fresh ba-

sil, oregano and chives, cooked in a non-stick skillet or one misted with vegetable cooking spray

1 bread selection

LUNCH

2½-oz. halibut, seasoned with a dash of apple-cider vinegar, lemon and oregano, then broiled

5-7 kinds of vegetables tossed with Garlic Vinaigrette or lemon juice

SNACK

1 fruit selection

DINNER

Chicken Soup: 3½-oz. skinless, boneless chicken breast, simmered in 3 cups water, seasoned with oregano, basil, thyme, garlic powder. When chicken is cooked, add 1 cup raw vegetables (try celery, spinach, cabbage) and 2 Tbs. chopped onion; simmer until vegetables are tender

1 bread selection

1 fruit selection

Saturday

BREAKFAST

1 fruit selection

LUNCH

2½-oz. skinless, boneless chicken breast, seasoned with lemon juice, ginger and garlic powders and scallions, then baked

5-7 kinds of vegetables tossed with Garlic Vinaigrette or lemon juice

1 bread selection

SNACK

1 fruit selection

DINNER

Shrimp/Vegetable Kabobs: 3½-oz. shrimp alternately skewered with unlimited zucchini, peppers, mushrooms, sea-

soned with lemon juice, curry powder and cumin, then broiled

1 bread selection

Sunday

BREAKFAST

Vegetable Omelette: 1 egg, ½ small chopped green pepper and 4 sliced mushrooms, cooked in a nonstick skillet or one misted with vegetable cooking spray

LUNCH

Shrimp or Crab/Egg Salad (see Monday)

1 bread selection

SNACK

1 fruit selection

DINNER

Baked Breaded Fish: 3½-oz. haddock, trout or sole drizzled with lemon juice, coated with a mixture of 1 finely crushed Wasa Bread, paprika, garlic and onion powders, then baked

1 cup steamed spinach seasoned with nutmeg

1 cup fresh fruit salad (try honeydew melon, cantaloupe, tangerines)

Garlic Vinaigrette

2 large garlic cloves, minced

1 cup apple-cider vinegar

½ cup water

1 Tbs. dry mustard

Salt and freshly ground pepper, to taste

Combine all ingredients in a jar with a tight-fitting lid. Let mixture sit at least one hour before serving. Makes about ¾ cup and can be refrigerated for up to 3 weeks

NOTE: 2 tsp. oil per dry can be added to dressing, if desired. ☉

DISCOUNT SHOPPING

CONTINUED FROM PAGE 272

Lines loop around the block for this store's annual end-of-season clearance sale. And no wonder: With \$150 shoes selling for \$10, the bargains are impossible to ignore. "You just want to get in there and load up," says Leigh Charlton, one of the authors of *Chic on a Shoestring* (Doubleday, 1984) and a regular customer. Selections are excellent all year round as well. Featured lines include Charles Jourdan, Paopogallo, Andrew Geller, Beene Bag, YSL and more; even when it's not sale time, the prices are reasonable. Note: The store carries plenty of sizes for narrow feet. Store hours—M-Th: 10-6; F, Sat: 10-5.

• **The Cooper Building**, 860 So. Los Angeles, Los Angeles, CA, 213-622-1139

This 11-story building, located in the hub of the Los Angeles garment center, houses 66 stores exclusively dedicated to discounting—along with restaurants to stop in when you need refueling. Room At the Top (11th floor) carries better New York designer clothes; Stevie Brooks (5th floor) offers bodywear and exercise gear; 860 Club-

Saint Tropez West (5th floor) has 40-70 percent reductions on Carole Little silks. The whole retail structure is simply unparalleled—a shopper's paradise. Store hours—M-Sat: 9:30-5.

• **The Place**, 8820 So. Sepulveda Blvd., Los Angeles, CA, 213-645-1539

Rumors have it that Diahann Carroll and Joan Collins both discard their old *Dynasty* duds here. True or not, The Place is a great place to find gently-worn clothing. The store is separated into three areas—career sportswear, eveningwear and forward fashion sportswear; you'll also find lingerie and accessories. Owners Maureen and Joyce are more than willing to help you put together a total look. Everything's top quality and generally marked 50-75 percent below original prices. Store hours—M-Sat: 10-5:30.

New York

• **Aaron's**, 627 Fifth Ave., Brooklyn, NY, 718-768-5400

A quick subway ride from Manhattan puts you at the doorstep of the legendary Aar-

on's. Kindly saleswomen greet you at the door, ready to outfit you impeccably for a minimum savings of 25 percent. It's not uncommon to walk out paying 50 percent or less for such brands as Calvin Klein, Cacharel, Henry Grethel and Finité. Seasonal clear-outs offer prices as low as \$5-\$15 for top-quality separates. Dressing rooms are communal. Take the RR train to Prospect Avenue and walk one block up to Fifth and 17th avenues. Or drive—there's free parking across the street. Store hours—M,T,W,F, Sat: 9:30-6; Th: 9:30-9.

• **Bolton's**, 225 E. 57th St., New York, NY, 212-247-4950 (main store)

Bolton's has been busy upgrading its merchandise and its image. A visit is likely to turn up clothing from Bill Blass, Belle France, Fenn Wright & Manson and more at discounts of 20-50 percent. Nestled among the better-known labels are new and trendy pieces—fabulous buys for the money. Dressing rooms are communal, but the shopping is sane and easygoing. This main branch is in the heart of midtown, but there

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I FEEL FAT

CONTINUED FROM PAGE 229

anxieties. "I'm a self-confident person, and independent. Exercising is my way of expressing what is important to me," wrote one woman, and indeed, 60 percent of those who work out daily said your feelings about your bodies had improved over the past five years. "I feel especially happy when I'm exercising and physically fit," observed another woman. "I love to be in shape."

Loving to be in shape is perhaps the best antidote when we feel ourselves

coming down with a case of body-hate. Exercise lends us a sense of power that far surpasses the essentially passive prettiness of the past: We value our bodies for their accomplishments rather than principally for their appearance. Whenever we run faster, stretch farther, hold a balance longer, we feel proud, agile, effective. When we change in the locker room at the gym, we see other women's bodies that are as imperfect—and as uniquely lovely—as our own. When we leave the health club after a class or swim, when

we make our way home after a run, there is a splendor in the way we walk: Our spines seem straighter; instead of worrying about our sweat, we glory in it. We have settled down with our bodies. They are no longer like treacherous lovers, who may sweep us off our feet one day, turn on us the next. They are reliable, they are vital, they are powerful, they are beautiful. Like friends. **E**

Kathy Brown is an executive editor at *Mademoiselle*.

DISCOUNT SHOPPING

CONTINUED FROM PAGE 274

are 17 Bolton's in and around the Manhattan area. Store hours—M-F: 10-9; Sat: 10-6; Sun: 12-5. (Specific branch hours may vary.)

• **Encore**, 1132 Madison Ave., New York, NY, 212-679-2850

Come here and you might find something a New York society lady once wore to a premiere reception or elegant ball. Discover the coat or dress you were dying for last year—still in fashion but costing a quarter of what it did then. This delightful resale shop features never-to-slightly-worn couture, designer and off-price clothing—all at a fraction of the original prices. Everything is carefully inspected, cleaned and conditioned before being accepted on consignment. You'll also see a terrific selection of accessories—including shoes, belts, handbags and jewelry. Store hours—M, T, W, F, Sat: 10:30-6; Th: 10:30-7; Sun: 12:30-6.

• **Fire & Klein**, 119 Orchard St., New York, NY, 212-674-6720

Orchard Street is one gigantic bazaar, so loaded with bargain hunters that it's closed to traffic. There are far, far too many places to name here, but this better leather goods emporium merits special mention. On two floors there's an enormous selection of designer belts and bags at more than 40 percent savings. Occasionally you'll find pieces from Fendi and Gucci. Service is first class. If there's something special you want, just ask. They'll order it for you, sell it with their discount and ship anywhere in the U.S. Upstairs from Fire & Klein is Sole of Italy, a virtual feast of Italian and French shoes at discounts starting at 25 percent. Store hours—M-F, Sun: 8:45-5:30.

• **New Store**, 289 Seventh Ave., New York, NY, 212-741-1077

It's just coincidence that this smart shop, carrying clothes from many young designers, is located across the street from the Fashion Institute of Technology. Super buys are literally packed into every corner of this two-story store. You might easily discover 33-50 percent savings on the latest looks from Cathy Hardwick, Norma Kamali, Mary Ann Restivo and Carol Horn. Special sales occur regularly and the newest arrivals are put in the front. Given the clientele (budding de-

signers), the communal fitting room is a great place to pick up some worthwhile fashion tips. Store hours—M-F: 10-8; Sat, Sun: 10-6.

Philadelphia

• **Corner House**, Lawrence Park Shopping Center, Broomall, PA, 215-353-4140

This is the place to shop if you're after clothes on the conservative side. Located just outside of center-city Philadelphia, this outlet carries a well-rounded supply of Etienne Aigner along with a varying assortment of the latest from Calvin Klein, Sergio Valente, Sasson, Liz Claiborne and others. In addition to the sportswear, suits, blazers and dresses, there's a large selection of shoes, including Aigner and Nickels. Discounts begin at 15-25 percent; specials—such as \$10 off every blazer—offer additional savings. The atmosphere is modern and friendly and the try-on areas are private. Store hours—M-F: 10-9; Sat: 10-5:30; Sun: 12-5.

• **Fashion Direct Outlet**, 2313 Chestnut St., Philadelphia, PA, 215-569-4101

Fashion Direct Outlet moved to fashionable Chestnut Street a year ago, and while reminders of its warehouse origins remain—the communal dressing room, for instance—it's now about as close as you can come to a boutique with discount prices. The merchandise is as well organized and stylishly coordinated as you could hope to find. Wall-displayed outfits are even numbered to their location in the shop, so the woman on the run can spot the style she's looking for, try it on and leave in record time. Inventory consists of manufacturer's seasonal samples and overruns for 40-60 percent below retail prices. Typical finds: a good supply of Fenn Wright & Manson, Paula Saker and Alike Baker sportswear, Nicola blouses and Casablanca pants. There's also an assortment of famous-name accessories. Comments one loyal shopper, "I've spotted great Calvin Klein belts for next to nothing. And I'm still wearing the linen suit I bought several seasons ago for \$70. You can't beat that." Store hours—M-Sat: 10-6; Sun: 12-5.

• **Post Horn**, 2130 Arch St., Philadelphia, PA, 215-567-0361

Walk inside and you'll think you've entered preppie heaven—you'll find all the crew-neck sweaters, oxford shirts and other basic, traditional gear a preppie could ever want...all for 30-60 percent off. It's a manufacturer's outlet, so in addition to Post Horn clothes, you'll find J.G. Hook and Sparrs collections—all owned by the Post Horn company. The shopping is wonderfully civilized. Not only are the individual dressing rooms mirrored, but each one has a lock on the door plus a pincushion to aid in the undoing of the folded and pinned shirts. Other Post Horn, J.G. Hook and Sparrs outlets are located all over the Eastern seaboard. Store hours—M-Sat: 10-6; Sun: 12-5. (Specific branch hours may vary.)

San Francisco

• **Athletic Shoe Factory**, 1326 Ninth Ave., San Francisco, CA, 415-664-8776

Much more than its name implies, this discount establishment has everything for the exercise lover. In addition to name-brand footwear that runs the range from Nike to New Balance to Adidas to Keds, it also carries plenty of sweats and assorted workout accessories for both women and men. And, of course, there are the can't-be-beat prices, 15-40 percent below retail. Store hours—M-F: 9-10; Sat: 9:30-6; Sun: 12-5.

• **Clothes Encounter**, 2348 Mission St., San Francisco, CA, 415-285-1313

With prices that are 30-60 percent off, this shopping spot is right on the mark for trendy looks that you know you'll love this season (but might never wear again). The clothes tend to be either casual chic or party-time dressy with labels including Wild Rose, Barbara Barbara, Made in the Shade and more. Merchandise is well displayed; dressing rooms are private. Store hours—M, T, W: 11-6; Th, F: 11-7; Sat: 10-6.

• **Esprit Factory**, 16th & Illinois, San Francisco, CA, 415-957-2500

Anyone familiar with the Esprit name will envy the lucky San Franciscans who can visit the factory store where Esprit goodies are sold at 40 percent below retail. The shopping cart self-service (befitting the youthful spirit of Esprit) lets you whiz down the aisles, select your stuff and check out in true

(continued on page 278)

CONTINUED FROM PAGE 276

supermarket style. Given the adaptability of Esprit clothes, it doesn't matter that the merchandise is 1½ seasons behind. Store hours—M-F: 10-9; Sat: 10-6; Sun: 11-5.

National Chains

• Loehmann's

"Loehmann's" and "discounts" have become practically synonymous. Shopping here is, to put it mildly, a challenge, but anyone who survives—and succeeds—can consider herself well equipped to approach any other discount establishment with ease. What you'll find inside: nonstop clothes of every variety, from every maker, top designer or not. New arrivals appear every day, which means that several trips might be necessary if you're looking for something in particular. With savings of 50 percent or more, the bargains are sensational, especially in "The Back Room" where you'll find unbelievable buys on high-quality merchandise. For the store nearest you, call 212-409-2000.

• Marshall's

Marshall's is one of the largest off-price, department store chains in the nation, with stores in malls and major cities in 35 states. The stock includes just about everything for women, men and children, with reductions ranging from 20 to 60 percent. Several years ago you'd have been likely to find a fair amount of irregulars and unknown brands, but the quality has improved. Go to Marshall's with a spirit of adventure—and someone to push your shopping cart. For the store nearest you, call 617-935-8200.

• Syms

"An educated consumer is our best customer," says this 14-store chain's advertising slogan. And it's true—a smart shopper knows that the buys here are terrific. If you like to borrow from the boys, this is the place to go. While the stock changes constantly, the men's departments are always well supplied with terrific designer basics—blazers, sweaters, polo shirts, button-downs, ties, etc.—for 40-60 percent off. With racks upon racks of clothes and generally crowded communal try-on areas, the atmosphere in the women's sections is often frenzied, but the bargains are just as worthwhile as the ones in the men's departments. Syms stores are located in New York, Chicago, Philadelphia, Washington, Boston and Florida. For the store nearest you, call: 201-935-7500.

Where Else to Go?

Word of mouth is probably the best way to locate other discounters in your area. In addition, check out one of the national guidebooks. Two that we recommend are *SOS: Save on Shopping* by Iris Ellis (Perigee/Putnam, 1983) and *Chic on a Shoestring* by Annette Swarberg and Leigh Charlton (Doubleday, 1984). •

CONTINUED FROM PAGE 197

surrender their pants at the nearest couture checkpoint. After a moment's contemplation (perhaps of the man's linen suit she'd recently bought), she tried to laugh it off: "If we're both wearing sheaths, I guess we'll just have to toss a coin to see who runs for the taxi."

But she hadn't been amused; she had been outraged, and that made me wonder whether her fears didn't stem from a deeper source. What other figure in our lives both commands authority and wears skirts? Mother, of course. And so, if men "stopped being men"—put on female garments—wouldn't they turn into something dangerously resembling that woman to whom we were so powerfully drawn and by whom we were, at the same time, so powerfully threatened? Men in pants may be our last line of defense against our mothers—and we don't want to see it fall. That, at any rate, might be one explanation for women's need for men to hold the fort of gender differences in their stuffy old suits and anatomically correct jeans. It simply feels safer.

It seems to feel safer to a lot of men, too. When I raised the subject of men and skirts at a dinner party the other night, the assembled male company—at least one of whom had gone so far as to mix shirt-and-tie patterns—didn't even seem tempted. They know, of course, that in other times and places, skirts on men—otherwise known as kilts, togas, loin-cloths, Greek chitons and so forth—were perfectly appropriate; in some cultures, they still are. But these skirts had no feminine associations; they were worn by warriors in societies where the two sexes were strictly segregated, and they can't confer legitimacy in a very different social context. A man in a skirt, in the West, in 1985, is a man waving a flag as he crosses a frontier heavily mined with taboos and prejudices.

A risky mission indeed, especially in a traditionally male-dominated society, where what is masculine gains esteem, while to dress as a woman surrenders status. "Women want the comfort, mobility and power that men's clothes represent," says one young designer of skirts for men. "Men want a chance to dress imaginatively, even frivolously, without a sense of guilt."

Yes, but which men are we talking about? Those around my dinner table weren't necessarily opposed to others wearing skirts, but they assumed these "others" to be males very different from themselves: Kenyans (who, at their dinner parties, often wear a kind of native sarong) or Scots or gays or eccentric performers. Are they right that skirts won't appeal to "real" men, to regular guys? I'm not sure. But they probably are right that the first men to cross that frontier

won't be ordin-

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... Syms Looking for a Second Outlet in Philadelphia Area ...

Business/NEWS

Jet Cargo: Fly in the Ointment

Journal of Commerce

LOS ANGELES — Despite the thousands of tons of dangerous cargo shipped around the world as air cargo, hazard managers agree that there is an even greater cargo menace on commercial air flights: What's brought aboard by passengers.

Walter G. Greiner, of the FAA, and Kaye Warner, head of the Dangerous Goods Section of the United Kingdom's Civil Aviation Authority, spoke before delegates to the Los Angeles Air Cargo Conference.

Both the FAA and the CAA have strict controls on the commercial shipment of dangerous goods. Passengers bring aboard the same kinds of hazards that industry does, but are nowhere near as conscious of the potential safety hazards, Greiner said.

He recounted how one passenger on his way to Jamaica carried aboard a popular long-life automobile battery for a friend. To keep it out of sight, he stowed it, on its side, in an overhead compartment. The hazard

was discovered by other passengers who complained about the drip of battery acid on their heads.

Even some commercial shippers forget themselves when they become passengers. Greiner said that one doctor went to great lengths to make sure hazardous drugs were safely shipped, then became outraged when an airline insisted on confiscating propane cylinders he had carried aboard to use on his boat.

Another doctor brought along apparently innocent medical samples. Closer inspection revealed them to be vials of viruses from research into the cause of AIDS.

One of the most troublesome hazards during recent months, Warner said, has been the popularity of giving fireworks as a parting gift to students who have been studying in exchange programs. More than 1,200 pieces of fireworks were collected on a single flight, she said.

"I'd rather fly with a load of high explosives than with some of the things passengers have," said pilot Jim Carey of Flying Tigers Line.

Clothes Lines

No-frills chain wants to add an outlet in the suburbs

By **ROBIN PALLEY**
Daily News Staff Writer

Syms, the clothing discounter, is looking for a site for a second Philadelphia-area store, probably in the northern or western suburbs.

