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Charles E. Williams

WILLIAMS-SONOMA COOKWARE AND THE AMERICAN KITCHEN:
THE MERCHANDISING VISION OF CHUCK WILLIAMS, 1956-1994

Includes interviews with
Howard Lester,
Patrick Connolly,
and Thomas O'Higgins

Introduction by Howard Lester

Interviews Conducted by
Lisa Jacobson and Ruth Teiser
in 1992-1994

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Cookware entrepreneur

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Family background and childhood in Florida and California; work experiences during Depression; wartime service for Lockheed Aircraft; Sonoma years, 1947-1958: work as carpenter, local cooking culture, California cooking traditions, travel to Europe and exposure to French cookware, opening of Williams-Sonoma; relocation of store to San Francisco; clientele; merchandising; American interest in French cooking during 1950s and 1960s; changing conceptions of the kitchen; influence of various cooks and food writers on Chuck Williams; buying trips in France and Europe; mail-order merchandising; catalog production; American attitudes toward food, cooking, and the good life in the 1970s; new food preparation technology; appeal of store to counterculture types; men and women as consumers; sale of the company to Howard Lester, 1978; expansion and diversification during the 1980s and 1990s: Gardener's Eden, Hold Everything, Pottery Barn, Chambers, multi-catalog marketing strategies; customer service; image of Williams-Sonoma; Williams-Sonoma cookbooks; Williams' philosophy of cooking and hospitality.

Includes interviews with three executives who played key roles in the company's expansion and diversification during the 1980s and 1990s: Howard Lester, chief executive officer; Patrick Connolly, senior vice president of mail order and marketing; and Tom O'Higgins, vice president of merchandising.

Introduction by Howard Lester, chief executive officer, Williams-Sonoma, Inc.

Interviewed 1992-1994 by Lisa Jacobson and Carole Hicke. Regional Oral History Office, The Bancroft Library, University of California, Berkeley.

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INTRODUCTION--by Howard Lester

In the spring of 1978 I walked into a lawyer's office in San Francisco and was introduced to a slight, mild mannered man who was Chuck Williams. After spending fifteen years in the computer services business and having sold my company a year before I was there in search of a new business opportunity.

With a friend from Los Angeles, Jay McMahan, I purchased the majority interest in Williams-Sonoma shortly thereafter, and began an association with Chuck that has lasted for fifteen years and I am certain will continue the rest of our lives.

In 1978 Williams-Sonoma was a very small company operating four retail stores and mailing under one million copies of our "Catalogue for Cooks" annually. The company was struggling for financial survival and was undergoing a large amount of turmoil within its management group, most of whom would leave during the ensuing year. With Chuck's merchandising acumen providing us with the best possible products from around the world we began to build a franchise with the serious cook that has since become a household word throughout the United States.

I have traveled with Chuck Williams around the world watching his incredible talent at work. Never have I seen anyone quite like him, with a knowledge of how products are made and their "history" coupled with a passion and a cook's point of view. His eye for detail has allowed him to find that unique item hidden on some shelf in an obscure showroom that would ultimately become a best seller with American cooks. The products that Chuck has introduced to American kitchens are too numerous to mention. From the baguette pan, quiche pan, saute pan, to white French porcelain, wonderful vinegars and olive oils from Italy, the chicken water jug, to the classic wine glass.

His taste is impeccable, his knowledge endless, his standard of quality the highest. Chuck is simply the best merchant of quality cooking equipment and tools for the kitchen the world has ever known. He is universally loved and respected by all of us at Williams-Sonoma and admired by our millions of customers who have been touched by the products he has selected for them and now through the millions of cookbooks that were edited or written by him.

I am proud to have been asked to provide this brief introduction to Chuck Williams oral history and I am confident that it will inform and inspire all those who concern themselves with the preparation of good food and the retail industry in California.

Howard Lester
Chairman of the Board and CEO,
Williams-Sonoma, Inc.

September 1995
San Francisco, California

VOLUME HISTORY--by Lisa Jacobson

In the spring of 1992, Penelope Wisner, public relations director of Williams-Sonoma, approached the Regional Oral History Office about recording the history of the specialty cookware and home products company. Williams-Sonoma was then entering its thirty-sixth year, having grown from its modest beginnings as a small housewares specialty shop in Sonoma, California, to a multi-million dollar retail empire with stores across the nation. The proposal fit well with the office's ongoing interest in documenting innovative entrepreneurship through its Bay Area business history collection.

The project got underway in August 1992 with a full oral biography of founder Charles E. Williams. In 1956 Williams launched a business that has set trends in cooking and mail-order marketing and has reinvented the modern ideal of the American kitchen. The original concept for the store was indeed a unique one--a kitchenware shop devoted to the best French cookware. The store's shelves--lined with tart pans and brioche molds in every conceivable size, porcelain souffle dishes, and copper pots and pans--reflected Williams's own passion for cooking and cooking equipment. After moving the shop to San Francisco in 1958, Williams quickly discovered that his interest in enjoying good food prepared at home was shared by diverse groups ranging from fashionable upper-crust ladies to well-to-do businessmen and counterculture types. Through his wares and interaction with customers, Williams nurtured a growing interest in cooking and good living that was propelled in the 1950s and 1960s by Julia Child's television show, *Gourmet* and *Sunset* magazines, and American travel in Europe.

Beginning with his family background, childhood, and early work experiences, the interview explores the evolution of Williams's interests in cooking and cookware and relates them to shifts in post-World War II American culture and society. The interview also traces the ups and downs of developing a mail-order business at a time when distrust of buying through the mail was pronounced. Williams comments extensively on the art of merchandising, the nuts and bolts of catalog production, and the dynamics of the mail-order business.

To broaden the account, three shorter interviews were conducted with Howard Lester, Patrick Connolly, and Tom O'Higgins--all of whom played a central role in the company during the 1980s and 1990s. During this period, the company underwent a dramatic expansion and diversification. The addition of over two hundred stores nationwide was accompanied by the introduction of four new catalogs to the Williams-Sonoma mix: Gardner's Eden, Pottery Barn, Hold Everything, and Chambers. Complementing the home-centered interests of Williams-Sonoma cookware customers, the new catalogs enticed their readers with products for decorating the home,

indoors and out; organizing shelves and storage space; and furnishing the bed and bath. Mailed to eleven million households, these award-winning catalogs have established Williams-Sonoma as a dominant retailer of specialty products for the home.

The interviews with Lester, Connolly, and O'Higgins deal with each individual's area of activity. Chief Executive Officer Howard Lester explains the multi-catalog marketing strategy that spurred the company's dramatic growth; Patrick Connolly, senior vice president of mail order and marketing, provides a detailed account of the mail-order business; and Tom O'Higgins, vice president of merchandising, discusses catalog and store merchandising. All help create a more nuanced portrait of Chuck Williams as a person, a leader, and a merchandising savant.

At the time of the interviews, the company seemed to be taking stock of where it had been and where it was going. Eager to preserve the best of the past, the memoirists frequently spoke of the company's ethic of customer service and the need to train employees to carry out that tradition. The interviews also address, both directly and indirectly, the essence of Williams-Sonoma's company culture. Perhaps most telling of all is that three of the four memoirists thoroughly enjoy cooking.

A special thanks is due to Executive Assistant Elaine Anderson. Throughout the project, Elaine has been immensely helpful in scheduling interviews, making the company's records available, gathering photos, and answering numerous questions.

The Regional Oral History Office was established in 1954 to augment through tape-recorded memoirs The Bancroft Library's materials on the history of California and the West. The office is under the direction of Willa K. Baum, and is an administrative division of The Bancroft Library of the University of California, Berkeley.

Lisa Jacobson
Interviewer/Editor

August 28, 1995
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

INTERVIEW HISTORY--by Lisa Jacobson

Magazine writers have dubbed him the "captain of cookware," "a kitchen revolutionary," and "the guru of cookware." His colleagues laud his genius as a buyer and enjoy recounting stories of his perfectionism. Yet Chuck Williams, founder and vice chairman of Williams-Sonoma, defies many conventional expectations of a successful entrepreneur. Quiet and unassuming, Williams, by his own admission, possessed neither the financial nor the managerial talent to turn his company into the home specialty products empire that it has become. What he did possess was a passion for cooking and cookware and the desire to share that interest with others who enjoy good food prepared at home.

