

Watt & Shand:

A Tradition of Progress

by Frederick B. Benson

Early in the morning of March 9, 1878, Mrs. Ella Fox stopped at the East King Street storeroom occupied by the newly formed partnership of Watt, Shand and Thompson. Observing that the doors of the establishment had just been unlocked, Mrs. Fox entered. Moments later she emerged, the proud owner of a five-dollar, all-wool plaid shawl.¹ Little did Mrs. Fox know that her purchase had been the first of millions in what was to become Lancaster's leading department store.

The Watt and Shand story started years before the 1878 opening of the Lancaster store. Peter T. Watt was a native of Stronsay, one of the Orkney Islands off the north coast of Scotland. He had left his father's farm at the age of fifteen to serve a four-years' apprenticeship with a dry goods firm in Kirkwall, the leading city in the Orkneys. In 1870 Mr. Watt came to America and took a position with a Boston dry goods store. It was in Boston that he first met Gilbert Thompson, another native Scot who would eventually become his business partner. Two years later Watt and Thompson journeyed to Hartford, Connecticut to take sales positions with the dry goods firm of Brown, Thompson and McWhirter.²

The Hartford store was operated by men who had become famous as innovators in department store management. Scots who had completed dry-goods apprenticeships in their native land were noted for maintaining a thorough knowledge of their merchandise and using scientific sales techniques. Thus, Brown, Thompson and McWhirter decided to hire about fifty native Scots to work in their store, an experiment which proved to be highly successful. Scottish salesmen soon found jobs open to them in many American cities. Many of the Hartford group, however, were not content to merely maintain salaried positions. Over half of the original fifty eventually, after they had saved enough money to purchase stock, went into business for themselves.³

Peter T. Watt and Gilbert Thompson were two of the group who visualized owning their own store, and they were soon joined in their planning by James Shand, another employee of the Hartford firm. Shand was a native of Lesmahagow, Scotland. At the age of fifteen he began a three-years' draper's apprenticeship with William Tenant, a Lanark merchant. At the completion of his apprenticeship, he became a clerk in a Glasgow dry goods store for five years before journeying to the United States in 1872. He arrived on March 29 of that year, having agreed to join the staff of Brown, Thompson and McWhirter.⁴

By 1877 the trio had decided that they had accumulated enough cash and knowledge of American business practices to set up their own business. In the summer of that year they scouted the Middle Atlantic area, visiting Harrisburg, Wilmington, Elmira, Albany, Binghamton, and Cohoes, New York as well as Lancaster in an effort to find the most promising location for the new store. Mr. Thompson and Mr. Shand visited Lancaster and were impressed by the prosperity of the surrounding territory, the apparently high population of well-to-do residents and the lack of real competition among the local stores.⁵ Perhaps the strongest selling point of the community was its busy square, full of wagons and shoppers on market mornings.⁶ Thus, the three Scotsmen chose the city of Lancaster in the Pennsylvania "Dutch Country" as the site for their proposed business.

Thompson and Shand, after consulting with Mr. Samuel Burns, of the real estate firm of Bausman and Burns, found that no store-room located close to the square was available at the time. After obtaining Mr. Burn's promise to wire them as soon as a desirable site should become vacant, they returned to Hartford.⁷

In an advertisement in the December 18, 1877 issue of the *Lancaster Daily Intelligencer*, Mr. MacDonald of the New York Store, 20-22 East King Street, announced that he had decided to close his business by the end of the year and would sell out the remaining stock at 20% discount. He also noted that his storeroom would be available for lease. Numbers 20-22 were located at the southeast corner of East King and South Christian Streets, just one-half block from the busy Penn Square that had impressed Messrs. Thompson and Shand. Mr. MacDonald extended his sale into the new year, but in an ad on February 2, 1878 declared that

The New York Store, 20-22 East King Street will
Positively Close Saturday, February 16, As the
premises has been leased to other parties.⁸

Despite this advertisement, Mr. MacDonald remained in business until February 23, when the last of his stock was sold at public auction.⁹

On the same day that MacDonald closed his business, the following ad appeared in the *Lancaster Daily Intelligencer*:

Special Notice.

Mssrs. Watt, Shand & Thompson

**Would respectfully inform the citizens of Lancaster
and vicinity that they have leased the
New York Store
20 & 22 East King Street**

**Where they will open on
Saturday, March 9,**

**An entire new and select stock of
Foreign and Domestic
Dry Goods, Fancy Goods and Notions.**

**Their long experience in the business and
knowledge of the markets will enable them to
offer Reliable Goods at low prices.**

**Ladies would do well to defer purchasing Spring Goods
until they examine their Stock and compare prices.**

This advertisement was the first of an almost daily series that has continued to the present. On March 1 the newcomers also distributed circulars throughout the Lancaster business community to announce the impending store opening.¹⁰ In the meantime help was hired and the following days were spent stocking the storeroom.

