BB: In 12, 14 different publications.

Q: I think anything that is current. See I have a great nostalgia, as we all do, for what Saks was. But I feel that if I'm going to do something of value to you, I think it would be very important to that to record what Saks is. And there's a very blurry picture out there and a very ambivalent picture out there of the standing of Saks Fifth Avenue. And that's why I'm so excited about the idea of projecting the fact that this was the first store that marched across this country and recognized that America was ready for what we think of as Fifth Avenue fashion, both in directional terms as well as in a kind of quality taste point of view.

And I think to say that and then to say that America was ready for Saks Fifth Avenue and Saks Fifth Avenue led them to be ready is the story. But it would be wonderful to indicate in this moment of great turmoil what Saks Fifth Avenue is now and what it's mission is now. And how the people who are here now feel about what it's future is. Because we are moving toward a most exciting time in retailing history and those that do survive and have continuity are precious.

BB: Well I think that the mission statement basically
has not changed greatly, which I think is one of the great pluses of Saks because it's remained,

Q: All right let's start with that.

BB: It's remained consistent, at least in the 12 years that I've been here and I think was probably more or less updated when BAT took over Saks.

Q: Who updated it?

BB: Well I believe that, as we discussed at lunch, Suslow and BAT were instrumental in really updating that consistent mission statement, image,

Q: Was there anything written that you were given at that time?

BB: Yes and at various management meetings throughout my tenure here it's been reviewed and updated but primarily it was to be the pre-eminent fashion specialty store to the nation. Now that certainly became much more true to the nation during the time that BAT has had it's influence on Saks. There's been a great deal of monies expended in updating existing stores, in moving into new markets. When I first came I think we were probably 22 stores.

Q: What year was that, Bill?


Q: This is Bill Berta talking to us.

BB: Yes, this is Bill Berta. 1977. The oldest living
art director in the world.

Q: You still call yourself an art director. You don’t call yourself a .. director..

BB: No, that’s where your roots are and you never quite really lose that. You know you expand on that as a base.

Q: You don’t call yourself a design director or creative director.

BB: No. I’ve been all those things but,

Q: But you’re an art director.

BB: I’m basically an art director underneath it all, yes.

Q: And so few art directors care about the business of their enterprise that you see to have a firm understanding of what makes the wheels go. Where did this begin for you?

BB: You mean my background?

Q: Yes, a little bit. Give us a little bit.

BB: Well very quickly I went to, I was fortunate enough in grade school to be picked to go to special classes at Carnegie Tech for, to develop young artists that are,

Q: You’re a New Yorker?

BB: No, I’m from a little town outside of Pittsburgh.

Q: Carnegie Tech, I’m sorry.

BB: Carnegie Tech in Pittsburgh. So every Saturday
morning through the school term I would sleep into Pittsburgh and they would have Saturday morning classes and it ranged from pastels to tempura to oils and then I went on to, that was Carnegie Institute, and then I graduated into the Carnegie Tech School for my last two years of high school. Then I went to the Art Institute in Chicago and majored in advertising design and also went to the University of Chicago for a degree, minor in English. And I worked for a small advertising agency my last couple of years of school and I went to Polks in Cincinnati, which was my first exposure to retail. And then eventually I came to New York and I worked at Macy's as a fashion art director, was there for about five years.

Q: Who was in charge?

BB: Millard Harris was head of my division, the fashion division. And Abe Grise. And of course Rosenblum was the sales promotion director. And it was a great training ground. I mean if you could survive Macy's for five years, you could live through anything I think, at least in those days. I don't know that it's changed a great deal. The volume that they turn out, advertising-wise, is incredibly enormous.

And then I moved into the agency side and worked for years on Revlon, Channel, Maiden Form, a lot of Hertz,
Jamaica, Shendley, a lot of Colgate-Palmolive, a lot of things at Norman, Craig and Cumo. And that's where I first worked with Kay Daily and Kitty DeLesio.

And then I opened my own agency and for five years I had a small fashion agency with Tina Grad, as you know. And some of our major accounts were Gionvinchi and a lot of brands including Tussy and we had a couple of fashion fur accounts. It was small but our major account was Bloomingdales.