Williams opened his store in 1954 as a small housewares specialty shop in Sonoma, California. He soon began importing French cookware he had discovered on his various buying trips to France. When the store opened in downtown San Francisco in 1958, it became a magnet for fashionable upper-crust ladies, restaurant chefs, and businessmen. The store also attracted counterculture types who, Williams notes, found in the store large French pots essential for preparing communal meals. Williams-Sonoma branched out into the mail-order business, producing its first full-fledged catalog in 1972. Rapid growth convinced Williams, never fully at ease with financial matters, to seek outside help. He brought in financial partners and managers, ultimately selling the company in 1978 to Howard Lester, who has overseen the company's growth into a dominant retailer of specialty products for the home.

The interview with Chuck Williams was taped in six sessions between August 24 and August 28, 1992 at the San Francisco headquarters of Williams-Sonoma. Conducted in his office, a space filled with an extensive collection of cookbooks and various mementos, the interview covered a range of topics related to merchandising, cooking styles and fashions, catalog production, and the dynamics of mail order.

The completed transcript, lightly edited, was sent to Mr. Williams on January 10, 1993. Because he was deeply involved in preparing several new volumes of the Williams-Sonoma cookbook series distributed by Time-Life, there was a considerable delay before he was able to review the

manuscript. Always the perfectionist, he read the manuscript carefully, making changes to correct the spelling of names, clarify explanations, and supply some additional details.

Lisa Jacobson
Interviewer/Editor

August 25, 1995
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

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Room 486 The Bancroft Library

University of California
Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name Charles Edward Williams

Date of birth October 2, 1915 Birthplace Florida

Father's full name Charles Edward Williams

Occupation Automobile Repair Birthplace Florida

Mother's full name Nettie Marie Shaw Williams

Occupation Housewife & Office Manager Birthplace Ohio

Your spouse _____

Your children _____

Where did you grow up? New York 2 years - Florida 14 years

Present community San Francisco

Education High School

Occupation(s) Founder - Williams-Sonoma, Inc.

Areas of expertise Retailing, merchandising

Other interests or activities Cooking, reading

Organizations in which you are active _____

I CHILDHOOD AND FAMILY BACKGROUND

[Interview 1: August 24, 1992]^{1##}

Jacobson: Why don't we start with when and where you were born, and what it was like when you were growing up.

Williams: I was born in Jacksonville, Florida, which is in northern Florida. That part of Florida wasn't considered the Deep South, as are Georgia and Alabama and that part of the country. It had more influence from the North than it did the South, because I think it was probably settled by northern people. For instance, my mother's family came from Ohio and moved there just before I was born.

Jacobson: What year were you born?

Williams: In 1915.

Parents

Jacobson: Where was your father's family from?

Williams: As far as I know, my father was born in northern Florida, but his family came from Rhode Island and Pennsylvania and through there. They settled out in the country in Florida. I really never knew too much about them, but there were several branches of the family, cousins and so forth of my father, who lived in the country and were basically farmers; they raised watermelons, as I remember [laughs]. I knew more about my mother's side of

¹This symbol (##) indicates that a tape or segment of tape has begun or ended. For a guide to the tapes, see page following transcript.

the family than I did my father's. There weren't very many relatives on that side in northern Florida.

Jacobson: Why don't you tell me a little bit about your mother's side of the family.

Williams: My mother's mother was from Ohio, and her father was from Ohio. They had a restaurant when they were younger. They moved to Florida on a houseboat. At that time you could go by rivers and so forth down inland routes all the way to Florida. I think you still can, but it's not commonly done, and at that time it was. They bought a good-sized houseboat in Ohio and brought it to Florida, and they lived on the houseboat for at least four or five years until they finally bought a house. The houseboat was docked right in the center of town in Jacksonville on the river. I remember staying on the houseboat at times.

Jacobson: Did you like the houseboat?

Williams: Yes, it was fascinating to me, being on a houseboat.

Jacobson: What was it like?

Williams: It was a fully equipped houseboat. There was a living room, dining room, kitchen, about three bedrooms. I suppose I must have been about three years old, but I do remember it. Right after I was born, my mother and father moved to New York. I don't know how many years we were there, but I think it was probably two years or so that we lived in upper state New York, at Saranac Lake and New York City. My father was a chauffeur for a family in New York City.

My parents moved back to northern Florida, Jacksonville, and he worked for a Cadillac agency there. He finally opened his own business of repairing and painting cars. It was mainly Cadillacs and Lincolns that were repaired and repainted. There really wasn't too much that they could do to the cheaper cars, but on the larger cars they did; the engines were much larger, and the cars needed much more attention than the cheaper cars did. He built up a business of repairing and repainting cars for the whole of the South, from parts of Georgia through the whole state of Florida.

Jacobson: That was quite a business.

Williams: It was quite a business. Florida was a concentrated area for those kinds of cars.

Jacobson: Why was that?

Williams: Because there were so many people from the north who had winter places in Florida--not so much in Jacksonville but from Daytona on down, through Miami, Fort Lauderdale, Palm Beach, and even Tampa. Even at that time it was the place for winter houses for northern people.

Depression Years in Northern Florida

Williams: Basically that massive expansion and speculation on real estate was one of the causes of the Depression. It was part of the Depression, and a lot of the Wall Street fall was based on real estate speculation in Florida that had no backing. It was just on paper, and it collapsed. The wealth of Wall Street was involved in it.

Jacobson: So Florida must have been hit early and hard.

Williams: Florida was hit very early and very hard with the Depression. It was really a very badly hit place, because there was so much dependent on that false economy that was built up at that time. There wasn't anything to revert to; there was no industry. It was all built on [speculation], and so when that collapsed, it was a total collapse.

Jacobson: That must have been devastating to your father's business.

Williams: Yes, that disappeared very fast. It just ceased to exist in a matter of six or eight months. There was nothing to fall back on, so he lost the whole thing.

Jacobson: What did your family do to hold things together during the Depression?

Williams: There really wasn't anything to revert to. My father attempted to stay in the automobile business, but there wasn't anything there to fall back on. I know we took a trip to San Antonio [Texas]. My mother was a good cook; she liked to cook. They opened a small restaurant, but it didn't work. So we went back to Florida for a few more months and then moved to California in about 1932.

Jacobson: Was it your maternal grandparents who owned a restaurant in Ohio?

Williams: Yes. I know nothing about it, because they had sold it and more or less retired and moved to northern Florida. But then my grandfather got into the moving business, and he survived all through the Depression. It was greatly curtailed, but he had a fairly successful moving business, not just for the locals; a lot of it was long-distance moving from the north to the south and vice versa.

Jacobson: You yourself moved about quite a bit as a child, or was most of it in Florida?

Williams: We moved to New York when I was a baby, and then we moved back to Florida. But I didn't move again until I was about sixteen, when we moved to California.

Jacobson: So you didn't move to Texas?

Williams: I moved to San Antonio, but that was only for three or four months.

Family Cooking Traditions

Jacobson: I seem to remember reading about a family restaurant in Florida.

Williams: No, there was no restaurant in Florida. It must have been referring to the one my grandmother had in Ohio.

Jacobson: There is a tradition of cooking in your family.

Williams: My grandmother was a very good cook. At least it was always understood that she was a very good cook. You always say your grandmother is a good cook; everybody's grandmother is a good cook--grandmother's apple pie and so forth. But all grandmothers couldn't have been great cooks. [laughter] My grandmother was a good cook, because she did have a restaurant and cooked for it. In those days that's the way restaurants usually were established; somebody who was a good cook started a restaurant. She was a person who baked every week.

Well, home life was different in those days than it is now. It was run like a business, in that there were three meals a day. It wasn't just one meal a day but three meals a day that were prepared, and it was very much a family affair. Everybody gathered for breakfast and lunch, though not so much, and for dinner every night. There wasn't much else to do; there weren't

many movies and things like that to go to, and there wasn't television. Families were together. A lot of [extended] families lived together, and there were times, especially during the Depression, when we lived with my grandmother and grandfather. We couldn't afford to have a house of our own. Their house was big enough, so they took the rest of the family in.

So it was a big operation to run a household. Wash day was on Monday, ironing was on Tuesday, cleaning was on Wednesday, and then there was baking on Friday and Saturday for Sunday. I was involved in that. I suppose I was attracted to it, because I was around it and was part of it. It wasn't as if I were outside playing at games. I was interested in helping my grandmother and I did learn how to cook. I knew how to make stew and soup, and I helped her bake. She would usually let me do part of a pie or part of a cake, or I would take the batter that was left over from a cake and put it in a smaller pan to bake for myself. I took the leftover pastry from a pie and made something with it on a baking sheet--put sugar and cinnamon on it.

