Marshall Field and Company, founded 1865

Loop store:
111 North State Street
Built 1893, 1902, 1906, 1915
Architect: Daniel H. Burnham and Company

During the late nineteenth and early twentieth centuries, Chicago's Marshall Field and Company was the city's dominant department store and one of the nation's most influential wholesale and retail merchandising firms. Its massive retail store at State and Washington Streets in the Loop—built in stages between 1893 and 1915—occupied an entire city block and was one of the world's largest retail buildings. To attract customers, store officials traveled the globe in search of the finest goods and touted the personal and social advantages to shopping at Field's. On the average day, thousands of Chicagoans and out-of-towners visited the store. For many middle- and upper-class women, trips to Field's doubled as daylong social outings that included a leisurely lunch at one of the store's restaurants and a visit to one or more of the its full-service salons. Together with the store's lower-price rivals farther south on State Street, Marshall Field's contributed to the rise of a new urban culture, in which growing numbers of men and women defined personal happiness and individual self-fulfillment through leisure activities and the acquisition of consumer goods.

The Store's Origins, 1865-1881

Marshall Field was born in 1834 on a farm near Conway, Massachusetts. He took his first job in 1851 as a clerk in a Pittsfield, Massachusetts dry-goods store, earning $10 per week. In 1855, at the age of twenty-one, Field relocated to Chicago in search of better business opportunities. Upon arrival in Chicago, he obtained a position as sales clerk with Cooley, Wadsworth & Co., which at the time was the city's largest wholesale dry-goods establishment. During his first year with the firm, he slept in the store and saved nearly half of his $400 salary. Within seven years, Field was a full partner in the firm.

In 1864, Potter Palmer, one of the wealthiest merchants in the West, offered to sell his thriving wholesale-retail dry-goods business to Field. Palmer's doctors had advised him to take a break from the business in order to restore his health. Because Field lacked the $750,000 in capital to purchase the business outright, Palmer arranged for Field and his associate Levi Leiter, with the help of a generous line of credit from New York bankers, to become senior partners in his business. On 4 January 1865, the three signed the contract which brought the firm of Field, Palmer & Leiter into existence. Field contributed $250,000 in capital to the new venture, Leiter $120,000, Palmer $330,000, and Palmer's brother, Milton, $50,000. The firm continued to operate out of Potter Palmer's old store at 112-116 Lake Street.

Rising profits following the end of the Civil War enabled Field and Leiter to buy out the Palmers in 1867, at which time the firm's name was changed to Field, Leiter & Company. The buyout, however, did not bring an end to Potter Palmer's association with the firm. In 1868, Palmer convinced Field and Leiter to relocate their wholesale and retail operations to a new, six-story edifice he owned at the corner of State and Washington Streets. Three years later, the store and the company's entire stock were consumed by the Great Chicago Fire. The firm lost over $3.5 million worth of property in the disaster, only $2.5 million of which was insured.

Field and Leiter resumed business almost immediately, however. First, they opened a temporary store in an old street railway barn at 20th and State Streets. Then, they began to chart the firm's new future. The first major decision was to split the firm's wholesale and retail trades into two separate divisions. For the wholesale division, Field and Leiter financed construction of a new warehouse at the corner of Market and Madison Streets. For the retail operation, they leased the newly completed Singer Sewing Machine Company building on the store's former site at State and Washington Streets. The new retail store opened in 1873. Four years later, this building too was destroyed by fire, forcing the firm into temporary quarters once again. When a new Singer Building was completed in 1879, Field purchased it and returned his retail store to the corner of State and Washington Streets, where it has remained ever since. Two years later, in 1881, Levi Leiter retired from the firm, which then became Marshall Field and Company.