And we were involved with Bloomingdales at that turning point where Harold Krinsky wanted a fashion image. At that point they were doing very bad knock-offs of Dorothy Hood advertising, the famous Dorothy Hood art from Lord & Taylor. And they would do five coats on a page with fall leaves falling down and they even had a big swash 'B' like the Lord & Taylor logo. It was just dreadful.

And they were really noted at that point for having very good home furnishings and even at that point Barbara Darcy was doing designer rooms. So the home furnishings aspect of their business was quite intact at that point. But the fashion image,

Q: Frank Chase was the driving force in management there to home,

BB: The home?
Q: At that time, yes. He's a Pittsburgh man.
BB: Is he?
Q: Yes.
BB: Well at that point I was really involved more with Ruth Strauss, who is the sales promotion director there at the time. And Shirley Murray, who was an old Macyite, like myself that I knew from my old Macy days. And Harold Krinsky was the one who wanted a fashion image developed for Bloomingdales. And we handled the Bloomingdale account for those five years that Berta Grant and Winkler was involved.

And we did several formats that I felt would work. We used art work. That was the first time that they moved into a totally new style of art work and we used Jack Eisenger, who was a Women's Wear Daily artist. So it had a very free form kind of look as to what they had been emulating as far as Dorothy Hood art was concerned with the very soft washes and detail. And this was very loose and very free and very graphic.

So then after five years Harold Krinsky at that point had gone, Martin Traub was in the driver's seat, and they wanted to form a house agency. So we moved our operation in there and I was Advertising Director of Bloomingdales for about five years and then decided I wanted to go back into agency and I went to Gray advertising as creative director.
on Revlon again. And the primary reason I wanted to do that was to work, though we had done some interesting television at Bloomingdales, it was certainly always for a very limited budget and you were always working within the constraints of a very tight budget package.

So I really wanted to get into national television and work some big budgets where money was really no object, that creativity, the idea itself would not be hindered by the fact that we couldn't afford to do it as far as production was concerned.

So I was there for about two years until I was approached by Suslow and LeBlang and I had met them years ago when I was at Berta Grant and Winkler. And they were at G. Fox in Hartford and wanted the same kind of thing that we were doing for Bloomingdales done for G. Fox. But logistically it really just did not work and we said we could work with them on a spot basis but you know, or on an overall theming kind of thing but we couldn’t get involved with the daily stuff. So that never really panned out. And I guess they remembered me.

So they called, and at that point I was not interested in coming back into retail at all. And Paul and I spoke several times and then I had a meeting with Suslow and I was absolutely captivated by what Suslow had in mind for Saks.
Fifth Avenue.

Q: Tell us what he had in mind.

BB: Well at that point Saks had had a relatively crusty image. The old grand dame of Fifth Avenue if you will. Most of the branches that they had opened, I had seen many of them in Florida, they had that little tiny Saks on Lincoln Road I believe in Miami. They had a little tiny store in San Francisco on Maiden Lane. I was familiar with, being from Pittsburgh, I was familiar with the Saks in Pittsburgh, which was half the floor in Gimbals. Had it's own separate entrance that it certainly .. So and I had, of course I was aware of Saks in New York and it had a relatively stuffy, dusty image and it also catered to a very very narrow market.

Q: Precious?

BB: Precious. Expensive.

Q: Mature.

BB: Mature, very classic. Not terribly fashion oriented. Never on the cutting edge certainly. And I think it lost a great deal of it's luster, which was fine for me when I was at Bloomingdales because I never really thought of Saks as being much competition either in their merchandise assortments or in the image that they projected. Doris Shaw I thought had done some nice things like for
their 60th anniversary or something, 60th anniversary I guess it was.

Q: She was there then?

BB: She was the sales promotion director at that time, yes. And I have the greatest respect for her ability. But there's only so much you can do with a store that's sort of mired in it's own traditions and not terribly courageous as far as what it stands for from an image point of view.

Suslow wanted to change all of that and of course when BAT acquired Saks Fifth Avenue, which was probably a year, year and a half before that, they brought Suslow and Mr. LeBlang in. They wanted to put Saks Fifth Avenue on the map literally. They wanted to open two to three new stores a year. They wanted to go into many markets that we had never really entered before. They felt with spiffing up the Saks Fifth Avenue image that would be backed up substantially by a fashion and a merchandise commitment. They wanted to do television. That was one of the reasons they were interested in me.