When the establishment opened on March 9, it occupied a room that measured thirty feet by sixty feet. The stock barely filled the shelves.¹¹ Mrs. Fox, the first customer, later recalled,

A customer came into the store in those days and asked to be shown a certain thing and nine times out of ten he didn't have any big selection to fidget over. You either took it or left it.

It was just buying in those days; shopping was something that came later when the selection of merchandise was widened. They could show you in two minutes all they had in a certain article in those days.¹²



The store in 1878.

The staff numbered nine, including Watt, Shand, Thompson, a Mr. Wilson who had come along from Hartford, three sales girls and two cash boys, one of whom, Howard B. Shenck, would still be behind the counter when the store celebrated its fiftieth anniversary in 1928. The owners themselves stood behind the counters and waited on customers.¹³

The new firm featured a one-price system; that is, every piece of merchandise had one set price. In those days people expected to pay no more than two-thirds of a merchant's initial asking price for an article. Customers had to bargain to try to drive the price as low as possible. Watt, Shand and Thompson impressed buyers with their honest and straight-forward policies.¹⁴

Operating on a cash basis also aided the firm. At that time many firms bought and sold on a long-term credit basis, and not a few of them suffered fatal consequences. Watt, Shand and Thompson advertised in the beginning that business would be conducted on a strict cash basis.¹⁵ Later on, after the business had grown, credit was extended to customers. However, the firm has always purchased its stock on a cash basis, enabling them to receive discounts that help keep retail prices as low as possible.

Extensive use of advertising, a good location, knowledgeable buying and hard work were other factors in the store's early success. During the first year the stock was turned over ten times.¹⁶

Store hours were long. The doors opened at seven, earlier on market mornings, and stayed open till ten in the evening, sometimes till midnight if customers were still in the building.¹⁷ The youth of the partners helped them in their strenuous jobs; in 1878 Shand was 29, Watt 28 and Thompson 32.

However, the pace of the work probably hastened the death of the eldest of the partners. Gilbert Thompson died in December of 1879 in Colorado at the age of 33.¹⁸ The other partners bought Thompson's share of the business from his widow, who returned to her former home in Hartford. The name of the firm was changed to Watt, Shand and Company in February of 1880.¹⁹

The increase in business by 1880 proved the original storeroom at 20-22 East King Street too small. The building occupied by the High and Martin China Hall was purchased from a Mr. Stirk and the new owners moved in at 8-10 East King Street in March of that year.²⁰ The transfer of stock took only two hours, and so much empty space remained in the new storeroom that the rear third of it was curtained off as a "shawl room," which would eventually turn into a suit department.²¹

Five years later, in 1885, business had grown to the point where still more floor space was needed. The building next door, occupied by the Gerhart clothing store was purchased from the Hirsh Brothers and remodeled to match numbers 8-10.²² In June the

WATT, SHAND & CO.

OFFER THE LARGEST ASSORTMENT OF

DRY GOODS

IN CENTRAL PENNSYLVANIA.

BLACK SILKS, COLORED SILKS,
BLACK CASHMERE, BLACK HENRIETTAS,
COLORED DRESS GOODS, BLACK SHAWLS,
THIBET SHAWLS, CLOAKS, CLOAKINGS.

ALL SIZES AND QUALITIES IN LADIES' GENTS' AND CHILDREN'S
HOSIERY AND UNDERWEAR, GLOVES, HANDKERCHIEFS AND NECKWEAR.

AN IMMENSE STOCK OF
MUSLINS, SHEETINGS, TABLE LINENS,
FLANNELS, BLANKETS, CALICOES, CHINTZES,
AT LOWEST CASH PRICES.

EVERY DEPARTMENT A SPECIALTY.
ONE PRICE ONLY.

