The Bestform Company was founded in about 1923, by the father of Marvin Bienenfeld, now president. Bestform manufactures a low priced collection of bras and girdles, sold to the budget departments of major department stores as well as to some specialty stores. There are now three divisions in addition to the parent company. These are Angela, set up in the '60's to service discount stores; Underscene, a division that sells promotionally priced merchandise to upstairs bra-and-girdle departments in department stores; and Lily of France, acquired in 1968 as the fashion division to sell advanced fashions to better stores.

This Oral History (and its companion, based on Lily of France) describes the functions and activities of the budget manufacturer on the one hand and of the fashion-oriented, higher priced company on the other.
Brief history of early days of Bestform Corp., founded by the father of Marvin Bienenfeld

Description of nature of this company prior to the 1948 death of the founder: price structure, customer, advertising, designing, merchandising, production facilities

Marvin Bienenfeld comes into the business in 1957. Description of the company at that time: listing of major retailers who were customers, product mix

How Bestform expanded its business. Bestform adds a division called Angela to service the discount stores in the early 1960's; in the late 70's, the company added Underscene, a division producing a line of promotional merchandise for "upstairs" departments in department stores at a popular price (below the price structure of the "upstairs" departments). In 1968 Bestform acquired "Lily of France" which represented an "upstairs" brand label

Description of production facilities both domestic and overseas

Impact of pantyhose on girdle business. Changing role of designers over the years

Number of collections shown each year; number of models shown in collection

Role of advertising in building the brand name, and for constant growth of volume

Selling objectives and techniques

Changing relationships with stores

Changing of presentation of merchandise
<table>
<thead>
<tr>
<th>Page Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 - 30</td>
<td>Description of facility for distribution of merchandise from all the Divisions</td>
</tr>
<tr>
<td>31</td>
<td>Further explanation of Bestform's use of multiple facilities</td>
</tr>
<tr>
<td>32 - 33</td>
<td>Explanation of manufacture outside of continental U.S.A.</td>
</tr>
<tr>
<td>34 - 35</td>
<td>Options for future of the company</td>
</tr>
<tr>
<td>35 - 36</td>
<td>The financing of this kind of business today</td>
</tr>
<tr>
<td>37 - 39</td>
<td>Importance of technical knowledge in the bra and girdle business; the company trains its own workers</td>
</tr>
</tbody>
</table>
Q: ...Collection of the Fashion Institute of Technology.
This will be an interview with Marvin Bienenfeld of the firm of Bestform, parent company, also, of Lily of France. The interview takes place on April 26, 1983; the interviewer is Mildred Finger.

Mr. Bienenfeld, I know that you are now the President of this company, and that you are the son of the founder. Would you tell us, first of all, something about him. I know only that he died when he was 57...

A: ...44.

Q: Oh, then would you tell us about him.

A: My father died in 1948 in an airplane accident. He was on a business trip in Minneapolis, Minnesota for the Dayton Company, and he died in an airplane crash. I was quite young at the time, but the business, of course, was continued, by a number of his associates, until I was old enough and gradually took over the role as President.

Q: Would you tell us about whatever you know or were told about how he started in business and where, and what the industry was like?

A: I can't tell you what the industry was like. The business was founded approximately 60 years ago by my father. He had a few machines and sold the brassieres that he made. Instead of buying, I understand, from other people, he decided he would manufacture them himself and try to make a manufacturer's profit I guess.

Q: This was down on the lower East Side was it?

A: I think he started in Brooklyn, I was told, but basically the only thing I know about the business is that he was on...not the lower
East Side, he was on Broadway. Lower Broadway, which is I don't think technically the lower East Side. He was on lower Broadway and he had a factory there for many, many years. He had a factory at 536 Broadway. I vaguely remember it. He moved sometime in the middle to late thirties to 23rd Street where he also had a factory and executive offices. And we stayed on 23rd Street until 1952, and in 1952...

Q: And he was already gone...
A: Yes.
Q: He had been gone for several years.
A: We moved in 1952 to Long Island City, where we currently have our executive offices. We no longer have any more factories in the metropolitan...
Q: So this facility is at 90 Park Avenue, and this is strictly showroom.
A: Strictly showroom. Strictly showroom.
Q: Right. How did your father get into this business? Do you know anything about it. Is there any family involved?
A: He was selling brassieres...
Q: For somebody else...
A: No. He would buy and sell them. He sold them to his own accounts. And then he started to manufacture them...
Q: So he was a jobber.
A: Originally I guess that would be the technical term.
Q: And then decided to become a manufacturer...
A: Right. It was quite a big job.
Q: Right.
A: But he was a small jobber, because he only had a few machines.

Q: Sure. Sure.
A: But, basically, thank God, the business grew, and he had more machines, and we had...It was always in the low end aspect of the business. This firm was always in the popular price or budget, as it was called then. Now it's the "popular priced" field.

Q: At the beginning, what did they make? Just bras?
A: Everything.
Q: Everything.
A: Bestform always made bras, girdles--primarily girdles, I must tell you--and corselettes. Side hooked girdles, corselettes, side hooked corselettes, I'm sure you know some of it. Now you don't see them anymore. But that was our forte, girdles, not bras. We made bras, but our strength was in the girdles; the control field. Even the heavy, side hooked and boned corsets. And that was always our business, and we sold mostly to basement departments of the major department stores.

Q: And you don't know, you have no idea how your father got involved? It sounds like a pretty technical area.
A: I don't know.
Q: Okay. So...when he died in 1948, approximately how much was his business doing? I assume...
A: I don't know.
Q: You don't know. But I assume it was just the single business
of Bestform. Was it called that?

A: Yes. It was called Bestform Foundations, Inc. We were the leading resource for most of the major departments, basement departments at the time. We were the ones that initiated the brand concept to...