Q: That was Suslow at the time?

BB: Yes. And under Suslow we developed the, Paul and I developed the television campaign, which was .. (yes --). We had no, I forgot where I was,

Q: You said Paul and you developed this,
BB: The TV.

Q: Doris was not here then?

BB: No. Doris left and I replaced Doris.

Q: I see. But you worked with her for a period of time, didn't you?

BB: No, I never worked with Doris.

Q: So there's no overlap.

BB: I knew her.

Q: I see. I don't know why I,

BB: She left and I guess I came about three, four or five months after she left.

Q: I didn't realize that.

BB: And so the, that was one of the reasons that,

Q: What year was that Bill that you came?

BB: 1977. I was really inspired by Bob Suslow. I thought he was a man with great vision. I thought he was a terrific merchant. He also, like a Harold Krinsky. And I'm sure a lot of good retailers throughout the industry and over the years. They find the best people that they can find to accomplish what they want to accomplish and they allow them to do it. They respect what they do and they are always asking for your opinion.

I was to be in charge of, and still am, in charge of the image of Saks. And it really, not from a merchandising
or fashion point of view, but from the consistency of image
that has to do with everything that would, the customer
would see in terms of the media, all advertising folios.
The television of course, the packaging, the labels.

Q: The imagery. All communications imagery.
BB: Everything. All basically marketing but it is
still in a sense that old art director comes into the
forefront,
Q: The visual.
BB: with many things that I do.
Q: The visual, the strong visual perception of the
store.
BB: Exactly. And a lot of that I had done for
Bloomingdales as well as far as developing the packaging
designs, the developing Saturday's generation, the big brown
bag, all of that kind of thing. So at Saks a lot of that
came under my echis.
Q: No windows?
BB: No windows, no I don't do floors or windows, which
is fine with me. And the development of things like the
black, white and red packaging program, the consistency of
the graphics that a consumer sees, the quality of the paper,
the boxes, I think is very reflective of the quality of the
store.
The packaging design when I arrived was that very very dreary chocolate brown, flat basketweave, white clad box. Again very classic, very dowdy, very middle of the road and we went to this very slick design, which I think is much more Fifth Avenue with the gold seal and the black, white and red mix, which I think is very sophisticated and still classy. And we developed consistency in advertising programs. The folios when I first came Saks did four folios a year for direct mail. A fashion folio, spring and fall and a sale folio. January and November.

And we have since, and those four folios a year were produced out of house by Henry Wolf Productions. There was very little input from Saks Fifth Avenue. No one got involved with it, it was a product that was delivered, wrapped and sealed by Henry Wolf.

Q: Amazing. Amazing that they let him do it ...

BB: I know. Well Bloomingdales had done it with Berta Grant and Winkler. We were producing their first.

Q: But you were closer to them.

BB: Yes well we were their agency. And they always had input into what we were doing. So there was no control factor built into what the direct mail program stood for. Henry was certainly very talented and he did the photograhpy himself, it was quite beautiful. But there was no marketing
philosophy behind why Saks was in the direct mail business, what could it become.

Q: What did it then become? What was the market ...

BB: As I started to say, Saks produced with outside help four folios a year. We today now produce 40 folios in house. I really formed a house agency concept so that everything that comes out of Saks is done internally. We go outside for very very little except for printing production of course, models and photography, but we set our own type in house, we have our own TV studio, we produce about 30 tapes a year to be played internally for training as well as on the floor to further extend various promotions that we’re running. And also to tie in with these folios.

So we produce now over 40 folios a year in house and I have the house agency set up so that there is a completely separate unit that handles nothing but folio, has it’s own creative director, it’s own production team, it’s own copywriters, it’s own coordinators, traffic.

Q: And what’s it’s target?