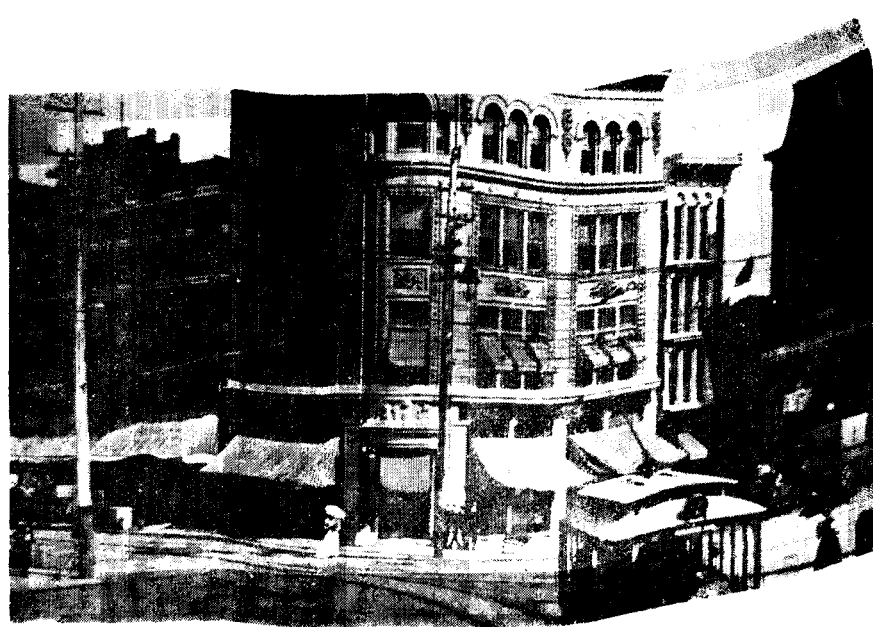
NEW YORK STORE,

8 and 10 East King Street,
LANCASTER, PA.

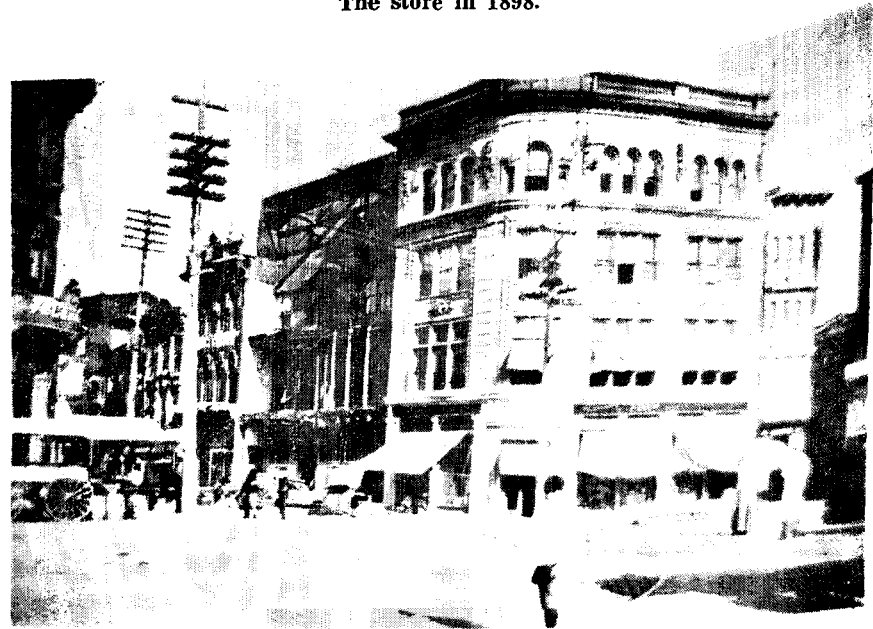
store's address became 6, 8 and 10 East King Street.²³ The year 1885 also saw the name of the establishment shortened to Watt and Shand, as it remains today. The name "New York Store" continued to be used until the middle of the twentieth century.²⁴

1889 saw the addition of ladies' ready-to-wear departments that included coats, suits, dresses and underwear. Before that time most clothing was sold as bolts of cloth to be cut and sewn at home. The new departments were located on the second floor, which had previously been leased to other parties.²⁵

In 1896 the Prangley building, which adjoined the store and faced the square, was purchased at public auction. This was one of the most valuable business sites in the city, and Watt and Shand decided to show it off to the best advantage. The Prangley building was replaced in 1898 by a four-story structure of light gray brick, terra cotta and marble. This building was designed by Mr. C. Emlen Urban, who also designed many local residences, including "Roslyn," home of P. T. Watt at the corner of President and Marietta Avenues²⁶ From 1898-1900 the building at 6-10 East King Street was enlarged and remodeled to match the corner building.²⁷ The same front has been extended as the store has acquired additional properties and today extends from 10 East King Street along King Street, around the southeast corner of Penn Square and down South Queen Street to number 17.



The store in 1898.



The store in 1900.

Construction of county trolley lines brought even more shoppers to downtown Lancaster and by 1905 Watt and Shand saw the need for further expansion. Marshall and Rengier's hardware store, Shenk's hotel and Rohrer's liquor store, three properties in the corner of the square and adjacent to the store were purchased and replaced by an addition that more than doubled floor space. Since the basement of the new addition was above the ground and its windows permitted sunlight to help illuminate it, this area was added to sales space. The new addition, completed in 1906, permitted introduction of men's clothing and household furnishings departments.²⁸

Other improvements about this time included a sprinkler system for fire protection, installed in 1907; tungsten electric lights, installed in 1912 and three electric elevators, in use by 1913.²⁹

Expansion of the business necessitated more men to help manage it. Charles M. Shertzer who had been admitted to the firm in 1885, and William Sullivan, who joined the firm in 1901, were elevated to departmental merchandise management positions.³⁰ P. T. Watt made numerous trips back to Scotland, and upon his return brought four nephews with him, Edward in 1898, Peter and David in 1901, and John in 1902.³¹ The sons of the original partners were admitted to the firm after their graduation from college, William Shand in 1909, Charles G. Watt in 1910 and James Shand, Jr. in 1919.³²

