

Business

Officials note declining appeal of outlet market

From Associated Press reports

Bargain shopping remains a multi-million dollar business along Interstate 85 in Burlington, but the city dubbed "The Outlet Capital of the South" a decade ago has seen significant changes in its outlet trade.

At one time, people would travel hundreds of miles to seek bargains in Burlington, but today there seems to be an outlet mall in everyone's backyard, officials say.

"Sales for the outlet industry are basically flat," said Joseph Horne, vice president and general manager of Rolane outlet stores, a division of Kayser-Roth Hosiery Inc. that owns more than 30 stores, including one in Burlington.

"There has been a shakeout," Horne told the Greensboro News and Record. "There are new outlet malls opening, but a lot of the participants

are falling by the wayside. It's been a tough two or three years."

Five years ago there were traffic jams, crowded stores and a parking lot containing as many as 40 buses.

New business has slowed so much that Dawn Hawk can step away from her cash register for 30 minutes and talk about sales.

"We're below last year, and last year was really bad," said Hawk, manager of The Peanut Shack, a nut and candy stand that caters to impulse buyers shopping for bargains.

To deal with harder times, Burlington's outlets are focusing on shoppers who live within 50 miles. Stores are polishing their service and jazzing up displays. The cardboard-box image of outlet stores has all but ended.

Not every outlet merchant frets about disappointing sales. At some

of the more than 100 Burlington stores calling themselves outlets, managers report growth in the last two years.

But Burlington's outlets are victims of their own success, officials say. As competition has sprouted along the East Coast, discounters here have seen fewer out-of-state shoppers, particularly those who arrive by bus.

In 1985, Potomac Mills Mall opened its doors to a mixture of 200 outlets and specialty retail stores about 20 miles south of Washington, D.C. In Myrtle Beach, S.C., 105 outlet stores rival Burlington's. Other smaller outlet malls in Tennessee, North Carolina and Virginia also are drawing long-distance shoppers who once rode buses or spent vacations at Burlington's outlets.

Since 1981, Burlington Manufacturers Outlet Center (B.M.O.C.) has

seen its annual bus traffic decline from about 740 buses to about 600. One exit west on I-85, Burlington Outlet Mall reports a similar decline.

Outlets have enjoyed a niche in the Piedmont economy for at least three decades. At first they sold overruns and irregulars at discounts to employees in the back of textile mills. Then employees started bringing their friends to the stores, and manufacturers saw a booming market.

The concept took off as the nation struggled with recession in the early 1980s. B.M.O.C. was built in 1981 and doubled in size the following year to 75 stores. Burlington Outlet Mall was developed in 1981, in part by converting a trucking terminal into shops that opened in 1982.

As many as half of the stores in or near Burlington's outlet malls are discount retailers rather than true

factory outlets, which discount goods by 25 percent to 70 percent from suggested retail prices.

"Some of the best buys in the world are here," said Tom Bryant, who sells advertisements for the Outlet Outlook distributed in Burlington.


But Bryant added, "You have to be a good shopper. You have to know a deal when you see it."

Burlington remains the leader in North Carolina's outlet business, but other cities in the state have carved a corner of the bargain market. Many of the outlets in Burlington have sister stores in Greensboro, Charlotte, Raleigh, Kannapolis and Winston-Salem.

"We were one of the first ones in the whole Eastern Seaboard," said Barbara Kuplent, B.M.O.C. marketing director. "It was kind of like the gold rush days. We were a novelty."

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Heavy smoker's widower wins partial victory in suit

From Associated Press reports

RALEIGH — Two attorneys at UNC said Tuesday that both sides could claim minor victories in a decision awarding a smoker's widower \$400,000 for illness caused by cigarettes manufactured by a Durham-based tobacco company.

A federal court jury in Newark, N.J., found Monday that The Liggett Group Inc. failed to warn the public about the dangers of smoking, but cleared Liggett, Lorillard Inc. and Philip Morris Inc. of misleading the public about the dangers of smoking.