BB: The target really is to grow the business certainly through direct mail, to develop private label brands, which we’ve developed over the years, which are the Works, Real Clothes, a lot of private label merchandise under the Saks name. But also we use Folio to drive the
store business as well. It's a major, major vehicle for Saks. We now have a national umbrella of advertising in 12 to 14 national publications. We run very heavy schedules in those but we again we treated it very differently. We went to double truck ads in four color to make an impact. If you're going to be in Vogue magazine and you have to wade through 485 pages of advertising before you come to the first meaningful page of editorial so you're surrounded by this sea of fashion advertising, you have to do something very different to be outstanding. And you have to do it on the caliber of a national advertiser. You can't do cheap little illustrations, like a Lord & Taylor I don't think and make any kind of image or impact in the book.

A single page black and white photography, which has been a standard direction for most department stores and specialty stores over the last 20 years did nothing.

Q: You've also been very venturesome in terms of your media selection. You use the traditional magazines that we think of in the fashion..

BB: Fashion books.

Q: But I have been aware of the fact that few have used what we call shall we say new wave publications and what is your, give me a feeling about your feelings about
media today and specifically the why of what you’re choosing.

BB: Well I’d like you also to talk to Betty Shabo, who is our advertising manager and she is responsible for all the media. But our feeling was that we wanted to reach a much broader group. That was originally Suslow’s aim when he broadened the merchandise base and at one point Saks never carried sportswear. They never carried contemporary.

Q: It’s hard to believe, isn’t it?
BB: It is amazing. And,
Q: You mean he ushered in an era of sportswear?
BB: Absolutely.
Q: And that that did not exist as a dominant classification.

BB: Designer sportswear was practically nil at Saks Fifth Avenue when I first came here. He had already started the wheels in motion so they were starting to get into these areas. But we were never in that business before. It catered, Saks really catered to a very narrow segment of the business and in order to survive the 80’s, he and Badis both realized that we needed to expand our base customer and appeal to a much broader segment of the customer base out there and the only way you’re going to do that was to broaden the merchandise selections, hit price points that you never carried before.
One of our largest segment of the business at this point are evening and dresses and cocktail dresses, etc., at around $1,000 price point opposed to $3,000, $4,000, $5,000 for most designer clothes. And those are special programs that have been worked out with an Oscar Delarenta, a Caroline Herrera, a Bill Blass. All of the designers have developed special programs for Saks to extend their kind of look and attitude into these price points. That's something that in the days of Sophie Gimbal and what have you, really wasn't necessary.

Q: What philosophically when this was done, what was the marketing attitude about who the customer was for Saks at that time? Who did you want to reach?

BB: Well we wanted to, certainly not everyone is a Saks Fifth Avenue customer. We never were nor do we ever intend to be a Macy's. Or even a Bloomingdale's.

Q: Well tell me what you do want to be.

BB: We really want to be the premier fashion retailer of the United States and I think that that would never have been accomplished with the original strategy and tight merchandising philosophy of an Adam Gimbal, though he was a brilliant merchant. But he had developed a very small carriage trade and even when he opened the first stores out of town in Palm Beach and South Hampton, I mean that's
indicative basically of how he envisioned his customer.

Q: That’s interesting. What would the first three stores that Suslow and Badis reach for? What were the first three communities?

BB: The first one that, the first store opening I attended was Bergen County. Now that ain't particularly chic. But it's a very affluent area. Paul of course is brilliant when it comes to the demographics and what markets are really right for Saks. What could support a Saks.

The second one was Pittsburgh. Now as you know I grew up in that area and Saks had been this tiny little microcosm in a part of a floor of Gimbals. And they took it and opened a store right down the street, right on the main drag, right between Gimbals and Kollman's, perfect location, right smack in the middle of Pittsburgh. And they knew from their past experience in Pittsburgh that they could develop a much larger clientele. And that they were only appealing to the very small segment of Carnegie's and Melon's and we opened up a three-floor store right down the block from where they had had a very non flourishing business.

Q: Bill would it be fair to say that at that point Saks was expressing an awareness of a newly defined affluent society?

BB: I believe.
Representing a new age mix, as well as a new educational mix, as well as even the emergence of what I call a value, not an income, consumer market.

BB: Absolutely. I think that their whole concept of merchandising and service they felt could be extended to a much broader customer base with this new affluence. [There was a recognition even at that point, 12 years ago, that there would be an emerging women, importance of women in the marketplace going into the work force]

Q: Independently wealthy.
BB: Independently wealthy.