Throughout their partnership P. T. Watt and James Shand divided their responsibilities, although consultations between the two were frequent. Mr. Watt was the merchandise manager and supervised all buying. Mr. Shand wrote advertising, handled personnel and supervised the business office.³³ The two spent a great deal of their time on the floor, making sure that customers were satisfied as completely as possible. Mr. David Watt recalls a typical conversation between his uncle and a customer:

My uncle would stand near the door and, when a customer came in, asked, 'What are you looking for, Madam?' She might reply, 'Sheets.' He would then say, 'Come with me,' take her to the proper department, see that she was seated and snap his fingers to call a sales clerk.³⁴

Sales promotions are an old tradition at Watt and Shand. The *Lancaster Daily Intelligencer* of March 23, 1898 contains the following announcement:

Grand Free Exhibition at the New York Store

Prof. T. A. Shurr, famous naturalist, will exhibit his wonderful collection of nature's wonders, on our second floor, commencing Wednesday morning, March 23rd.

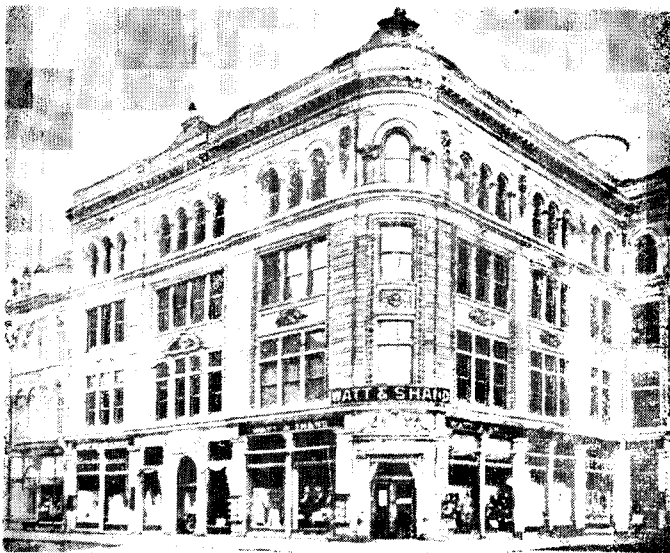
50,000 specimens of rare and beautiful birds, including 300 specimens of Humming birds; 2,000 varieties of Butterflies, one specimen being valued at \$1,000.

Ants, Locusts and Beetles of wonderful splendor; Snakes, Lizards, Scorpions, Gophers, Armadillos, etc., etc.

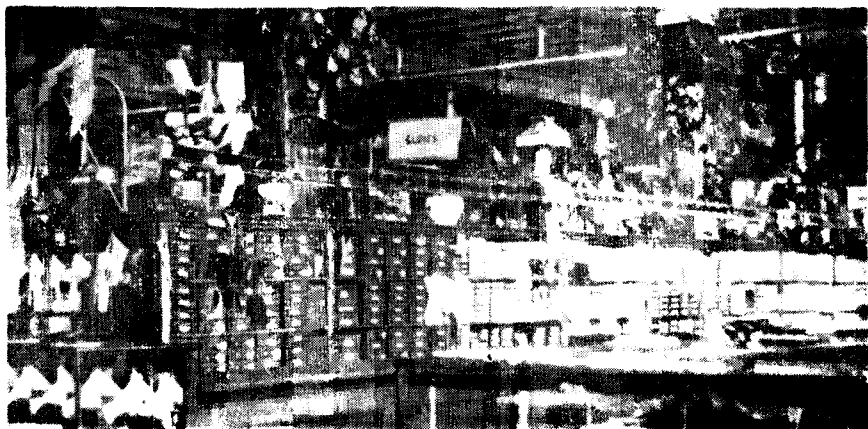
Prof. Shurr will be present to show and explain the character of his pet insects.

April 9, 1908 saw a free exhibition of "Old Darby", a painting by Rosa Bonheur valued at \$45,000—on the third floor.³⁵ Another promotional stunt involved unloading a newly-received carload shipment of sewing machines along the East King Street sidewalks. There were usually about 110 sewing machines in a shipment, and signs on the machines made the public aware that they were bound for Watt and Shand.³⁶