Liggett attorneys said they would appeal the decision.

"Comparative negligence is a new factor favoring the plaintiff," UNC law professor Bob Byrd said. "But in states like New Jersey with a modified contributory negligence rule, it could be encouraging to the tobacco industry."

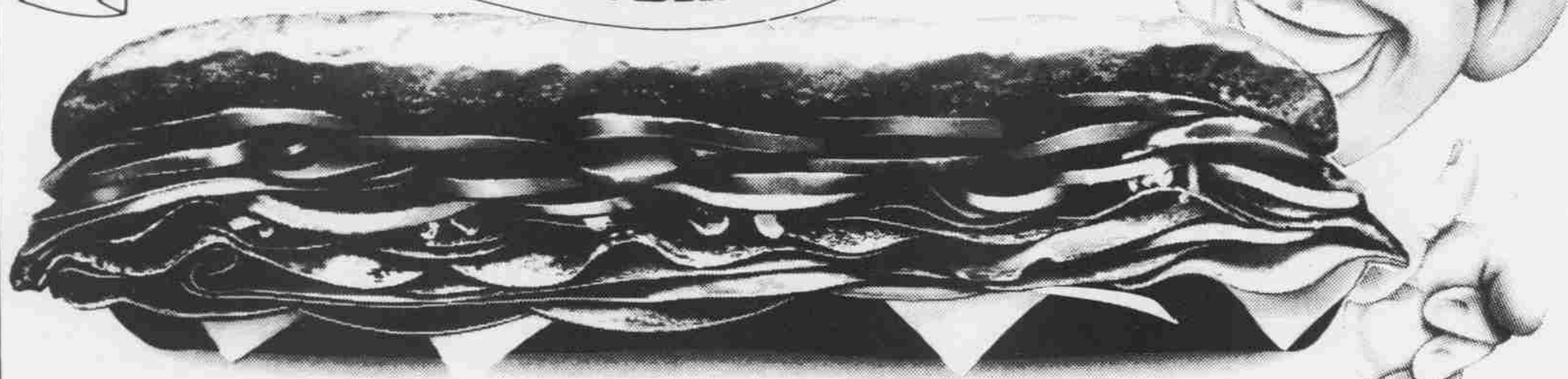
Antonio Cipollone, 64, had filed suit in 1983 with his wife, Rose, against the three companies. He pursued the suit after she died in 1984 of lung cancer at age 58, after smoking one-and-a-half packs of cigarettes a day for 40 years.

Anne Dellinger, an attorney with the Institute of Government, said a case like Cipollone's would have no merit in North Carolina.

"Here, if the plaintiff is in any way responsible, even 1 percent, then the defendant is off the hook," she said.

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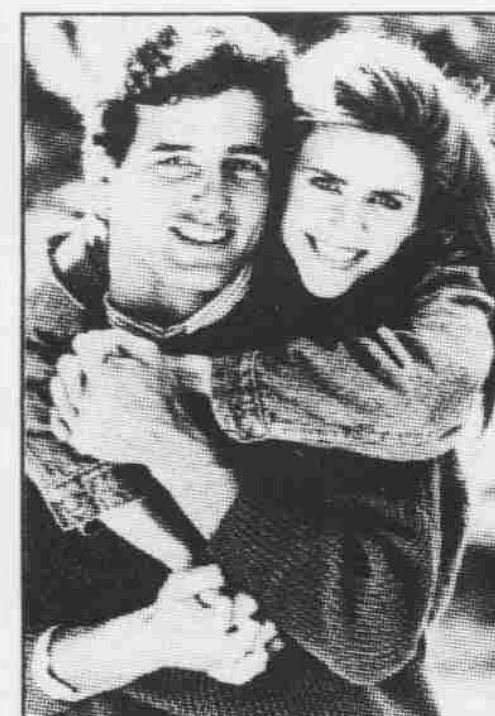
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