Q: Or independently capable of affording the price points that you were reaching for.

BB: Exactly. The whole thing was turning. [With that happening, also, there would be less discretionary time, which was why we started developing special services like the Fifth Avenue Club.] [The one on one service. And it's a wonderful operation] and we tried it in New York and then Chicago and a couple of the major A-store markets and that [now it's rolled out to the country in practically every store]

Q: Every store?

BB: Just about every store. If it's not, it's on it's way within the next six months to a year.
Q: It is the best. It is absolutely the best.

BB: And I think anybody who has availed themselves of those services, we've now developed a Fifth Avenue Club for men, which is very strange that it should have started in the women's area before the men because men have always had the same problem that women face now and that's really a lack of time and we all suffer today from time poverty. And it's something that you know certainly needs to be addressed.] A lot of stores do it or have a shopping service or a personal shopper, it's not the same thing.

Q: What is the difference?

BB: Well the Fifth Avenue Club was developed primarily to act as a service for Saks customers. They very rarely have gone out to solicit new accounts. It's a lot of word of mouth. Pleased customers. Oh you didn't know about this wonderful service at Saks, like you've just said. And they will, they get to know their customers, they keep customer books on them, they keep track of birthdays.

Q: It's a specialty shop within a specialty shop?

BB: Absolutely. You can call and say I need a fall wardrobe, or I need one dress for a special occasion.

Q: Why is that different from personal shopping?

BB: Personal shopper just doesn't have the facilities to handle it. We have about 10 fitting rooms in New York
alone and it's being expanded with the new tower.

Q: The store within the store idea.

BB: Absolutely. They have probably five to six Fifth Avenue personnel that takes care of their own customer list. They get to know the customer, they call to remind them about a birthday or when they know that they buy (Ungaro). So they call and say that they're having a special trunk showing and they pull the merchandise in for them, it's sitting there waiting in their size. They have special alterations available to them, they can get them the same day if it's necessary, they serve them lunch, they call for limousines, they get theater tickets. They really act as a personal,

Q: You're now also giving free alterations to women, right?

BB: We always did.

Q: No, you didn't.

BB: Well, no, we charge for certain things. It's become much more flexible.

Q: I mean the equality concept, that whole suit that came, it was along overdue.

BB: Yes well I know a lot of people feel that way but there were many alterations that were done free for women. But it wasn't certainly as extensive as,
Q: I never remember getting one for free anyway.
BB: They would shorten the sleeve, basically, that's what would happen.

Q: In any event. It's an incredible operation and it is very special and I think it's very special not only because of the environment that you've set up for some of the people in it who I've become attached to and send many people to you for just this service.

Suslow left when?
BB: I'm not sure of the exact time but on the video tape it has the exact time.

Q: He then moved to . corporation.
BB: He went into the BAT corporate.

Q: Who was second to him at the time he was here?
BB: Well Bert Tansky was president at that point.

Q: I see, that was his obsession.

BB: Well actually when I came in Alan Johnson was the Chairman of the Board and Suslow was the President. When Alan retired, Suslow became Chairman of the Board and Bert Tansky was made President. And Bert of course, again there's that consistency of thinking that I think is important over the years. The President has remained the same, the merchandising philosophy has basically improved and gotten better and gotten honed over the years. I think
Ellen Salzman's taste level left a great mark on the store. She developed an excellent fashion office, which I think is very much to her credit now that she's gone. We still have a very strong group of fashion directors that are, one is responsible for the sportswear area, one is responsible for all of the designer and one is in charge of only accessories and shoes. And there's one for children and gifts.

But I think that there's that consistency of attitude regarding what the merchandise should represent that has stayed constant over the years that really started in Suslow's time and was continued on when they brought Arnold Aaronson in after Suslow went to Badis. And when then Suslow left Badis and Aaronson went and replaced him, then Mr. Jacobs came in and Jacobs in his own right has his own kind of vision and I think that he understood immediately what Saks was, what the potential was and was very responsible in, which helps my job, do my job much easier if the person at the Helm understands what Saks Fifth Avenue is all about. So that consistent point of view ran through three different Chairmans of the Board.