So I knew all about that because I was raised with it. My grandfather loved to eat, and he liked good food. He was very interested in good food. On his trips moving people, if it was up in Kentucky he always brought back things, like Kentucky hams or fruits or vegetables. From Georgia he would bring back peaches. There wasn't much of anything like that raised in Florida. The only thing raised in Florida at that time was grapefruit, oranges, and avocados. Anyone who had fruit trees was never very successful. There was always something that would affect the fruit on the trees. They didn't have pesticides and things like that in those days to take care of problems like that. And the weather was not that good for fruit like peaches, pears, and apples. It just wasn't a good climate for them; they had to be a little bit further north.

So my grandfather did bring back things like that, and I was exposed to that kind of food--good hams and vegetables from the north. He was great for anything that was new in the way of equipment. He found out about refrigeration very early, and he built himself an electric refrigerator long before it was common for people to have an electric refrigerator in the house. It was when electric refrigeration first started. It was first adapted into restaurants, delicatessens, and grocery stores.

Jacobson: Did he probably know about this from his restaurant or just from his travels?

Williams: He was just interested. I suppose having had the restaurant-- maybe they did have it in Ohio. In any case, he did make over a large icebox into an electric refrigerator. He got a refrigeration unit and installed it in an icebox, so we did have electric refrigeration when other people didn't. It was long before electric refrigerators were eventually made for houses. General Electric was probably the first one that was recognizable, because it had that unit over the top--that big round thing, if you've ever seen pictures of it, that was the cooling unit that sat on top of it.

Jacobson: His was a makeshift one?

Williams: Yes, but it worked. It had to be a large icebox, which were basically used in small restaurants. It was a much larger icebox than those sold for houses. Iceboxes sold for houses were quite small, but this was a quite large one, and he had to have it out on the back porch. The refrigeration unit was so big that it took up a lot of space; just the part that was in the refrigerator was big, and then they had to have a big space for the unit--the compressor and all that--which was quite elaborate. It went off and on.

Jacobson: That must have allowed the family to store a variety of items. Did that make your mealtimes interesting?

Williams: Oh, yes. In his travels, my grandfather would come back with, say, a butchered pig, and he would be able to refrigerate the different parts of the pig. They made sausage, and all the different parts of the pig could be kept and used up. They couldn't keep them too long but for sufficient time to use it all.

Jacobson: Did you have brothers and sisters?

Williams: I had a sister who was two years older than I was. She died when she was nineteen.

Early Interest in Cooking

Jacobson: When you baked or cooked with your grandmother, was that part of your chores or just pure fun?

Williams: I wanted to do it. I didn't have to. I just gravitated to it. I suppose one reason was because these were times when I was

staying with my grandmother, but I didn't go to school in that area. At different times I did go to school near my grandmother, but most of the time we were living somewhere else and I was going to school elsewhere. I didn't know many of the children in that area, so I wasn't off playing with them and was home. It was my choice to stay with my grandmother a lot of times; I wanted to stay with her.

Jacobson: Is there any part of your cooking philosophy that was shaped by your cooking experiences with your grandmother?

Williams: It was just the enjoyment of it. I suppose it did shape my knowledge in cooking. It was good basic cooking that I knew how to do, which is different from what a young person would learn today by being around their mother or grandmother. They wouldn't get that exposure of long-cooking foods, like cooking big pots of beans or making stew or soup. That went on every week. That kind of cooking was always going on in those days, because we didn't have the variety of food to cook, so it had to be that kind of food.

Move to California

Jacobson: How old were you when the family moved to California?

Williams: I was between sixteen and seventeen years old.

Jacobson: You finished high school in California?

Williams: Yes. I only went through the ninth grade in Florida. I was out of school for probably two years before finishing high school. I did go through the three years of high school in California.

Jacobson: Did you move to Sonoma?

Williams: No, we first went to Santa Monica, where a cousin lived. We were only there for about a week, and then we went to Beaumont and Banning, which is near Riverside. I don't think my father was doing anything there, but even I started working. I got a job picking cherries and almonds in Beaumont and Banning. That was for one summer season. Cherries are an early season, because they are the first fruit that get ripe, and then comes the almond crop.

Then we moved to Indio. My mother and sister and I moved to Indio. My mother and father separated, and he left, so we were left on our own. My sister, my mother, and I got jobs; we were all three working. I got a job on a date ranch that had a roadside shop. They had a mail-order business and also a roadside shop of dates and grapefruit, which they raised. They were a very nice family, Dr. and Mrs. Sniff. They were both osteopaths from Indiana, and they had moved to Escondido, California, and had bought this land in Indio. It was a time when date ranches were being developed. It was right at the beginning of the development of date ranches and grapefruit ranches around Indio in the desert. He was one of the first ones. None of the ranches were very old when we got there.

Jacobson: Was this about mid 1930s?

Williams: It was about 1932 or '33.

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Williams: This was all in a matter of months: my mother and sister moved to Palm Springs, and I stayed in Indio and moved in with the Sniffs. They took me in. In fact, they wanted to adopt me, but my mother wouldn't stand for it. In any case, I was able to finish high school. They sent me to high school, and I worked after school. I think I only went half a day to high school. I was really never exposed to a full high school experience. I never was that well acquainted with the other students in high school, because I was only there enough to take the classes needed to graduate. I did work the rest of the day, but I was very glad to be able to finish high school that way. But I didn't go any further than that.

Jacobson: When you did finish high school, what did you do?

Williams: I worked on the ranch and in the shop. I must say that Mrs. Sniff was a good cook, too. I did seem to get in with good cooks. She was very interested in things that were going on in the cooking world, what little bit there was, and in doing things that were new and different. She didn't come from a family that was that interested in food, but she was. She really was interested in food, and she did know how to make pies; she was a very good pie maker, and she made cakes and things.

They did appreciate good food. I remember that Dr. Sniff was very interested in good food. His father was a professor at Angola University in Indiana. In fact, he was president of

Angola University. I would say they were in the upper class of intellectual people, living well and appreciating good food and the good things of life at that time.

Cooking Styles in the 1920s and 1930s

Jacobson: How would you characterize the cooking world of the thirties, as people were seeking out the good life? What was of interest in those days?

Williams: Let's go back to the food in Florida. The group that I was raised in, the people that my family knew, were interested in eating well, and we did eat well--what was considered eating well in those days [the 1920s]. I mean, we didn't have hamburger stands. I was never exposed to eating hamburgers and drinking Coke. Coca Cola was available, but it wasn't something that I had very often; it was always something special if I had a Coca Cola. I suppose there was the beginning of fast food in those days, but I wasn't familiar with it. We had good meals all the time.

My sister and I really did have to provide some meals at home, because my mother worked, which was unusual in those days.

Jacobson: Maybe not unusual for the Depression years.

Williams: No, but before the Depression it wasn't usual for a woman, especially a mother, to work. Women did work, but mothers usually didn't work; they stayed home. My mother did work, because my father had his own business, and she helped him in the business. She took care of the office, so she wasn't home during the day. I remember that it was difficult for us going to school, because there weren't lunchrooms at school; the kids went home for lunch. We did go home for lunch, but my sister and I had to fix our own lunch. There was a period when we had moved and were quite far away from school--we didn't change schools and were still going to the same school--and I used to have to take my lunch to school. I was really embarrassed, having to have my lunch at school when all the other kids went home. I used to hide somewhere while I ate my lunch because I was embarrassed by the whole thing.

In any case, my sister and I did help prepare dinner at night. Oftentimes we would start something. If there were going to be mashed potatoes, we'd fix the potatoes so they were

ready to cook. Oftentimes we had to do the shopping for dinner --finding vegetables. If there were string beans, then we had to fix the string beans. So we knew a little bit about the preparation of food and were involved in it. Also we had to do the dishwashing.

Jacobson: Did you do meal planning yourselves, or did your mom?

Williams: She more or less did it, but we'd help her with it.

Jacobson: She would tell you what to buy?

Williams: Yes. Meals consisted of steak quite often. I would say that wasn't common. Steaks were expensive, but many times we had to fall back on being able to afford steak because my mother wasn't home to do long-cooked meals--preparing stew and things like that. It was only on the weekends that she could do it, or else she would do it at night for the next day. But a lot of times it wasn't that convenient to do that, and there wasn't time to do it. So we did have to have beefsteak or pork chops and that sort of thing.

Jacobson: So you ate more expensively?