Marshall Field at the Helm, 1881-1906

The main generator of revenue for the firm during the late nineteenth century was its wholesaling division, which sold merchandise in bulk to smaller merchants throughout the central and western United States. The head of the wholesaling division during this period was John G. Shedd. Shedd began his career at the firm as a stock boy in 1872, but gained Field's attention after devising a plan to eliminate overstock in odd-sized clothing by basing new purchases on the sales figures from prior years. As head of the wholesale division, Shedd more than quadrupled the number of traveling salesmen, extended generous lines of credit to would-be merchants willing to sell the firm's wares, and saw annual revenues soar to over $20 million. In 1887, Shedd presided over the opening of a massive new wholesale house, designed by famed architect Henry Robson Richardson, covering the entire city block bounded by Adams, Quincy, Wells, and Franklin Streets. Through its wholesale division, Marshall Field and Company helped structure the nation's fledgling consumer economy by promoting the wares of some manufacturers over others and pushing local merchants to adopt new, more aggressive sales techniques.

Although the wholesaling division was the driving force behind the firm's growth during the late nineteenth century, business also boomed at its State Street retail store. In 1887, Field appointed Harry Selfridge, a confident and innovative businessman who took his first job at Field's in 1879, to direct the firm's retail operations. Under Selfridge's guidance, Field's became a department store in the modern sense of term. Selfridge increased the number of departments from 50 to 150, started a system of "annual sales" to clear out aging stock, and ripped out old counters and high shelves to give customers greater access to merchandise. He greatly increased the store's advertising budget, expanded its package delivery system, and established a bargain basement to broaden the store's appeal among less wealthy Chicagoans. He also promised customers complete satisfaction, offering easy credit, the right to return merchandise for a full refund, and numerous in-store amenities such as a personal shopping service and ladies' tearoom, one of the first of its kind in the nation. Selfridge's commitment to first-rate customer service combined with the city's rapid population growth to push the retail store's sales from $4 million to $6.7 million between 1883 and 1889, when he became a full partner in the firm. By 1903, annual sales surpassed $17 million and profits stood at $1.45 million, the highest in the store's history.

With sales and profits rising, Selfridge convinced a sometimes reluctant Field to authorize a series of store expansion projects. In 1888, the firm acquired the three buildings along State Street between the original store and the Central Music Hall at the corner of Randolph Street. Four years later, Field acquired the buildings to the east of the original store and commissioned famed architect Daniel H. Burnham to design a new, nine-story structure for the site. Opened on the morning of 7 August 1893, the so-called "Annex" featured thirteen, high-pressure hydraulic elevators, several waiting rooms, modern lavatories, and solid mahogany, hand-carved counters trimmed in light bronze fittings. Its more than 100,000 square feet of floor area gave the firm a total of about nine acres of retail sales space. A short time, three buildings north of the annex were purchased for use by the store. And in 1897, two stories were added to the old 1879 store at State and Washington Streets.

Central Court and Mosaic Dome, ca. 1910

The biggest period of store expansion, however, began in 1900, when Field announced plans to replace all of the store's oldest sections with a massive, new, twelve-story structure. Only the 1893 Annex went untouched by the project. Construction began in 1901 with the demolition of the three State Street buildings acquired in 1888 and the adjacent, five-story Central Music Hall. Three years later, the first sections of the new store were opened for business. Shortly thereafter, demolition began on the Wabash Avenue buildings north of the Annex and the original 1879 store at State and Washington Streets. In their place, workers built the remaining sections of the new store. A week-long celebration, from 30 September 1907 until 5 October 1907, heralded the final completion of the six-year rebuilding project.

The new store was striking in both size and appearance. Store executives claimed it was the largest department store in the world, surpassing Wanamaker's in Philadelphia by a full four acres of sales space. There were 76 elevators, 31 miles of carpeting, and 23,000 sprinklers to defend against fires. An extensive pneumatic-tube system, consisting of over 125,000 feet of tubing and 4,500 carriers, whisked customers' money to the cashiering department where change was made and sent back to the originating sales counter. Perhaps the most striking feature of the new store was the South Rotunda, topped by an enormous, 6,000-square-foot glass mosaic dome consisting of nearly 1.6 million individual pieces of iridescent Tiffany Favrile art glass. The cost of the new store—not including fixtures and merchandise—was said to have exceeded $10 million.

