

# Future Is Rosy For Retail Chain

by JOHN COIT  
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HENDERSON—"There was a time when the retail variety store was considered Depression-proof," said Rose's Stores president L.H. Harvin. "But in the last recession, we felt the downturn."

Rose's was stung by the 1974-75 economic slump, but the Henderson-based company still came through very nicely and without the problems which felled giant retailer W.T. Grant.

Rose's and its 255 stores—mainly concentrated in the Southeast—failed to show a profit in 1974 for the first time in memory. But in 1975 sales rose rapidly to \$405 million, and profits totaled \$3.2 million.

And for the first quarter of 1976, sales and earnings were even better. Sales totaled \$95 million, earnings almost \$1.4 million. Top management is now working to perfect logistic efficiency and space utilization to trim operation costs.

Harvin, a tall, trim and courtly man who started with the retail chain as a stockboy in 1939 (he holds degrees in engineering and business administration from Clemson and Harvard), says the far-flung retail system is in a "period of consolidation. We are going to fulfill all our commitments for stores."

He added, however, that Rose's will hold the line on expansion after that and concentrate on marketing and updating inventory systems. The company took over several Grant's stores in Elizabeth City, Roanoke Rapids and two others in Virginia.

The chain has tended to go to bigger stores, but Harvin says that with increased energy costs and basic operational outlays, management must take a very hard look "at how well we're using the space."

Rose's uses three kinds of stores in its chain. One is the variety store which utilizes 1,500 square feet of selling space. Second is the junior department store, which goes to 22,000 square feet, and the third is the general merchandise department store, which is anything larger than 22,000 square feet.

Retailing the way Rose's and other large chains do it requires a quick understanding of consumer needs and a system of delivery that assures items are sold and replaced in a continuous cycle.

Store managers must make sure their shelves are always stocked just right, that items which sell well are in quick supply and articles which sell poorly are moved through sales or other marketing techniques.

Most of the Rose's corporate activity is conducted out of the main offices here, just above the Rose's store on Garnett Street.

The company has been managed from here since its founding in 1915 by Paul Howard Rose. He opened the first Rose's on \$500 in borrowed money (from a brother-in-law) about a block from where the main offices are now located.

Within two years, Paul Rose opened a second store in Oxford with his brother, Thomas B. Rose Jr., as manager.

Not long after, he opened another in Louisburg with Nathan B. Rose, a cousin, as manager. Then a fourth store opened in Bahama with G.E. Rose, another cousin, as manager.

Harvin said the latest moving item in the system is Citizens Band radio sets. Also, summertime apparel such as tank shirts, shorts and sun dresses are moving well.

"There are also the usual fast movers," he said, "like home repair materials and leisure gear."



THE APPAREL SECTION of Rose's in Raleigh. Rose's has 104 stores in North Carolina.

When Paul Rose died in 1955, there were 135 Rose's stores with a total of 1,454,000 square feet. The chain had begun its expansion across the South.

Today, the 255 stores have six times as many square feet (8,514,000), and they are found in 11 southern states. North Carolina has the biggest number at 104.

In the stores' early history they were little more than five-and-dimes. The size of the stores never went much more than a few thousand square feet. Items rarely sold for more than a dollar.

Now just about every product available on the market is obtainable in a Rose's store.

Said Rose's board chairman John T. Church,

"We have, and we want, an image that we sell quality goods at a price most people can pay."

Imports play a large role in the merchandising within the Rose's system, although the chain does not do any importing itself. It buys imported goods in the marketplace.

Rose's buyers have a small office in New York. It is staffed, by the way, entirely by women. It has never been said if this was by design or coincidence.

There are 12,000 employees within the Rose's system. The company began profit-sharing nearly three decades ago and through 1975 had paid \$19.5 million in benefits to its  
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