Williams: Yes, we did have a little more expensive type of food, and I suppose in that respect we were exposed to doing things a little bit differently. I think where the innovative cooking was taking place was in new ways of preparing steaks, pork chops, and that kind of meat which was a little bit more expensive. Stew was stew, and cooking beans was more or less the same. But there were new ways of cooking vegetables. I remember there was one period where cooking string beans with corn--cutting corn off the cob--and bacon [was popular]. Of course, string beans were cooked for so long in those days, but it was a different way of cooking them.

Jacobson: So the trend in cooking vegetables was in mixing different kinds together and combining meat and vegetables?

Williams: Yes, combining meat and vegetables and combining vegetables. There weren't that many vegetables available. In the wintertime you had to depend on cabbage and root vegetables. I'm talking about the twenties, because at the beginning of the thirties was the Depression.

Jacobson: By the time you were living with the Sniffs you were being exposed to people who were very interested in good food and

eating well. Were they following a similar tradition of lots of vegetables and--

Williams: In Florida there weren't that many vegetables available. There were much more when we moved to California. But even in northern Florida there was a little bit more interest than you would find in other places in the south because, as I mentioned to begin with, of the influence from the north in northern Florida. There were quite a number of people from the north who moved to Jacksonville. As I remember, in the school I went to probably thirty of forty percent of the children were from different places in the north; it wasn't strictly a southern group.

Through my father's business we did meet people from the north who were having their cars done. They had driven down and would stop in Jacksonville for a period of time and oftentimes have their car repaired or repainted; or they lived in the middle of the state and would come to Jacksonville to have something done to their car. So I did meet people from the north--from the New York area--who came to Florida.

Jacobson: What was considered the cutting edge when you were living with the Sniffs and they were exposing you to different cooking traditions?

Williams: I think that was probably a little bit different and more unusual; they had more exposure than others had in food and cooking. Because a roadside shop in Indio attracted people from Palm Springs; it wasn't very far. Date ranching was a big attraction for the people in Palm Springs. They were there during the wintertime. It was only a winter resort and closed up completely in the summer; nobody stayed there. It was like a ghost town in the summertime.

That's what my mother was doing; she was taking care of a house for a family who only lived there in the wintertime. This was a wealthy family from somewhere in the east, and this was their winter home. It depended on the type of house--if it was a fairly large house, they would have to have a caretaker take care of it during the summertime; they couldn't just close it up and leave it.

Jacobson: Did she live there year-round?

Williams: No, just during the summer. It was only one summer that she did that. My sister died that summer, and my mother moved back to Florida.

II WORK EXPERIENCES DURING THE DEPRESSION AND WAR YEARS

Sniff's Date Garden and Mail-Order Business

Williams: The date ranch had a good retail shop--and it was a very nice one and very pretty one. The building was designed by an architect friend, and it looked like a Moorish building with a gold dome. I guess that's the reason I got the job there, because the building attracted me.

Jacobson: That must have really stood out.

Williams: It did stand out, and it was very well known. It did attract the wealth of Palm Springs all winter long. And it had quite a mail-order business. When I think back over it today, it was the same sort of mail-order business that I established here--the same sort of clientele, upper class. And the business I started in San Francisco, where I located, did attract an upper-class clientele. That's what I was exposed to when I was with the Sniffs. The people who bought grapefruit to have sent back as gifts to their friends in the east had to be wealthy or they couldn't have afforded it. That type of mail-order business was for the upper class.

Jacobson: What else could they buy besides grapefruit and dates?

Williams: Just grapefruit and dates. They were big wooden crates of grapefruit, and they were expensive. Today that kind of business would be, like Harry and David, just small boxes, but in those days it was a whole crate of grapefruit about [demonstrates] this long and this wide [12" x 24" x 12"]--a great big crate of grapefruit.

Jacobson: What made California grapefruit more intriguing than Florida grapefruit, which would have lower shipping costs?

Williams: The soil and the climate in the Coachella Valley were just right for grapefruit, and it was really exceptionally good. It was considered the best, and there wasn't that much of it. There was only one little section there that raised grapefruit, so it naturally fell into a category of desirable fruit. The dates at that time were considered unusual, too. They were really better than the ones that were imported from Persia and Egypt. New varieties were developed in California and Arizona. Some dates and grapefruit were grown in Arizona, but most were grown in the Coachella Valley.

Wealthy Clientele

Jacobson: Did they experience a drop-off of their business during the Depression?

Williams: It was started just about at the beginning of the Depression. They started probably in 1928 or '29; it couldn't have been much before that, because the building was fairly new when I first went there in 1932.

Jacobson: Did that provide their main source of income?

Williams: Yes, I think so, and it was probably one of the best businesses to be in, because they established a business that was attractive to people who had money. There were people who had money during the Depression; all of them weren't devastated. When you got out of the speculating businesses in the east that caused the Depression, families who owned, say, battery companies--the big companies--were well off and were not devastated by the Depression that much. Businesses did go down, but they still had income so that they were able to live well, and they did live well in Palm Springs in the wintertime.

I do remember the different families who came from the east and elsewhere who were established, even though it was a very small community. It was the beginning of that whole winter resort era; it's what Palm Springs was well known for at the beginning. The hotels that were established, like the Desert Inn in Palm Springs, were fairly new at that time. It was built, I think, just before the Depression. All of that survived during the Depression. I remember that the Magnin family came down, the Fleishhacker family--all the well-known families from San Francisco came to Palm Springs. I do remember them, because when I moved to San Francisco I had already been

exposed to those families in Palm Springs long before I ever lived here.

A Tradition of Service

Jacobson: Did these families become early contacts in setting up your own business?

Williams: No, not really. I did learn a lot about service in those days, however, because the shop was built on service. Everything we did in the shop at the date ranch was service. Those people demanded and expected service, and they paid for it. It was part of life in those days, and when I started my own business, that's what I based my business on--service. And I like doing it; it was just natural for me to do it. It's not that I lived in a family of that type. My mother and father fought all the time, and my grandmother and grandfather fought all the time [laughs]. I wasn't raised in one of those marvelous families that you read books about.

I've always liked to do things for people. I'd make a very good butler; I always thought I should have been a butler. [laughs] Giving good service--packing things well, getting them off in a timely fashion, seeing that the names and addresses are right, getting them delivered--I found that it works to be very careful about the kind of service you give and how you give it, and the reaction that you get from customers.

Jacobson: You must also have learned the lesson in the Depression that there was stability in serving a clientele who had the money to spend and would always have the money to spend.

Williams: They had the money to spend, but it's not that I felt those were the only ones that you give the service to. I never felt that. In some instances I would go out of my way to give extra service to somebody who didn't have anything at all and was buying very little. I probably wrapped their package even better, just to please them.

Jacobson: What was the name of the date ranch?

Williams: Sniff's Date Garden. I don't know why they called date ranches gardens, but they did.

Jacobson: Maybe it gives an image of something lush.

Williams: They were sort of oases, there was so little vegetation. It was just desert. Date palms would be planted, and it did become a garden surrounded by desert. It would be a little oasis, green and lush.

Jacobson: How long did you work for Sniff's Date Garden?

Williams: I would say probably four years, because I finished three years of high school. I don't have the dates exactly.

Summer Jobs

Jacobson: What was your next job after that?

Williams: During the summers we did leave the desert.

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Williams: During the time I was with the Sniffs, I helped them build a house in the mountains back of Palm Springs, about halfway up into the mountains, where we spent the summers. I probably spent three summers up there. Part of one summer I spent in Los Angeles, probably a couple of months, with a family who had stopped in the shop during the wintertime. They were professional photographers who photographed well-known California places like Yosemite, Yellowstone, Glacier National Park, and Crater Lake. In those days it was very fashionable for people to buy enlarged photographs of places like that for decoration in their homes. That kind of photography was created by very good photographers. They were enlarged and hand-tinted in natural colors, and were sold in places like Yosemite or any of the national parks.

We became friends through the shop, and as I was interested in going to Los Angeles for a month or two in the summertime, they invited me to stay with them. I did stay with them and I took a class at the University of Southern California in drafting. I was hoping to go to college, so I did take advantage a couple of times of doing something like that.

Another summer, through connections in the shop, I met the family who owned Bullock's Department Store and I was able to get a summer job in Bullock's main store in downtown Los Angeles. I was in the window-trimming department for one summer.

Jacobson: You must have learned something about designing there.

Williams: Yes, I did. It was something that I was interested in and would have liked to have gotten into, but I didn't think I was really that talented, so I didn't pursue it very far. I did take the one drafting course at the university, but it was just a summer course and didn't amount to much.