As impressive as the growth in retail business and the new retail store may have been, the 1900s were nonetheless very tumultuous years at Marshall Field and Company. Manufacturers began to chip away at the firm's wholesale trade by marketing their wares directly to smaller merchants. Many accused Field's and other big-city wholesale houses of conspiring to drive up prices and put their small-town customers out of business. Then, in 1904, Harry Selfridge resigned his post as manager of the retail division, in part due to disagreements about the buying preferences of the wholesale division. The firm's wholesalers, seeking to appeal to the tastes of rural Midwesterners, tended to buy goods that Chicagoans found too conservative and old-fashioned. Selfridge wanted to send out his own buyers to purchase goods for the retail store, but Field refused. After leaving the firm, Selfridge acquired a rival State Street department store, then relocated to London and opened a store there.

Retail Growth and Wholesale Decline, 1906-1945

Then, less than two years after Selfridge left the firm, on 16 January 1906, Field died, succumbing to a case of pneumonia brought on by a round of winter golf. He was 71 years old. On the day of his funeral, all the stores along State Street, big and small, closed and the Board of Trade suspended afternoon trading in his honor. Flags across the city flew at half-mast. He was laid to rest in Graceland Cemetery. At the time of his death, Field was one of the wealthiest men in the United States. His estate was worth an estimated $100-$175 million. Aside from his wholesale and retail business, he owned a mansion on Prairie Avenue, many industrial stocks and bonds, and several choice real estate properties in the Loop business district. Field left the bulk of his fortune to his grandsons, Henry Field and Marshall Field III. The board of trustees for Marshall Field and Company appointed John Shedd, whom Field had once called "the greatest merchant in the United States," to serve as the company's new president.

During the 1910s, Shedd strove to transform Marshall Field and Company into a modern corporation. In an effort to compete more effectively against manufacturers in wholesaling, he poured nearly $20 million into the company's factory system. By 1920, company-controlled factories in the United States, China, and the Philippines produced everything from shirts, pajamas, underwear, hosiery, underwear, and neckties to tablecloths, towels, curtains, lamps, window shades, rugs, and linoleum. In 1914, Shedd launched a semi-monthly fashion magazine called Fashions of the Hour designed to boost interest in the retail store and foster greater customer loyalty. He also expanded the retail store further by opening a new, twelve-story addition on the southwest corner of Randolph and Wabash in 1914, and an exclusive Store for Men in a new building across Washington Street from the old Annex. When Shedd retired at the end of 1922, net profits for the firm were averaging more than $8 million per year. To fill Shedd's place, the board of directors appointed James Simpson, Field's long-time and most highly regarded assistant, to serve as president of the company.

The company's retail business continued to grow during the relatively prosperous years of the 1920s. Business was brisk not only at the main retail store, but also at The Davis Store, a discount department store operated by Field's at State Street and Jackson Boulevard. The Davis Store occupied the former home of A. M. Rothschild and Company, which Field's bought in December 1923 for $9 million. Growing retail sales also enabled the opening of the company's first suburban branches. The first of these branch stores opened in affluent Lake Forest in May 1928. This was followed by two additional stores, one in Evanston and another in Oak Park.

The majority of Field's customers during these years continued to be wealthier and less ethnic than the typical Chicagoan. Indeed, as much as some working-class Chicagoans enjoyed visiting the State Street store during the holiday season to admire the festive decorations or when purchasing a gift for a special family occasion, high prices meant that only middle- and upper-class Chicagoans could afford to shop there on a regular basis. And, whereas other Loop department stores welcomed the business of less well-off Chicagoans by regularly advertising in the city's ethnic and one-cent newspapers, Field's did not. Moreover, among the city's growing African-American population, Field's was known as one of the least-inviting of the big State Street department stores. Black Chicagoans who visited Field's were often denied service or pointed to the close-out department in the basement. As one white reporter acknowledged in 1929, "Marshall Field's... are emphatic upon the point that they do not wish Colored patronage. One seldom finds a Colored person in the store, and never have I seen one on the upper floors.... Occasionally, I have run across a Colored woman or two in the basement, but even there they are given scant attention." In the end, much of the success enjoyed by Marshall Field and Company during the early twentieth century came from catering to the city's wealthiest residents, not from serving the masses, as some of its rivals, such as The Fair and Boston Store, aimed to do.