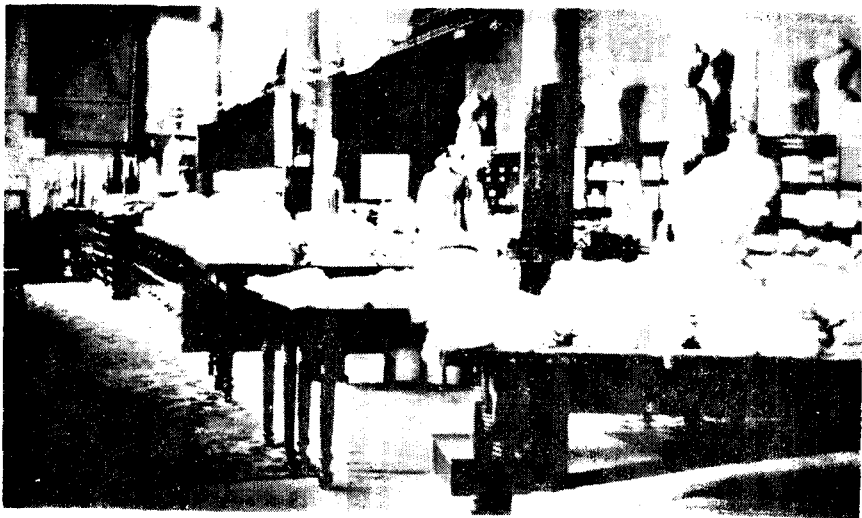
In 1913 the store celebrated its thirty-fifth birthday with an anniversary sale and published an illustrated pamphlet that described the history of the store as well as its present facilities, including the two-year-old iceless soda fountain in the daylight basement!



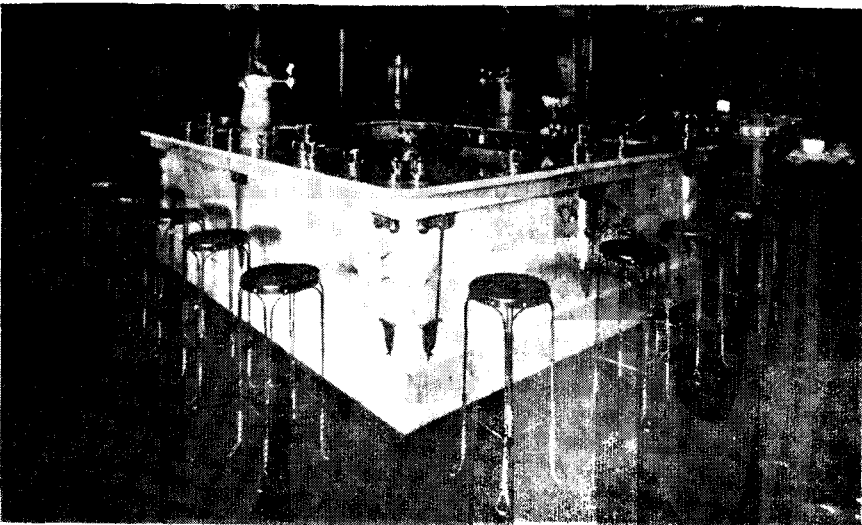
The store in 1913.



Glove department, 1913.

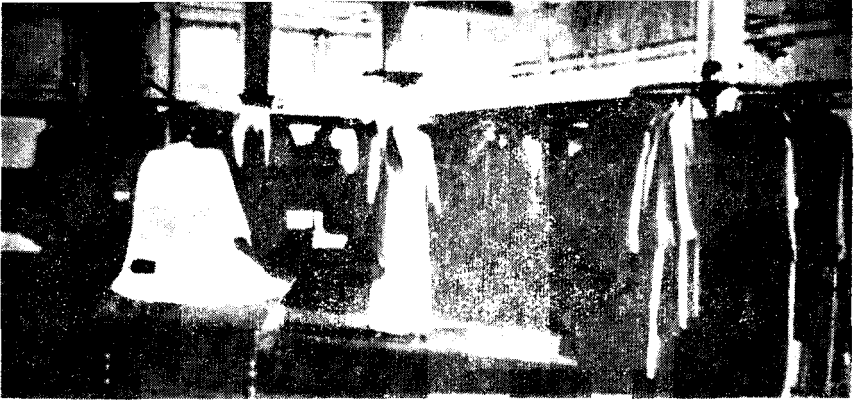


Muslin Underwear Department, 1913.



Soda Fountain, 1913.

From 1892 until the early 1930's Watt and Shand operated a store in Columbia, Pennsylvania. During most of this time, it was managed by Edward Watt, nephew of P. T. Watt. Because of Columbia's declining economic condition and the fact that many Columbia patrons could easily reach the Lancaster store by car in the 1930's, management decided to consolidate operations at Lancaster.³⁷