I really didn't want to stay too long at the date ranch. I didn't want to become a rancher. So eventually I did move to Los Angeles, and I got a job at I Magnin & Co. [department store] in the receiving and shipment department. It was in the store they had in Hollywood. They had many stores in California at that time, but the biggest store in southern California was the one in Hollywood. Not that it was such a big building, but the business they did was probably the biggest outside of the one in San Francisco because of the Hollywood people. They did a very big business. During the time I worked there they built the big Wilshire store, and I was involved in moving to that store.

More on the Depression

Jacobson: I came across a memo in your files that Mr. Joseph Magnin had written. You apparently were very impressed by it.

Williams: I ran across it recently. I don't know why, but I had saved it. It was based on the effect of the Depression on business, and I thought it was relevant to the recession we're having now: if you talk enough about it, it may become a reality to you; if you forget about it, you may find that you can accomplish more.

Jacobson: Was that memo something you received when you were an employee?

Williams: Yes. It was about a man who sold hot dogs. It was during the Depression, and he set up a stand and sold hot dogs. His business increased, so he was able to buy more buns and more hot dogs every day and improve his stand and so forth. The business kept getting larger and larger, and he actually decided he needed some help. His son was away at college, and during the summer he got his son to come back and help him. The son said, "Dad, you really don't understand. There's a depression going on. What do you mean you need help? Haven't you read the papers, and don't you listen to the radio?"

His father said, "Maybe I better look around." So he started reading the papers and listening to the radio. Then he said to his son, "You're right; there is a depression going on. I better cut back." He cut back on his ordering of buns and started worrying about it. Sure enough, his business dropped off. [laughs]

If you listen to all that is said about it and worry about it, well, it becomes a reality. If you don't know any different and are doing what you think is right and good, it may not affect you.

Jacobson: That memo must have made some impression on you at the time, because you kept it.

Williams: I remember the Depression very well. It was a catastrophe as far as I was concerned. It's had a lasting effect on me, I know. Growing up under those circumstances, having it hit at the age it hit me, fifteen or sixteen years old, and not having the advantage of finishing school properly, going to college, or having a job--not having anything, and then having your family fall apart. Being on your own made it even worse--having to make your own way. Of course, it was my decision to stay in California. I refused to go back with my mother to Florida. I felt there was nothing for me to go back to Florida for, so I might as well stay in California and make my own way. I felt I could better myself that way.

So I did. I suppose if I had been of a different temperament I would have handled it differently, but it was my way. I suppose I was sort of reclusive about it. I didn't want to talk about it. I just took it the way it was. I don't really think about it too much now, but for years and years I was concerned about my security more than anything else. Even today, I never, never want to be poor again. Not that I couldn't cope with living meagerly. I can. I suppose in lots of ways I'm very selfish in being very careful in what I spend. I have always done everything the cheapest way I could, which is not always the best way to do it. I wasn't much of a gambler. I didn't have anything to fall back on. I always worried about that. I had no family, so if I didn't make it--.

Jacobson: Did you stay in touch with the Sniffs?

Williams: Oh, yes, I stayed in touch with them for a number of years. Unfortunately, when I went overseas for four years, that was a big break. I did lose contact with them eventually. My life was changed completely when I went overseas during the war.

Jacobson: Was I Magnin the last job you had before you went into the service?

Williams: No, I worked for I Magnin for at least two years. I must have been in the Hollywood store for a year and then a couple of years in the Wilshire store. I worked my way up to the head of the shipping and receiving department; I worked my way up to \$69 a month. Big salary.

Lockheed Aircraft and Wartime Service

Williams: Then I got a job at Lockheed Aircraft. Lockheed had gone through very trying times. The Depression hit them drastically, much more so than Douglas Aircraft; Douglas Aircraft survived much better. Lockheed was pretty devastated until the war in Europe started and the British started buying aircraft for their air force. The British couldn't produce enough themselves.

Lockheed had just started reorganizing their production to warplanes for the British, and I got a job on what they call the air frame. Basically it was riveting. I had to go to school to learn how to rivet. They had a school because there was no way of getting people who had any experience.

I worked my way up over a period of time. That's where I went overseas from. The draft was started, and after that you couldn't volunteer; you had to be drafted. They had been having a very difficult time getting young men interested in going into the service as volunteers, because it was so long after the First World War. That's why they started the draft. They were starting to build up the army.

At that time a rumor went around the factory that if you went up to a certain office in the main building, you could find out about volunteering for a project that was being established by the whole aircraft industry--a project somewhere in a foreign country as a supply line for the British. I went up to find out about it. They didn't tell you where it was; they just said it was a totally secret project that was being formed. It was basically asking for people from the whole aircraft industry; Lockheed, Douglas, all the engine companies, propellers, every part of the aircraft industry was involved in it. Douglas Aircraft was head of it, and managing the whole thing. It was called Project 19.

I volunteered for it and was accepted. This was about in the spring of 1941, before Pearl Harbor. We were supposed to leave sometime during the late summer or early fall. Then it was postponed, and we didn't leave until after Pearl Harbor. We found out that the reason they had to postpone it was because we were supposed to go on the French line, the *Normandie*. They were refitting it up in New York as a troop transport, and it caught on fire and finally sank. So the whole thing was disrupted as far as getting the project off on a timely basis.

Finally we were told to be ready to leave at a certain time and to be down at the railroad station. They took us on a train to Chicago, and from there we went to Charleston, South Carolina. We waited on a siding for about eight hours and finally got on a boat and were off. It took us sixty days on a troop transport, which had been used for transporting cattle from the Argentine to England. They made up a convoy off the U.S. coast, and we went from there to Freetown, East Africa, where we stayed for a week assembling a very large convoy to go down in the south Atlantic, where most of the German submarine activity was. It was a very large convoy of supply ships, war ships, and troop transports. We went down around the cape of South Africa and up through the Red Sea, landing at Masawa in Eritrea. We were to establish an air base there for the British in North Africa.

However, the war was changing rapidly. They had gotten the Italians out of Eritrea and Ethiopia just before we landed, and after we landed the war got very close to Alexandria and Cairo. They pushed the Germans back, and the base ceased to be of that much use. So they sent some of us to Abaden, Iran, which was the southern supply route to the Russians. There was a southern and a northern route. The northern route was through Vladivostok, and the southern through the Persian Gulf. Ships came to the Persian Gulf from America with supplies for the Russians. From there it went by truck to Russia. Some planes were brought over by ship and were reassembled at our base. Other planes were ferried over. It took them several days to ferry them over because they flew a route from North America to South America, across to Africa, and then to Iran. Some of the planes weren't in very good shape by the time they got there; so they had to be completely overhauled before being turned over to the Russians.

I was there for two years. From there they sent some of us to India to take care of repairing and servicing planes from the Burma theater of operation. I spent another two years in India. So I was gone for over four years. It was a long time. Being

that I was overseas, I couldn't be drafted or volunteer for service, so I remained a civilian attached to the air force for the entire time. I thought there was no point in going all the way back to the United States, having to wait to be drafted, and then being sent somewhere else, so I just stayed. There were some who insisted on getting sent back to the States, and they ended up right back where we were.

Jacobson: Did you want to be drafted at any point?

Williams: There were times when I thought I should be, and then I'd think, "Why?" For some reason or other I always wanted to get into the service. When I was about twenty-one or twenty-two, when living in Los Angeles, I tried to get into West Point and into the Air Force Academy, which had been established a few years before, but I couldn't pass the physicals. I had a thyroid condition. I had all of the other qualifications--recommendations from a congressman and so forth--but I couldn't pass the physical. I can't remember exactly why [I wanted to join the service], but I suppose the real reason was that I couldn't go to college, and I figured this was the next best thing. Getting into West Point, you'd get your education.

Carpentry Work

Jacobson: When you returned from overseas, where did you go?

Williams: I returned in the latter part of '46. I thought of going back to work for Lockheed but eventually decided against it. I then contacted a friend I had been with a long time overseas. He lived in the San Joaquin Valley, in Porterville, and was building a house for himself. He had been transferred back to this country long before I was, and had gotten married. He told me to come up and help him build his house, so I did. I was always interested in any kind of work I could do with my hands.

In fact, when we were in Eritrea establishing that base, we remodeled two Italian-built hangars into shops and offices. I remember I was very much a part of doing that, even though I wasn't a carpenter. I seem to be a natural for it.