Q: If you were to evaluate what the, everybody has a different management style and everyone's vision, even though the focus may be the same, we don't all see the same thing, you have a fixed focus on a camera but what you're
seeing and what I'm seeing may be very different, what is you know you talked about Suslow and then there was, I have a sense of the fact that there was a creative marketing hiatus between, even though there was continuity of mission, but you don't talk with the same kind of excitement about those between years. You come to this time now with a Mel Jacobs and you talk about his vision, as Helen did, sort of a return to a sense of an enthusiasm for management and creative direction. Management directions could be very financially effective but not creatively inspiring,

BB: Sure.

Q: What is the difference now with Mel? Give me, share with me what he's bringing to the table for you personally.

BB: I think that he has a very strong concept of what Saks is and what Saks should be and while there is a consistency of attitude there that ran from Suslow through A. T. Johnson, through Jacobs, I think Jacobs has a very good long-range idea. He is not after the fast buck at all. He's willing to do programs that are, if I had gone in there and presented a national magazine campaign, four color, double page spreads in 12 to 16 publications to a different Chairman of the Board, I don't think they would have gotten why. They would have wanted the immediate return. Well if
we're going to spend this much money, when are we going to get the return on it?

Jacobs never questioned that from the outset. He understood that it was for the long haul, that it was to build the image of Saks on a national level and act as an umbrella for the other various programs — being newspaper, all of the marketing programs including direct mail, Folio, the Fifth Avenue Club, and he understood what it was suppose to do and suppose to be.

In other words he was really carrying the best of what you have here to as many of the markets as you could do it?

BB: Absolutely. And the one thing that he understood at the very beginning that Ellen Saltzman never quite got was that this was not to be a designer campaign. This was not to be the Bill Blass's the Caroline Herrara's the Caroline Rome's. The merchandise that we presented had to have a difference and a specialness to it that it didn't necessarily mean a price point and that it shouldn't be out of the reach of people who may open the magazine.

For instance in Atlanta if we have 25,000 charge customers in Atlanta, that publication is being seen by over 200,000 people in Atlanta. So you need to appeal to people who may not necessarily be a Saks Fifth Avenue customer, may
not be familiar with the kind of merchandise we carry. They may feel we're too pricey but they've never necessarily shopped at Saks, they don't know that over the last ten years we have broadened the base, we do carry terrific fashion and we also have it at a pretty terrific price.

It's not a Macy's, no. But we never intended to be.

Q: In other words your reach for your customer reach increased when you made the merchandise reachable?

BB: Absolutely.

Q: Within reach.

BB: Absolutely and Ellen Salzman of course saw it as a vehicle to talk designer, to talk Bill Blass, to talk Oscar Delarenta, who you are talking in terms of $5,000.

Q: The precious 10.

BB: Right. And if we sold three of those dresses from the ad, we would have been very lucky. And we probably would have sold them anyway. That really wasn't the point of such a far reaching, in depth campaign nationally.

Q: Your media also, therefore, changed. The media that you used. But you didn't go back to television?

BB: No, we did not go back to television.

Q: So you've done it all in print.

BB: We've done it in print instead.

Q: And what was the base?
BB: For what Suslow did as far as Saks is concerned, television was really right at the time.

Q: You don't think it's right now?

BB: I don't think it would hurt. I think it would be terrific if we could afford it. It is just so astronomically expensive.

Q: Not even cable?

BB: I don't know that cable is terribly effective and I think with the amount of advertising that we do in most markets that it would accomplish a great deal for us. I think we have other vehicles to do it more cost effectively and the image I think can be very well achieved, the new importance of the magazines. At the time television was the most important communications vehicle available to us and most stores didn't know how to use television as far as an image was concerned.

Q: They still don't.

BB: In many instances they don't.

Q: They still don't.

BB: They are interested in the three-day results. You put a mattress sale on the,

Q: The A&S campaign.

BB: Absolutely.