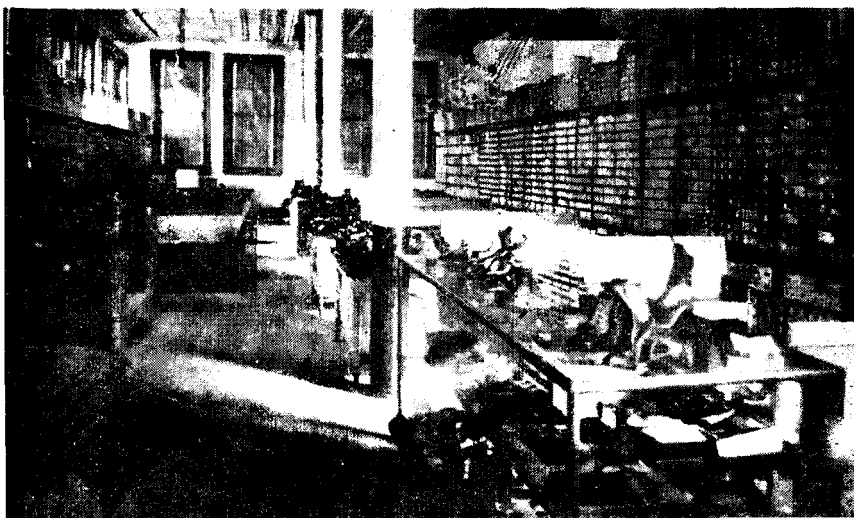


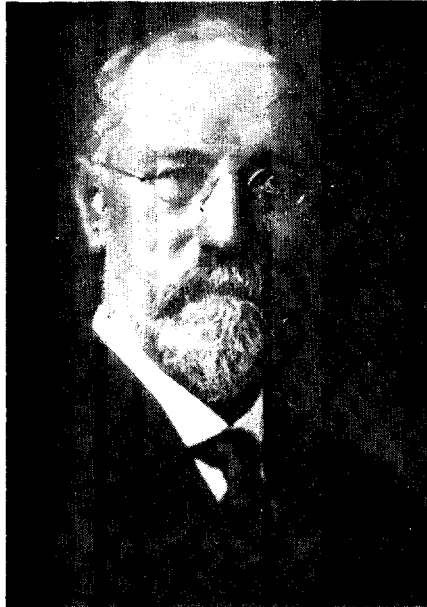
Ladies Suit Department, 1913.



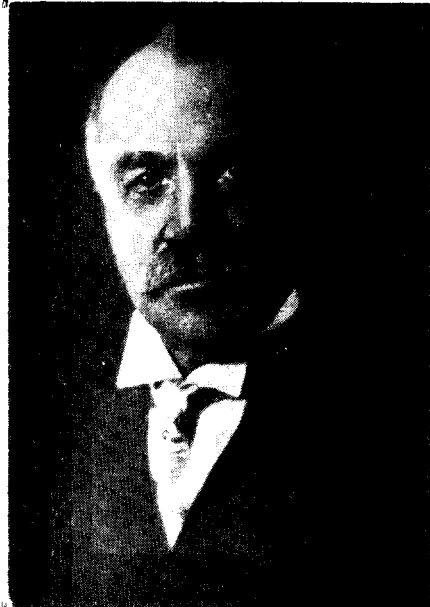
Men's Clothing Department, 1913.

Shoe Department, 1913.





James Shand
(1849-1920)



Peter T. Watt
(1850-1921)

In 1915 Watt and Shand became a corporation. P. T. Watt was President of the new corporation; James Shand, Vice-President; William Shand, Treasurer; and Charles G. Watt, Secretary. William Sullivan, Charles Shertzer and Peter Watt became directors in 1919, followed by James Shand, Jr. in 1920 upon the death of his father.³⁸ Peter T. Watt died in December of 1921 and was succeeded as President by Charles G. Watt. At that time William Shand was Vice-President and Treasurer and James Shand, Jr. was Assistant Treasurer,³⁹

Store facilities continued to be improved with the installation of Lancaster's first cash carrier tube system in 1915. In 1924 the first of four cold storage vaults for furs was added. The following year saw the replacement of all three elevators, now extending from the basement to the fourth floor.⁴⁰

The building expansion program continued. In 1916 properties at 13-17 South Queen Street were purchased, followed in 1920 by the Rohrer building on the south side of Penn Square. These buildings were replaced in 1924 so that the store extended almost entirely around the corner of the square. The only other building in that corner, the former Leaman building at the corner of South Queen Street, was finally purchased in 1925 and replaced the following year to give the store a continuous building. In 1936 the building

at 12 East King Street was acquired, but its front was never changed to match the rest of the store.⁴¹

As sales space increased, so did warehouse, shop, workroom and parking space. In 1908, after the Swain stables on South Christian Street had burned, the site was purchased and a three-story warehouse erected on it. A large garage and workshop building was built at Christian and Mifflin Streets and four small houses at 39-43 South Christian Street were bought in 1923.