Q: Oh really.

A: ...to the budget departments. Up to that time, and to some extent today, they sell mostly unbranded articles of apparel. I'm sure you see it still even in sportswear today, and other items. It is mostly unbranded.

Q: In basements.

A: Yes. We were the ones that initiated the brand name. We used a lot of co-op advertising to establish the brand name of Bestform.

Q: Now was that subsequent to his death or...?

A: No, it was before his death.

Q: Because he was using pretty sophisticated techniques if he was doing co-op advertising, for example.

A: Oh, yes. We always did co-op advertising.

Q: Do you have any idea what the organization was like at the time of his death?

A: In total, no. He had two close associates, Mr. Max Kellman, who was a...

Q: K-e-l-l-m-a-n.

A: Right. Who was his Executive Vice President and Sales Manager, and his brother, my uncle, Mr. Julius Bienenfeld, who was also Executive Vice
President in charge of production. Those were his two close associates, who were left to carry on the business, with my mother, after his death.

Q: What was the story with the design and merchandising? Did those concepts have any meaning here?

A: Most of the things, I must say, that we brought out were knock-offs, copies of some of the upstairs...

Q: But that was the practice of the trade at that point.

A: Yes. Well, of course, some of our own. But whatever was good, we would try to knock off, at a more popular price.

Q: So, for the next ten years after his death, and before you came into the business, did it continue to run as it had been run?

A: Yes.

Q: You did not as yet start opening new divisions.

A: No...Yes...Well, no we didn't. We started. The first new division we started was our "Angela" division, which is to sell to the discount stores.

Q: In what year? Approximately?

A: I don't know. After I joined.

Q: All right. Then let's start in talking about you, how you grew up, what you did, where you went to school, and then how you got into the business, and let's keep it your story from that point on.

A: I went to school, through High School, and I graduated from Yeshiva University...

Q: When were you born?
A: 1932. And I graduated and I came into the business...

Q: You knew always, I suppose, that you were going to come into the business?

A: I always wanted to come into the business. Even when I was a kid I used to go with my father on Sunday to the office, run around, steal pencils, papers...

Q: And learn a little bit about the business, or hear stories anyway.

A: Hear stories, mostly. Business was a lot closer then, on a more personal basis, than it is today, you know...My father, his associates, brothers, some of the people that we sold to. It was a much closer business than it is today.

Our greatest expansion started right after the war, in 1946-47, and more department stores started to open branches throughout the U.S. That was, I guess the start of our growth.

Q: Yes. The expansion into suburban areas really caused an explosion in the retail fields, therefore the wholesale field as well.

A: But we always sold...We sold the basement departments before the war, during the war; they were always large users of goods. In a sense much more so than they are today. The quantities that they would buy then were astronomical compared to what they would buy today even with just one store.

Q: Do you have any recollection of what the price range might have been in those days?

A: Basically, right before my father died, or...much further
back than that?

Q: Well, no. Let's say right around the time your father died.

A: Around the time my father died, the basic bras that we sold would be $1-$2 at retail, primarily we would try, of course, for the $1.50-$2 category.

Q: And girdles.

A: Girdles would be...The pull on girdle would be in the $2.99-$3.99 range; zipper girdles would be in the $5-8...at retail.

Q: And at that time all the production was done...

A: We opened a plant in Johnstown, Pennsylvania in 1942; and we manufactured at the same time in Johnstown, Pennsylvania and on 23rd Street in New York.

Q: Uh huh. But it was all done in this country.

A: All done mainly in the U.S. Yes.

Q: When you say mainly in the United States...Even in those days, was there some done elsewhere?

A: Well, there was. After the war there was merchandise starting to come in from Japan...Not right after the war. After my father died. But I remember in '55, '53, there was the 39¢ brassiere--three for a dollar.

Q: Well, now let's see. When your father died in 1958...

A: '48.

Q: I'm sorry. '48...You can answer this...Your father died in '48. At that time you were 17....
A: Sixteen.
Q: Sixteen. Okay. So when you came into this business you were 26? Is that right?
A: Twenty-five.
Q: Twenty-five. Okay.
A: I had worked part-time, but full time was not until I was 25.
Q: Right. So. Let's talk about the years from that point on. What did you find when you came in?
A: Bestform was a leading resource to the major departments, to the basement departments of your major department stores throughout the United States. That was our business. We did a little business with Sears, Roebuck but basically, I would say, about 95% of our business was done with the major department stores of the United States: Gimbel's in New York, Gimbel's Philadelphia, John Wanamaker's, Strawbridge and Clothier; Stix, Baer and Fuller, Bullock's on the West Coast, the May Company on the West Coast. All the leading department stores in the United States, nationwide, from California to Florida to New York.
Q: And that was what you found when you came in. Can you tell us about what level of business were you doing?
A: I don't remember.
Q: Most of the firms, such as yours...Most of the firms that I have talked to speak of a business of anywhere from $1 million to $6 million, a million being relatively small, $6 million being reasonably large...
A: I think we did more than that when I came in; we did more than
a million when my father died. I think we did more than a million before
the war.

Q: Well, then, you were one of the bigger ones...
A: I said, we were the leading resource...
Q: Well, "leading" could be... It's an adjective which applies
to other things than volume...
A: That's true. But it was... We were the leading resource..
... We did it in girdles, which were relatively high priced, against brassieres.
Q: And then came the revolution...
A: But that didn't happen until much later. We still continued
to grow in girdles. The change was from the structured, sectioned girdle to
the pull on girdle. The advent of lycra with DuPont made it a lot more com-
fortable and they pushed it, and we started to sell what we call the pull on
girdle--or panty girdles--I should really say..... The pull on panty girdle
became the leading factor in our business. The price points went from about
$3.99 to $7.99, and during the years of our greatest growth, I would say in
the sixties, until the advent of pantyhose, which would be about '68-'69.....