Q: They did that superbly.
BB: When Suslow and I talked about how television could be done was really what excited me because he wanted, the same as Harold Krinsky wanted to do for Bloomingdales when I first got involved with Bloomingdales was I want to create a fashion image, I don’t care what it is or how we get there, I want to create a fashion image for Bloomingdales. And when we get to the national magazine campaign, it’s exactly where we should be and what we should be doing right now and it’s basically to talk image and,

Q: A lot of private label?
BB: There’s a lot of private label.
Q: In the national campaign.
BB: The Real Clothes is a private label, The Works is a private label that we advertise.
Q: That’s all part of your national campaign?
BB: Yes. We advertise it in certain publications. New York Woman, Saavy, Harper’s Bizarre, Vogue, we take different approach. Ell we take a different approach. We produce about five national ads a month and we do flights that include certain publications, and we alternate it from month to month. The merchandise is presented to myself, Mr. Jacobs and Mr. Tansky and we make the decision of what’s right and what’s not going to make the national campaign.

And it took a while to get the merchants use to the
idea that we had to talk (end side A)

Q: If you say you want to, you see Saks Fifth as
being, as it's mission to be the preeminent fashion store or
specialty store. What in reality does that mean? Cutting
away the generalized description.

BB: To the customer?

Q: Any way you want to describe it to me. What's a
preeminent fashion store today?

BB: Well I think Saks certainly, Neaman Marcus,
Bergdorf.

Q: But don't tell it to me by example. Tell it to me
in terms of what you think it has to be to be able to
deserve that name.

[BB: I think it has to be, courageous might be a little
too strong a word, but I think that it has to be willing to
take a risk in the fashion industry.] The short skirt is a
perfect example of taking that risk. I think that at the
time I questioned the fact that we were not showing anything
else to the customer. I think you need to have that element
of icing on top from a designer level viewpoint. [You have
to take a fashion leadership decision in order to be a
fashion store, that's what separates in my mind a fashion
specialty store from a department store. You need to
broaden your base. You need to appeal to a broader market
of customers. I thin the whole price thing, people are very wary of it today and will continue to be wary of it. I don't think that women today tout how much they spend on a dress but you know they certainly will talk of the fact that they got it on sale or they got it at a very good price, which I think is one of the reasons that thousand dollar price point for a very special dress has been so successful. It's been a very successful program.

I think that we need to understand the lifestyle of markets that we're in. We merchandise our stores differently for different markets. I think that there was a mistake made several years back when there was a division of stores, A stores, B stores and C stores. And depending on the marketplace and the store itself, the actual facility, would be supported well by the merchants and be truly a microcosm of what Saks Fifth Avenue New York was all about, what the flagship store represented to New York.

And when we talk about marching Saks across the country, I think it was one of the mistakes that we made. I think in certain cities you go into a Saks Fifth Avenue and , I think also a lot of customers were disappointed by it. They expected,

Q: Underestimating that regional customer.

BB: Absolutely. And it could be much too square, too
classic, not enough newness, not enough freshness.

Q: When did this change?

BB: It changed within the last three years under Mr. Jacobs. I think it was a major contribution on his part. He understood the difference and what we should represent across the country. We changed the merchandise mix in those stores. We did what we called a B store program. We changed the merchandise mix, we added much more of the icing that has always been at Saks Fifth Avenue. We strengthened basic never out situations of something that Saks has been known for for 60 years. We strengthened all those areas. We truly made the merchandise mix much more of an A-Store mix.

Q: But you said you held it at a B-Store level.

BB: Well those were still B-Stores.

Q: Those were B-Stores.

BB: And that is regulated primarily by the marketplace and the size of the store.

Q: How many of those stores cross country are A-Stores today. What markets?

BB: Well they would be your primary cities like Chicago, San Francisco, Los Angeles, Dallas, Bal Harbour and certainly of course New York, the flagship store.

Q: There are no C-Stores.

BB: There are C-Stores in the fact that South Hampton
would be a C-Store. Carmel would be a C-Store. But this B-Store program basically took seven markets, changed the merchandise mix. We went in with a very very supportive advertising campaign talking about making a difference and we talked in terms of tradition, quality in merchandise, we talked about service, we talked about convenience, we talked about all the things that Saks really stands for and has stood for over the years.