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Williams: I did go to Porterville and helped my friend build his house. When we finished his house we remodeled an old house that he bought and then sold. His father had a ranch outside of town that had a barracks building on it that had been built during the beginning of the war. They had Japanese prisoners of war living in it to work on the ranch. Most local help had been drafted, so the Japanese from one of the internment camps lived in the barracks building and worked on the ranch.

We got that building, which was just a great empty shell, from his father. We loaded it onto a truck--a big semi--and moved it down to Porterville. We had bought a lot and built a foundation. It was just an empty shell, about the size of a two-bedroom house. We made a house out of it and sold it. Then I moved to Sonoma.

III THE SONOMA YEARS, 1947-1958

Building Houses

Jacobson: Did you continue your carpentry work in Sonoma?

Williams: Yes. I moved to Sonoma with the idea that I wanted to build a house completely by myself. In the houses we built in Porterville we were doing the carpentry, but the electrical and plumbing were being done by electricians and plumbers. I wanted to learn how to do the whole thing. I had visited a friend in San Francisco whom I had met during the war and stayed with him for a few days. We went to Sonoma to play golf one weekend; he liked to play golf. It was the first time I had been to Sonoma, and I thought, "This is a good place for me to build a house." It looked like a logical place where I could build a house by myself. It wasn't that easy to just go anywhere you wanted and build a house completely by yourself. Most places have restrictions as far as who does the plumbing and the electricity. Labor unions were very strong in those days and they dictated who did the work. You couldn't do plumbing yourself; you couldn't do electrical work yourself. After you got past plugging in an extension cord, you had to get an electrician. [laughter]

Sonoma was small enough that it didn't have that problem, so I decided that was a good place to do it.

Jacobson: Were land prices--?

Williams: Land prices were fairly cheap, so I was able to buy a piece of property in Sonoma. I designed a house and started building it. I knew how to do the foundation, but I went to the electrician and the plumber for help. They were both good oldtimers in the business. They were really very helpful. I bought all my supplies from them, and they more or less taught me how to do it. I'd go to them most every morning for supplies, and I'd ask

them what I should do next. They'd tell me, and sometimes they'd stop by on their way home, or in the morning on the way out to their own jobs, to see how I was doing. They'd tell me what I was doing wrong and what I was doing right.

So I learned how to do the plumbing and electrical work for the whole house. It was a shingle house and I did one thing that I don't know if I would ever be able to do again, nor have I seen it done since then. At that time there was known to be redwood guttering. In the early days in California they did develop the process of making gutters for houses out of redwood because it withstands water and doesn't rot. I found some and fitted it completely around the house. It became part of the trim; you really couldn't tell it was there. It was very pretty wood. The house was natural redwood, and I had the natural redwood gutter that became part of the house. It was probably one of the last houses in California built with redwood gutters. I managed to get it cut and fit and all the joints and seams caulked so that the gutter didn't leak, and all the downspouts fitted into place.

Jacobson: How long did it take you to build the house?

Williams: It took me six or seven months to build the house. I sold it and made a profit, and I bought another piece of property.

Jacobson: Where did you live?

Williams: Oh, I rented an apartment to live in while building the house until it was far enough along to live in. My mother was with me. I had brought my mother out from Florida, and she lived with me during those years.

I then bought a piece of property out in the country on a hillside. I leveled off a place up on the hillside and built a house that overlooked the whole valley. I eventually sold that house also and built a third one in Sonoma for myself to live in awhile. In the meantime, I did work for other people. I remodeled a couple of houses, and I built three or four houses for other people. I got someone to help me on one, but there was one larger house that I did most of the work myself.

Purchase of Hardware Store

Williams: In 1952 I began thinking of having a more secure livelihood and began looking for other opportunities. The thought of a trip to Europe came up and through the encouragement of two friends who were planning a trip I accompanied them on a trip to England, Holland, Germany, France, Spain, Denmark, and Norway. After returning from Europe in late summer I was ready to pursue a different course. I decided that I really should do something about a little more security rather than just drifting along. I decided I should buy a building, remodel it, making small units out of it and have income from rentals. Why I thought that would be good, I don't know. That's when I bought the hardware store, not with the intention that I wanted to be in the hardware business; it wasn't that at all. I bought the building fully intending to divide it into small shops. It was an old-fashioned hardware store and very uninteresting, and really bigger than it needed to be. It had a driveway on one side where I could add another unit to make four small units in all.

Jacobson: Did you do that?

Williams: I did. Being an old-fashioned hardware store, it didn't have housewares or kitchen equipment. Hardware stores, especially in small towns, were beginning to sell pots and pans.

Jacobson: How did you start to sell housewares?

Williams: I did put in brooms, mops, etc., and a small selection of kitchen ware. I added the small shop in the driveway space, renting it to a florist, and then started on dividing up the building into three shop spaces. A second space was finished for a beauty shop. I then sold off the hardware and finished a third shop for what became Williams-Sonoma. The fourth shop was not finished until much later.

Jacobson: Was that when you started importing--?

Williams: Not really. I did find several local San Francisco importers from whom I purchased French items.

Sonoma's Cooking Culture

Jacobson: All during this time that you were doing carpentry work you were also cultivating your interest in cooking?

Williams: Yes. Actually, it was being a part of Sonoma that created that increased interest. It just happened that I became acquainted with a few people who were very interested in food, and we started cooking for each other. One of them was a French woman, Therese Bacon. She was born in this country of a French family, but she was more French than the French and very opinionated--a true Frenchwoman. She was a very good cook and loved to cook. She became the leader of a small group of us who were cooking.

There was another woman from San Francisco, Ola Tryon, who moved to Sonoma and built a beautiful house. She was also very interested in cooking. She had bought an old two-story house in the country fairly close to Sonoma. She didn't do much to the house, but she did build onto it, or attached to it, an enormous living kitchen. It was a long building, beautifully built with heavy beams. The kitchen had French doors on both sides opening onto a terrace with a swimming pool. This was strictly a California Spanish-type building with one enormous room that was a kitchen, dining, and living area all in one. It had a big fireplace, and the area was centered around an enormous table. She loved antiques, and it was beautifully furnished. It had a restaurant stove that she had redone, the black parts of it brass-plated. It was a beautiful stove.

She was someone who was very interested in food. She traveled a lot, having made a number of trips to Europe and lived in France at times. She knew French food. She and my other friend, the Frenchwoman, became very good friends, and there were two or three others in our cooking group. It was a time of the *Gourmet* cookbooks. *Gourmet* magazine also had been out for a year or two. *Gourmet*, Volume I appeared about that time, and soon after that was Volume II. That was about the extent of it for a long period before anything else happened in cookbooks--before Julia Child came along with her *Art of French Cooking* around 1960.

That period of living in Sonoma from 1947 to 1958 was socially for me almost entirely based on the interest in food. The Vintage Festival each September was all a part of it. There were parties in the summertime and parties in the wintertime. There were a lot of retired people who had moved to Sonoma and who were interested in food. Gordon Tevis came from an old

family in California. They were big landowners all up and down California. I think there were three brothers, and none of them had ever done anything; they just inherited lots of money. Gordon bought the de Bretteville house, which is the Spreckel Sugar family, and redid that. He was a great entertainer and was always having dinner parties, and he was a great cook. He was an extremely good cook. He gained all his cooking ability in France and England. He was connected with the big families in England, the Hestips, I think, a well-known family in England.

Gordon did travel a lot in England, and it was my first exposure to French pots and pans. He had a whole collection of French pots and pans in his kitchen that he had bought and brought over. He had a big kitchen with a restaurant stove. I was exposed to restaurant stoves in Sonoma long before I came to San Francisco and started the shop.

I think it was probably an unusual situation to have happen, being in a group like that with people who were very interested in food. My mother was there, and she was a good cook. She was a good baker. She was doing things out of *Gourmet* cookbook and *Gourmet* magazine.

Sunset Magazine and California Cooking Traditions

Jacobson: You were subscribing to the magazine and reading it?

Williams: Yes, although I'd say that at that time most of the people in the West, especially in California, were living by *Sunset* magazine. It was interesting to me in some respects, because there was an awful lot in *Sunset* magazine about doing things yourself--doing things to your house, remodeling, adding to a California house. *Sunset* magazine was a great help in that respect to people buying small houses and being able to do things to them to make them more livable, like building an outside area, a patio, and that sort of thing. They did an awful lot of good work in that respect. It was a great help to so many people trying to establish a home, especially ranch-type living. I was interested in the magazine in that respect, but we really didn't look to *Sunset* magazine as far as what was going on in the way of food. We were more interested in what was going on in France.