The chain, which has 14 stores, opened its first outlet in this area last May on Route 70 in Cherry Hill, and investor relations director David Bernard said the company has been seeking a second store here since then.

Syms sells in the suburbs because suppliers don't want to see their clothes selling at a discount next to a department store that's selling them at a much higher price.

Brand-name merchandise takes up 95 percent of the store's selling space. Prices run 40 percent to 60 percent below those in department stores.

Analysts call the track record of the no-frills Syms stores "impressive," saying they are among the most profitable in the industry.

Scrapbook
file
85

*In only a few years
they have grabbed a
sizable share of sales in
soft goods, accessories,
and footwear—
and the share is still growing*

Don't discount off-price retailers

Jack G. Kaikati

The face of retailing is continually being changed by somebody who gets a "bright new idea," as one sage of the industry put it long ago. The latest alteration comes in this decade from the phenomenal expansion of the off-price retailers, whose promotion of nationally known brand names at low prices has earned them a niche in the industry, especially in apparel, accessories, and footwear. Some of the traditional retailers have decided to fight; more frequent sales promotions are one weapon. Others have chosen to join the enemy with off-price operations of their own. While it is still too early to tell whether this development is a temporary wrinkle or a permanent crease in the face of retailing, the industry remains very unsettled.

Mr. Kaikati is professor of marketing at Southern Illinois University at Edwardsville. He has written a number of articles concerning strategic marketing management and international marketing in various business journals. This is his third contribution to HBR, the last being "Marketing Without Exchange of Money" in the November-December 1982 issue.

In the current decade, off-price retailing is being widely heralded as a phenomenon that is altering the face of the industry. Occupying the gray area between full-service stores and discounters, off-price retailers carry nationally recognized brand names (mostly in soft goods) in no-frills, pipe-rack style stores. Indications of the strength of this group include the following:

□ According to industry analysts, some 10,000 stores nationwide sell off-price clothing, accessories, and footwear, and ring up about 5% of all sales in these categories. By 1990, their volume will amount to about \$16.8 billion, or 9.2% of total apparel and footwear sales, according to one authority.¹

□ Annual sales per square foot, the industry's productivity standard, are an estimated \$200 for OP retailers—about twice that of conventional retailers. In addition, off-price inventory is turning over 9 times a year, compared with 3.3 times for an average department store.

□ Several of the most successful retail operations have decided to co-opt the competition by going into off-price merchandising themselves. Associated Dry Goods, owner of Lord & Taylor, acquired Loehmann's, the grandmama of off-price retailers. K mart has opened 29 OP outlets called Designer Depot.

□ Some of the independent off-price retailers—such as the Dress Barn, Burlington Coat Factory Warehouse, and Syms—became public corporations in 1983, often at prices more than 30 times earnings. Burlington Coat, a chain of 31 better quality apparel outlets, sold 1.5 million shares and the family of

¹ Daniel J. Sweeney, "Manufacturers and the New Environment," in *Off-Price Retailing: Current Issues and Trends in Marketing of*

Branded Merchandise, ed. Linda Nagel (New York: New York University and Retail Research Society, 1983), p. 18.

Chairman Monroe Milstein another 2.5 million at \$28 per share. (To be sure, the market price has dropped considerably since.) Early this year the company was listed on the New York Stock Exchange.

□ The heightened interest in the concept has led to the inception of a monthly newsletter devoted exclusively to topics in the outlet/off-price field. Its name is *Value Retail News*.

What makes the trend

OP retailers often buy goods at below-wholesale prices (even below those paid by discounters). Unlike department stores, they rarely ask for such perks as promotional allowances, markdown money, return privileges, and extended payment terms. As a result, they have had little difficulty obtaining merchandise.

Capitalizing on other merchants' mistakes is another way for off-pricers to buy goods at below-normal wholesale prices. A department store may have overstocked a certain dress and returned a large share of its order to the manufacturer. Rather than let the inventory pile up, the manufacturer sells it to an off-price operator at cost or even less. Off-pricers also absorb goods from bankrupt stores and from manufacturers with irregular merchandise, production overruns, or unsold end-of-season output. Nevertheless, industry analysts categorize 85% of OP retailers' goods overall as being of first quality, and 60% as current goods.²

There are at least three types of off-pricers: factory outlet stores or direct manufacturer's outlets, independents, and club or members-only operations.

Factory outlets are owned and operated by manufacturers. They normally carry one line of merchandise—usually their own closeouts, discontinued items, irregulars, and cancelled orders. Through them, manufacturers can regulate where their surplus is sold and avoid the lower profit margin realized by disposal of the goods through independent distributors (jobbers). These stores usually feature pipe-rack fixtures, wooden tables, linoleum flooring, and an austere decor, and their assortments may lack continuity. For years manufacturers like Carter's, Levi Strauss, and Ship 'n Shore have operated retail shops in out-of-the-way (but not always rural) locations to dispose of surplus goods.

Independent OP retailers are owned and run by entrepreneurs or are full-scale divisions of traditional retail operations. They normally carry a broader array of merchandise than the factory outlets,

consisting of branded and designer-labeled merchandise that includes manufacturer's overruns, closeouts, or damaged goods. The independents buy merchandise at steep discounts and sell it 20% to 60% below department stores' markups. A bare-bones shopping environment, distinguished by an abundance of inelegant, functional displays and a dearth of sales help and service, reduces their operating costs.

Members-only outlets were common in the 1950s and 1960s. Sol Price put the off-price members-only concept on a systematic basis when he formed the Price Company in 1976 in San Diego. The company's success has been startling; the Price Clubs, as they are called, had grown to 20 outlets by the end of 1984, and the company had plans for 9 more in 1985.

The Price Company began as a cut-rate wholesaler to small retailers and other businesses, charging a \$25 annual admission fee. Later the company broadened membership to individuals on a group basis, including government employees and members of selected credit unions and financial institutions. These members pay no membership fee but are charged 5% over the marked wholesale price of merchandise. This membership policy reduces the incidence of bad checks and shrinkage, thereby keeping costs down. Other contributors to the low-expense structure are small advertising budgets and out-of-the-way store sites.

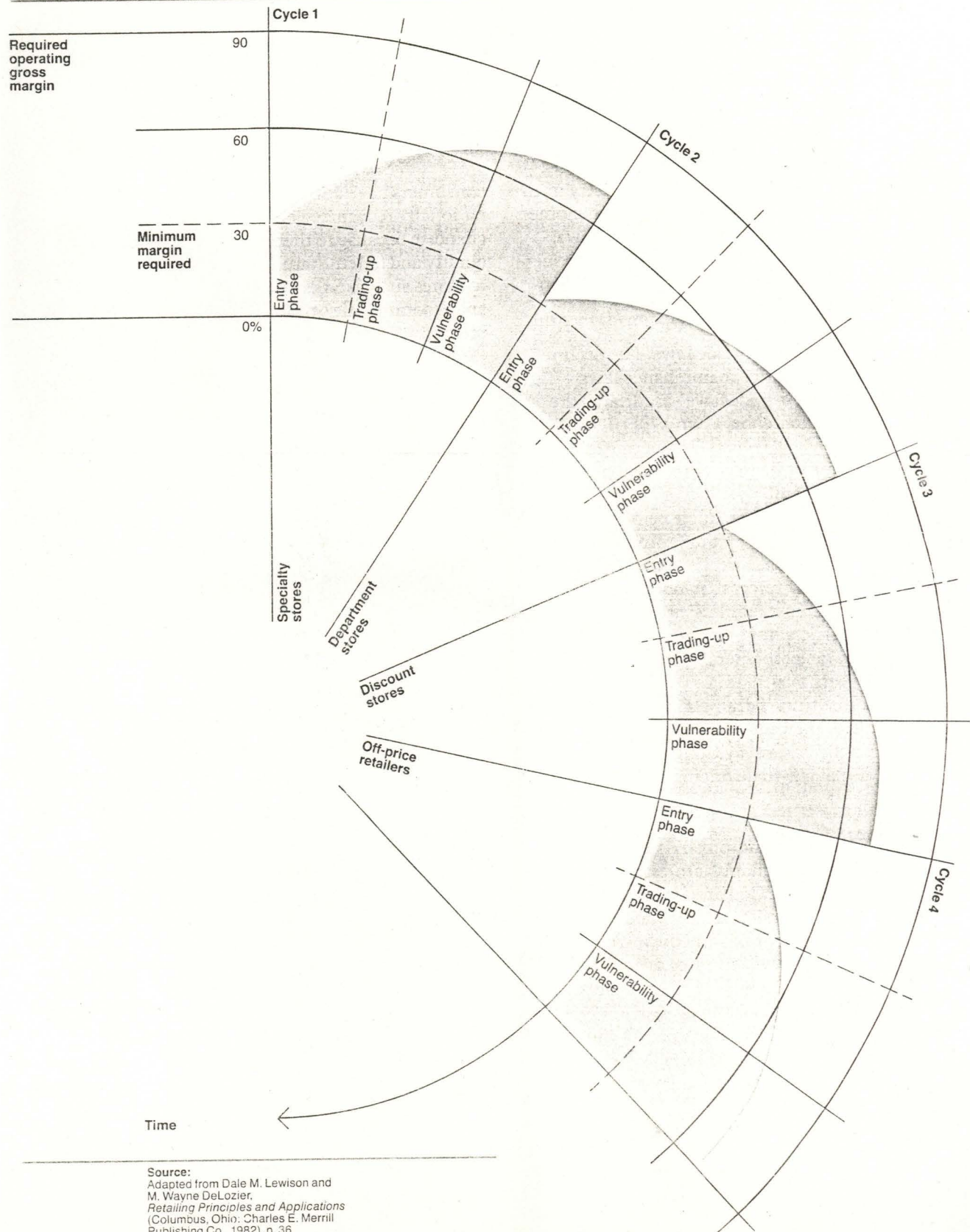
The Price Clubs sell a limited selection of brand-name appliances, household items, and groceries in warehouse outlets on a cash-and-carry basis. Merchandise is generally offered in bulk quantity, displayed and stacked in packing cartons on pallets and steel racks. Traditional retail store amenities such as paper bags and restrooms are unavailable. Price bypasses the need for a central warehouse by purchasing almost all its goods from the manufacturers, who ship directly to each outlet.

Price's success has inspired imitators. Sam Walton, chairman of Wal-Mart Stores, had opened 11 Sam's Wholesale Clubs in the Midwest and Southwest at this writing and had laid plans for 11 more by the end of this year. The Zayre Corporation has launched three BJ's Wholesale Club membership warehouses, two in the Northeast and one in Miami. In 1984 the Seattle-based Pay 'n Save Corporation opened four buying clubs in three cities.

Other newcomers represent companies founded by entrepreneurs seeking to capitalize on this trend, in some cases managed by persons formerly employed by Price Company or with a background in retailing. These include wholesale clubs in Seattle, Denver, and Chicago. By the end of 1984 the eight largest club companies operated a total of 64 outlets. One

² Pat Sloan, "Gloves Off in Off-Price Battle," *Advertising Age*, October 17, 1983, p. 3.

Exhibit The wheel of retailing



estimate predicted there would be 111 outlets by the end of 1985 with a sales volume of \$4 billion.³

Favorable factors

Although off-price outlets have existed on the fringe of retailing for nearly three generations, they represented a negligible force in the industry until a few years ago. The impetus for their recent phenomenal growth came from the demise of fair-trade laws, adverse economic conditions, strong demand for widely recognized brands, and continuing consumer disenchantment with traditional retailers.

Demise of fair-trade laws. The decline and then repeal of resale price maintenance laws—commonly known as fair-trade laws—facilitated the growth of the OP phenomenon. From 1931 till the 1960s, a series of state and federal laws permitted manufacturers to determine the minimum retail prices at which their products could be sold to consumers. Stores selling the designated products below the specified minimum price were subject to prosecution and fines. The intent of the legislation was twofold: to protect the right of manufacturers to maintain the prestige of their brands against retailers' price cutting, and to protect small retailers from being overwhelmed by lower prices set by larger retailers, especially chain stores. Over the years, fair-trade laws declined in importance as price competition became a more important marketing strategy. Their ultimate demise came in March 1976 with the passage by Congress of an act abolishing the use of fair-trade pricing in interstate commerce.

Economic conditions. As the economic vise has tightened on both manufacturers and consumers, OP chains have grown. Consumers, looking for value for their shrinking dollar, have turned to retailers who can offer brand-name goods and the quality they imply at lower prices. Shrewd off-price operators have capitalized on the squeeze applied to manufacturers by higher costs coupled with consumers' search for value. The original off-pricers, such as Loehmann's and Marshalls, profited by buying manufacturers' closeouts, overruns or irregular goods, and retailers' leftovers, then slashing prices to consumers.

When the recession of 1982 left many producers with idle capacity and big inventories, off-pricers urged the manufacturers to sell them in-season, first-quality goods. At that time the manufacturers, hampered by traditional retailers' increasingly troublesome late-ordering and late-paying habits, were eager

to reduce inventories that they had to maintain at crushingly high interest rates. Selling to off-pricers helped ease the burdens of excess goods on hand and underused capacity.

While the economy has improved greatly since 1982, the off-pricers continue to take advantage of manufacturers' cost problems and consumers' willingness to look hard for bargains in goods with recognized names.

Demand for name brands. American consumers have developed a strong predilection for nationally recognized brands and designer-name merchandise because to them these goods denote higher quality and (often) status. Name brands once exclusive to stores such as Saks Fifth Avenue, Neiman-Marcus, and Bloomingdale's now appear in thousands of off-price stores around the country.

Not long ago a consumer, after finding and paying for a bargain, might conceal it in a shopping bag bearing the logo of a prestigious store. Now that shopper buys at a designer discount store, uses *its* bag, and boasts about having discovered a great bargain. It's a mark of status to be able to say "I got it on sale," thereby demonstrating that the shopper is discriminating and has avoided paying the usual retail price.

Disenchantment with traditional retailers. Department store policies also have contributed importantly to the success of off-price retailers because of their diminishing customer service, too-tight inventory controls, and, to many, unacceptably large markups.

Many department stores and specialty retailers have quietly adopted a new pricing strategy. To determine the regular price of an item, they normally double the wholesale price. This is called keystone. Now some stores are introducing merchandise at keystone plus 15%, which means that when items go on sale they are marked down only to the keystone price. Many price-wise consumers, discouraged by the sales tickets they see, have switched their patronage to off-price retailers.

Consumers have been antagonized by other policies too. Poor service, too-frequent sales, and a lack of distinctive merchandise have eroded shoppers' loyalty. For example, post-recession sales promotions, designed to generate store traffic, often have backfired. They taught consumers to wait for "sales."

³ Joseph H. Ellis, "The Warehouse Club Industry: An Update," Goldman, Sachs & Co. (New York: January 17, 1985).

⁴ Malcolm P. McNair, "Significant Trends and Developments in the Postwar Period," in

Competitive Distribution in a Free, High-Level Economy and Its Implications for the University, ed. A.B. Smith (Pittsburgh, Penn.: University of Pittsburgh Press, 1958), p. 1.

Evolution of the trend

The development of off-price retailing adheres very well to the "wheel of retailing" hypothesis originated by Malcolm P. McNair in a 1958 article that became a classic in the marketing literature.⁴ The theory states that institutional change in the industry takes the shape of a "more or less definite cycle." Each cycle has three phases, entry, trading up, and vulnerability. The *Exhibit* illustrates how the small, specialty retailer was displaced by the department store, which subsequently became vulnerable to the discount retailer, then to OP retailers.

Entry phase

"The cycle frequently begins with a bold new concept, the innovation," McNair wrote. "Somebody got a bright new idea." The innovator "attracts the public on the basis of the price appeal made possible by the low operating costs inherent in his innovation." The innovators of off-price retailing were Edward Filene and Frieda Loehmann, who started their businesses early in this century.

In 1909 Edward Filene, son of the founder of Filene's, got the idea of using the basement of his Boston establishment as an outlet for leftover goods from manufacturers and other retailers. He sold this merchandise at low prices, reduced at regular intervals. In 1920 Frieda Loehmann opened a clothing store under her Brooklyn apartment. She paid cash to top makers for garment overruns and sold them at deep discounts for cash. By the time she died at age 88 in 1962, "Mamma" Loehmann was a force in retailing women's wear; now the chain has 61 stores in 25 states.

Filene's Basement and Loehmann's stores feature a bare-bones shopping environment distinguished by pipe-rack displays and communal dressing rooms. Salesclerks are more interested in ringing up sales on a cash-and-carry basis than offering advice. To please their suppliers, in the early days conventional off-pricers scissored manufacturer's labels from their merchandise so that customers could not be sure what brands they were buying. But astute shoppers deciphered the thinly disguised codes on price tags.

Trading-up phase

"As he [the innovator] goes along, he trades up, improves the quality of his merchandise, im-

proves the appearance and standing of his store, attains greater respectability," McNair wrote. As their operations have matured, even the off-price veterans have changed their marketing policies—somewhat. While Loehmann's still specializes in closeouts, excess apparel, and samples from manufacturers, it is also filling its racks with private-label merchandise, thus ensuring continuity of merchandise. The largest off-price chain retailer, Marshalls, is also trading up. Its new stores in Denver, Colorado feature a more opulent look. They have no pipe-racks and their product mix has been expanded to include jewelry.

Off-price apparel stores have also changed the way they merchandise and advertise their goods. While once they seldom advertised by brand and put their wares on the floor without the labels, now some off-price outlets are touting brand names through the media. The Dress Barn piques consumers' interest by asking: "Why shop at Macy's or Bloomingdale's when you can get the same thing for less?" Most OP soft goods sellers still refrain from advertising by brand, although most do leave the labels in clothes destined for the selling floor.

Factory units such as Warnaco Outlet Store and Manhattan's Brand Name Fashion Outlet have altered their identity as they matured. Factory outlets historically were located adjacent to the mills, thus providing a means for producers to sell their irregulars and overruns. Warnaco's and Manhattan's have expanded their product mix by carrying brands in addition to their own.

Off-price establishments are also moving. Just as freestanding retail operations first located in downtown districts, off-price and factory outlet stores began as separate operations. It was only a matter of time before off-price and factory outlet operators grouped together in much the same way as the earliest shopping centers developed. In the OP field there are now two types of shopping centers: mall outlets dominated by manufacturers and off-price centers dominated by retailers. The tenant mix in a typical mall stresses soft goods. A fairly typical proportion is 20% men's apparel, 35% women's apparel, 20% children's apparel, 10% shoes, 10% housewares, and 5% gifts and miscellaneous.

The phenomenon of grouped off-price stores is proliferating; an estimated 75 to 90 are now operating in the United States, and at least 100 are in development. To date, most have been conversions either of existing shopping centers or of real estate once designated for other purposes.