The store building program came to a halt during the early 1930's when the Depression hit Lancaster. Watt and Shand managed to stay open, but the effects of the recession on the community brought hard times to businesses throughout the area. The closing of the Agricultural Trust Company and the Lancaster Trust Company (then Lancaster's largest bank) in January of 1932⁴² showed that local economic problems had become critical. Watt and Shand sought to reassure panicky citizens and discourage further rushing to withdraw funds from the remaining banks by running a full-page newspaper ad entitled "Our Money Stays in the Bank" on the day after the Lancaster Trust Company failed to open.⁴³

A combination of factors enabled the store to maintain a strong enough cash position to stay in business. In February of 1932 the Columbia store was closed, the stock liquidated and the premises leased to another firm. The cash realized from this liquidation was especially important at a time when the banking system of the country was in chaos. During this same period many customers pessimistically foresaw that the Depression would leave them without a means to pay off personal debts and hastened to eliminate the outstanding balances on their Watt and Shand charge accounts.⁴⁴

Despite the adequacy of the store's cash position, the years 1932 and 1933 were difficult ones for Watt and Shand. Sales volume plummeted. Budgets for the store's buyers were cut to a fraction of their former levels. Employees accepted temporary salary reductions, those in the better-paying positions taking the largest cuts, with the hope that the store would be able to continue operations and preserve as many jobs as possible. The outlook among store executives could hardly have been cheerful when, in March of 1933, President Roosevelt declared a national bank holiday that coincided with Watt and Shand's annual anniversary sale, normally the store's biggest sales event of the year.⁴⁵

However, the Depression and its disastrous effects gradually eased. Lancaster's three national banks soon reopened, and the Farmers' Trust Company, where the store held its accounts, was reorganized to open in 1934. The National Recovery Administration helped restore citizens' confidence, and soon the national and local economies began to expand again.⁴⁶

Watt and Shand resumed their expansion program as the 1930's came to a close. In 1937, 32-38 East Mifflin Street was acquired for

use as a furniture warehouse and 24-26 South Christian Street as delivery depot and stockroom. A parking lot was purchased at 23-25 South Queen Street, the first indication that parking for shoppers had started to become a problem; this occurred in 1940. In 1944 a warehouse for the furniture and appliance departments was acquired at 28-30 South Duke Street. 1948 saw the purchase of another parking lot on Christian Street;⁴⁷ 1954, 40 South Christian Street for use as a decorators' workshop; 1957 the Stoner Building at Vine and Christian Streets.⁴⁸

The sales area growth continued with construction of a four-story and basement addition to the south of the store in 1940, a similar extension along South Queen Street in 1950-52⁴⁹ and a basement and first floor addition to the rear of the store, including a completely new Rendezvous restaurant, in 1969-70. All three additions included the refurbishing and replacement of fixtures in many areas of the store.

New departments have been added periodically, including a major appliance, television and radio department in 1948.⁵⁰ The twenty departments that the store boasted about in 1913 numbered over sixty some fifty years later.⁵¹

Modifications to store operations introduced the first escalators to Lancaster in 1949. A new receiving room was added the same year. In 1954 the escalators were extended from the third floor to the fourth so that they linked all four above-ground stories. Air conditioning was installed in 1955, and the following year the cash carrier tube system was removed when additional cash registers were put in.⁵²

Passing years brought new faces to the store management. In 1958 Charles G. Watt became Chairman of the Board and James Shand (son of James Shand, Jr., who had died in 1947) became President and Treasurer. Thomas M. Shand, John M. Sullivan and David S. Watt became Vice-Presidents and Charles G. Watt, Jr. became Secretary. After the deaths of Charles G. Watt and Charles G. Watt, Jr. and the retirement of David S. Watt and John M. Sullivan, Thomas M. Shand assumed the additional duties of Senior Vice-President and Secretary, Clifford H. Coulson became Vice-President and General Merchandise Manager, and Russell W. Cory, Jr. became Vice-President and Assistant Treasurer, and John R. Hager became Vice-President and Secretary.⁵³

Parking problems in the downtown area and increased competition from shopping centers pointed to the need for better parking facilities near the store in the early 1960's. The entire quarter-block between Christian, Duke, Mifflin and Vine Streets, most of which had been Watt and Shand warehouse buildings, was razed to make way for a 600-car, ramp-type parking garage, which opened in August, 1963.⁵⁴ The following year Central Plaza, a store and office building leased to other tenants, was erected along the East King Street ramp to the parking garage, which now occupied numbers

20-22 East King Street, original location of the store in 1878. Central Plaza and the parking garage were later sold to the Lancaster Parking Authority, but the store continues to lease the area below the garage for use as a warehouse and marking room.

Watt and Shand purchased Lancaster's finest jewelry store, Appel and Weber, in February 1959, and moved the business to 12 East King Street the following year.⁵⁵ In 1968, Watt and Shand acquired the real estate and business of its oldest local competitor, Hager's, a Lancaster store since 1821. Hager's had contracted to build a new store in the Park City shopping center on the Old Harrisburg Pike, but the decision was made to retain the downtown location for Hager's, turning it from a full-line department store into a complete fashion store. The Park City store opened as Watt and Shand's second full-line department store location in 1970. The addition of these traditionally respected Lancaster businesses has vastly increased the corporation's sales and points the way toward further expansion.