But we also took the negatives of I think the public's perception of what a lot of stores represent to them and it's a relatively negative point of view. And we took a very positive approach of how we were different in those areas from other stores. And it was enormously successful. We continued it for I think two years. But it proved, most importantly to the merchants, that Jacobs was right, that they needed the support of those stores just because they didn't think that they could sell Ralph Lauren in a particular market or they couldn't sell some of the European designers that they should not be ignored, that those businesses could be developed and there was going to be a marketplace. That's why Saks was there and we wanted to stand for what Saks stands for in those markets rather than disappoint the customer.

Q: This is as good a point to stop as any. I would
like to ask you just one last question. What's the high point for you in all the time you've been here? What's the most memorable and most valuable career experience you've had here?

BB: I would say that it's right now. Which is interesting because you would think I would go back and say that the television really was the high point. The television was the high point for that time and, but I think as we move forward as this national image campaign takes hold and we have a whole new approach for spring, which I will show you when we finish the meeting and update you on all of that. I think today, right now is because of everything that has happened over the last 12 years in my estimation is now culminating into what we really should represent nationally. It's taken a good 12 years to get to the point we are now.

The New York Store, the whole tower is opening in February. It will do a series of openings. We'll have a restaurant. The entire store, as well as the new section of the tower, the entire store is being refurbished and updated.

Q: Will the home store be expanded?

BB: The gift area?

Q: The gift area.
BB: I don't believe there's an intention to do that. That really isn't a primary business. It's a secondary business,
Q: Peripheral.
BB: Yes. And it should I think stay that way. I think it should be an aspect of it at Saks certainly. But it's more of a convenience thing. I think that the merchandising aspect of the home store has never reached it's full potential. We have a good person in place now who came from Bloomingdale's and I think that she has made a definite contribution but it still has a long way to go.

But, again, it's a peripheral business. I think that everything that Saks stands for is more from a fashion point of view. This tower will be going on, when I went to school in Chicago at the Art Institute, I remember Saks Fifth Avenue as this dreary little store on Michigan Avenue and at that point I thought it was very old fashioned and not particularly exciting. We are moving into a new tower across the street on Michigan, finally. We have expanded from 20-some markets to 40-some markets over the last 12 years, and I think that the whole, though I think, I don't think we could ever find a parent company like BAT that would allow, that has the financial commitment to make Saks what it is today, it would never have happened under,
Q: Couldn’t have,
BB: I don’t think. And we’ve been fortunate enough to have the right people at the helm.
Q: Wonderful. Let’s let it go at that. Thank you.
BB: My pleasure.

BB: ..fashion, all the looks and we gave her the line ‘we are all the things you are’ and that’s how she worked the thing. But we did it with layering in an orchestra of probably about 120 pieces at that point. The commercials probably cost us around in those years about $80,000 or $85,000 each to produce, which was astronomical in those days.
Q: Sure. But that was the beginning of Badis money.
BB: Exactly.
Q: Badis money in the beginning and that was your first rise.
BB: Absolutely. But also again it was .. understood why we were doing it this way, what it was suppose to accomplish. The same as Mel understands why the national image campaign is important and what it is suppose to accomplish. And no other store was doing this kind of thing. They were running mattress sales.
Q: Is Suslow doing anything now?
BB: I believe he's .. Calvin Klein.

Q: He's with Calvin Klein?

BB: Yes. And Aaronson, as you know, bought John Wannamaker and ... Is there any more on?

?: ... this commercial.

BB: Why don't we play that and then we can ...

?: Maybe if it's very similar I can ...

BB: There's a different one in the, let's just finish the television and then,

Q: I know what that campaign is. I don't have to see more of it. What else do you have?

?: Well we have some video that we did for Christian LaQua a couple of years back.

Q: All right.

BB: There's five TV spots. We're the last ones we produced. This will give you an idea. And there's two 60-second generics and there's also 30's that we developed with a donut in the center talking about specific areas to the business. But again in a generic way.

(commercial).

BB: AnD this is the .. contemporary.

(commercial).

BB: In newspapers, in Folio and also on TV.

(commercial).
Q: The same thing happened in the men's area.

BB: It was a very stuffy board room ... attitude, no European designers, no contemporary. Here's Blass, .. we did this.

(commercial).

Q: Make it 1 o'clock, 12:30 or 1:00.