Q: Let's go back to '58. At that time, when you came into
the company, you had just the one division of, Bestform?
A: When I came into the company, it was just Bestform, the
branded name. And about 95-97% of our business was done under the brand name,
as Bestform.

Q: Then when did you add the new divisions?
A: Well...
Q: And how?
A: We saw that the budget or basement departments of the major department stores were not growing anymore. They decided to gradually play it down. We decided in the early '60s, with the growth of the discount chains, to make a line for the discount stores under the "Angela" label. Even though it wasn't a branded label, it was a name that we used for our discount line. We started to sell a few of the discount stores at that time who were trying to branch out into soft goods. Most of them started with hard goods in little upstairs shops. But as the advent of the discount stores....The advent and the growth of the discount chains, as they became, instead of single stores, chains of stores, we decided to go after that business and we developed a line which was specifically geared for these types of stores. That was our first venture outside the Bestform branded product. With our Angela division...

Q: And then you had another division, that's still part of this floor?

A: "Underscene."

Q: Underscene. Yes. U-n-d-e-r-s-c-e-n-e.

A: That's fairly new; it's only about five years old. the Underscene division consists of a line of promotional merchandise for the upstairs department at a popular price. The price structure in your upstairs stores calls for merchandise that begins at $10, and you end up with underwire bras today that are $15-16. We dealt with our strengths, with offshore production and low overhead that we could also offer the upstairs stores, value merchandise, with a good markup, that they could promote, to get the customer who was
leaving the store for a Sears, Roebuck or for a chain type of operation. The growth of your budget basements, as I'm sure you're aware of, is gone. In fact, the demise of some of them is well known. Bloomingdale's used to have to have a very big basement. Today they don't have a basement. Macy's, in a sense, never really had a basement. We used to sell their second floor operation. Gimbel's still has a basement in New York. Bam-berger's is gradually phasing out their basement. So you look for new avenues....new worlds to conquer.

Q: Where did the Lily of France....
A: In 1968 we bought Lily of France from Berger Brothers.
Q: From...?
A: Berger Brothers.
Q: B-u-r-g....
A: B-e-r-g-e-r. They used to sell corsets under the name of Spencer Corsets. They were mostly house to house or party selling.
Q: Really.
A: But they sold the structured garment. Not the type of merchandise you would see today. They weren't doing too well with Lily of France and we wanted an upstairs brand, because even at that time, the growth of budget or popular priced merchandise was reaching a leveling off factor. So we were looking for an upstairs brand name and we bought it from Berger Brothers.
Q: Essentially, you bought it to...You've explained it in two ways. You've done internal....
A: Bestform division we've expanded through our Angela label
for discount stores and Underscene for selling upstairs departments, promotional goods.

Q: And also then you've expanded by purchase.
A: Yes. We bought Lily of France in 1968 as a recognized....

It's an old label that was founded in 1890 or 1880 or something like that...

I'm not too familiar with the exact founding. And it had gone to a very nice level under the people by the name of Alexander whose name wouldn't mean anything to anybody except to us. Then Alexander sold the company to....

Q: I'm sorry. Was Alexander a Berger or...?
A: No. Alexander was the last name of a person. I don't remember their first name. In fact, Marvin Traub's father, who is the head of Bloomingdale's, was at one time the Sales Manager of Lily of France. Before that time. I've forgot...He sold it to somebody--I forget the fellow's name --who sold it to Berger Brothers.

Q: So that's a very old business.
A: It was started in about 1890. It's nearly 100 years old. We have some of the history in our little showroom at the old factory. They used to make custom made corsets also. They were a very well established brand name, who had come upon hard times through various changes in management and ownership. We bought it in 1968, and with the help of various talented individuals, brought it to where it is today. It's one of our leading upstairs fashion resources. Lily of France has also branched out in the sense that Lily of France today covers sleepwear, daywear, in addition to foundations.
Q: Right. And do they function pretty autonomously?
A: In terms of sales, completely.
Q: What about manufacturing?
A: We manufacture...Our manufacturing is integrated. For all divisions.
Q: Including Lily of France. As long as we're talking about manufacturing--at what point did you begin to manufacture offshore? And where?
A: About 15 years...Well, I shouldn't say that. When you say offshore you're including Puerto Rico. We don't.
Q: In the garment industry, offshore means the Orient. I've discovered, in this industry, you talk about any of...
A: It doesn't include Puerto Rico. Puerto Rico, to us, is mainland United States. We've had factories in Puerto Rico nearly 30 years.
Q: You have.
A: Oh, yes. But that's not considered offshore today by us. Offshore to us is...
Q: But it's not New York City of Pennsylvania...
A: It's not mainland United States.
Q: Yes. Right. But you have been producing there for 30 years.
A: Right. It dates back, I think, nearly 20 some odd years. I don't remember the exact date we founded it there. But it's over 20 years. It's close to 30. We now have five plants in Puerto Rico.
Q: Five. That's a lot. And you are still members of ILG?
A: Yes.

-13-
Q: I know you are, because somebody from...
A: But we still have five plants in Puerto Rico. But we do not manufacture corsetry in the United States today. We manufacture only sleepwear in Johnstown, Pennsylvania.

Q: And the sleepwear is for which division?
A: Lily of France. And daywear.
Q: I see. In this division...Well, let's just clarify that.

At Bestform you do bras and girdles, and panties....
A: Yeah....
Q: Is that right?
A: Bras and girdles.
Q: I thought I saw panties in your...
A: You might but in general, it's bras and girdles.
Q: I see. And then in Angela you do the same thing, but that's for the discount houses...
A: Right. And in Underscene we do the same thing.
Q: But in a higher price range for the upstairs departments.

