

Macy's: A History

No one would have guessed that the small, fancy dry goods store that opened on the corner of 14th Street and 6th Avenue in New York City in 1858 would grow to be one of the largest department store retailers in the world.

But after several failed retail ventures, Rowland Hussey Macy's determination and ingenuity paid off at the age of 36 with the launch of R.H. Macy & Co. He adopted a red star as his symbol of success, dating back to his days as a sailor. First-day sales totaled \$11.06 but by the end of the first full year, sales grossed almost \$90,000. By 1877, R.H. Macy & Co. had become a full-fledged department store occupying the ground space of 11 adjacent buildings.

Always the innovator, Macy's is known for several firsts that changed the retail industry. Macy's was the first retailer to promote a woman, Margaret Getchell, to an executive position, making business history. Macy's pioneered such revolutionary business practices as the one-price system, in which the same item was sold to every customer at one price, and quoting specific prices for goods in newspaper advertising. Known for its creative merchandising, Macy's was the first to introduce such products as the tea bag, the Idaho baked potato and colored bath towels. Macy's also was the first retailer to hold a New York City liquor license.

By November 1902, the store had outgrown its modest storefront and moved uptown to its present Herald Square location on Broadway and 34th Street, establishing an attraction for shoppers from around the world. With the store's 7th Avenue expansion complete in 1924, Macy's Herald Square became the

"World's Largest Store," with over 1 million square feet of retail

By 1918, R.H. Macy & Co. was generating \$36 million in annual sales. Yet, the prosperity of the retailer was never more apparent than when the company went public in 1922 and began to open regional stores and take over competing retailers. In 1923, the Toledo-based department store LaSalle & Kock was acquired; the next year, Davison-Paxton in Atlanta was acquired, and in 1936, the Newark-based Bamberger's was purchased.

To help celebrate their new American heritage, Macy's immigrant employees organized the first Christmas Parade in 1924. The procession featured floats, bands, animals from the zoo and 10,000 onlookers, beginning a time-honored tradition now known as the annual Macy's Thanksgiving Day Parade.

In 1945, the company expanded west and purchased O'Connor Moffatt and Company in San Francisco. Two years later, O'Connor Moffatt stores, including the landmark Union Square store that opened in 1866, were converted to Macy's after a survey indicated that San Franciscans would welcome the name.

Macy's California broke new ground with the first department store flower show in 1946. What began as a fragrance promotion in the cosmetics department now annually welcomes the spring season, treating visitors to a botanical, cultural and community spectacle. In 1971, Macy's Union Square store's lower

level, once cluttered with bargains, was transformed into "The Cellar," changing the way customers shop for housewares. Due to its success, the Herald Square store followed suit five years later.

On December 19, 1994, Federated Department Stores, Inc. (now known as Macy's, Inc.) acquired R.H. Macy & Co., creating the world's largest premier department store company. Federated Department Stores operated over 400 department stores and more than 157 specialty stores in 37 states.

A & S Department Stores were converted to the Macy's nameplate in May 1995. Also in 1995, Federated acquired The Broadway Department Stores, bringing Broadway, Emporium and Weinstocks to the Macy's family, as well as six former I. Magnin stores; some 46 stores were converted to Macy's. Following the lead of A & S, Jordan Marsh Department Stores of Boston, already owned by Federated, were converted to Macy's in March 1996. In January 2001, Macy's absorbed 17 Stern's Department Stores located in New York and New Jersey. In June 2001, Federated purchased the Liberty House operations in Hawaii and Guam, bringing the proud Macy's tradition and heritage to the Pacific.

Macy's entered 2005 with about 240 locations, primarily on the East and West Coasts. With the conversion of Federated's regional store nameplates in March 2005, Macy's grew to about 425 locations across the country. In September 2006, with the conversion of stores acquired from May Company, Macy's now serves customers through more than 810 stores in virtually every major geographic market in the United States, as well as the macys.com Web site.