Some of the titans in the shopping center industry are becoming involved in the off-price phenomenon. Their approach is to build from scratch, investing in prime real estate and adopting the typical mall architecture and construction. Factory Outlet Mall in Orlando, Florida, with 67 shops and 13 kiosks

in 350,000 square feet, is claimed to be the nation's largest—at least for now. Willow Chase Center, under construction in Houston, will be a 360,000-square-foot installation. With its Williamsburg-style architecture, colorful awnings, and landscaped walkways, it looks on paper as plush as any of the best suburban or regional malls.

Vulnerability phase

According to McNair, as the innovative institution matures it enters a stage characterized by "topheaviness, too great conservatism, a decline in the rate of return on investment and eventual vulnerability. Vulnerability to what? Vulnerability to the next revolution of the wheel, to the next fellow who has a bright idea and who starts his business on a low-cost basis, slipping in under the umbrella that old-line institutions have hoisted."

The phenomenal growth of off-pricers has inspired imitators—including some started by retailing giants. In 1983 Dayton Hudson opened four stores in California called Plums—The Elegant Discounter. In the scramble for a foothold in off-price retailing, Plums tried to create its own niche in the upscale market with a store design aimed at making the department and specialty store shopper feel comfortable. After operating Plums for slightly less than a year, Dayton Hudson sold the four-store chain to Ross Stores, Inc. because Plums failed to meet performance goals. Even while Dayton Hudson licked its wounds, headquarters in Minneapolis maintained that the merchandising concept has considerable potential. Sure enough, in late 1984 the chain announced it would test in the Miami market an OP home accessories store dubbed R.G. Branden's. Dayton Hudson said the outlet "will emphasize dominant assortments of value-priced, high-quality merchandise."

Ross Stores in California is considered a competitor in the moderate-to-better merchandise portion of the business, selling high-quality merchandise and catering to the affluent customer. Three retail magnates have joined forces to turn Ross Stores into one of the nation's most aggressive off-price operations. Stuart Moldaw, founder of the Pic-A-Dilly retail chain; Mervyn Morris, a founder of Mervyn's Department Store (now a unit of Dayton Hudson), and Donald Rowlett, formerly president of J. Brannam, an off-price retailer owned by Woolworth, bought the chain in mid-1982 from owner William Isackson. At the time of writing, Ross had a chain of 66 stores in California and planned to open 20 new units in the West.

As a representative of the emerging off-price store, Ross foreshadows problems to come. Off-pricers have heretofore bought for less and sold for less,

and stocked closeouts and overruns. What distinguishes Ross from other off-pricers is its policy of buying 90% of its merchandise directly from manufacturers, which enables its stores to sell more current fashions. Ross also has abandoned the no-frills look. The carpeted, contemporary interiors feature extensive graphic displays to help shoppers locate merchandise (a substitute for sales help). The trading-up process pursued by Ross may eventually be reflected in higher prices—which, in another turn of McNair's wheel of retailing, will open the field to a new innovator.

The establishment fights back

Lawrence Phillips, president of Phillips-Van Heusen Corporation, began a speech to the Menswear Retailers of America in 1983 with, "I know of no subject commanding as much attention of top management as the question of off-price retailers and how one should compete against them." Traditional department stores and discount chains are challenging the success of off-pricers with several strategems. A few have chosen to *compete* tooth-and-nail; some have opted to *avoid* conflict and have withdrawn from competition; and others have decided to *diversify* by starting their own similar outlets.

Competitive strategies. Some department stores and mass merchandisers have joined in the off-price game by trying to match their competitors' low prices, which is a switch from the 1970s when the economy was generally robust and competition less intense. Such big chains as Carter Hawley Hale, The Broadway, Federated Department Stores, Bullock's, and May Company of California have at one time or another recently featured drastic price reductions on brand-name merchandise. Coupled with this policy is seemingly endless promotion. Traditional retailers do not like to admit that off-pricers are affecting their business; nevertheless, an upsurge in newspaper advertising indicates that they are putting on more sales.

The proliferation of designer brands at the off-price level, the search for uniqueness of merchandise, and the strain for better profit margins have led many specialty stores, department stores, and mass merchandisers to put new stress on private labels. Private labels not only guarantee exclusivity for whoever sells them but they also give retail stores more flexibility in setting prices. In this trend the retailers are following some organizations that have long relied on private branding. One of them is J.C. Penney Company,

which has fashion labels like Fox, Hunt Club, Stafford, a young men's line called Gentry, and an infant's grouping called Nana's Pet. In 1983 Penney's introduced a women's wear collection created by Halston, a designer. Called Halston III, the line is an all-encompassing, related assortment of sportswear, career clothes, evening wear, active apparel, and accessories.

Among the traditional department stores, Lord & Taylor is a leading user of private labels, with such goods accounting for some 30% of sales. In menswear, in-house merchandise represents more than 50% of sales. Carter Hawley Hale and Macy's each derive about 15% of sales from private-label goods, which is double the level of a few years ago.

In addition to more active promotion and a move toward the private label, department stores and some manufacturers have pursued combative strategies to halt the off-pricers. To keep their high-fashion image, some department stores have threatened to cease ordering from designers who sell to outlets they consider to be less desirable. Bergdorf Goodman in New York City stopped carrying Halston clothes after the designer had created the line of clothing for J.C. Penney. The line included \$100 dresses, compared with \$1,000-\$2,000 for a typical Halston dress at Bergdorf.

Full-price department stores have also applied pressure to manufacturers that sell their goods to both conventional and off-price outlets. In June 1983 several executives of Federated Department Stores announced at a New York retail seminar that their chain would not do business with manufacturers that sell "fresh merchandise" to both department and OP retailers in the same trading area. Likewise, some manufacturers have publicly vowed to cease doing business with cut-rate retailers. General Mill's Izod Lacoste unit has done so, and Phillips-Van Heusen placed an ad in *Women's Wear Daily* stating, "If you cheapen our brand, we won't sell to you." In a variant on this attack, the Jack and Jill Shop in Memphis dropped the Health-Tex line of children's clothing after 23 years because the supplier opened a mall outlet store and was selling the same merchandise at sizable discounts.

Fearful of losing their merchandise sources, some off-price stores have resorted to the courts. Burlington Coat Factory Warehouse filed suits against Interco, R.H. Macy, and Charlotte, North Carolina-based Belk Stores and several of its suppliers, charging collusion in price setting. Burlington also filed suits against Federated Department Stores and Esprit. These lawsuits accuse the Ohio-based retailer and California-based sportswear marketer of conspiring to prevent Burlington from doing business with Esprit. Later, Toys "R" Us, Inc. charged Federated and General Mills' Izod Lacoste with price fixing. The lawsuit alleged that the companies conspired to prevent Izod apparel from being sold by the Toys "R" Us children's clothing division. The suit was eventually dropped.

Avoidance strategy. Retailers who have low stakes in the market segment invaded by off-pricers may take the approach of conceding the market. Then the particular retailer concentrates on more lucrative segments while trying to keep costs low. Likewise, Allied Stores has expressed determination to retain the high-quality and high-fashion segments of the retail business. Its top executives believe that despite the increasing number of people shopping at off-price establishments, there will always be shoppers who want the service, status, and security they find in a traditional department store.

Diversification strategy. Several of the most successful retail companies have diversified and entered the off-price merchandising field themselves. As I mentioned, Associated Dry Goods, owner of Lord & Taylor, acquired Loehmann's in 1983. Federated, which Filene's joined in 1929, has started a new off-price chain called Filene's Basement after the original. It now has 15 stores. I have already recounted the fate of Plums, Dayton Hudson's venture.

K mart is another retailer trying to protect its integrity while enthusiastically entering the off-price market. It has opened 29 off-price outlets called Designer Depot, which carry prestigious labels such as Gloria Vanderbilt and Calvin Klein at large discounts. It plans to be operating 100 stores by 1986. K mart also is experimenting with an off-price gift and housewares store called Accents.

One of the most aggressive entrants is Zayre, a Massachusetts-based discount chain. Off-price sales are the fastest growing part of its business. In 1984 it added 49 outlets to its chain of women's Hit or Miss stores, which now number 401, and expanded its T.J. Maxx family clothiers from 118 to 156 stores. In early 1984 Zayre started distributing the Chadwick's of Boston, Ltd. off-price catalog, offering women's fashions at discounts up to 50% below retail. Zayre stressed that the brand-name merchandise featured in this catalog was entirely the current season's as well as its own exclusive labels.

Ten of the 23 apparel merchants ranked by *Fortune* among the 50 largest U.S. retailing companies control off-price chains. This is the first time that retail titans have diversified into stores that sell name-brand and designer-label apparel at large reductions from the "retail" price on a daily basis.

Turn of the wheel

Although off-price retailing has been heralded in some quarters as the greatest retailing phe-

nomenon of this decade, the blossom of the early 1980s may already have begun to shed some petals. Industry analysts indicate that the rapid growth of off-pricers in the first part of this decade has slowed. The appearance of a few casualties among the newcomers, such as Plums and Gap Stores' Taggs, indicates that the field may be getting crowded and the concept more difficult to adopt. Apart from the upswing in the economy, a large part of the deceleration in growth rate of off-pricers can be attributed to better attacking and counterpunching by conventional retailers.

Even so, the retailing arena has been radically changed by the influx of off-pricers. While no form of retailing has ever put another form out of business, the rest of this decade is likely to witness stiffer competition among off-pricers and more effective retaliation from conventional retailers.

Stiffer competition will bring a shakeout in the off-price arena. The main casualties are likely to be small, undercapitalized, independent companies. To survive the shakeout, off-pricers will have to pay close attention to market positioning. One of the small companies that is trying to carve out a market niche is Titus MacDuff, a subsidiary of Minneapolis-based Juster Bros. that carries men's and women's dress and business apparel. Titus MacDuff stores' tactic is to offer more services and stay open at times that best suit the clientele. The hours are from 5 p.m. to 9 p.m. weekdays, 9 a.m. to 5 p.m. Saturdays, and noon to 5 p.m. Sundays. To meet their pledge to offer more customer service than most off-pricers, Titus MacDuff stores have a tailor on hand for alterations and sales help to wait on shoppers.

As the wheel of retailing continues to turn, it is likely that the sturdiest, most innovative, and financially healthiest off-pricers will survive and continue to keep the traditional retailers on their toes. On their part, the established retailers will take advantage of intrinsic weaknesses of many OP organizations—such as weak service and noncontinuity of assortment—to keep competitive as the battle for market niches goes on. ▢

Automation alters retailing

Retail institutional change shows a mixture of direct and indirect responses to trends in the environment. Such trends are interwoven with economic, technological, demographic, attitudinal, and other shifts, with the threads of accelerated rates of change running through the whole fabric. One significant combination of these influences produced the "automobile age," characterized by marked expansion of suburban living and the domination of suburban shopping centers. Since that time the emphasis has swung from transportation to information processing and communications, and the computer is replacing the automobile as the dominant factor that is affecting retailing.

At the same time, on a parallel track, a dichotomy of even earlier origin has been developing in consumer motives, attitudes, and habits. The world of routinely purchased, staple, everyday merchandise is splitting off from the world of more specialized goods and services which involve an element of ego-enhancement. This dichotomy in consumer purchasing is closely related to the greater premium placed on time. Increasingly consumers seek to accomplish routine buying as expeditiously as possible, leaving themselves more time for interests and activities and for the specialized purchasing which these activities require. An important part of the evidence for this dichotomy is the increase in recent years in nonstore retailing, mail order and in-home buying, and the concomitant growth of specialty store retailing....

With an automated telecommunication system of shopping for routine household supplies, not only could goods be selected from wider assortments than any one store currently offers, but the time and energy required would be enormously reduced. As consumers gain more time and greater freedom to pursue interests and activities, many trends that are not only apparent today, but will also gain fresh momentum, hasten the development of new ones. There will be a chain reaction of secondary effects, from shifts in family living styles to alterations in the demand for services.

The transition will be difficult. Though the details of the end results are almost impossible to anticipate, it seems clear that it will be consumers who benefit. The challenge to retailing is to think and plan for this result.

From
Malcolm P. McNair and
Eleanor G. May,
"The Next Revolution of the
Retailing Wheel,"
HBR September-October
1978, p. 91.



MARCY SYMS

Career Network Installation Set

Beverly Halperin of Maplewood will be installed as president of Women's Career Network at its installation of new officers and final membership meeting of the year, Thursday, June 6 at 6 P.M. at La Provence Restaurant, Bloomingdale's Short Hills.

Other officers to be installed by Margaret Jacobs, supervisor of counseling and psychological services for Jewish Vocational Services and original sponsor of the Network, are Gloria Brot of West Orange, program vice-president; Sandra Brown of Short Hills, membership vice-president; Evelyn Levine of West Orange, treasurer; Beverly Friedman of Maplewood, recording secretary; and Rita Marshall of Maplewood, corresponding secretary.

Marcy Syms, president and chief operating officer of Syms Corp. and Syms Inc., will speak to the group about "off-price" retailing and about the opportunities available to women in the field of retailing in general.

Syms Inc. operates 14 "off-price" retail stores.

Information and reservations for the dinner meeting can be obtained by calling Mrs. Brot, president of Women's Career Network, at 736-0820. Members and guests are invited.

SYMS
An Educated Consumer is Our Best Customer
300 CHUBB AVENUE
LYNDHURST, N.J. 07071



either
Hadassah
or
Jewish News

Thurs-30th
or
Fri's-31st
date

Att: Marcy Syms

From: SID BARBARA #16

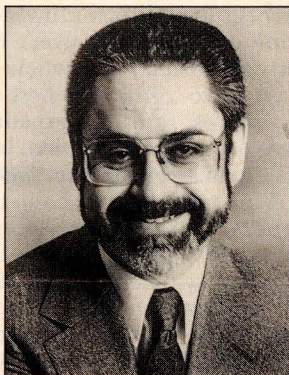
Beverly Halperin
201 763-3030

Where to Invest Your Money in Uneasy Times

The stock market soars and then sinks in early August. Interest rates go down and then up. What is an investor to do in such turbulent times? Some advisers urge that you go slow on new commitments until the air clears. But others take an optimistic view. Despite the clouded future, all money managers see some good buys both now and later. What's the outlook, what to look for and what to avoid—those are some of the questions put to three investment advisers by *U.S. News & World Report* editors—

"Stocks and Bonds Have a Greater Probability of Performing Well Than Alternative Investments"

Robert Nurock, Publisher,
The Astute Investor,
Paoli, Pa.



Q Mr. Nurock, where do you recommend that investors put their money these days?

A I am bullish about appreciation of stocks, so I would put the bulk of my funds into equities. If I were looking for income, I would probably have a fairly high degree of bonds in my portfolio. But along with the bonds, I would want some sort of growth potential, so I would also be looking for equity equivalents such as convertible bonds or convertible preferred stocks. In any case, I would be close to fully invested, with no more than 10 percent of my portfolio in cash or similar short-term investments.

Q Why are you so bullish on stocks?

A Once this recent period of digestion is over, stock prices should continue to advance again, with further strength, until near the end of the year. Then we may see a small downturn, followed by stronger gains starting in early 1986. The Dow Jones industrial average could top the 1,500 level before a correction late this year and then probably approach or exceed 1,600 early next year.

Helping stock prices will be higher profits as business activity picks up. A big plus is the degree to which firms in recent years have become concerned with holding down costs. That resulted from low inflation that made it hard to raise prices. Now I see a period in which prices will be somewhat more easily raised and thus the potential for profit margins to increase by leaps and bounds.

This will be a step toward increased inflation, but the Federal Reserve Board will step in with a tighter monetary

policy if necessary to keep inflation from getting out of control. Though that may cause interest rates to rise, I think it will be viewed as positive for business.

In that type of environment, financial instruments such as stocks and bonds have a greater probability of performing well than alternative investments. Real estate, for example, has historically done well during periods of high inflation, which isn't the prospect today.

Q What stocks would you consider buying?

A My emphasis would be on small-to-medium-size companies that have been undervalued but are now starting to show emerging growth. These include firms that could benefit from the improved pricing power that I see coming, as well as increased capital spending further down the road.

Q Can you give some recommendations?

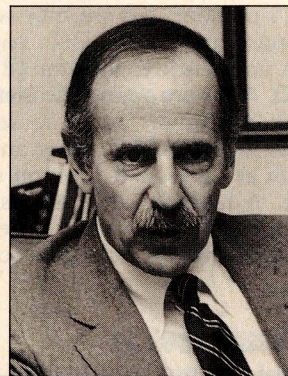
A One idea that I find attractive is Measurex Corporation, a leading producer of process-control systems. A recovery in the economy will create more demand from its principal market, the paper industry. But the company has also expanded recently to serve other industries as well.

A second issue I like is Whitehall Corporation, a diversified supplier of electronics, principally to the defense industry. It's selling at less than half its price of a few years ago, but recently depressed earnings have recovered sharply and are continuing to grow.

Among larger companies, I like RCA, which is a perfect example of a major corporation that has restructured itself for a more competitive environment. A consumer-related name that is on my recommended list is Syms Corporation, an aggressive discounter of men's and women's name-brand clothing. I like it because it's an unusual company from a marketing point of view. Another company with an interesting marketing angle is Guest Supply. It is the prime distributor of small packages of toiletries such as shampoo and soap that are widely used in hotels. It has had a terrific record of growth.

"Hold Off Committing New Money to Stocks Unless You're a Nimble Trader"

Alfred Goldman,
Chief Investment Strategist,
A.G. Edwards & Sons, St. Louis



Q Mr. Goldman, is the stock market running out of steam?

A Yes, the market has shown signs of losing momentum. Important stocks are unable to sustain gains and are declining. Rallies in the industrials have been feeble; utilities are weak. Transportation issues were saved by the perception that fuel costs would drop dramatically. However, that news is probably already reflected in the price of these stocks.

Q Are you wary over the economic outlook?

A Yes. I believe there has been too much enthusiasm that the economy is ready to warm up again—and soon. The recent darlings in the market have been companies which are most closely tied to the future growth of the economy, yet I see no evidence that the economy has broken out of its malaise. Rather than relying on computer printouts, you have to kick the tires and talk to executives. The response I get is, "Hey, business isn't very good."

Q So you are pretty bearish on stocks?

Aug 19 - 1985

scrap book

A I would tone that down to say my approach to this market is one of great caution and selectivity. Most institutional investors are bullish long term, and thus they have placed their bets by investing most of their cash. So where does the big money come from to push stocks substantially higher? Margin debt has risen to record levels—a sign that more investors want to own stocks. But it also reflects excesses in the marketplace and increases the risk that margin calls will grease the slide during corrections.

Q How much of a market downturn do you think is likely?