And then, of course, Lily of France is a totally different end of it.
A: Bestform has a little daywear, but not to a great extent.

We've almost eliminated daywear...
Q: By which you mean things like teddies...
A: That's right. Teddies, matching slips, matching camisoles...
Q: Okay. Well, now, before we talk about fashion, which I'd like to do, where else do you manufacture besides...?
A: We manufacture as I just said to you...About 15 years ago we
started manufacturing in the Far East, which we still do to this day.

Q: In what part of the Far East?
A: We started in Hong Kong, but that was too expensive.

We manufacture in the Philippines and on mainland China.

Q: Mainland China! Where you find that you can have merchandise produced for you? Do you have somebody who is working there...?
A: We have an associate in Hong Kong who manages the whole Far Eastern operation.

Q: I see. And so he goes into China.
A: We couldn't do it.

Q: No, I think probably it would be very difficult. Taiwan and Korea are not a part...?
A: No.

Q: So that you're in mainland China...
A: We at one time had a uniqueness in the beginning that none of these other countries offered. It was easy to move goods in and out. And since the type of goods that we use in our garments (and not only ours; any of the brassiere trade) is not manufactured locally, its constant importing. And we tried in Taiwan and it was just a little too much of a headache. The government had too many restrictions. Korea today is a source, but we don't use them really.

Q: Do you know if other people do in the industry?
A: Oh, yes. Oh, yes. I see the import statistics. From Korea they get somewhere about 250,000 dozen a year. Which is small relative to the total amount of import.
Q: Yes. It is interesting...There are a number of firms (that has been interesting to me), there are a number of firms in this industry who apparently do no production (so far) offshore, and since in the garment industry it's almost unknown not to...

A: There's nobody in the brassiere trade that doesn't manufacture offshore except for some very small people. Otherwise you can't exist.

Q: Well...I just...You see, you're making a distinction with bras and girdles which I haven't made in my head. That is to say, to me it's intimate apparel, whether it's...

A: Well, that to us, is a different thing...

Q: Right. Yes. It's the difference in terminology...

A: The brassiere trade is highly labor intensive per dollar sale. That's why it lends itself to offshore production.

Q: I see. Yes.

A: That's why they went to Puerto Rico originally years ago.

Q: Now, let's talk a little bit about fashion. How...I mean, you certainly were very strongly impacted at the time girdles stopped being major...

A: Yes...Girdles...the advent of pantyhose I think hurt us dramatically, because pantyhose...made sure that you didn't have to wear something to hold up your stockings. People used to wear long legged panties for a sleek line, and also to hold up their stockings. With the advent of pantyhose, and the freer look, this necessitated a complete change in our thinking.
Q: And also, perhaps, the diminished importance of the highly structured bra.

A: Oh, I wouldn't say that, quite. We still sell highly structured bras, today.

Q: You do.

A: We sell unstructured bras and structured bras. I think it's much more superficial, the no-bra look that came out, I don't know how many years ago...There is a demand for the unstructured bra, which we make. But I think the demand for the structured bras is as strong today as it was even in 1968. Of course, there isn't a strong demand for the structured girdle. But we still feel we are the leading resource of controlled bottoms, in all our divisions. In all our divisions. Well, Angela really doesn't have a demand for that, but between Underscene and Bestform...They manufacture quite a bit of it.

Q: When did you start having a design room, or do you?

A: We always had a design room.

Q: You always had a design room.

A: You mean a designer label or a design room...

Q: No, the people who do the actual designing...not just patternmakers...

A: A brassiere has always been designed by us. We've always had our own design...

Q: But in the years...In the very early days you did knock-offs?

A: That's not true. When I say "knock-off" it doesn't mean it's not designed. Don't misunderstand me. It doesn't mean that you copy it. It's
not like a blouse that you rip apart and copy. Even...Every garment that we would even copy we would in a sense design and fit to make sure it fits to our standards. A brassiere changes fit by changing fabric. Between one powernet and another, or between one fabric and another. There are different methods of sewing that necessitated that every garment we make is designed by us for the fabrics that we use and the fit that we want. I'm not telling you that everything we do is 100% perfect, but neither did every one of our competitors make what we would call a fitting garment.

Q: But you actually had a design...

A: We always had two designers, pattern girls...

Q: When you say "always," since you've been here, for sure...

Right?

A: Since I can remember, before my father died. One is my uncle--a different uncle--and the other was a Frenchwoman by the name of Miss Vignet, and I remember her from before my father's death.

Q: Now, how did the designers work...

A: They designed garments. They put them on live models. And they structured garments and they cut patterns...

Q: They shopped the fabric market and decided...And did they keep aware of what was happening in the fashion...

A: Now more so than years ago. Then it was what trend was going on. In other words, at that time, say, Lily of France was making a certain bra. We would try to knock it off on our own factory. If they were selling it for $3, we would sell it for $1.50-$2, which would be about a third less.

Q: This is before you owned Lily of France I guess.
A: Before we owned Lily of France....But I just picked the name because it's our name today.

Q: Yes. And so you had two designers....

A: We always had two designers.

Q: And they had assistants or pattern makers or what...?

A: Yes, assistants. Right. Graders is what we called them; they'd grade their patterns and sample hands who would sew up the garment.

The brassiere is a highly structured garment; there is no margin for error. Not like a blouse or a skirt or a camisole or a half slip, where an eighth of an inch or a quarter of an inch doesn't make a real big difference. In a brassiere, 1/16 of an inch is important. Our tolerances in terms of sewing specs is...

Q: I'm sorry. What kind of tolerances?

A: Tolerances, in terms of sewing specifications is down to 1/16 of an inch. You would tell them how much of a margin or hem to take, what type gauge folders to use...

Q: Folder?