Jacobson: How would you characterize the difference between the food tradition that *Sunset* was cultivating versus *Gourmet*?

Williams: It was a little bit different. Well, let's call it California cuisine. It was going on then. For some reason or other, when the interest in California food became so pronounced in the last, say, ten years, they suddenly decided that a revolution in cooking had appeared in California in developing California cuisine. Well, California cuisine has been going on for a lot longer than that. It was going on then, and it was going on when I first came to California in the thirties. They cooked a lot differently here than they did in the rest of the country. What they cooked here was always different than the rest of the country.

They used avocados differently than they did in the East; avocados were also raised in Florida. They used them entirely differently out here. There was good lettuce grown here, like Romaine, and there wasn't Romaine lettuce grown anywhere else; it was out here. There were so many vegetables that were grown here. They started raising asparagus; fresh green asparagus was common here, but it wasn't in the rest of the country. All you got in the rest of the country was that white asparagus, and very little of it.

I think California has had a cuisine all its own for years and years. Helen Evans Brown moved to Southern California (Pasadena), and she started working for Jurgensen's Grocery Company and developed a newsletter for them. She was a great instigator of California cuisine. She wrote *The West Coast Cookbook* back in 1952. I guess it was in 1936 that they moved to California from the East. So it was during the same time, the forties and the fifties, that she was doing things in southern California, writing for *McCall's* magazine. She was a great cook, a marvelous cook.

Jacobson: Did you meet her in Sonoma?

Williams: No, I didn't know anything about her. But when I moved the shop to San Francisco I met her. I think it was in 1959.

Jacobson: I'm curious how Californians were using avocados differently from, say, Floridians.

Williams: As I remember, in Florida avocados were eaten by cutting them in half, taking the seed out, and putting mayonnaise or red French dressing in the cavity and eating it. That was it. But out here they were using them in all kinds of salads. There was

also the Mexican influence, because the Mexicans had always used them in making guacamole. That's all part of California cuisine.

Exploring French Cooking Traditions

Jacobson: You were influenced more by a French tradition than by California?

Williams: Well, yes, in Sonoma we did, definitely. Gordon Tevis, Lorala Tryon, and Therese Bacon were doing everything French.

Jacobson: Would you meet together and cook for one another, trade recipes?

Williams: Yes. We were meeting with one another. For some reason or other, I was cooking right along with them.

Jacobson: Did wine become a big part of the eating experience?

Williams: Oh, yes, wine was a big part of it, too.

Jacobson: Sonoma wines?

Williams: Yes.

Jacobson: Which wineries were big in those days?

Williams: The main wineries in Sonoma were Buena Vista and Sebastiani.

Travel to Europe

Jacobson: Didn't you travel to Europe in the early fifties?

Williams: Yes, in 1952 I made a trip to Europe with two friends who were living in Sonoma. They were going to Europe and taking a car with them, and they talked me into going with them. It was just the beginning of people taking cars over, and it was cheap enough to do it. It was before it became fashionable to buy a car at the factory in Europe. It was so close after the war.

[Interview 2: August 25, 1992]##

Jacobson: When we left off yesterday you were starting to tell me about your first trip to France and Europe.

Williams: That trip was influenced by two friends in Sonoma who were taking a car over. One of them was a Czechoslovakian who had come out of the country when the Communists took over, and she knew Europe well. That's one reason I went. I did spend time in England, too. We drove across the Channel in the car and drove through parts of Germany. Even in 1952, that long after the war, Cologne was still flat; nothing had been rebuilt. We did see all of that. Then we were probably in Paris for two or three weeks and then drove to Spain and Majorca. Then I came back to Paris and went to Denmark, Sweden, and Norway. So I had a good trip around Europe, though we didn't go to Italy, and thoroughly enjoyed the food in all those countries.

Fascination with French Cookware

Williams: I was also fascinated with the bakeware and cookware in the French department stores. There was one particular department store where most of the small bistros bought their equipment rather than in the wholesale places, because they are very small bistros--a man and his wife having a very small restaurant. You could see all the equipment together, and I was fascinated with it.

Jacobson: Were these elaborate displays?

Williams: No, it was just that there were departments full of all of the different baking equipment that the French used, and at that time there was a very wide selection of it. It's gone down since then because a number of companies have gone out of business. Even after I started going to Europe looking for merchandise they gradually disappeared, until there was only one company left that was doing the bakeware. So there really was more of it when I first saw it in France, but it was still there when I went over for buying.

Jacobson: Were the French themselves losing interest in cooking?

Williams: No, it was all bakery and restaurant equipment. Most of the bakery equipment was not used by households. The French really don't cook that much. In the country they do, but in the cities

they eat out much of the time, and what cooking they do is very simple. They're not apt to cook very much in, say, Paris; you won't find very many who are that interested in cooking. But in the country farmers are. The French never have baked in the home; they always buy everything in a pastry shop.

Jacobson: How do you account for the decline of sales in bakeware in France then?

Williams: It wasn't a decline in bakeware. It was the fact that the small factories really couldn't compete with the large ones, and their business just dropped off. The small ones were making everything by hand, and they couldn't compete with the large ones. There was one that was very aggressive, but it was actually more or less a new company that had been formed by some Swiss Germans. They established a small factory, and it grew very rapidly. They absorbed all the other ones; they bought them out.

Jacobson: So that would be sold wholesale, and the smaller companies had been supplying the department stores which used to be patronized by the small bistros?

Williams: Yes. That started my interest in the French cookware.

Opening of Williams-Sonoma, 1956

Jacobson: Did you bring merchandise back on your first trip?

Williams: No, because that was before I had started the shop. I took the trip in 1952, and I didn't buy the hardware store until about 1954. That's when I converted the building into four shops, and I opened the shop as Williams-Sonoma in 1956.

Jacobson: Where did you go, then, to make your first purchases for the Williams-Sonoma store?

Williams: At the time I opened the first shop I did find a representative for a French knife manufacturer outside of San Francisco in Mill Valley. I did buy French Sabatier knives for the opening of the first shop. There was also a small shop in San Francisco called Thomas Cara. They're still here; he's still in business. At that time he was selling the big Italian espresso machines, and he was also importing earthenware from France--French provincial earthenware from Vallauris. As I understand it, his brother

lived in France, and that's the reason they were able to get it; his brother took care of getting it for him. Then he started bringing in a few soufflé dishes, but that was about all.

So I was able to get a few things, even for Sonoma, but very few. Then I moved the shop to San Francisco in 1958.

IV WILLIAMS-SONOMA AND COOKING TRADITIONS IN THE 1950S AND 1960S

Relocation to San Francisco, 1958

Jacobson: What made you decide to relocate?

Williams: It was influenced by people who lived in Sonoma. In most cases it was a second home, and they lived in San Francisco. Also people who visited from San Francisco, and other people in Sonoma whom I met after I opened the shop. Soon after opening, it became a shop that people brought their visiting friends to see. It was a new shop and different. I was encouraged to move to San Francisco because everyone who had an interest in the shop felt that it wouldn't grow that much in Sonoma. It was too small an area, and the shop was really too sophisticated for an area like that.

So everyone encouraged me to move it to San Francisco, and I did.

Advantages of Sutter Street Location

Jacobson: Where was your first location?

Williams: The first location was at 576 Sutter Street. I was encouraged to find the best location I could and not worry about the rent. That was mainly from a woman who visited her daughter who had married and was living in Sonoma. She was from New York and had the White Turkey restaurants in New York. At that time it was a small chain of restaurants in upper state New York and in New York City. Since then I think they've all disappeared, but it was a chain of very good restaurants. She was the one who encouraged me to find the best location I could and not worry

about the rent. She said that was the mistake most people made, starting a new business or a new shop in a cheap location because they figured they couldn't afford a good location. Usually the business had a difficult time surviving, so it was really better to find a good location and be in the best spot to have the best chance of the business being a success.

Jacobson: What made 576 Sutter Street the best location?

Williams: San Francisco does still have a downtown shopping area, and it is the main shopping area for the Bay Area. San Francisco downtown has never been defeated by shopping centers and the major department stores moving out. They've always been there, and the downtown shopping area is getting better all the time. It's the main place for business.

It was difficult finding a location, because there weren't many vacancies. There were only a couple that I found at that time. There was one that was a little closer to Union Square, in the next block down, but I didn't feel it was as good a location as the one I got. The building wasn't as good. Even though my location was actually two blocks from Union Square, all the people I talked to at the time felt it was close enough to be a viable location. They said I didn't really have to worry about being right on Union Square.