A I'm looking for a trading-range market, one that fluctuates sharply between about 1,250 and 1,350 in the Dow Jones industrial average. But the potential slide is much greater for many individual stocks. I expect interest rates to work higher, and thus there's risk in the interest-sensitive group—which would be banks, insurers and savings and loans. Airlines have been way overdone on the upside. Other cyclicals are also vulnerable as the economy sputters.

Q What would you advise investors to do at this point?

A I would generally hold off committing new money to stocks unless you're a nimble trader who wants to try and play the quick up-and-down movements we have been having lately. Longer term, you should see better buying opportunities—maybe toward the end of the year.

The most promising areas will be among the stocks that were early leaders of the market advance. Those include drug, food and other companies that can grow even in a sluggish economy. Keep a good-sized cash reserve for better buys later on—perhaps 25 percent of your portfolio assets—and take a hard look at the earnings prospects of each company that you already hold.

Q What about putting more money into bonds?

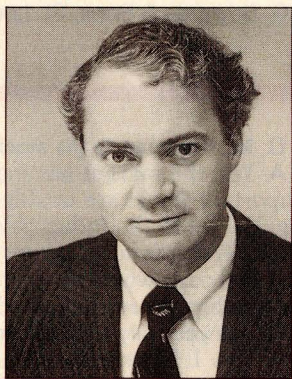
A Not right now. But I believe there will be a time to buy bonds in three to six months. Today, general-obligation tax exempts yield around 8.5 to 9 percent, but I think we'll see 10 percent. Long-term corporates are returning about 11.5 percent, but we may see 12.5 percent in six months. Long-term governments pay about 10.7 percent, but it's not unrealistic to look for 12 percent in the months ahead.

Q Are there any stocks that look good now?

A You might do some selective buying on price dips. One idea is AT&T. Drug and hospital-management issues, such as Johnson & Johnson and Humana, are worth a nibble. A high-risk but valid speculation would be National Semiconductor, while Hewlett-Packard is a firm that should do well even in a sluggish economy.

"I Would Look at Basic-Industry Stocks—Groups an Expanding Economy Will Help"

John Connolly, Cochairman,
Investment Policy Committee,
Dean Witter Reynolds



Q Mr. Connolly, should an investor change strategy in today's economy?

A Investors should consider lightening up on bonds and increasing the share of their portfolios in stocks. We at Dean Witter no longer feel that stocks and bonds will perform in tandem as they have over the past six months or

so. The total investment returns from stocks will now outperform those from bonds. You certainly want to hold down short-term investments in cash equivalents, such as money-market funds and Treasury bills. Returns are just too low.

Q What do you expect will fuel higher stock prices?

A A stronger economy, which we see occurring later this year and carrying over into 1986 with a good deal of momentum. We think the stock market is thus going to go higher, but the reason this time around will be somewhat different than in the past. Stock gains recently have been driven by falling interest rates. Now they will be driven by higher corporate profits. Interest rates are no longer going to decline much, but company earnings, which have been anemic, will start looking a lot better. As a result, we've been motivated to call it quits on the bond market and raise our enthusiasm for stocks.

Q What could change your enthusiasm for stocks?

A If the economy doesn't strengthen as expected, that would be a major disappointment. A negative that already exists, despite the budget compromise enacted by Congress, is the poor outlook for serious, long-term action to reduce the federal deficit. The fiscal thrust from the deficit will help boost growth in the economy but at a higher level of interest rates than would otherwise be the case. We will have to live with the impact of a strong dollar and a big trade deficit. There won't be as much growth in business activity. Instead of a whole loaf, we will have to settle for maybe two thirds. The best of all worlds for stocks is declining interest rates and expanding economic activity. We will have economic expansion, but not falling rates.

Q In this climate, what kinds of stocks do you suggest?

A I would look at basic-industry stocks—the chemicals, papers, metals—and the capital-goods sector, which includes technology. These are groups that an expanding economy will help. I would tilt away from financial and other firms that benefit under falling interest rates and, to some extent, also away from consumer nondurables and services. The market's focus for the next six months, at least, will likely be on basic industries and capital goods/technology.

Q Which firms stand out in these groups?

A One basic industry I would emphasize is chemicals. Dow Chemical stands out. But more interesting are some of the specialty companies related to chemicals. One example is Pall Corporation, which is a filtration company that gets involved in various product-purification processes. Two others are Nalco Chemical and Betz Laboratories, both of which have a primary interest in the water-treatment field.

In the paper group, the highest-quality company may be Union Camp. An issue beginning to get recognition is Stone Container. It is a manufacturer of packaging material for shipping boxes. The demand for boxes is very sensitive to the economy, so this is a way to bet on a stronger economy. Stone may also benefit from higher prices.

Q What about technology?

A The raw material for computers is circuit chips, and a low-risk way to invest in computers is through a firm such as Avnet, a distributor of chips. You don't have to worry about the risk of big technological change, just about the demand for chips themselves, and that is picking up a bit.

Another lower-risk choice is AMP, a leader in making electronic connectors. It's an important high-tech area that is not particularly high-tech itself. In the same category is Veeco Instruments, which makes power supplies for electronic products, a necessary item in high tech.

In technology, though, the key to the whole business is IBM. It is a cheap stock in view of its projected earnings. IBM is a superior company, and if it can't do it for you, it's unlikely that any technology company will. □

Syms

(Continued from Page 8)

Once focused on six small New York metropolitan stores, Syms now has shifted to large, high visibility suburban locations. Its first such store was a 16,000-square-foot unit opened in Paramus, NJ, in 1971.

Today, Syms' no-frills stores in north-eastern and middle Atlantic regions and in Florida offer brand name or designer goods at a discount of approximately 50 per cent below nationally advertised retail prices.

Syms purchases its goods from about 500 manufacturers, but it protects the suppliers by omitting brand names and specific prices in corporate advertising.

Good reputation

Ikenson points out some reasons for Syms' good reputation among suppliers: promptness in payments, refusal to gouge, and loyalty to commitments.

"As a result," Ikenson reports, "while some off-price firms are having difficulty acquiring enough first-quality branded merchandise, Syms is finding it easier than ever before, to the extent that some manufacturers have approached Syms to handle all of their off-price merchandise."

The off-price chain does not maintain large out-of-season inventory but occasionally it purchases apparel that does not change in style from year to year, warehousing it until the following year.

Price tags

According to Ikenson, Syms' pricing policy is to tag each item with a ticket displaying Syms' selling price and the traditional full retail price. Brand-name labels are removed from men's tailored clothing at time of purchase; all other merchandise is sold with labels intact.

To promote quick movement in the women's apparel department, Syms has a 10-day automatic markdown policy on about half of all items. The date of placement on the selling floor is stamped on the back of the sales ticket; the front of the ticket reveals

full retail price, initial Syms price and three reduced prices. Each reduced price becomes effective after 10 days have elapsed.

Special "dividend" prices and twice-

Educated Consumer is Our Best Customer" is presented on TV and radio through use of Syms family members including Sy Syms, company president, and Marcy Syms, chief op-

Syms has maintained a good reputation among suppliers through prompt payments, refusal to gouge and loyalty to commitments, analyst says

yearly "holiday bashes" help move the previous season's merchandise, resulting in a turnover of inventory about six times a year.

Using television and radio, Syms chooses an "institutional approach" to advertising, rather than a promotional one. The theme "At Syms, an

erating officer.

Marketing costs for the Syms chain are about two per cent of sales. □

Syms headquarters is at 300 Chubb Avenue, Lyndhurst, NJ; (201) 935-7500.

Syms, Burlington face bright future

Off-price retailing is one of four formats predicted to flourish during the next decade, says a Baltimore investment banking firm in a report to its clients.

Fred E. Wintzer Jr. and Franklin L. Morton, in a report on "Emerging Growth Retailers" for Alex. Brown & Sons, Inc., state that retailers emphasizing value, convenience, and fashion/information "will have the best growth potential in the coming decade."

Successful retailing formats, in addition to off-price, will include full markup specialty stores, specialized supermarkets, and warehouse stores.

Citing Burlington Coat Factory as a good example of off-price retailing, Wintzer and Morton single out opportunistic buying and supermarket

operating format as key characteristics of off-price format.

The report projects a successful future for value retailing because "value retailers focus on providing and being perceived as providing, a 'package' with better value than that of competitors; they emphasize the strong benefits-to-costs ratios of their products/stores . . . At the present time, deep-discount stores of all types are the fastest growing major segment of retailing."

As specific examples of off-price chains in the growth mode, the report points to Burlington Coat Factory and Syms for significant five-year averages in annual growth in sales and earnings, as well as the latest two-year average in return on assets and return on net worth. □

Syms: a survivor of shakeout, says NY report

When the "shakeout" in off-price retailing is over, Syms, a 14-store off-price apparel chain, won't be one of the casualties.

That's one of the conclusions in a comprehensive profile of the Lyndhurst, NJ-based company by Harry A. Ikenson of Rothschild, Inc.

Ikenson, a vice president in the corporate finance department for the New York City investment banking firm, believes that Syms' sales performance in a "heightened competitive environment bodes well for future growth, especially as the weaker off-price companies fall by the wayside and department stores return to more normal pricing practices."

Net sales

Syms' net sales for the fourth quarter of 1984 were \$67,080,000 (a 15.2 per cent increase), compared to \$58,237,000 in the fourth quarter of 1983. Ikenson attributes the increase to new store openings.

Syms' sales for the year ending December 31, 1984, rose 14 per cent to \$204.3 million; same store sales for 1984 registered only a 4.5 per cent increase but, as Ikenson reports, "relative to the heightened competitive industry environment, Syms fared quite well."

Spot survey

The Rothschild Inc. report on Syms includes a spot survey of three sizable, established off-price chains: Burlington Coat Factory, Dress Barn and Marshalls.

Burlington Coat's revenue increase was 41 per cent for the fiscal year ending October 31, 1984, with a same store sales decline to \$198.5 million from \$201.1 million in 1983.

Dress Barn reported a sales increase of 41 per cent to \$61.6 million for the fiscal year ending July 28, 1984, compared to \$43.7 million for 1983. However, the report adds, Dress Barn did add 30 new stores, which would contribute to increased sales.

Marshalls' increase in revenue was 12.1 per cent, or \$1.189 billion for the year ending December 31, 1984, compared to the 1983 total of \$1.061 billion.

Strong position

Ikenson credits Syms with strengthening its competitive position through a number of measures: addition of several new top quality brand name suppliers, a limit on the amount of purchases from "middle-of-the-road suppliers", an increase in the level of customer service, and successful expansion into two new trading areas (Philadelphia and Chicago).

Syms keeps its customer away from a competitive environment (such as a mall), through locating away from traditional retailers. The apparel chain looks for markets with a population of a minimum three million, allowing for two stores, or one store per 1.5 million people. Site location is usually near a major traffic artery or thoroughfare in suburban areas with ample parking facilities.

(See SYMS, Page 14)

No bills shopping yields great buys

BARGAIN from B1

for two-thirds or even half the price of the identical items in regular stores. Some of these discount houses cut the big-name labels out of their merchandise, but many don't. Some of the merchandise may be second quality or damaged, but are usually appropriately marked.

How can these discount stores sell the same clothing for so much less than regular retailers? There are many ways to cut the cost of running a business, and each of these discounters incorporates some if not all of these cost-cutters.

Loehmann's doesn't accept any credit card charges, and Syms will accept only their own credit card or cash. Few of the discount stores I've visited have individual dressing rooms. Loehmann's will not accept returns of their merchandise, a policy which is clearly printed and attached to every article they sell. Mandy's has a limited return policy, as does Syms, which never gives refunds, only merchandise credits.

A no-return policy is probably the most effective cost-reducing measure an operation can adopt. High accounting costs and over-buying are nearly eliminated when the store knows that what it sells won't come

back next week to haunt them.

The use of communal dressing rooms is another budget-saving item that can't be beat for reducing "overhead" costs.

Merchandise credits rather than refunds also help to keep those bookkeeping costs down. Items may be returned at Syms, but only in exchange for others at the store, and only with a store receipt. They will not make refunds . . . another cash-flow supersaver.

Except for Mandy's, where there are a few salespeople on the floor and in the dressing rooms, the only personnel visible in most discount operations are at the cash registers. The savings in salaries are passed on to the consumer in the form of lower price tags on the merchandise.

Of course, many of us would prefer that our not-so-perfect bodies and not-so-new underwear not be put on public view while we're trying on clothes. And there are those of us who would feel more free to buy that kinky blouse if we knew we could return it after it's been exposed to the clear light of day and our husband's critical eye.

There are, in fact, many men and women who will gladly pay more for their clothes for the luxury of a private dressing room, individualized service, and carte blanche to return their purchases with few if any ques-

tions asked. Many would sooner part with their pet dog than with their right to use their major credit cards.

But for those of us who'll gladly shed our modesty for the togetherness of one large fitting room . . . and happily help ourselves in our search for our own perfect bargains . . . and are willing to shop more carefully or live with our mistakes . . . the discount stores are our cup of tea.

What could be more inspiring than spotting a pair of designer jeans for \$11.99 or a silk name-brand blouse for \$13.99? We know we've bought bargains because we've seen the same jeans and blouse elsewhere for more than twice the price.

There are also discount stores like Shoe Town and Helen's Handbags for top quality shoes and handbags at bargain prices. All it takes is a little patience, determination, and a knowledge of what's being offered at regular stores to return for your bargain hunting with gratifying success.

Of course, it must be understood at the outset that not every trip will result in \$1.98 shirts or \$3.98 slacks. But it's possible to dress oneself well and inexpensively if one is willing to sacrifice a little in the way of amenities to save money.

There are other discounters in the Washington area that are worth

checking out. The few mentioned here are merely tried and true personal favorites.

Today on my lunch hour I think I'll put on my \$29 designer suede jacket, change to my \$14.99 name-brand walking shoes, and take a turn around Syms. Who know what chic little bargain might be waiting on the rack, just ripe for plucking?

Why we buy bargain designer clothes

By LOIS R. GLASSER
Special to The Journal

FAIRFAX VA
JOURNAL 8/23/85

Yesterday I wore an outfit to work that cost a grand total of \$16.96 plus tax. It consisted of a designer name long-sleeve turtleneck cotton/polyester pullover, a linen/cotton/polyester skirt, and a cotton long-sleeve knit sweater. Today I'm wearing designer slacks for which I paid \$3.98 plus tax.

Is this a clip from a 1945 newspaper? Were these second-hand garments gleaned from the leavings of a church bazaar? No, on both counts.

All the above items were brand-new and in perfect condition, except for the turtleneck pullover which had a tiny extra tab of material in an outside seam. I carefully cut off the tab and the shirt is as good as its twin which sells for \$23 in the finest stores. I purchased this little treasure in Loehmann's. The cotton sweater was also unearthed at Loehmann's, as were the slacks. I bought the skirt, identical to one I saw elsewhere for \$34, at Mandy's.

My husband's outfit of the day cost \$60 and is com-

Are we a destitute couple forced by poverty to shop at inferior stores? Or are we congenital cheapskates . . . ? Neither.

prised of a designer name sport jacket of wool and polyester, wool/poly trousers, and a designer name short-sleeve white dress shirt. Again, all are new, in perfect condition, and all were bought at discount stores. The \$37 jacket came from Filene's basement in Boston (bought on a recent visit there), and the pants at \$13 and shirt at \$10 were purchased at Syms.

Are we a destitute couple forced by poverty to shop at inferior stores? Or are we congenital cheapskates, reduced by our compulsive penny-pinching tendencies to wearing last year's dregs?

Neither. We're addicted to saving money and hunting out bargains. And we're not alone. Ever-increasing numbers of shoppers are rebelling at the prices of clothing offered in our department and specialty stores. A simple cotton shirtwaist dress can cost \$100. A cotton/polyester skirt of good quality can go for as much as \$50 and cotton blouses bring prices as high as \$60 or more. Men's "better" shirts are selling for \$35.

Granted, one can buy clothing cheaper when these stores have their "sales," but often the selection is limited to what didn't sell the first time around.

Walk into any of our local discount stores and it's like a breath of fresh air. Here clothing is priced within the limits of what many of us would term "reasonable." We can buy dresses, suits, blouses, shirts, pants and jackets

Please see BARGAIN, B3

PANORAMA

DAD F.Y.I.
mm

THE WEEKEND SHOPPER

Lifestyles change high-volume days

By CHERYL KOSTURKO
Special to the Press

Shopping is a great way to satisfy our daily needs, as well as our materialistic yens. How nice it is to kill a few hours on a Wednesday afternoon by leisurely meandering through aisles and aisles of clothes, shoes, decorative items, etc. If you don't fancy the goods, you can always take another stroll tomorrow . . .

Let's be realistic. The money for pleasures and necessities is frequently unavailable in the same week. But more importantly, if you happen to be one of the countless Americans who reports to an employer from 9 a.m. to 5 p.m., Monday through Friday, such shopping is an idle dream.

Changing lifestyles during the past decade have bred a new phenomenon in the retail business — the weekend shopper. It's the answer to holding a full-time job, being home with the kids weekday evenings and still having the time to purchase all those things so necessary to comfortable existence.

Stores almost everywhere have made efforts to accommodate the consumer. Most major department stores in this state, with the exception of those in Bergen and Hudson counties, are open for at least six hours on Saturdays and five hours on Sundays. The most recent convert is the Syms chain, which just last month forfeited its Monday business day in order to open its stores on Sundays.

"It was really in response to lifestyle changes," said Marcy Syms, president of the 15-store chain. "We found it became more and more difficult for single parents and working-parent families to do all their shopping on Saturdays."

Being open on Sundays allows the family to go shopping together, Ms. Syms said. While it's too early to determine revenues, the idea seems to be going over well, she added.

"I have personally heard from people who have thanked us," she said. "It's a new thing, so many people don't

know we're open, but the stores have been busy."

Sears, in the Ocean County Mall, has been open Sundays since the county voted to give stores the option seven years ago, said Robert Buzbee, a company spokesperson. Sunday has become the store's second-largest volume day, Saturday being the first.

"It was brought about by demands of the customer. If there are two people working (in a household), Saturdays and Sundays become important for all phases of shopping," Buzbee said.

Annie Sez, Shrewsbury, was another store to join the Sunday shopping campaign as soon as county laws permitted. For nearly a decade, the store has been open from noon to 5 p.m. Sundays and has expanded hours during the holidays.

"It's always worth staying open. We're very busy on the weekends," said Dagmar Hartmann, store manager. "We do extremely well (Sundays) because we get fresh merchandise everyday and the store looks completely different from Sunday to Sunday."