A: Folders. The fabric goes through the folder to hem it, and the tolerance is 1/16 of an inch...or 1/8 of an inch...or 3/16 of an inch seam or quarter of an inch seam...

Q: Now, how many collections do you show the buyers a year?

A: We usually had and still have primarily two markets a year. May and November. We would normally show...It could vary. We would normally show anywhere from 7-8 bras, and years ago, 3-4 bottoms in each market...
Q: In different fabrics.
A: Different styles.
Q: Seven styles...
A: I'm just giving you some sort of an average.
Q: I think I'm trying to understand why you need two designers to do a small collection.
A: It's highly complex. It's not like a blouse. We grade sleepwear on a computer. Completely. You can't grade brassieres yet on a computer. They're working on it, but it's highly technical; it's highly fit conscious. It takes an experienced designer to fit a brassiere and design a brassiere. I should say first to design and then to fit. It's not like blouses.
Q: But the designer isn't the one who does the grading?
A: Grading is the second aspect. But he sets the specs for the grader. The grading is a different talent. Most designers should be able to do their own grading. The reason they don't do it is because it's not time effective or cost effective. They should be working on other styles. So you hire a grader, who will do it for you. But it's not like grading blouses, or sleepwear or daywear, where it's a mechanical job, and it can be turned over... and we turn it over to a computer, instead of doing it manually, we can do it on a computer. We have computer service that does it for us. But brassieres can't be graded by that method.
Q: So, in your two markets a year you would be showing approximately seven bras and four girdles, and you then continue, year after year, showing other models that you have already been showing.
A: Yes, That's the strength of the brassiere trade. We're still making a certain zipper corset--what we call "Flirtation Walk"--that we are making now for over 30 years that I can remember. Granted, we don't sell....We used to sell 500 dozen a week. Now we sell only 1,200 dozen a season. It's way, way down in sales, but it's still in the line. Other numbers in the line, longer. We still have a side hook garter belt that we've had for about 35 years. We have one number still in the line that we're making in bras I would say nearly 20 years. The fashions are such that the ... longevity...

Q: Longevity.

A: The longevity is not as long as it used to be. But it's still there. But we couldn't be in business if we didn't have it. It's not like sleepwear or fashion daywear, where every season you come out with a new line, and last season's is gone.

Q: And reorders almost don't exist.

A: And reorders don't exist. We only can exist on reorders. Otherwise we couldn't manufacture offshore. Or in the Orient.

Q: Yes. That's a very interesting dramatic changeover in every other part of the industry and every other fashion industry that I've dealt with, because they will keep them...I mean, you can show two markets a year. Many people have five markets a year.

A: Well, we do. In sleepwear we have five markets a year. In daywear we have about three or four.

Q: In your other divisions.

A: Yeah, right.
Q: Uh huh. Let's talk a little bit about advertising, because you had mentioned that you did co-op advertising, and I said that was a pretty sophisticated field at the time your father was doing it, which was a long time ago.

A: I didn't think it was that sophisticated.

Q: Well, but to do advertising and have that as an important part of establishing your brand name....

A: Well, this was the whole thing of getting Bestform out of the run of the mill, non-branded... We didn't have the ... there always were branded names, in the industry... You must understand that. The upstairs line was always branded. Warner's is an old company. Maidenform is about as old as we are, a little bit older. And... I'm trying to think ....

Q: Vanity Fair...?

A: Vanity Fair, in corsetry, is fairly new... I don't mean fairly new... Like, Lily of France. It's another branded name from many years ago. Van Raalte was a branded name years ago. Some of the major brands are out of business today because they were primarily in foundations and girdles, corsetry. Bien Jolie....

Q: B-i-e-n J-o-l-e?

A: Yeah. There must have been about a half a dozen of them that have gone out of business... Fortuna has gone out of business...

Q: And that's because they did not diversify...

A: They made strictly bottoms, corsetry. When the owners retired or died, the firms went out. An example is where the owners retired so they sold to Russtogs and went out of business. Youthcraft, the demise of the girdle
end of it. They couldn't carry on whereas firms that got into bras early enough were able to weather the change, and grow.

Q: Yes. Right. Do you do...?

A: This always was a highly brand conscious industry. But it was only done on the upstairs level. In the budget price level there always were...I was thinking about your discount stores today. The name is not meaningful. The style may be meaningful. But the name didn't mean anything, and mostly it doesn't mean anything in the discount stores. But we decided that if we were going to grow we were going to try to imitate the upstairs line, but on a popular price level.

Q: Now, what were the media that you used?

A: Newspapers primarily.

Q: in co-op advertising.

A: Co-op advertising. We did some national....During the war we used to do advertising in Life. I remember very distinctly...

Q: Really.

A: Yes. We used to use the famous illustrator..I can't remember his name--one of the famed illustrators--we used him in one of our advertising campaigns. We always ran a quarter page ad in Life during the war. Right after the war.

Q: And then in local newspapers...

A: That was the strength. Because at that time the newspapers were...drew much more interest. The results were known. If we ran an ad... If the store ran an ad, I should say, the next day people were down shopping and buying, not like today.
Q: Of course, it must have been very interesting during the war, there were great problems getting merchandise in a sense...

A: I can't tell you, but you're right. I don't know. And then we made other things besides corsetry during the war, but I don't remember what.

Q: What happened with...What has happened, and what is your present situation with regard to advertising?

A: Today we find that co-op advertising, newspaper advertising, really doesn't draw like it used to, unless we're making sales goods and cutting price. The latest trend has been national advertising and bringing up a national image.

Q: And so where do you advertise today?

A: In Bestform today, our advertising is minimal. We do some, on a co-op basis, with stores.

Q: Which means that they have mailing pieces that have your name...