The Watt and Shand story is certainly an impressive one. Continual and rapid expansion has been a central theme. Yet, only a sound, prosperous business can accumulate the assets necessary for expansion. What have been the major factors responsible for this success? Maintaining customer confidence and satisfaction has been most important. A department store is essentially a service-type business, gathering all that the consumer demands at one location and offering it for sale at favorable prices under comfortable conditions. Courteous treatment and polite service for customers, merchandise of high quality, honest advertising and a money-back guarantee on all purchases have earned the store a most valuable reputation among consumers. A forward-looking management has continued to not only keep pace but to expand in new directions in an effort to increase service and widen markets.

NOTES

- ¹ *The Sunday News*, March 4, 1928.
- ² H. M. J. Klein, editor, *Lancaster County, Pennsylvania, A History*, New York and Chicago, Lewis Historical Publishing Company, Inc., 1924, v. 3, p. 147.
- ³, *Thirty-five Years of Progress*, Watt and Shand anniversary booklet, 1913.
- ⁴ Klein, v. 3, p. 83.
- ⁵ *Thirty-five Years of Progress*.
- ⁶ Interview with Mr. David F. Watt, January 14, 1971.
- ⁷ *Thirty-five Years of Progress*.
- ⁸ *Lancaster Daily Intelligencer*, February 2, 1878.
- ⁹ *Ibid.*, February 23, 1878.
- ¹⁰ Kein, v. 3, p. 83.
- ¹¹ *Thirty-five Years of Progress*.
- ¹² *The Sunday News*, March 4, 1928.
- ¹³ *Ibid.*
- ¹⁴ *Thirty-five Years of Progress*.
- ¹⁵ *Ibid.*
- ¹⁶ *Intelligencer Journal*, March 3, 1928

- ¹⁷ *Thirty-five Years of Progress.*
- ¹⁸ *Lancaster Daily Intelligencer*, December 20, 1879.
- ¹⁹ *Ibid.*, February 20, 1880.
- ²⁰ *Ibid.*, March 25, 1880.
- ²¹ *Thirty-five Years of Progress.*
- ²² *Ibid.*
- ²³ *The Daily New Era*, June 17, 1885
- ²⁴ Interview with John M. Sullivan, January 17, 1971.
- ²⁵ *Thirty-five Years of Progress.*
- ²⁶ *Historical and Illustrated Sketch of Lancaster, Pennsylvania*, E. J. Phelps, December, 1897.
- ²⁷ *Intelligencer Journal*, March 3, 1928.
- ²⁸ *Thirty-five Years of Progress.*
- ²⁹ *Ibid.*
- ³⁰ *Intelligencer Journal*, March 3, 1928.
- ³¹ Watt interview, January 14, 1971.
- ³² Klein, v. 3, pp. 84, 147.
- ³³ Watt and Sullivan interviews, January, 1971.
- ³⁴ Watt interview.
- ³⁵ *Lancaster Daily Intelligencer*, April 9, 1908
- ³⁶ Watt interview.
- ³⁷ Sullivan interview.
- ³⁸ *Intelligencer Journal*, March 3, 1928.
- ³⁹ *Ibid.*
- ⁴⁰ *The Opening of Watt and Shand's New Escalators* (souvenir booklet), October 14, 1949.
- ⁴¹ *Ibid.*
- ⁴² *Intelligencer Journal*, January 7, 12, 1932
- ⁴³ *Intelligencer Journal*, January 13, 1932
- ⁴⁴ Interview with William Shand, July 10, 1973
- ⁴⁵ *Ibid.*
- ⁴⁶ *Ibid.*
- ⁴⁷ *The Opening of Watt and Shand's New Escalators* (souvenir booklet), October 14, 1949.
- ⁴⁸ 1960 store history, Watt and Shand papers.
- ⁴⁹ *Ibid.*
- ⁵⁰ *The Opening of Watt and Shand's New Escalators.*
- ⁵¹ *Thirty-five Years of Progress.*
- ⁵² 1960 store history, Watt and Shand papers.
- ⁵³, *Watt and Shand Employee Handbook*, November, 1967.
- ⁵⁴ *Lancaster New Era*, August 18, 1963.
- ⁵⁵ *Watt and Shand Employee Handbook*, November, 1967.

ABOUT THE CONTRIBUTOR

Frederick B. Benson, son of Dr. and Mrs. Clifton E. Benson of Lancaster, was graduated from J. P. McCaskey High School in 1967 and from Franklin and Marshall College in 1971 with an A.B. in history. Mr. Benson taught social studies at Warwick Middle School from 1971 until 1972 and is now a student at the School of Law, University of California, Los Angeles. He has been a regular and seasonal part-time employee of Watt and Shand since 1968.