Despite the good economic times of the 1920s, the firm's wholesale trade slumped badly, losing greater amounts of money each year. In hopes of reviving wholesale, Simpson pushed through plans for the construction of the gigantic Merchandise Mart on the north bank of the Chicago River at Wells Street. Opened in 1930, the Mart cost $15 million to build, but did little to revive wholesale. As the national economy worsened between 1929 and 1932, many long-time merchant-customers cut back on their orders and the company's losses soared. In 1932, the wholesale division posted a record loss of nearly $8 million. Even as the economy began to recover somewhat after 1933, wholesale losses continued to mount. One by one, the board of directors, acting upon the advice of newly hired business efficiency experts, shut down the firm's wholesale departments. By 1936, the entire division had been eliminated. Although the company still marketed goods produced in its own factories, it no longer resold merchandise purchased from other manufacturers. In July 1945, the firm sold the money-losing Merchandise Mart to Boston financier and political patriarch Joseph P. Kennedy for an undisclosed sum of money.

Regional and National Expansion, 1945-2005

Following the elimination of the wholesale division, the focus of the company turned toward developing new specialty retail ventures and increasing the number of suburban retail stores. In 1947, for example, Field's began selling fine wines and gourmet foods at its stores. One year later, the once-famous Marshall Field Cloud Room, a full-service, fine-dining restaurant opened at Chicago's Midway Airport. Underdeveloped but potentially lucrative departments, such as books and candy, were also expanded. More significantly, the company, looking to retain its position as the region's premier department store, opened additional stores in Chicago's suburbs, which grew rapidly after World War II. Stores were opened in Park Forest (March 1955), at the Old Orchard Shopping Mall in Skokie (October 1956), at the Mayfair Mall in Wauwatosa, Wisconsin (January 1959), at the Oak Brook Shopping Center (March 1962), and at the River Oaks Mall in Calumet City (October 1966). During the 1970s, additional Chicago-area Field's stores opened in Schaumburg, Vernon Hills, Rockford, Aurora, Orland Park, and Joliet, as well as at Water Tower Place on North Michigan Avenue. As more stores opened, overall sales steadily increased, rising from $225 million in 1951 to $325 million in 1966. Yearly profits during the same period climbed from $5 million to $15.7 million.

Although Marshall Field's nephew, Stanley, and grandson, Marshall III, served as top officials with the firm during the 1940s and 1950s, the family's financial stake in the store was gradually sold off to private investors and the store's management team. By 1965, no member of the Field family remained directly involved with the store. During the late 1970s, company executives moved to transform Marshall Field's into a national retailer with the opening of four stores in Texas between 1979 and 1986, and the acquisition of two regional department store chains, the 23-store, North Carolina-based J.B. Ivey & Company, and the five-store, Wisconsin-based Gimbel's. In 1982, British-based tobacco conglomerate, Batus Industries, Inc. purchased Field's for approximately $360 million, as the board of directors scrambled to fend off an unwanted takeover bid by corporate raider Carl Icahn. Eight years later, in 1990, Minneapolis-based Target Corporation, then known as Dayton Hudson Corporation, acquired the company and its subsidiaries for $1.04 billion. In July 2004, Target sold off Field's to the May Department Stores Co. for $3.2 billion. Finally, in February 2005, Cincinnati-based Federated Department Stores, Inc. gained ownership of Field's through its purchase of May.

The Marshall Field and Company store at State and Washington Streets in Chicago was listed on the National Register of Historic Places in 1978 and is part of the Loop Retail National Historic District. Between 1987 and 1992, the store underwent an extensive, $115 million renovation that installed new basement-level shops, removed steel grates from the upper portions of the store's historic light wells, and added an eleven-story atrium in what had been an alley and mid-store light shaft. With approximately two million square feet of floor space, the building is the second-largest department store in the United States after the Herald Square Macy's store in New York City.