But remaining open on Sundays isn't a rule of thumb, especially for smaller specialty shops. Some owners of small shops along the main streets of towns such as Spring Lake, Red Bank and Deal have found it impractical or impossible to be open nights and/or weekends.

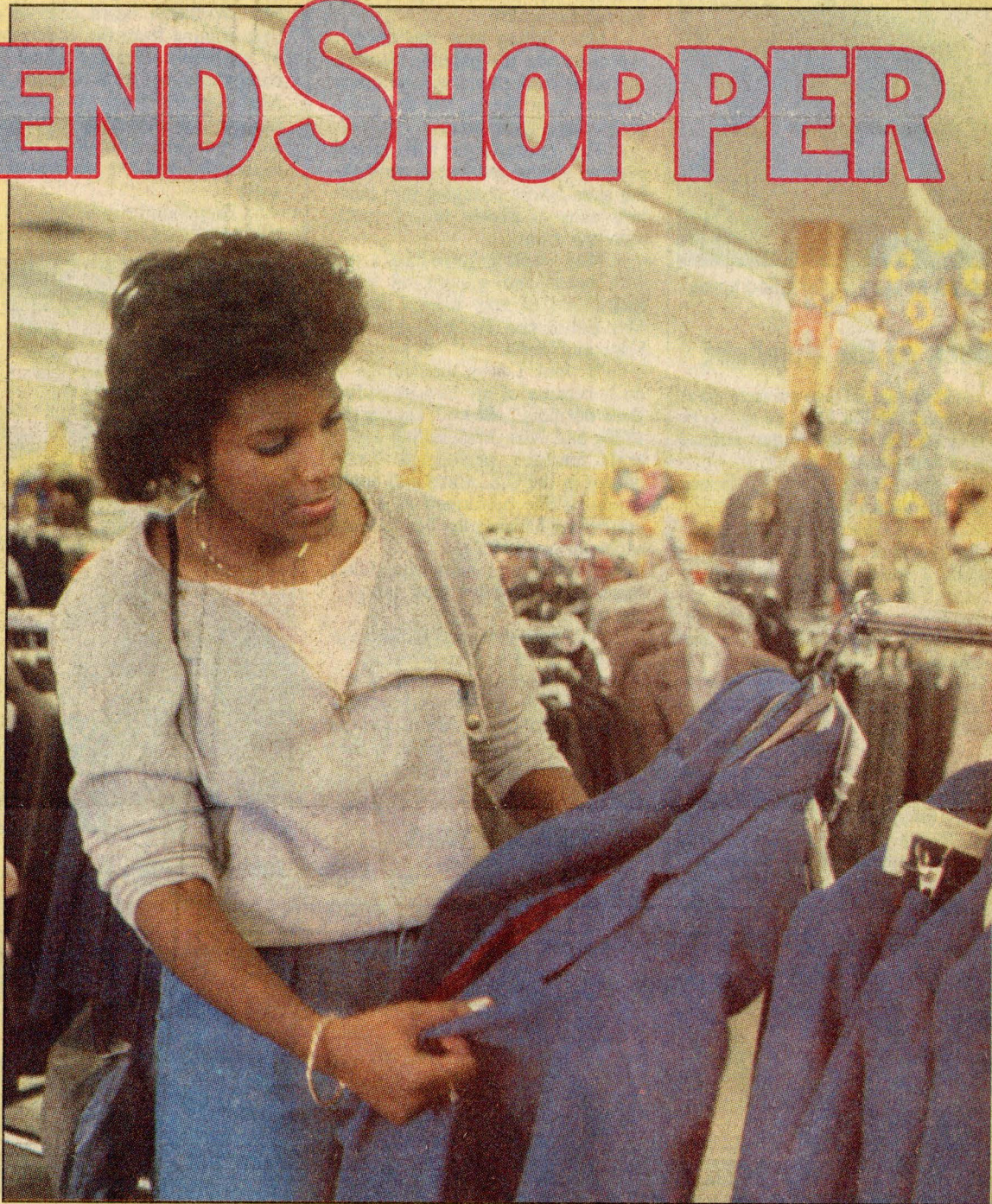
For one thing, these stores don't have the luxury of a large pool of employees, said Harriet Gieser, owner and operator of Youngland of Shoes, Spring Lake.

"I operate the store alone. These days, it's difficult to find help for the small store," she said. "Nobody wants to work in a small store for \$4 an hour."

And even the most dedicated entrepreneur needs a break.

"I want that day off . . . I'm here every day and I find it a good day to do my own shopping," she said, adding, "I don't think the town really calls for it; I don't think this town is that busy on Sunday."

Marianne Pederson of Great Dane See WEEKEND, page B10



DAVID T. GAMBLE/Asbury Park Press

Patricia Battle, a New Jersey Network News reporter, relegates most shopping to weekends.



Women, long recognized for their dominant role as shoppers, are entering the work force in increasing numbers. Rather than viewing shopping as a leisure-time activity, they now "schedule" it for evenings and weekends. At left, successful shoppers and (at right) those still looking at Annie Sez.



Annie Sez, Shrewsbury, does "extremely well" on Sunday, says manager Dagmar Hartman. It has been open Sundays for seven years.

PERSONALITIES



MELBA EDLING — for good times

Back in the limelight

Professional age-guessers have estimated Melba Edling's age to be 58 or 60, but the statuesque redhead is 78 and proud of it.

Mrs. Edling, a retired dancer, said she thinks a life of moderation helped her keep her looks.

"I never smoked and I only drink a little. I have no real excesses," she said.

Mrs. Edling, Manchester Township, is the eldest of five area women who will compete in the Mrs. New Jersey American Pageant Jan. 12 at the Hilton hotel in Somerset.

The other women are Kristin Gramando, Neptune, Janet Knudsen, Red Bank, Cindy Fox, Manalapan Township, and Christiana Costa, Toms River. A total of 53 women submitted applications to enter the contest, state pageant di-

rector Lillian Lehman said last week. Mrs. Lehman is the owner of Lillian Lehman Productions, a self-improvement school in East Brunswick Township.

Mrs. Edling raised \$410 of the \$500 pageant entry fee by soliciting sponsors from businesses she patronizes. Her husband Julius paid the remaining \$90.

Mrs. Edling said she doesn't expect to win the pageant, because the other contestants will be much younger than she is, but she plans on having a good time.

The contestants will model evening gowns and one-piece bathing suits before changing into business suits to answer judges' interview questions.

"My evening gown has a top with beads and sequins on it. It looks kind of sexy when I walk," Mrs. Edling said. Her bathing suit is black and violet.

"I think I have the courage to do it because of my background in show business," she said. During the 1930s and '40s, Mrs. Edling and a male partner performed Latin dances in the U.S., Cuba and South America. She performed as a solo act before hanging up her dancing shoes for good in 1953.

"I married a man who didn't dance, so I stopped cold turkey," she explained.

She later worked as a cashier in two New York restaurants.

The deadline for entering the pageant is Dec. 15. Entrants must be no younger than 18. Information is available from Lillian Lehman Productions, 190 Route 18, East Brunswick, N.J. 08816.

In from the cold

Registered nurse Judy Will-

bergh's job as hospice coordinator at Brick and Point Pleasant hospitals calls for her to help terminally ill patients cope with dying, but she recently turned the tables on death by saving two small lives.

Sitting in her office at Point Pleasant Hospital after a heavy rain, Mrs. Willbergh heard cries of distress coming from the undergrowth by the Point Pleasant Canal. Accompanied by Ruth Coggon and Noel Bechtold from the communications and marketing department, she ventured into the dripping bushes to find the source of the noise.

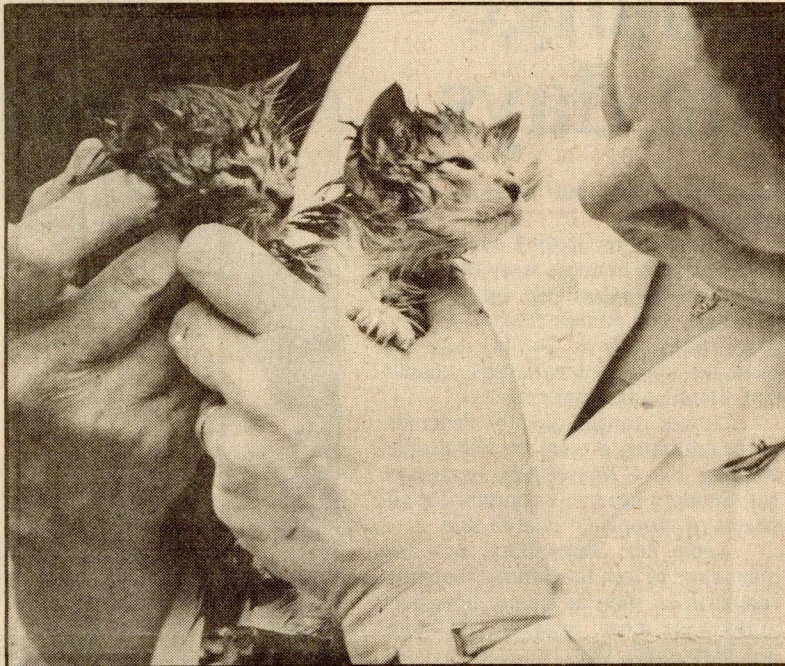
They found two bedraggled kittens barely six inches long. Almost

too weak to stand, they were shivering and soaked to the skin.

The trio wrapped the kittens snugly in an old sweater and brought them inside the hospital. The kittens quickly recovered and spent the rest of the day in a cardboard box, playing with scraps of newspaper.

The story of the abandoned kittens has a happy ending. One found a loving home with Mrs. Willbergh's 10-year-old son Kurt and the other was adopted by Mrs. Coggon's 5-year-old daughter Caitlin.

— Jill Hand



JUDY WILLBERGH — the heroine

Oct. 27, 1985

B

2 Personalities
3 Sunday Social
4 With Style

when she can apply for Supplemental Social Security. I would also like to know if it is necessary for her to come into your office to do so?

A. Applications for Social Security and Supplemental Social Security can be made up to three months prior to your mother's 65th birthday. A home visit can be arranged if your mother is disabled or homebound.

Following is a list of Social Security Offices and the towns they service:

■ Toms River Branch — 8 Robbins St., Times-Observer Building, Toms River, N.J. 08753

Mon.-Fri., 9 a.m. to 5 p.m.
1-800-272-1111

Servicing: Berkeley Township, Beachwood, Dover Township, Island Heights, Lakehurst, Lavallette, Manchester Township, New Egypt, Ocean Gate, Pine Beach, Seaside Heights, Seaside Park and South Toms River.

■ Brick Township Branch — 530 Brick Blvd., Brick Township, N.J. 08723

Mon.-Fri., 9 a.m. to 5 p.m.

Servicing: Brick Township, Jackson Township, Lakewood, Mantoloking, Point Pleasant and Point Pleasant Beach.

■ Southern Ocean County Resource Center, Recovery Road, Stafford Township, N.J. 08050

Mon. and Thurs., 9:30 a.m. to 3 p.m.

Servicing: Barnegat Township, Lacey Township, Long Beach Island,

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95¢ deposit. Poses our selection. Special effects poses extra. Limit: One package per subject. \$1.50 each additional subject in portrait. Minors must be accompanied by an adult. Satin-textured finish at no extra charge. SATISFACTION GUARANTEED.

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EATONTOWN MONMOUTH MALL SHOP CTR., RT. 35 & WYCKOFF RD.
TOM'S RIVER 33 HIGHWAY 37 WEST

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WOOLENS
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Machine Washable
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CALICOS
45" wide, 100% cotton and
blends, fashion lengths,
machine washable.
REG. \$1.99 YARD
1.44 yd.

BRUSH FLEECE
Full Bolts! Up to 60" wide,
Arnel and blends,
machine washable
REG. \$3.44 YARD!
2.44 yd.

HALLOWEEN FABRICS
Fashion Lengths
REG. \$1.27 YARD!
2 yds. for \$1

HOLIDAY CHRISTMAS FABRICS
Rag Shops Carry The LARGEST SELECTION Of Holiday Fabrics In The State Of New Jersey!
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Mon - Fri 10am - 2pm - 7pm

CRAFT S

50% OFF
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Over 2000 patterns to choose from

Weekend

From page B1

Imports in Deal has played with the idea of opening and closing her clothing shop on Sundays for the past three years. She said it all comes down to two things: how business is doing and whether or not you can get good help.

"In the beginning, we were open on Sundays, but we stopped for a while," said Ms. Pederson, owner of the three-year-old business. "It was

hard to get someone to work Sundays from 12 to 5 p.m. and I didn't want to work seven days a week."

This May, Ms. Pederson re-opened the store on Sundays.

Despite the obvious benefits for store owners and consumers, Sunday shopping has created a certain pressure for both groups, Ms. Pederson said.

"There's a lot of pressure on stores to open and family life diminishes," she said. "Most stores are open simply because the pressure is on. The days of sitting around on a Sunday, listening to classical music and reading are changing.

Ms. Hartmann of Annie Sez agreed.

"You can survive, but I think it's a question of accommodating the customer," she said. "If you want to make the sales, you have to be open."

Nonetheless, Sunday shopping has become an expected convenience for some and a necessity for others. Most shopping malls are filled on any given Sunday with people who work during the week, as well as some of the store owners themselves.

"We just don't have time to shop other days," said Ms. Pederson.

"I find it a good (shopping) day myself," Ms. Gieser said.

"Educated Consumers" Do Well By Syms

"An educated consumer is our best customer." So says Syms, an off-price apparel retailer, on its TV and radio commercials. These customers are rewarding the New Jersey-based company with record net sales: \$204.2 million in 1984 at a net income of over \$12.7 million, or 6.2 percent of sales. This compares with the 2.5 percent net earnings for the discount industry in 1984-1985.

The typical Syms store offers a generous selection of apparel and accessories for the entire family. Men's clothes and haberdashery account for between 60 and 65 percent of the company's total sales. Women's suits, dresses, separates, and accessories generate between 30 and 35 percent of Syms' total sales. The difference is made up by sales of children's wear, luggage, domestics, and fragrances. Shoe sales are included in the figures for men and women; the selection encompasses a range of styles, from current fashion to sport, including sneakers.

The merchandise, which covers a broad range of first-quality, in-season goods, is offered to customers at savings between 40 and 60 percent off traditional retail prices, says David Bernard, a spokesman for the off-price retailer. Assortment, however, may be somewhat limited, due to Syms' buying strategy. "We don't re-order merchandise," Bernard explains to DM. "We are opportunistic buyers and as such rarely get the opportunity to re-order."

Its automatic markdown policy

It is the policy of the company never to discuss brand names, although they do say that the majority of the stock is in nationally recognized name-brand goods. Name brands not withstanding, Syms also offers its customers its own private label, "S," which may be found on a small portion of its apparel assortment. No special emphasis is given to one label over another; all merchandise is intermixed as far as display purposes go. Buying is done by Syms' staff of six merchandise managers and six buyers; overall supervision is

by the vice president/merchandise.

Syms is known to its customers for its automatic markdown policy on seasonally vulnerable women's apparel. This policy, which mandates a ten-day automatic markdown of the merchandise, is readily apparent on the ticket and easily understandable.

Simply put, the ticket is stamped with the date that the item is initially placed on the selling floor, what the company believes to be the nationally advertised price, the discounted Syms price, and three reduced prices. Each reduction becomes effective after the lapse of ten selling days.

The off-pricer has trained its customers to understand that "there's never a reason for a sale at Syms." In keeping with that, radio and television advertising is run at a consistent level throughout the year. It does not wax and wane with the seasons and/or holidays. All advertising is done through its own company, Syms Advertising Inc. Ad costs generally range between 2 and 2.5 percent. However, they rose slightly during the last year owing to costs related to the opening of three stores.

The 26-year-old company just opened its fifteenth store in October, outside King of Prussia, Pennsylvania. This marks the first entry for the off-price apparel chain into the Keystone State. This latest

addition is a 69,000 square foot unit, with 60,000 of those feet devoted to selling space. True to the Syms prototype, it is a single-story free-standing building. "We don't look to go into malls or shopping centers," says Bernard.

K mart Opens More Designer Depots In Texas

By the end of 1985, K mart expects to open 12 additional Designer Depots across the U.S., for a total of approximately 70 stores. Part of these will come from the acquisition of three J. Brannam stores in Beaumont, Mesquite and Houston Texas.

"These additional sites will help expand our existing Texas market and will enable us to provide consumers with quality, name-brand merchandise for the lowest price," commented Robert A. Mulligan, Designer Depot director. He added that the company's "Fashion for Less" advertising and marketing strategies were designed to appeal to the value-conscious customer who looks for stylish clothing at affordable prices.

A subsidiary of K mart Corporation, Designer Depot currently operates 59 stores in 15 states and carries men's, women's and children's brand-name apparel fashions and famous labels.



Designer Depots will total about 70 units by year-end. This K mart division features stylish family apparel "at affordable prices."

Our Heart keeps growing and growing.

America not only loves Red Heart® more than any other yarn, but the love story keeps growing. And more so than ever with retailers who love volume business.

What keeps it growing are many things. Like the steady stream of innovative products— such as the newest additions to our Red Heart family— Mistelle, Sofspun, Caress, Bulky and 100% Cotton Sport yarn. Like the consistent fine quality and outstanding value of Red Heart yarns. And the endless array of helpful leaflets and Instruction Books. Plus more publicity and advertising than any other brand. Any wonder Red

Heart yarns are being sold across more and more retail counters.

Red Heart—a great love story... a great sales story... and a growing and growing one.

America loves Red Heart.



Stores' interest rates deplored

By HUGH WYATT

Daily News Staff Writer

Advising "'Tis the season to be jolly, not to engage in greedy folly," the state Consumer Protection Board yesterday released a "Scrooge" list of 12 major department stores that charge what the board called "excessive rates" on charge cards.

Richard Kessel, executive

director, said a study by the board reveals that interest rates between 14% and 15% would be both adequate and profitable for the dozen, and other retail stores, rather than the 19.8% to 21.6% now being charged.

"When stores insist on keeping their rates at these outrageous levels, they are not acting in the holiday spir-

it," he declared. "Although we want to see retailers do well this year, there is no justification for these interest rates. Even banks have begun to lower their rates." He said rates for bank-issued cards now range from 15.8% to 19.9% statewide.

The stores named on the "Scrooge list" are Montgomery Ward, whose rate is

21.6%; J.C. Penney, Caldor and Sears, all 21%; and Macy's, Syms, Gimbels, Bloomingdale's, Lord & Taylor, Saks Fifth Avenue, A&S and Filene's, which all charge 19.8%.

James Quaremba, president of the Retail Council of New York State, which represents about 5,000 stores, said the list is a "great disservice

to many consumers who may be misled by the implication that they will be served better with bank cards as opposed to retail credit cards."