A: Still in newspapers. We do statement inserts, yes. We're very big on statement inserts. But we do basically not any national advertising under the Bestform label. We tried it a few years ago and it was not effective. But we do do a lot of co-op advertising with the stores, even to this day, but most seems to end up being on sale goods or new product introductions.

Q: What about Underscene? Have you done any advertising?

A: Not on national, but on co-op basis. Oh, yes. I don't have it here, but I could show you the ads. The stores do that primarily. That's a
necessity. They do constant advertising, on a co-op basis. That's entirely promotional, and that draws people...

Q: Have you done any selling overseas? Of your own products?
A: Bestform, that we manufacture here?
Q: Uh huh. Or Underscene?
A: We have a license...
Q: That's my next question...Are you doing any licensing?
A: Yes, we do. Under the Bestform label, primarily in South Africa. And in the Lily of France label, we do it in Europe. Primarily in Europe.

Q: Which parts of Europe?
A: England, the Benelux countries to a great extent--that's our largest penetration--but to a smaller extent in the other countries. We directly export Lily of France only to one country, and that is Switzerland.

Q: All right. Now, let me....Could you talk a little about selling, comparing today with the earliest times that you can remember. How you sold? Did you participate in the marts in various parts of the country? Do you have a traveling road salesforce? How do you work it?

A: Well, that was the start of Bestform's success, the traveling road salesmen. Right after the war, as I mentioned to you, we hired at least a dozen....Even though I wasn't active, I came in...About a dozen or more men to cover the United States. We always had a few, but after the war we hired like 12 young people, who really went out and started to beat the bushes, so to speak. And Bestform became...had its greatest growth, as I told you, right after that period. I would say 1945 right up to 1968.
Q: And do you participate in the marts?

A: Bestform, no. We never did. It was never important to us. Most of the buyers of the leading department stores always came into New York. Our strength was never in the smaller store. We sold them, don't misunderstand me. We covered every little small independent corset store. But we had salesmen out and these stores didn't go to the marts in those days either. The local road man came around to visit them and showed them the line. The major department stores always came to New York twice a year, if not more often. We also had men out selling them. Bestform had 30 men covering the United States at one time.

Q: Yes. So that the direct selling is very important. Do you think the numbers of people who come into New York are as great as they were?

A: Yes, I think it's even growing. The local marts serve a purpose for a different kind of store, that would be a Lily of France type of customer rather than a Bestform kind of customer. Because it's your smaller specialty shop, or finer intimate apparel shop who is out there. She doesn't carry Bestform. She carries Lily of France, and she would be into the various regional marts when they have the market weeks.

Q: Did you ever do any selling yourself?

A: Not really.

Q: So that you relationship with the stores...?

A: I know some of the major buyers; during market week I would visit with them, but I never sold them; I never covered a territory.

Q: Right. And you are not familiar, therefore, or perhaps you are, with the ways in which store relationships have changed.
A: They have changed dramatically from the beginning.

Q: Could you talk about that?

A: My opinion? Yes, I can do that for you. Years ago, it was much more of a personal relationship. It was who you knew and what you knew... Of course, your merchandise had to sell, but it was much more of a personal relationship. The stores were not as sophisticated and neither were we. They would buy, they would run their sales. Our business was always done on what we call stock counts. The salesmen would go into the stores. That was the purpose of the road salesman. Not just to sell, but... We talked about a reorder business. Since ours is a reorder business, the salesman's duty, in addition to selling the goods, was to count the stock and take the reorders and come back every four to six weeks to New York to reorder what was sold. But it was done on a very hit and miss basis, really. Today they're very much more sophisticated, with computers, stock turns, exactly what's where, what and when. And even though we do count stock, the basic same function we did years ago, the store information is much more scientific and much more accurate. The stores are looking at a return on investment in terms of gross profit margins, which have changed dramatically. Years ago you used to sell a brassiere in Bestform with a 33% markup for the store. Today they want 50% if not more. So stores are becoming much more markup conscious than they were years ago. The return on investment, the stock turns, and buyers change so frequently. Years ago, you had a trained corseteer selling foundations, whether it be upstairs or downstairs, and today it's only a passing place in terms of the buyer.

Q: Years ago the service was much more stressed, wasn't it, so
that sales people were trained and knew how to fit...

A: 100%. Always had fitting rooms. Today they still have fitting rooms, and some of the sales girls, maybe still from years ago; but from the management point of view, the buyer doesn't stay there that long anymore. She's on a ladder...I don't say it's necessarily bad, but her aim is to go up to another level and another level. Years ago, the buyers... Some are still in business today that I can remember, thirty years ago. They may not want that to be remembered; but when they are gone, they will not be replaced by the same type of person--instead a, fashion conscious girl who is much more conscious of the financial aspects of her business than the fashion aspects of business. On an individual style basis, function is not as important as it used to be. We're talking about structured bras. The bras are still structured, but the selling of them, is not the same. You don't sell it for its function even though it's still functional, but you sell it more on a fashion aspect.

Q: Do you think stores have kept up with interesting visual merchandising in this category of merchandise?

A: Yes. We've gone to another cycle. Years ago we hung some goods, but today what I think is here to stay is that all goods are hung because that is selling the fashion aspects of a bra more than the functional aspects of the bra. Years ago, from the Bestform point of view, everything was sold, as you said, by corseteers, people who knew how to fit garments. They would get a woman, bring her into the fitting room, and try to sell her what they could. If the woman didn't want to go into the fitting room, if she knew what she wanted, and she was always a repeat sale of the same item...Most merchandise was hidden behind counters. One of the advents after the war was
individually packaged goods. With the growth of branches, etc., we went into boxed goods; individually packaged goods. Bras primarily, but girdles also. And the fixture became...rather than the merchandise behind the counter, it became in front of the counter with the beautiful, attractive package to attract the customer. As packages became unfashionable, we went into hanging merchandise. Hanging merchandise to show color...

