



Do You Have Any Fashion Sense?

By Bryan Rader ■ *MediaWorks*

During one of the mornings at the beach with my family this summer, I asked my wife about the fall of the once great department store. Every downtown had a flagship store, every suburban mall added one as a new anchor, and every one of them was established with a well-known, fifth generation family name. This was once a real American institution.

"Why do you want to know?" she asked over our morning coffee. "Just curious," I answered, grabbing a pen and notepad in case I heard something I liked.

***"Could the fall of the department store be similar to the fall of big cable providers?"
"Private operators should look at the specialty retailer as our model to follow."***

Okay, I know. You might be thinking, is this all we have left to talk about? The fall of the once great department store?

No, not really. It's just that my wife was a buyer for a long time successful department store in the south (before we had kids). And I thought she may be a good resource to address this topic. I'll explain my point in a minute.

She set down her orange juice and said, "The large department stores are a thing of the past. They are out of touch with today's consumer. They have failed in service, product, promotion and merchandising."

"Really?" I asked. "How so?"

"Their service stinks. I recently went looking in a department store for a long black skirt, and none of the sales associates could help me," she explained. "They said things like 'I can't help you.' 'I'm just filling in for someone who didn't show up today.' Or, 'I don't usually work in this department.' Or, 'Today is my first day in this area. I don't know where anything is.'"

"So what did you do?" I asked, putting down my Danish roll.

"Nothing," my wife said. "I left and

bought the skirt at a specialty store where the staff was smart, helpful, and willing to show and present their new merchandise."

"That's a very good point," I jotted down some notes. "What's wrong with their product?"

"Department stores have failed also because of their merchandise," she explained. "It has become middle-of-the-road, bland, commoditized. Most of their products—which are now private label—can be found at lower end stores like Kohl's or Target."

"Interesting," I said. "That explains why the lower end guys like Old Navy are doing

so well." Lousy, impersonal service and unimaginative products. "What else?"

"Promotions," my wife stated. "Department stores have to run weekly sales promotions to move merchandise. Weekly discounts become habit forming. The customer only shops on one-day sales." They have to schedule 52 one-day sales a year to push their products.

"What is the problem with the presentation of their merchandise?" I asked.

"Everything. The merchandise is packed in a tight, overcrowded section with too many racks," she described a typical sales floor. "If you even ask a sales associate if they have this shirt in a size 4, they will say everything we have is out on the floor. It is an unorganized mess. And the dressing rooms are covered with a pile of tried-on clothes."

Well, she pretty much nailed the issue on the fall of the department store. She did explain that there were exceptions such as Nordstrom's which have mastered the spirit of specialty store service, in a large department store setting. "If you ask for everyday black boots, Nordstrom's brings you five or six examples," my wife said. (I

know, and you buy three of them, I thought).

Could the fall of the department store be similar to the fall of big cable providers? Think about the similarities for a moment. Their service is getting worse and less personal. Their product is commoditized and middle-of-the-road to satisfy an entire franchise area. They have to run pricing promotions and dish buy-back campaigns to keep customers. And their presentation of the product begins with a long hold time on the phone.

Private operators should look at the spe-

cialty retailer as our model to follow. We can be more knowledgeable and helpful with our products. We can customize. We can set pricing accordingly by site rather than running frequent discounts. And we can have a more effective presentation with our partnership with leasing consultants at move-in.

I thanked my wife for her ideas after breakfast.

"You're welcome," she smiled. "You needed help since you don't have any fashion sense."

Maybe not, but the parallel between big department stores and big cable makes a lot of sense to me. ■

About the Author

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