"If purchases are paid for promptly after billing," he continued, "retail credit is unbeatable in terms of costs, and compares favorably to alternative credit methods."

Exposing Our Secret Passion for Failure

Management literature is always addressed to those with high levels of aspiration. But surprisingly, a great many people, to judge from their behavior, really don't want to succeed. Executives and supervisors—subconsciously, to be sure—often seem to choose the one road on which the signposts point to defeat. Such wayfarers may even be in the majority.

Sigmund Freud was among the first to recognize that many able people have a secret passion for failure. Sooner or later they turn their triumphs into disasters. When things go well they consider themselves unworthy of their good fortune and therefore strive to undo it. Frequently they

current product and waited for what they knew would be a fine product, which, unfortunately, was not on line until long after the expected delivery date. Collapse was inevitable as cash flow slowed to a trickle and finally to naught.

Ignoring competitors is another sure road to failure. No matter how powerful a company, it is deliberately courting failure if it refuses to look over its shoulder to see who may be creeping up. And playing catch-up in the race is difficult even for the swift once they are off their pace. Eastman Kodak Co.'s too-snug executives finally learned that coasting is a down-hill process and that they need new products. Breathlessly they are now chasing the coattails of Polaroid Corp., Xerox Corp. and a score of floppy-disk manufacturers.

Judging by the frequency with which executives raised the subject, the area in which failure can most easily be accomplished is personal relationships. You can demotivate people, cripple their effectiveness, and make enemies out of friends without really exerting yourself.

On reaching the top, self-destructive people conclude that they no longer need anybody else. One executive, confident that a healthy bottom line was an impenetrable shield, gave no thought to his relations with others. He acknowledges now that it was not wise to keep his board of directors waiting on occasion rather than interrupt what he considered an important chore. Also he says he erred in failing either to win the trust of his subordinates or get rid of them. Finally, he was forced to step down despite his record of achievements.

One method of ensuring failure, used by a surprisingly large number of executives, is to organize the opposition. The logic seems to be that once you've defeated an opponent, make sure he remains an opponent. Former major league baseball manager Leo Durocher, an expert on the underworld of human relations, avoided this mistake. He once said of his team: "I never let the four guys who hate me get together with the five who are undecided."

Lyndon Johnson, on the other hand, had a more affirmative approach. If he lost to an adversary, he harbored no grudges and sought reconciliation. That's why, after contesting with John Kennedy for the presidential nomination, he could take second place on the ticket and eventually become president himself. When he was victorious, he knew the importance of bringing the defeated rival into camp. As he said of a potential adversary, "I'd rather have him inside the tent micturating out, than outside

micturating in." (Of course, Johnson didn't use the polysyllabic term we've substituted for him; he had more colorful words at his disposal.)

Many executives have learned that one sure way to undermine their power is to refuse to share it with others. By insisting on exclusive control, the decision maker, no matter how experienced and brilliant, endangers his success.

A former chief executive officer in a food-distributing company, now in semi-retirement, cites his worst flop as a young-plant superintendent. His superior had given him full authority to make all key decisions. Enamored of a new product that he called Nut Yogurt, he did not bother to get the reactions of his sales staff before producing carloads. He found his staff wouldn't touch it with a 10-foot spoon, and he and his family were eating it for years.

Another executive says his worst failures have been with people who didn't make the grade but who lingered on. He knew they would have to be let go but he kept deferring the moment of truth. Unfortunately, the incompetent don't quit, and the painful decision is not made until a major disaster occurs.

He says he has found a solution to this problem of "judgment inertia" by following what he calls the "Sy Syms theory of management," named after the apparel merchant who systematically reduces the price of his wares in direct proportion to how long they have stayed on the rack. He describes his method as follows: "If a subordinate disappoints you once, you discount his credibility by 10%; if he disappoints you twice, it goes down by 30%. The third time you sell out at any price."

Even the best and the brightest are likely to invite some failures. To be sure, the boundary between success and failure is not clearly drawn. It is not fixed like a Maginot line, and in any case it is easily outflanked. What is worse, the overconfident wayfarer may suddenly find he has wandered into the treacherous wastelands. And when that happens, the public is usually delighted. The Children of Israel must have cheered as the prophet pronounced the phrase, "How are the mighty fallen."

Mr. Feinberg is chairman of the New York-based BFS Psychological Associates. Mr. Levenstein is professor emeritus of management at Baruch College.

Manager's Journal

by Mortimer R. Feinberg
and Aaron Levenstein

accomplish their purpose by deliberately taking big risks for the most insignificant rewards.

We recently interviewed a cross section of executives who were willing, under cover of anonymity, to describe their own most serious failures. Viewed in one context, their revelations add up to a manual on how to fail. Even those who are still intent on succeeding may find the following accounts useful on the theory that pathology provides material for instruction.

A surprising number of our respondents reported that their worst errors involved clinging too long to a product or service that obviously had seen its finest hour. Their infatuation with their product seemed to originate in a need to vindicate their past judgments. They would rather be right than successful. No matter how well they understood the excellent literature on "the life cycle" of products and services, they considered their own products to be immortal and immune to the vicissitudes of the marketplace. However, no executive can afford to put his love of a product above the mandate of his market.

Product infatuation takes another form. One executive recalled ruefully how often his enthusiasm had led him to release a product before it was really ready. Somewhere along the line he had refused to look at problems of production flow and distribution—for instance, market research, packaging, planning an advertising campaign, and so on. The end result was an inventory that was completely out of control without sales to back it up.

Similar is the recent case of a computer company that went broke because it announced an improved model prematurely. Result: Potential customers passed up the



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MORTIMER R. FEINBERG, PH.D.
CHAIRMAN OF THE BOARD

October 4, 1985

Mr. Sy Syms
300 Chubb Avenue
Lyndhurst, NY 07071

Dear Mr. Syms:

Let me introduce myself. I am an Industrial Psychologist and a consultant as well as a regular columnist for the Wall Street Journal. You inspired me, as you can tell, from reading the enclosed piece. I thought you would like to have a copy for your files.

By the way, I met you many years ago when I was having lunch with Jack Field of Warnaco. David Rappaport introduced the both of us to you.

My best wishes for your continued success.

Sincerely,

Mortimer R. Feinberg, Ph.D.

MRF:ha
Enc.

Detroit News

scrapbook November 3, 1985

Discount clothier eyes Metro Detroit

Syms, an off-price apparel retailer based in Lyndhurst, N.J., has been edging westward in recent years after doing a land-office business in the New York area for 25 years.

According to Syms Advertising Director David Bernard, Detroit is among the markets the chain is eyeing for possible expansion in the next year.

With 15 stores in the 50,000 to 60,000-square-foot range, Syms dominates the market in brand name men's, women's and children's off-price apparel. The chain went public at the end of 1983.

The chain's advertising emphasizes that, "An educated consumer is our best customer," and the company has recently introduced an innovative Sunday-open, Monday-closed policy in New York.

Syms carries 95 percent branded merchandise. Bernard says the company doesn't enter more than one or two new markets a year, but felt that Detroit would fit the bill because, "Syms has good potential in any market that's basically a brand name market."

Syms already does business in New York, New Jersey, Massachusetts, Washington, Virginia, Maryland, Pennsylvania and Illinois. And industry observers credit the company with expertise in tailoring the merchandise to the market, noting a particularly upscale selection in its Washington operation.

AMERICAN COMMERCIAL-INDUSTRIAL REALTY CO.

LOU WEBER / BEN GORDON / RUDI STRAUS

November 4, 1985

Mr. Richard Syms
Syms
300 Chubb Avenue
Lindhurst, N. J. 07071

Re: Metro Detroit Locations

Dear Richard:

Enclosed you will find a copy of an article which appeared in Sunday's Detroit News and I am sending it to you because I have had a few calls from people to whom I had spoken regarding your interest. They more or less wanted to know if you were going to make an offer and I told them we are looking at many possibilities but have not finalized our choices; however, we are open to offers from them.

Undoubtedly, you will be getting calls from other brokers about your intentions. This makes it difficult because everybody makes promises. I was told today that you would go for a build-to-lease near Oakland Mall, and I will be getting other calls similar to this; therefore, I need your cooperation regarding any calls concerning this area, so we do not go around "chasing our tails".

If you have any questions, please contact me.

Sincerely,

Lou
Louis Weber

LW/sl
Enclosure

XC: Marcie Syms ✓

P.S. I just spoke to you on the telephone. Call about Wednesday or Thursday.

*DAD
F.Y.I.
mm*

see article

MEMBER OF

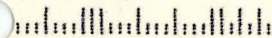
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COMMERCIAL-
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REALTY CO.

26500 NORTHWESTERN HIGHWAY
SUITE 403
SOUTHFIELD, MICH. 48076

Ms. Marcie Syms
Syms
300 Chubb Avenue
Lindhurst, N. J. 07071



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*Compliments
Of
Resorts International
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*Atlantic City's
Number One Casino*

CORPORATE SPONSOR

CYSTIC FIBROSIS

Cystic fibrosis, one of the most common inherited diseases, is the number one genetic killer of children. With advances these past twenty plus years, children who would previously have died in the first five years of life, are now living with early diagnosis and treatment, to an average of 18-20 years and a small growing number to productive young adulthood. There is as yet, however, no cure or long-term control.

Approximately one child in every 1,800 is born with CF. One in every 20 Americans – nearly 10,000,000 persons, are the unknowing carriers of the gene for cystic fibrosis.

Cystic fibrosis, though present at birth, is, unfortunately, not always diagnosed until later in life. This tragic disorder causes a thickening of the bodily mucous which clogs the lungs and airways and creates breathing difficulties, high susceptibility to infection and progressive lung damage. The heavy mucous also interferes with the adequate necessary digestion of food by preventing the normal flow of enzymes from the pancreas.

CF patients undergo a rigorous home regime of bronchial hygiene treatments including twice daily sessions of postural drainage involving vigorous clapping of the chest areas designed to dislodge and help the patient cough up the life-threatening secretions. The afflicted child may take as many as 60 pills per day: vitamins, enzymes and antibiotics – to ward off and to fight infection.

The many medications and respiratory treatments required continuously throughout life, as well as the necessary larger amounts of high quality food consumed daily, results in huge expenditures of money. The average annual cost of providing these needs is approaching \$10,000. Hospitalizations needed periodically for more intensive treatments, are now averaging \$13,000-\$15,000 for a two week period.

Individuals with more advanced disease requiring the use of an intensive care unit and more prolonged hospital stays can easily run up bills in excess of \$70,000, and since CF is a genetic disease, there may be more than one child affected in a family. The physical and emotional drains are enormous.

As the struggle for a cure through research goes on, we battle, too, to prolong the years and enhance the quality of life for our cystic fibrosis young.

*The Cystic Fibrosis Association
of Greater New York*

requests the pleasure of your company at

The Children's Ball

benefiting the CF Care and Research Centers

to be held at

*the Starlight Roof
Waldorf-Astoria Hotel*

Saturday, the seventh of December

Nineteen Hundred and eighty-five

at eight in the evening

Top entrepreneurs

From Page 1F.

Plymouth, Mass. Owns and operates restaurants and hotels and runs a trading stamp business and other operations.

■ Frank L. Carney: Pizza Hut, Inc., Wichita, Kan.

■ Alexander V. d'Arbeloff and Nicholas De Wolf: Teradyne, Inc., Boston. Manufactures automatic test equipment for the semiconductor, the printed circuit board and telecommunications industries.

■ Cecil B. Day and Richard C. Kessler: Days Inns of America, Inc., Atlanta.

■ C. Norman Dion: Dysan Corp., Santa Clara, Calif. Develops, produces and markets floppy discs used as memory storage in computer systems.

■ Richard Dotts: Pedus International, Inc., Los Angeles. Provides cleaning, maintenance and security personnel for office buildings in West and Southwest.

■ William Francis Farley: Farley Industries, Inc., Chicago. A conglomerate of manufacturing companies.

■ Tom J. Fatjo, Jr.: Browning Ferris Industries, Inc., Houston. Provides solid and liquid waste collection, processing, recovery and disposal services.

■ William Arthur Fickling, Jr.: Charter Medical Corp., Macon, Ga.

■ Debby Fields: Mrs. Fields Cookies, Inc., Park City, Utah.

■ Aryeh Finegold: Daisy Systems Corp., Mountain View, Calif. Manufactures computer systems.

■ Dr. Thomas F. Frist, Sr., and Dr. Thomas F. Frist, Jr.: Hospital Corporation of America, Nashville, Tenn.

■ John Brooks Fuqua: Fuqua Industries, Inc., Atlanta. Manufactures and distributes lawn and garden equipment, recreation products and photofinishing services.

■ William Gates and Paul Allen: Microsoft Corp., Bellevue, Wash.

■ Fred Gibbons: Software Publishing Corp., Mountain View, Calif.

■ Robert L. Green: Community Psychiatric Centers, San Francisco.

■ William Hambrecht: Hambrecht and Quist, Inc., San Francisco. Investment banking firm.

■ John K. Hanson: Winnebago Industries, Inc., Forest City, Iowa.

■ Neil S. Hirsch: Telerate, Inc., New York.

■ Soichiro Honda: Honda Motor Co., Tokyo.

■ Roger Horchow: Horchow Collection, Dallas.

■ K. Philip Hwang: TeleVideo Systems, Inc., Sunnyvale, Calif.

■ Masaru Ibuka and Akio Morita: Sony Corp., Tokyo. Manufactures electronics products.

■ David Jackson: Altos Computer Systems, San Jose, Calif.

■ Claude and Donna Jeanloz: Renovators Supply, Inc., Millers Falls, Mass. Publishes mail order catalog of electrical and plumbing fixtures.

■ Steven P. Jobs and Steven Wozniak: Apple Computer, Inc., Cupertino, Calif.

■ Ewing Marion Kauffman: Marion Laboratories, Kansas City, Mo. Markets discoveries of other pharmaceutical

companies.

■ Thomas L. Kelly, Jr.: TIE Communications Inc., Shelton, Conn.

■ Amin J. Khoury: Delmed Inc., Canton, Mass. Manufactures such products as plastic blood banking disposables, intravenous devices and dialysis products.

■ Raphael Klein: Xicor Inc., Milpitas, Calif. Manufactures non-volatile reprogrammable semiconductor memory products.

■ Philip H. Knight: NIKE Inc., Beaverton, Ore.

■ David I. Kosowsky: Damon Corp., Needham Heights, Mass.

■ Raymond A. Kroc: McDonald's Corp., Northbrook, Ill.

■ Sandra L. Kurtzig: ASK Computer Systems, Inc., Los Altos, Calif.

■ Francis Labrecque: American Discount Auto Parts, Avon, Mass.

■ Charles Lazarus: Toys 'R' Us, Inc., Rochelle Park, N.J.

■ Lawrence F. Levy: Levy Organization, Chicago.

■ Sydney Lewis: Best Products Co., Richmond, Va.

■ Royal Little: Texttron Inc., Providence, R.I. A conglomerate that operates dozens of unrelated companies.

■ George Lucas: Lucasfilms Inc., Lucas Valley, Calif.

■ Alex Manooogian: Masco Corp., Taylor, Mich. Manufactures plumbing supplies.

■ Patrick J. McGovern: International Data Group, Inc., Framingham, Mass. Marketing research and publishing.

■ William G. McGowan: MCI Communications Corp., Washington.

■ Malcolm P. McLean: Sea-Land Services, Inc., Port Elizabeth, N.J. Container shipping company.

■ Sy Syms Merns: Syms Corp., Lyndhurst, N.J.

■ William H. Millard: ComputerLand Corp., Oakland, Calif.

■ Phillip Moffitt and Christopher Whittle: 13-30 Corp., Knoxville, Tenn. Magazine publishing company — publications include Esquire.

■ Parker G. Montgomery: Cooper Laboratories, Inc., Palo Alto, Calif.

■ Thomas S. Murphy: Capital Cities Communications, Inc., New York.

■ Lane Nemeth: Discovery Toys, Pleasant Hill, Calif.

■ William C. Norris: Control Data Corp., Minneapolis, Minn.

■ Kenneth H. Olsen: Digital Equipment Corp., Lincoln, Mass.

■ Elisabeth Claiborne Ortenberg: Liz Claiborne, Inc., New York.

■ M. Kenneth Oshman and Robert R. Maxfield: Rolm Corp., Santa Clara, Calif. Manufactures computer controlled business telephone switching systems.

■ David Packard and William R. Hewlett: Hewlett-Packard Co., Palo Alto, Calif.

■ Roy Hampton Park: Park Communications Inc., Ithaca, N.Y. ■ Joseph C. Parkinson and Ward Parkinson: Micron Technology, Inc., Boise, Idaho.

■ Allen E. Paulson: Gulfstream Aerospace Corp., Savannah, Ga.

Associated Press

NEW YORK — Here are the 100 greatest entrepreneurs of the last 25 years from "Entrepreneurial Megabucks," by A. David Silver.

■ Sheldon Adelson: The Interface Group, Inc., Needham, Mass. Produces computer industry trade shows.

■ Martin A. Allen: Computervision Corp., Bedford, Mass. Produces computer aided design, engineering and manufacturing systems.

■ Martin Alpert: Tecmar, Inc., Cleveland. Produces computer peripheral products that expand capabilities of IBM-PC and Apple personal computers.

■ J. Reid Anderson: Verbatim Corp., Sunnyvale, Calif. Designs and manufactures removable magnetic data storage media, including floppy discs and data cassettes.

■ Mary Kay Ash: Mary Kay Cosmetics, Dallas. Produces and sells cosmetics.

■ Henry Wollman Bloch and Richard A. Bloch: H & R Block, Inc., Kansas City, Mo. Largest preparer of federal

income tax returns for individuals.

■ Winton Malcolm Blount: Blount, Inc., Montgomery, Ala. Constructs projects, such as waste to energy plants, missile silos and New Orleans Superdome.

■ Rose Blumkin: Nebraska Furniture Mart, Inc., Omaha, Neb. Owns and operates large retail furniture store.

■ Warren E. Buffett: Berkshire Hathaway, Inc.; See's Candy Shops, Inc.; Blue Chips Stamps; Capital Cities Communications, Inc.; plus several banks, insurance companies and newspapers; Omaha, Neb.

■ Donald C. Burr: People Express Airline, Inc., Newark, N.J. Low-fare airline operating primarily in the eastern United States.

■ Ronald E. Cape: The Cetus Corp., Emeryville, Calif. Develops commercial products through genetic engineering. Interests include human health care, immunology and agriculture.

■ Curtis L. Carlson: Carlson Companies Inc., See TOP ENTREPRENEURS /back of section.