Q: Is color important to you? In your price range?
A: To Bestform? Yes. We...Of course we copied Lily of France to some extent. They were one of the leaders and innovators of colored fashion merchandise and Bestform...so in a sense copied what we did many, many years ago, we copied our own company. We came out with colored merchandise...It's not as important today as it was five years ago, but it's still an important part of our business and Lily of France's business.

Q: The...I omitted asking about distribution. From which facility do you do your distribution?
A: We have our distribution center in Johnstown, Pennsylvania.
Q: Which is also a production plant?
A: No. It's a separate...We have three separate operations in Johnstown. We have a factory that produces today's sleepwear, primarily, and some daywear. We have another facility.

Q: But that's the Lily of France.
A: Yes. We have another facility that manufactures...Excuse me. That is our distribution center for all divisions....

End of Side 1

-29-
...I'll start again. In Johnstown, Pennsylvania, a few miles from our sewing factory, we have a distribution center for all divisions. We built that brand new about 6-7 years ago, and just remodeled it a year ago. A brand new facility specifically built for shipment and distribution.

Q: What about data processing? Do you have computers there?
A: Well, we have a computer system set up in New York and in Johnstown, Pennsylvania. All orders go to Johnstown, Pennsylvania, and we keep record of it through a tie line with their computer and our computer.

Q: Do you keep any stock rooms anywhere? For emergency purposes? A store calls up desperately...
A: No. Nothing except for Johnstown, Pennsylvania. And it wouldn't do us any good if they're desperate in Los Angeles, and we had it in New York. It just naturally, I guess, ended up there. We gave it great thought, but since we were shipping from there, we had a trained force, and we had a commitment to the community—we've been in Johnstown, as I mentioned to you, since 1942. So we decided to stay there. I don't know how right it is, but we're there. We also have our central cutting department in Johnstown. Another facility, another few miles away.

Q: You do all cutting out there?
A: That's right.

Q: So you send all the piece goods there with the patterns and the markers and so on. What is it that you do in Long Island City, that takes so much of your own personal time?
A: The general executive offices.
Q: Everything except the showroom.
A: Everything except the showroom. All the purchasing is done there; all our record keeping is there.
Q: But your design rooms are there.
A: The design rooms are there. Except Lily of France is here. Bestform is there.
Q: So that means your designers have to come into New York fairly often I would think.
A: No. The salesmen come out to see them.
Q: I see. Yes. Because your quantities must be enormous...
A: I didn't realize your designers were there too.
A: Our accounts payable, our accounts receivable. The facility in Long Island City today, from the point of view of space, is primarily a transfer point between Pennsylvania and our offshore facility. We do our 807 operation which you're familiar with in Puerto Rico, and we manufacture also in the Dominican Republic and St. Christopher and St. Lucia. The goods comes into New York from these various plants, and we have our own truck that goes to Pennsylvania. In turn it comes back with cut goods to be shipped to our plants, but it must be cut in the United States to be eligible under Statute 807 of the customs regulations.
Q: But 807 applies just to Puerto Rico.
A: No! 807 does not apply to Puerto Rico.
A: No. I'm sorry. Not to Puerto Rico, but to the rest of the Caribbean.
A: That's the problem. You can't cut in Puerto Rico. Years ago we used to cut in Puerto Rico, but Puerto Rico is considered the United States.
Q: Right. So 807 applies to the rest of the Caribbean.

A: It applies to anyplace. Not only the Caribbean. 807 specifically refers to anything cut in the United States, manufactured outside of the United States, and brought back to the United States under a Section called 807 of the customs regulations, which exempts it from duty.

Q: I see. Even in the Orient?

A: Anyplace in the world. Even if you went to Antarctica or the Arctic circle.

Q: Okay.

A: It has nothing to do with the Caribbean area. Why is the Carebbbean area more popular for 807? Because it's the closest to the United States. It's a question of logistics. Whereas Dominican Republic is in a sense four days away by boat, Hong Kong and China are six weeks away by boat.

Q: Right. And, of course, air becomes....

A: Air is the same, believe it or not. I doesn't make a difference. I can get goods from the Far East here in two days.

Q: Well, it's more expensive but...

A: Same cost.

Q: Is it really?

A: It's cheaper to ship goods by boat from the Orient here than it is from the Dominican Republic. Would you believe it?

Q: Well, it's a very....I don't understand it.

A: Neither do I. As you would gather, I'm not an expert in it, but what I would gather is that the competition in the Far East to here
...You have a choice of half a dozen lines. In the Dominican Republic you only have one or two.

Q: I see.

A: And whatever it is, it's cheaper. Well, not cheaper. It's the same cost. And air is the same thing. It really doesn't make a difference, from the cost point of view or from a time point of view.

Q: I would think in your price range it would make a difference, because even small amounts must make...

A: That's why I try not to ship anything by air.

Q: I see.

A: We do most of our shipping by boat. Only if we need the goods...That's why the Far East is further away. And for offshore operations, when you talk about shipping by boat, you're talking about six weeks to the Orient, manufacturing, and six weeks back. Whereas the Dominican Republic is about a week there and a week back; instead of 12 weeks, two weeks. That ten weeks ties up a lot of money.

Q: Oh, yes.

A: So you've got time, money and fashion. Obsolescence is a big factor.

Q: Do you have much obsolescence in your...I mean is it a factor? Does it...

A: It's a factor. More in Lily of France than in Bestform, but it is a factor. Obsolescence comes in due to the fact that a garment does not sell. In other words, the color didn't sell or something like that. There's no obsolescence in terms of season. There's only a natural obsolescence I
would say due to the sale of a particular style. It's not like a certain blouse that's not in style this season. We do have it to some extent, but it's not on that type of a basis; a seasonal basis.

Q: One last, really very interesting subject, especially for a privately held company like yours...What thoughts have you given to the matter of succession.

A: I don't know yet.

Q: You don't know yet.

A: My son is a lawyer. I don't know if he really wants to stay in the legal profession, it's hard work. He's giving some thought to whether he would like to come in to us, but he hasn't made a decision. Other than that, we haven't given any thought to succession.

Q: Because...

A: It's always been a family business. I have a number of my cousins, my brother-in-law in the business, my sister is in the business...

Q: And as long as there is family who can...

A: I'm relatively young. Not too old...

Q: Yes...I know.

A: They're all about my age.

Q: So that for the moment you really don't have to think about it. But if you...You know...Many companies which have been acquired have been acquired because there is no family to succeed.

A: I guess that would happen to us also.

Q: But at the moment you're not sure. Okay. Now, what about Lily of France? That's being run almost autonomously, except for certain...
A: Only from the sales point of view.

Q: Right. And design too?

A: Of course. Sure. Sales and design go hand in hand.

I don't mean sales is just selling. What to sell is just as important as the selling.

Q: So we'll leave it that as far as succession is concerned....

A: It doesn't affect Lily of France because we do the same thing.

Q: Oh, of course. The whole thing is one, inclusive, business.

A: It is. It's one...Bestform's strength made Lily of France grow. We took over a small company that was going no place and used whatever strength Bestform had to enable it to grow.

Q: Including, I assume, financially.

A: That's first, money. You need the know-how in this business. It's a highly technical business.

Q: I meant to ask you about this thing with financial, and I'm glad you're talking about technical too. For just a moment, financial...

One of the things that's interesting to young people, for example, who dream of going into business--as some do--is the whole question of how you finance a business. Now, in your father's day, I assume, it cost $1,000 to go into business.

A: Maybe less.

Q: Okay.

A: If you had a thousand dollars.

Q: But later on, in this industry, it was mostly bank credit,
was it not? I mean, factors were not a factor.

A: We don't use factors. I can't tell you. I would say that most people who is in this business today, and who grew, grew with bank credit. That's true. But I don't think anybody can go into business today with bank credit. In other words, there are very few people going into this business today. There are more people going out than going in. The necessity of offshore production makes the financial need so much greater, even though we talk about a small cycle time, and relatively it is. It's a long cycle time which necessitates longer runs, more production, more money tied up in inventory, and most of the people in business are the old timers who have built up an equity base in their own businesses, and have been able to grow, in that vein. Otherwise they manufacture in the United States, but they can't grow.

Q: So that today it's a mature industry.

A: It's a dying industry.

Q: It's a dying industry.

A: Yes. Certain of them have been going out of business, as I mentioned to you. Every two years, one or two of them will go out of business. The small people. Unless they go offshore. Some of them don't want to bother. They're too old, or it's not worth their effort. So they sell out or close down.

Q: You used the word "technical" a few minutes ago, when I interrupted you. And that is interesting, because at the beginning, I don't... When I asked, for example, how your father knew how to do what he was doing, or how he learned it...
A: That's true. Yours is a very good question. I don't know how he learned it. He learned it by trial and error. By trial and error. He always felt that fit was important, even though he himself--and I'm not an expert in fitting nor am I an expert in sewing--but if you make it, your aim to do it is to hire people, and you stress it. You can get the right fit and the right quality. Our motto used to be, for many, many years, "No finer fit at any price." That was the Bestform motto.

Q: So you're saying that the technical knowledge is really important.

A: It's a necessity. A brassiere is like a shoe. If the brassiere is not comfortable, she'll never buy it again. That means you're out of business. It's like a shoe. If it doesn't fit comfortably, if the shoe you're wearing isn't comfortable, you'll never buy that shoe again. You may even return it.

Q: Yes. Right.

A: The fitting on a shoe. Because in a sense there's a certain similarity in the two industries. They used to use the same type of boxes years ago.

Q: Where do your skilled people come from nowadays?

A: We train them.

Q: You train them yourselves, here. Or, not here, but in the company, or at whatever plant you're doing...

A: Yes.

Q: Because the labor market, from Europe, certainly has dropped...

A: It never was Europe.
Q: It never was?
A: Never was. It was always self-trained. It's not a hard skill to learn. I'm not telling... It's not a skill you have to go to college for. It has to be... The theme of management has to be that you're going to train people. That you're not going to pass shoddy merchandise, ill fitting merchandise. And when they understand it, you can see the difference. Even the layman can see it if it's explained to him. If you do it everyday of the week, and you have any ability whatsoever, you can learn it. It's not an impossible thing to learn. But granted, it's mostly the old timers who have the skill. What will happen, I can't tell you, 20 years from today, but it's there. Your designers try to make the fit, make the technical problem, or whatever, easier.

Q: But you're saying that, from your point of view, you have not really had difficulty getting your foremen and....
A: Not just foremen; we have foreladies...
Q: Foreladies....
A: Operators. Trained... Operators have a little more skill. They're able to impart their knowledge to other operators, and that you find all over the world today. I'm thinking at a little higher level than that. The factory manager, the assistant factory manager... Those are not too easy to find. But we do train, certainly, and we hire from other people. People go out of business. People who were assistants then become managers when you have an opening... They come to you.

Q: But at least up to this point, you have not found a shortage of skilled labor as a handicap.
A: No.
Q: Good.
A: But I don't like to use the word "skilled." I'd rather use know-how. It's not a skill that you can really teach people. You've got to have a certain ability, especially in management. Foreladies.... It's a different matter. But managers, assistant managers, have to have a certain ability before you can teach them the skills. It's easier to teach them that skill than it is to teach them to manage.

Q: Yes. All right. Thank you very much.
A: We're finished.
Q: Yes.