Top 100 entrepreneurs



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SEP 29 1985

CINDY ADAMS



Musical journalism

REMEMBER Zev Bufman? That semi-attractive, curlyhaired, grayhaired producer who lost his behind when he presented Elizabeth Taylor and Richard Burton in *Private Lives* a few flops ago?

Well, Zev's off and running again. He's bringing us the new show, *The News*. He says: "It's based on a daily mythical tabloid which has six daily editions plus a 'Super Zingo' game."

Bufman's rock musical uses guitars to simulate the sound of typewriters, has Jeff Conaway playing the role of editor, and opens at the Helen Hayes on Nov. 17.

Says Bufman: "Working with Elizabeth Taylor created a financial loss that was like living with a sick relative."

"Elizabeth has since entered Betty Ford's clinic, but in those days we couldn't discuss the problem. We were all lying and hiding. I had the tail end of the worst 10 months of Elizabeth Taylor's life."

"Now I'm back. I have to get my business together again."



ROBIN STRASSER

★ ★ ★
ROBIN STRASSER

of *One Life to Live* is a

volunteer cook once a month at her church's shelter for homeless women ... Top pop singer Shannon and beau, bassist Rusty Taylor, are stronger together than ever. They just made a single together called *Stronger Together* ... *Entertainment Tonight's* Mary Hart has started her own video company. For some oddball reason it's called "Custom's Last Stand" ... Fran and Barry Weissler will produce a revival of *Sweet Bird of Youth*. Lauren Bacall will star. *Harold Pinter* will direct.

★ ★ ★
RALPH LAUREN was in Milan for a fashion show. P-r man Morty Wax was in Milan hyping the film *The Flaxfield*. They met. The designer complimented Morty, who was inside a complete Ralph Lauren ensemble — tie, shirt, pants, jacket.

Said Morty: "I got the stuff at Syms."

JEFF GOLDBLUM and Carol Kane's coming vampire movie, *Transylvania 6-5000*, is having a Transylvanian snack tomorrow at Limelight. New World Pictures has organized a menu of lung ragout, brain sausage, kidney goulash, braised snipe, and boar leg.

About beverages I don't know. Probably ghou-aid and Bloody Marys.

★ ★ ★
SPEAKING of food brings us to New Milford, Conn. Eartha Kitt, who's at Carnegie Hall tonight, is giving chums like her agent Stan Scotland gifts of fresh homegrown zucchini, potatoes, cukes, tomatoes, and stringbeans from her 88-acre farm. Eartha, who is a child of the cotton plantations, and who loves to scrabble in the eartha, planted the seeds and swears she picked the crop personally.

★ ★ ★
DARREN and Kathy McGavin, whose new 6-room Park Avenue co-op is being gutted for remodeling, were at China Bowl ... *Taxi Driver* director Martin Scorsese is in the new flick *Round About Midnight*. He plays a taxi driver ... Skinny Susan Anton's judging a Weight Watcher's contest in Paris ... Int'l Women's Writing Guild founder Hannelore Hahn is throwing a very hightoned, strictly literati solree at her home Nov. 8. Don't fret if you weren't invited. I wasn't either.

★ ★ ★
THE SCENE was Marvin Davis's place:

On one side sat the California contingent — Morgan Fairchild and the gorgeous-to-die TV superstud, Dack Rambo. Realtor Lew Rudin of the New York contingent lumbers over, pins a golden apple on the celadon suede lapel of the handsome hearthrob of millions, says: "And who are you?"

Dack, who has russet brown hair the color of a maple leaf and a tan the color of the tree orunk, says: "I'm from Dallas."

"Yeah?" says Rudin, who never watches TV, "Well, I'm from New York."



Photo: Kenn Duncan

EARTHA KITT

MONEY TALKS

Daily News, Sunday, June 23, 1985



Illustration by Jennifer Skopp

Buyers' market

By ELLEN TUMPOSKY

A PRICE IN a New York department store is like the weather in Maine—if you don't like it, wait a minute.

Want that Perry Ellis sweater at Saks, but don't feel like shelling out \$300? Come back in a few weeks and it will be marked down to \$250. Come back in a month, and it will probably be going for less than \$100. Sofas at Bloomingdale's, dresses at Alexander's, linens at A&S, men's shirts at Macy's and shoes at Gimbels—all will be on sale sooner or later. It's getting so that unless you have to have that particular item now, it makes little sense to pay full price.

For a variety of reasons, the city's big stores are locked into a never-ending cycle

Bargain-hunting shoppers don't have to look very far

of price-cutting. It's a situation that is bad for the retailing business, but good for consumers who can take advantage of what is indisputably a buyers' market.

For example: on a recent Monday in Macy's, with no special sale on, a shopper found these bargains: a blue velvet loveseat, originally \$900, now \$450; a 20-piece set of dishes, originally \$263, now \$99.99; a Liz Claiborne polka-dot dress, originally \$140, now \$79.99; a Cannon Royal Family comforter, from \$120 to \$79.99, selected men's watches in the \$100

range, 50% off.

Over at Lord & Taylor, a "having a wonderful summer" sale featured Riviera sunglasses, originally \$16, now \$7.99; a Gant silk rep tie, normally \$21.50, at \$14.99; Villager short-sleeved women's sweaters, reduced from \$46 to \$22.99; and in the designer department, Ralph Lauren linen culottes, normally \$210, "cheap" at \$139.99.

Take your time

Sure, there have always been lots of sales in the city's fiercely competitive retail

market. But recently there have been more and more—pre-holiday sales where there used to be only post-holiday markdowns, one-day sales, and sales for no reason at all.

"I'm not a very practical shopper," said one Manhattan resident as she was browsing through Bloomingdale's on a recent weekend. "I don't have the time to schlepp around town and do comparison shopping, and I hate the crowds at the discount stores. But even I've learned that it makes no sense to pay full price. Everything goes on sale nowadays."

"You don't have to wait long for a markdown—you can wait 10 days," says Joseph Schienies of Kurt Salmon Associates, a manage-

See **SHOPPING** Page 10.

Shopping

FROM PAGE ONE

ment consulting firm. A study by the National Retail Merchants Association shows that from 1979 to 1983, markdown sales in department stores rose 24% in women's wear, 23% in men's wear and 38% in shoes.

Of course, markdowns stimulate shopping. But in the long run, they hurt the stores because they reduce profits and undermine store images. Consumers go to department stores because they want service not available in discount stores—but as Louis Powell, president of Alexander's, points out, "You can't add services if your (profit) margin is hurting. It's a catch-22 situation."

Schienes thinks the price-cutting trend is tied to two factors: competition and excessive inventory.

Competition comes from the off-price stores—Syms, BFO, Crazy Eddie, and many others—that sell known labels at low prices. Department stores are forced to compete, and "they can't win that game," says Schienes.

Then there's the inventory factor. "They buy too much," says Schienes. "Everybody gets choked on this inventory."

Great expectations

What happened, according to Fabian Linden, executive director of the Consumer Research Center of the Conference Board, is that retail buyers were over-optimistic early last year when the economy was booming. They bought a lot of imported goods and then "got stuck" with the goods already on the boats when consumers cut back on their buying last summer.

"Merchandise is not as perishable as grapefruit, but styles do change," says Linden. And certain items are seasonal: ski boots left unsold in the fall of '84 can't be sold again for a year. That inventory, Linden says, is "money sitting in the store"—money that retailers are paying for at high interest rates. So they sell at reduced prices.

How can the shopper profit from the stores' woes? Obviously, by reading the ads and shopping around. In this retailing environment, the consumer who doesn't want the hassle of crowds and long lines at discount shops can find terrific buys even in the most ritzy department stores.

But bargains are not always what they seem. The shopper must watch out for "double pricing," when an item is tagged with an artificially high price initially to persuade the buyer that a markdown is a bargain. Powell's advice: "Shop—that's the best way. Don't let a label determine that it's a value."

One effect of the blitz of price-cutting has been a tendency on the part of shoppers to wait for a good deal. "The consumers feel they should wait because everything is going down," says George Hanley, sales promotion director of B. Altman.

Uncertain future

Should the shopper keep on waiting, or is the price-cutting dying down?

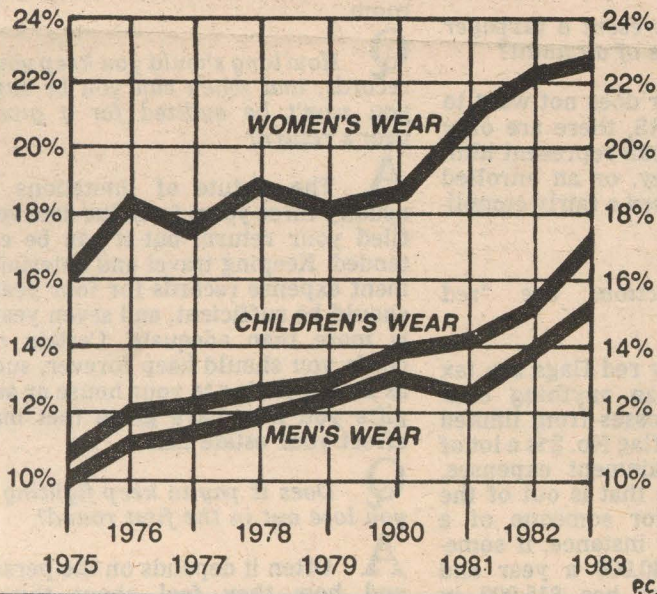
Hanley of Altman's says high rents, high interest rates, and pressure for publicly held companies to perform will keep things as they are in the foreseeable future.

On the other hand, Powell says, "I don't think the stores will sit still for this too much longer."

Retail analyst Stuart Robins of the investment firm Donaldson Lufkin & Jenrette believes special sales will continue, but "extreme" inventory liquidations will decline.

Meanwhile, the good buys are out there—so keep shopping.

Department Stores
% of MARKDOWNS-TO-SALES



Source: MOR/NRMA

Weather

Today: Partly sunny. High 33-39. Low 13-19. Wind NW 15-25 mph.
 Sunday: Clear and cold. High in the 30s. Light winds.
 Yesterday: AQI: 20. Temp. range 38-48. Details on Page C2.

The Washington Post

Sections

A News/Editorials
 B Business/Comics
 C Metro/Obituaries
 D Sports/Classified
 E Real Estate
 F Style/Television
 Detailed index on Page A2

109TH YEAR

No. 9

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SATURDAY, DECEMBER 14, 1985

R V

Higher in Areas Approximately 75 Miles From District of Columbia (See Box on A4)

25¢

Reagan Sets New Appeal On Tax Bill

50 GOP Votes Needed Or Measure Is Dead, Rostenkowski Says

By Anne Swardson and Dale Russakoff
 Washington Post Staff Writers

House Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.) said yesterday he would declare his panel's tax-revision proposal dead on Monday unless President Reagan can produce 50 GOP votes. Officials later said the president would make an unusual personal appeal for tax overhaul in a meeting with House Republicans.

Reagan's decision to go to Capitol Hill on Monday came as Republican rebels continued to work against the Democratic tax-overhaul measure, which they torpedoed in a surprise attack Wednesday on the House floor.

One official said Reagan's last-ditch plea to all GOP House members signals that the president "wants the opportunity to put to rest any misunderstandings" arising from the defection of all but 14 Republicans on the crucial vote that blocked consideration of the bill.

Rostenkowski said in an interview that he would not allow a vote to amend the Democratic tax bill on the House floor—a condition set by House Republican leaders for relaxing their opposition. Only a substitute GOP tax package could be subject to amendment, he said.

Meanwhile, GOP leaders called a meeting of House Republicans and passed out statements to be used over the weekend to defend their vote on Wednesday to block the tax bill. The meeting had the approval of Minority Leader Robert H. Michel (R-Ill.), leaders said.

Reagan, who has made no public appearances on tax overhaul in the two days since the bill was blocked on the House floor, will devote part of his weekly radio address to the issue today. Aides said the speech will make general references to the impasse in the House.

Several business lobbyists who have worked with the White House to support the bill yesterday questioned the administration's commitment to moving the package.

"If this is a full-court press for the major domestic-policy initiative of

See TAXES, A8, Col. 1

■ Conference agrees to ban tests of antisatellite arms. Page A11



Workers lay out the remains of 101st Airborne troops and Arrow Air crew who died in crash of chartered DC8.

Crash Victims' Bodies Retrieved

Damaged Recorders From Troop Plane Providing Few Clues

By Herbert H. Denton
 Washington Post Foreign Service

GANDER, Newfoundland, Dec. 13—Workers labored throughout the day to retrieve bodies of American paratroops from the rolling, snow-dusted forest near the airport runway here, as investigators disclosed that they had encountered a major obstacle in trying to determine the cause of the sudden crash here yesterday morning.

The two black box flight recorders were so badly damaged when the Arrow Air DC8 carrying 101st Airborne Division troops home from Cairo exploded into thousands of pieces after takeoff that it is unlikely that they will provide any useful information, according to the chief Canadian investigator, Peter Boag.

He also confirmed that the pilot of the Miami-based chartered airline had failed to have the aircraft de-iced before he took off in a light, grainy snow.

The operations, maintenance and personnel records of the charter company were to be examined carefully, Boag said.

By nightfall, fewer than two dozen of the bodies of the 248 soldiers and eight-member crew remained on the three-quarter-mile-long trail of wreckage strewn along a rolling hill south of the runway. But U.S. military officers said they were unable to say precisely when autopsies by Canadian pathologists here would be completed and the remains could be flown home.

Maj. Gen. John S. Crosby, deputy chief of staff for planning at the Pentagon, who is here to supervise the return of the bodies, said that an accurate manifest obtained today indicated that there were 248 soldiers aboard the plane, not 250 as initially reported. He said three women were among the 101st Airborne troops.

At the duty-free shop in the airport, salesclerks

See CRASH, A18, Col. 3

Crash Kills Family's Holiday Joy

By Chris Spolar
 Washington Post Staff Writer

Peter and Mary Thornton knew the season of Christmas would come to their home when Chris, the sixth in a family of eight children, looking proud in his Army uniform, walked through the door.

He was the one who liked the little touches, the spindly strand of blue tinsel above the fireplace and the statues of two little angels on a side table. He was the son who, with a wry sense of humor and wide-open wallet, turned shopping trips into marathon sprees. And he was the man who became a boy every Christmas and insisted on looking as far as Baltimore for the perfect tree to sit in the corner of the living room.

Those traditions ended without cause or reason for the Thornton family of Takoma Park early Thursday when a plane carrying 250 American sol-

diers, including their son and seven other men from Maryland and Virginia, crashed into the rocky woods of Newfoundland.

"We're left with disbelief, horror," said Peter Thornton, a 58-year-old retired federal employee. At the end of a day full of questions and telephone calls, he told of the family's struggle to come to terms with its loss.

"We're not only asking why is this happening," he said, "We're still saying to ourselves: What is happening?"

Sgt. Christopher Thornton, 24, a 1979 graduate of Montgomery Blair High School, had served almost four years in the Army when he boarded the plane to leave what had been a peace-keeping mission in the Middle East. Seven other soldiers from Maryland and Virginia were believed to be among the dead. They are Pvt. 2 Alexander Stearn of Lu-

See THORNTON, A18, Col. 1

OMB Recommends Metro Fund Cutoff

Some Planned Rail Extensions Jeopardized

By Stephen J. Lynton
 Washington Post Staff Writer

The Office of Management and Budget has recommended halting all federal spending for Metro subway construction, raising prospects that the long-delayed Green Line and other proposed rail extensions may never be completed, according to congressional and other sources.

The proposal, now being reviewed by federal transportation officials, would represent one of the most dramatic setbacks for the Washington area to result from

landmark balanced-budget legislation approved by Congress and signed by President Reagan this week.

The federal budget agency proposed that federal appropriations for Metro construction be "zeroed out" in the next fiscal year as part of a wide-ranging effort to reduce the federal deficit to \$144 billion, the level set as a target for fiscal 1987 under the Gramm-Rudman-Hollings measure, the sources said.

Under the OMB proposal, the transit authority would likely have only enough federal money to expand the rail system to slightly more than 70 miles, far short of the 103-mile plan advocated by Metro and other local officials.

The proposal would not endanger the opening of a nine-mile Northern Virginia extension of the Orange Line to a Vienna terminus, scheduled for June 7, because construction work there is virtually finished, officials said.

But, officials said, it is unclear whether the proposal would allow the authority to complete any part of the Green Line, Metro's only unopened route. Delays in building the Green Line have stirred concern among local and federal officials because the route was designed to serve low-income neighborhoods where residents depend heavily on public transportation.

One transit analyst said it appeared possible that a short Green Line segment between Anacostia and Northwest Washington might be completed with existing funds. Portions of the Green Line stretching into Prince George's County probably could not be constructed, the analyst said.

A proposed Red Line extension from Silver Spring to Glenmont in Montgomery County and a Yellow Line branch from King Street in

See METRO, A10, Col. 5

■ OMB seeks additional cuts in Medicare, Medicaid. Page A9



GOV. HARRY HUGHES ... \$118 million available

Md. Surplus To Help Ease S&L Crisis

By Michel McQueen
 Washington Post Staff Writer

ANNAPOLIS, Dec. 13—Maryland Gov. Harry Hughes, coming up against a self-imposed deadline for submitting plans to resolve the state's savings and loan crisis, said today that an unexpected \$118 million budget surplus will help him ease the crisis and maintain current programs.

Hughes pledged flatly that no taxes will be increased next year.

The surplus, which was announced in a report today at the annual Board of Revenue Estimates meeting here, is about \$70.8 million more than earlier estimated, and Hughes said he will reserve "at minimum" \$50 million to pay off any losses resulting from resolving the savings and loan problem.

The state's liability in the crisis could be far greater than \$50 million. The combined debt at the three largest thrifts under state control is now estimated to be as much as \$300 million.

See MARYLAND, A13, Col. 1

■ Md. takes over fifth S&L since May. Page C1

Spain Holds 4 Cuban Aides After Attack on Defector

By Tom Burns
 Special to The Washington Post

MADRID, Dec. 13—A vice consul at the Cuban Embassy in Madrid and three other embassy employees were arrested and ordered expelled from Spain today after a foiled attempt to kidnap at gunpoint an apparent defector described as a high-ranking former Cuban official.

Police rescued the kidnapping target and identified him as Manuel Antonio Sanchez Perez. They said he recently had been granted provisional asylum by Spanish authorities.

An Interior Ministry statement called him a senior member of Cuba's Central Planning Board who

arrived in Spain on Nov. 18 and applied for asylum. Police said Sanchez Perez, 41, had been deputy planning minister until two weeks ago.

But Cuban exile sources said that Sanchez Perez had not registered as a refugee with any agency here. They alleged that he was a top-ranking Cuban intelligence officer whose principal role was to act as paymaster for Cuban spies in Spain and elsewhere in Western Europe. The exile sources said that Sanchez Perez apparently intended to defect.

Western diplomatic sources said Sanchez Perez was understood to

See MADRID, A17, Col. 1

INSIDE

Security Boards Eyed

■ The Office of Personnel Management asked the military for nominations to "Security Hearing Boards" that could lead to firings in security cases. Page A4

Israel Probe Pressed

■ Federal officials, following a series of surprise raids, are pressing an investigation into the possible illegal sale of military technology to Israel. Page A15

3 Convicted in Cyprus

■ Two Palestinians and a Briton were found guilty of killing three Israelis on a yacht in Cyprus last September and were sentenced to life in prison. Page A15

Wholesale Prices Jump

■ Wholesale prices rose 0.8 percent in November, on top of a steeper rise in October. But economists said that does not indicate quickening inflation. Page B1

Fuller Jury Locked Up

■ The jury was sequestered in the Fuller murder case yesterday following a flap over a juror's daughter's connection to some of the defendants. Page C1

Sen. Kasten Arrested

■ Sen. Robert W. Kasten (R-Wis.) was charged with driving while intoxicated after allegedly running a red light and driving on the wrong side. Page C1

Lawmaker Got Fee After Bill Died

By Molly Moore and Donald P. Baker
 Washington Post Staff Writers



SEN. PETER K. BABALAS ... controlled key votes

NORFOLK, Dec. 13—Three days after Virginia state Sen. Peter K. Babalas helped kill legislation putting new restrictions on mortgage loan interest rates, officials of a major mortgage company authorized a \$3,000 payment to the senior Democratic legislator.

"This was one we agreed to pay after he stopped legislation in Richmond," said a handwritten note on a check voucher that appears to carry the initials of a vice president of Landbank Equity Corp. of Virginia Beach.

Babalas, 63, a Norfolk lawyer and the Senate's fourth-ranking member, received \$61,480 in legal fees

from the now-bankrupt Landbank. Most of the fees came while he was serving as the firm's general counsel and as a member of a legislative subcommittee responsible for rewriting some of Virginia's interest rate laws, according to records filed in U.S. Bankruptcy Court here.

On Feb. 11, Babalas cast his vote and the proxies of two other senators against a measure that would have limited the amount of interest that lending institutions, such as Landbank, could charge on second-mortgage loans in Virginia. The bill died in a 7-to-5 vote in the Senate commerce committee.

Details of the voucher, dated three days later and authorizing payment of \$3,000 to Babalas' law firm, were reported today by The

See BABALAS, A12, Col. 1

Soviet, U.S. Museums Plan Exchange of Exhibitions

By Gary Lee
 Washington Post Foreign Service

MOSCOW, Dec. 13—In the first Soviet-American cultural exchange arranged under an accord signed at the Geneva summit, the National Gallery of Art and two major Soviet museums will swap exhibits of masterpieces by impressionist, post-impressionist and other painters, American industrialist Armand Hammer announced today.

Hammer, chief executive of Occidental Petroleum, completed plans for the exchange of paintings by such masters as Pablo Picasso, Claude Monet and Vincent van Gogh in meetings with Soviet officials this week.

Forty works by seven painters from Leningrad's Hermitage museum and Moscow's Pushkin Museum of Fine Arts will be exhibited at the National Gallery next May and June, Hammer said at a news conference. The exhibit also will be shown in the Frances and Armand Hammer Wing of the Los Angeles County Museum of Art.

"It is the greatest collection of impressionists and postimpressionists to ever leave the Soviet Union," Hammer said today. The American businessman has nurtured contacts with Soviet leaders for decades and pioneered trade between the two countries.

See PAINTINGS, A20, Col. 3

Off-Price Stores: Good Deal of Risk

You May Not Get What You Don't Pay For, Area Survey Shows

By Leah Y. Latimer
 Washington Post Staff Writer

The gold emblem on the front and the crest and serial number on the inside identified the handbag as a Gucci. And for \$125 at a Washington area off-price store, \$51 less than the retail price, it seemed a great buy.

It wasn't. It was counterfeit, according to Gucci officials.

The handbag was purchased as part of a Washington Post survey that found that off-price shopping—the retailing phenomenon that has brought factory outlets, bargain warehouses and designer discounters to the Washington area in ever-increasing numbers—can be risky business for consumers.

In a survey of more than 50 stores, the off-price market was found to be one where bad buys can be had along with bona fide bargains.

"It's a hit-or-miss proposition," said Susie Tobias, who often shops at the new Potomac Mills mall in Woodbridge, Va., which bills itself as the world's largest collection of off-price stores.

A panel of professional buyers, retailers, jewelers, and tailoring and textile experts assembled by The Post found that quality does not always measure up to that of comparably priced goods from conventional retailers. In a market where claims of sensational savings abound, consumers also risk spending large sums on items that often may not be what the labels indicate, according to the findings.

In addition, stores often make exaggerated savings claims by inflating what they say are the comparable retail prices, the findings indicate.

"They're making the savings look astronomical," said Montgomery County consumer specialist Susan Cohen. "No one knows what a legitimate savings is anymore."

See OFF-PRICE, A14, Col. 1



WOMEN'S CLOTHING

This off-price sweater coat, top left, should sell for no more than \$79, experts said. The coat, of low-quality wool, was advertised as selling elsewhere for \$239 but was discounted to \$39.75. The experts correctly estimated the department store sweater coat, top right, as selling for \$150.

These two sweaters, bottom, were both originally priced at \$40. But the off-price sweater, bottom left, is made of a scratchy, low-quality wool and only worth its \$11.99 discounted price, experts said.

HOW THE SURVEY WAS CONDUCTED

In conducting the shopping survey at more than 50 off-price stores in the District, Maryland and Northern Virginia, a reporter for The Washington Post did what most shoppers do—looked for exceptional values.

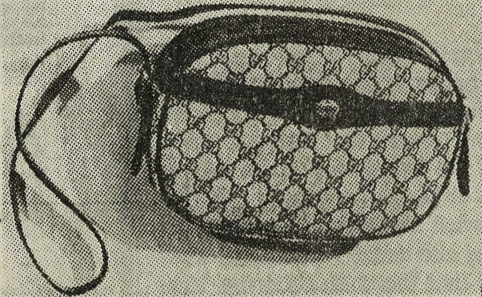
Purchases were made at 12 of the stores. In considering what to buy, The Post looked at brand names and designer labels, type of item, comparable price and value claims and the discounted price. The Post then purchased from conventional retail stores similar goods with regular retail prices near the comparable retail prices claimed by the off-price stores conventional retail stores.

All goods were removed from their original packages, and tags and labels were either removed or covered.

Professional menswear and womenswear buyers, jewelers, textile experts and shoe merchandising experts, with the understanding that they would not be identified in this story, individually evaluated specific merchandise purchased from off-price stores and compared it with similar goods purchased from conventional retail stores. They judged the merchandise on quality of materials, style and craftsmanship, and also were asked to estimate a retail price for each item.

In most cases, the comparisons were double-blind tests, in which neither those making the comparisons nor the person administering the test were told where individual items were bought.

A variety of merchandise, such as jewelry, clothing and shoes, was selected to represent goods available in off-price stores throughout the area.



WOMEN'S ACCESSORIES

A sophisticated counterfeit, said Gucci officials of this purse from an off-price store. Listed as selling elsewhere for \$176, it was bought for \$125. Specifically, Gucci officials said a poorer quality pigskin was used, the inner lining was badly crafted, the Gucci emblem and crest were flawed, and the zipper color was not the usual perfect match.



MEN'S CLOTHING

Experts cited the plain-front trousers and six buttons on the double-breasted jacket in saying this off-price Bill Blass suit, top right, was at least two years old and out of fashion. Another Bill Blass suit, bottom left, from a department store, was called "current" and its retail value correctly estimated at \$275. The off-price shetland sport coat, top left, was considered a good, fashionable garment that should sell for up to \$175. It was bought for \$119, but the store said it was comparable to those selling elsewhere for \$240.

PHOTOS BY ELLSWORTH DAVIS—THE WASHINGTON POST
DESIGNS BY TOBEY—THE WASHINGTON POST

You May Not Get What You Don't Pay For

OFF-PRICE, From A1

Based on comparisons of merchandise from off-price stores and similar goods from conventional retailers, the findings illustrate concerns that some claims by the off-price industry, which is expected to sell \$13 billion in apparel alone next year, are at least questionable and may violate federal and state advertising guidelines.

The issue is a growing concern to consumer agencies because of the impact the industry is having on the way people spend their money.

"I never shop full-price," said Linda Meegan, a shopper who recently pulled into the Potomac Mills parking lot in a station wagon bearing the bumper sticker "Born to Shop." "It's a waste of money."

Some of the Washington area's best known off-price stores are Syms, Loehmann's, NBO and T.H. Mandy. Those and similar merchants typically offer few customer services and stock their shelves with large quantities of merchandise bought directly from manufacturers. The wares available in the booming off-price market include everything from toys to toiletries, shoes to sheets.

The Post's random survey did not include all of the area's off-price stores. The shopping examples illustrate the difficulty for the consumer in making choices at any retail store and the gamble of getting good quality for the lowest price. The items cited do not necessarily represent the overall quality or pricing of goods at the particular store or type of store.

James Abbott, Maryland's assistant attorney general for consumer affairs, suggested that shoppers be cautious about off-price savings claims. "We suspect that there are serious questions to be raised" about the claims, he said.

But caution may be necessary at conventional stores, too. Maryland recently sued The Hecht Co. for using deceptive prices in sales advertisements for mattresses "to create an illusion of dramatic savings and significant bargains which, in fact, do not exist." The company has denied the charges.

The issue is whether sensational savings claims really are deceptive

and harmful to consumers, said Mark Silbergeld of Consumers Union. "If the claim is not technically accurate, then at least it shouldn't lead people to shop where they wouldn't ordinarily shop, or buy what they wouldn't ordinarily buy," he said.

Federal Trade Commission guidelines define deceptive practices, such as false savings claims, as those that are likely to mislead consumers, affecting what products they buy.

In recent years, however, the FTC has maintained a hands-off policy on comparative ads, leaving the challenge of monitoring them to local governments. State and county consumer offices in the Washington area maintain that they do not have the resources to do such monitoring.

In its survey, The Washington Post found numerous examples of off-price merchandise selling for 50 to 85 percent less than what sellers listed as "comparable" price and value. And, in several cases, The Post's panel of professionals said the goods were worth just about what they actually sold for—not the comparable price.

For example, a crew neck wool sweater that was advertised by New England Trading Co. at Potomac Mills as a \$40 value was purchased off-price for \$11.95—just what a textile expert and a fashion merchandising expert said it was worth.

"In order for [comparable price claims] to mean anything, it has to be sold at a major outlet in the Washington area at that regular price," said Montgomery County consumer specialist Cohen, citing local and federal advertising guidelines.

The sweater and others like it had been sitting in a warehouse for four years and probably the original seller never was able to sell it for \$40, store manager Barbara Wehber said recently. "It's probably what they tried to sell it for, and it probably took a markdown right away," she said.

Dennis Marr, manager of Price Jewelers, noted that because conventional retail store prices vary for the same merchandise, there is a wide range for setting comparative prices and determining savings. "It falls back to the old phrase, 'What is retail?'" he said.

During the survey, The Post found numerous items that the panelists considered good buys, particu-

larly at those off-price stores that deal only in first-quality, current merchandise. In many instances, merchandise in off-price specialty stores, particularly some women's clothing shops, can be found at the same time hanging on racks in conventional retail stores.

But these items often sell for moderate savings of only about 20 percent off regular prices. For example, a woman's angora sweater sold for \$52 at Cohoes, a top-quality, brand name off-pricer at Potomac Mills. The same sweater was found at several conventional department stores selling for \$62, which Cohoes had listed as the comparable price.

The Post used independent professionals, who looked at merchandise without knowing where it was from, to determine how goods at off-price and conventional retail stores stack up. Here are some of their findings:

■ **Sweaters:** A woman's sweater coat purchased from Burlington Coat Factory in Prince George's County for \$39.75 sold elsewhere for \$239, according to its ticket.

A great value?

The coat—in heavy red, white and black lined wool with a double neck button closing—was worth about \$79, according to two textile and merchandising experts. The panelists said the off-price coat was a low-quality, "scratchy" wool that had been machine processed to try to soften it and create a furry effect, a technique used by manufacturers who cannot afford to use more expensive lamb's wool or angora.

The \$239 price tag was based on the typical 100 percent markup over the wholesale price that conventional retailers generally use, said Gary Graham, Burlington's regional manager.

"We're very, very sensitive about our [comparable prices]," he added. "We try to remain realistic."

The coat was among thousands purchased from a manufacturer who went out of business, Graham said. It has been in off-price stores since last year.

The panel correctly estimated that a sweater coat from Garfinkel's, a beige and white checked garment of angora and lamb's wool, retailed for \$150.

The Post purchased two crew neck sweaters, one from the off-price New England Trading Compa-

ny, the other from Woodward & Lothrop, both priced at \$40. But the one purchased from the off-price store for the discount price of \$11.95 was of a scratchy, low-quality wool, according to the professionals, who said it was probably made inexpensively in the Far East. The label said it was made in Sri Lanka.

The long-sleeved sweater was among the least expensive items in a store with much top-quality, current merchandise. It was "obviously something we wanted to get rid of," explained manager Wehber. Many shoppers are looking for merchandise at that price and quality, she said.

■ **Menswear:** The panelists said a suit purchased in November from Syms was out of fashion, but that a sport coat from the same store was a current, good-quality garment.

"I don't even think this is last year's," a panelist said of the dark gray Bill Blass suit, noting that it had a plain-front trouser and six buttons on its double-breasted jacket, both out-of-fashion details.

The professionals estimated its retail value as \$175 to \$200 and said it was at least two years old. The suit was purchased at Syms for \$125, but was advertised as selling regularly for \$260.

"It's possible that any given suit could be out of date," said Syms advertising director David Bernard, who said the suit purchased by The Post could have been an isolated example. Syms, which quotes "nationally advertised" prices, bases its comparable prices on those set by manufacturers and competing conventional retail stores, Bernard said.

A charcoal gray shetland sports coat purchased from Syms was considered by the panelists to be a good, fashionable garment that should sell for up to \$175. It was bought during a "special sale" at \$20 off the regular discount price of \$139. The store said the jacket was comparable to those selling elsewhere for \$240.

The panelists evaluated another Bill Blass designer suit, a dark blue pinstripe purchased from Hecht's department store. "It has the new look, lower lapels. I'd say this is very current," one said. They estimated its retail value at \$275, its exact selling price.

■ **Jewelry:** The original retail prices of four 14-karat gold chains purchased from a conventional retail store and two off-price jewelry outlets were found to be much higher than professional jewelers said they were worth. The jewelers weighed and then examined the pieces through a jeweler's loupe.

A flat herringbone bracelet from Price Jewelers at Potomac Mills should sell for \$12.75, according to the panelists' estimate. The store said the bracelet's comparable retail price was \$33 and sold it off-price for \$10.97.

Marr, Price's manager, said he disagreed with the price estimate.

The store, owned by a manufacturer who sells jewelry to regular retail stores, establishes comparable value by looking at prices charged by conventional retailers it sells to, as well as prices listed in shopping catalogs for similar goods, according to Marr. Some merchandise is priced based on the typical 300 percent markup most jewelers use and then discounted, Marr said.

"He's saying it's worth \$12 in materials. That may be true," Marr said of the evaluation done for The Post. "But we're selling it for \$10.97."

UNRAVELING THE LINGO OF THE OFF-PRICE INDUSTRY

The off-price industry exists in a variety of forms. The differences among off-price businesses generally are based on how they operate, who owns them, how they acquire their merchandise, and the merchandise quality.

■ **Factory Outlets:** Stores operated as outlets by manufacturers in order to sell factory overruns, surplus or flawed merchandise to the public at prices that are sometimes close to wholesale. An example is the Hanes Factory Outlet.

■ **Manufacturer's Outlets:** Free-standing stores, often far from the factory, offering the manufacturer's merchandise at discounts. The bakery thrift stores operated by Pepperidge Farm and Wonder Bread are manufacturer's outlets.

■ **Captive Brand Stores:** Outlets selling brands that are not traded anywhere except their own store, such as the Kuppenheimer Factory Store.

■ **Brand Name Discounters:** These stores' merchandise is almost exclusively current season, first-quality with full selection. Examples are Marshall's, T.H. Mandy and Kids R Us.

■ **Off-Price Stores:** Stores that buy very large quantities of merchandise directly from the manufacturers at below wholesale prices. Often these items are brand name. Some off-price stores may sell surplus stock, closeouts and overruns. Waccamaw Pottery is such a store.

■ **Liquidators:** These merchandisers sell bankrupt buy-outs, clearance and discontinued goods.

■ **First Quality:** Without flaws.

■ **Irregulars:** Slightly flawed merchandise with appearance and function usually unaffected. Generally these flaws are pulled threads, scratches, nicks.

■ **Seconds:** Flaws are more serious than those of irregulars. Product may be misshaped, mismatched, stained, dented.

■ **Closeout:** An incomplete assortment of goods being sold out of season or being discontinued because they are no longer fashionable.

■ **Overstocks, overruns or overcuts:** Surplus goods after factories sell to regular retailers.

Source: "The Complete Dictionary of Buying and Merchandising," National Retail Merchants Association; "The Outlet Shopper," by Carolyn Vogel Benson.

TIPS ON COMPARING QUALITY, PRICES

The key to successful off-price shopping is comparing quality, not just prices, say consumer officials. Brand names usually are good indicators of quality, but there are other things to look for as well, they say.

■ **Clothing:** Exterior stitching should be even, straight with no seams coming apart and no loose threads. Thread color should match exactly and buttons should be bone, leather or fabric-covered. Hems should hang straight and stitches should not be visible on the outside of the garment.

Inside seams should be at least 5/8 of an inch wide and finished with zigzag or straight stitching. Patterns and plaid fabrics should match. Seams and pockets should not pull or wrinkle.

■ **Jewelry:** Regardless of the materials used—fine gemstones, precious metals or costume pieces—durable jewelry should have securely soldered chain links and fasteners with double-duty catches. Stones should be set firmly rather than glued and there should be knots between each bead in a strand. Parts should be strong enough to withstand ordinary wear.

■ **Shoes:** Some shoes made for European markets find their way into some off-price stores. Because these shoes are sized differently than those made for the American market, consumers should make certain of proper fit even when buying their usual size. High-quality shoes have leather uppers and soles, with heels that are part of the sole rather than merely stuck on.