So I took it, and the rent was high. The rent was a little cheaper than it would have been on Union Square itself, but not too much.

Jacobson: Who were your nearest neighbors on Sutter Street?

Williams: Fortunately the neighbors were just right for the business. It's not that I had any great insight into that; I didn't. There was no one at the time who really thought of that, I knew that the location was good. In the same block was Elizabeth Arden's shop. I really didn't know the extent of Elizabeth Arden's business at that time, but during that period it was the main place for ladies to get their hair done, get a massage, get their nails done--the whole thing. Also at that time they were doing couturier.

Their building was deceiving in many ways. It was much larger than it looked. In fact, at one time I heard that they had something like 350 employees in the one building. Of course, that did include the fashion department, but that was a drop in the bucket as far as what it took for the hairdressing part. It was very extensive. They had a swimming pool, steam

baths, massage rooms, and all that kind of stuff. It was a very busy operation. The ladies arrived there as early as seven o'clock in the morning to get their hair done and so forth.

So there was Elizabeth Arden in the same block, about three doors away, and the best ladies' club right across the street, the Francisca Club. In the next block on the same side of the street as we were on, was the Metropolitan Club, another women's club. A block away on one side was a medical-dental building that had most of the dentists and some of the medical doctors. They had a good-sized parking garage; most of the ladies who went to the two clubs and to Elizabeth Arden parked in that garage. It was where they took their children for dental checkups and doctor visits.

A block the other way was the largest medical building in San Francisco. It was where most of the medical doctors had offices. So between the two medical buildings, Elizabeth Arden, and the two clubs, it more or less took care of most of the ladies' needs downtown. They would go to one of the clubs for lunch, and there was also another ladies' club only two blocks away, the Town and Country Club. It was the natural thing for them to have lunch at their club in those days--either that or at the St. Francis Hotel or Trader Vic's, which was very close, too.

So the location was in the center of the activities of upper-scale ladies when they came downtown. They walked by the door every time they came downtown. A good many of them went to Elizabeth Arden every week, so we saw them go by the door about every week.

Wedding Gift Sales

Williams: We became their store for wedding and shower gifts. At that time it was becoming--I suppose you wouldn't call it fashionable, but [our merchandise] became the kind of gifts that so many of the brides wanted. They didn't want the traditional expensive dinnerware and glassware, although they were still getting it. But they did want kitchen things. They were becoming interested in cooking. They did want good pots and pans, and they did want good knives.

That was the beginning of the hippie period, too, and it was becoming fashionable to have a wedding out in a field or in

a garden. They were breaking away from the traditional expensive church wedding and the traditional gifts. In fact, I opened the shop in May, and we had two large weddings that year, two girls who were from very prominent families. One was from the Hellman family of Wells Fargo Bank, and I forget the name of the other one. They were both married that year, in '58, and they both listed with us. They got all their friends to buy presents from us. So it really was a good start.

Jacobson: Did you have a bridal registry when you were in your Sonoma location?

Williams: No, I started that the first year we were in San Francisco.

Clientele

Jacobson: Were your clients mostly wealthy ladies, or did they include restaurant chefs? What was the client profile in those early days?

Williams: The customers in the first few years were basically people who lived in Pacific Heights, Hillsborough, Burlingame, Piedmont, Ross, and some from Berkeley and Marin County. If you know anything about San Francisco society, there was a group of people that numbered probably a thousand or fifteen hundred who either lived in Pacific Heights, Ross, Hillsborough, Burlingame, or Piedmont. They all knew each other or were related. They all went to the same parties and they were all invited to the same weddings. There were different groups of them, but they were sort of all together. Maybe five hundred of one group would be invited to a big wedding or a big debut party, and part of those in another group would be invited to another party. But they were all related in some way socially, and they all knew each other. A lot of them talked to each other on the phone every day. It was a rather closed society, really.

Fortunately, we became part of that. We were their store. So it didn't take long for the word to get around that we were there because of the women who were going to lunch at the Francisca Club. I was working on the store for probably a month before we opened, but just the fact that we were there and had a sign in the window that said "Williams-Sonoma" was intriguing to the ladies at the club. They could look out the window while they were having lunch and see the progress. And on the day we opened, we had them all over there to see the shop. Plus there

were some who already knew about it because they had seen it in Sonoma or their friends had known it in Sonoma.

So the word did get around very fast. We didn't have to put an ad in the paper or anything like that; it was just word of mouth. And it continued to spread that way; it was all word of mouth. It did become fairly well known among that group of people. The rest of San Francisco never heard of it.

Shopping was different depending on where you lived in San Francisco. If you lived in the Mission District or in the Sunset District, on the other side of Market Street from here-- on the Emporium side--that's as far as you got. You didn't come over to the other side; their shopping was on that side. People from Pacific Heights, Burlingame, Hillsborough, and all of that area shopped around Union Square. O'Conner and Moffet was before Macy's, and that was a good department store. And I Magnin, Joseph Magnin, Livingston Brothers--it was all shopping for the Pacific Heights people and other outlying areas. They were all upper-strata people. So we did capture that audience right away, and it did multiply.

It did attract the young people in the hippie movement, too--the flower children. So many of them were joining communes, and a lot of them came from very good families. They were breaking away from tradition and joining communes, living in places like the Haight-Ashbury district. They became good customers also, because they were establishing communes and living together in groups. Maybe three or four would rent a large apartment in the Haight-Ashbury, and they were actually living different lives. They were very interested in cooking, and they were buying good cooking equipment. In a large group maybe one or two of them were good cooks and would develop into very good cooks. They'd come in and buy the most expensive big Le Crueset cast iron pots, expensive French pots, to cook big meals in for their group. We were selling restaurant equipment from France, and they were buying that kind of equipment.

Jacobson: That's fascinating.

National Recognition

Williams: It was fascinating the way the business did develop. There was one newspaper article that came out very early on that was the first national recognition that we got. It was in a Chicago

paper and said we were one of the "six most dangerous stores in the world."

- Jacobson: I did read that. It was written in 1970 by Robert Marsh. He listed hardware--
- Williams: Yes, there was a hardware store in Chicago that was well known. There was a bookstore in Oxford, and L. L. Bean was one of them.
- Jacobson: There was another clothing store in addition to L. L. Bean, a company that specialized in motoring equipment, and then Williams-Sonoma.
- Williams: It was very interesting that we got that article in a Chicago paper, and it did us a lot of good. It did associate us with old, established companies that were well known. In fact, I got a letter from the head of L. L. Bean at that time, who was very interested in the fact that we were picked along with them as being that kind of a store. It was before L. L. Bean had gotten so huge; it became large later on.

Store's Popularity with Men

- Jacobson: One of the things that interested me about that article on the six most dangerous stores was that it was written by a man, and it seemed to be grouping--
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- Jacobson: --books and men's clothing; I don't know if L. L. Bean sold women's clothing then.
- Williams: It was mainly for men at that point.
- Jacobson: So it was very suggestive, I think, that gourmet cooking had become something of some interest to men.
- Williams: I think the way the shop looked had a big influence on that. It could be very attractive to men, because it was heavy equipment; I mean, it was restaurant equipment that we had. It was all baking equipment--marvelous molds, and a lot of them were big. It was an interesting array of baking equipment. It was white porcelain bakeware with no embellishment on it; it was strictly utilitarian bakeware and also serving ware. It was soufflé dishes and casseroles that were used in restaurants in France,

all the copper pots and pans that were used in restaurants, the heavy aluminum that was used in restaurants in France, the good French cutlery, and some of the tools that were used by French chefs.

Basically that was it. I mean, we didn't have anything else. We didn't have dinnerware at that time, or glassware. I had gotten the French bistro glasses, and I think we had one or two strictly traditional wine glasses. By that time we had gotten the balloon glass, which is the classic French red wine glass, and we didn't even have a white wine glass because it really wasn't considered important in those days. It was the red wine glass that was important.

That was basically what the shop was, and it had a different look than it does today. It probably looked like a French restaurant supply shop, and it would be attractive to men as well as to women--and probably only to women who were interested in cooking, because we had nothing else. There was no flowered dinnerware or porcelain or anything like that. It did attract men. Men came up from the financial district on their lunch hour to see it.

Jacobson: Would you say that your customers were split between men and women?

Williams: I would say that at the beginning maybe a third to a half were women, and the others were men. As I say, we had men who came up from the financial district every noontime. I would say that a percentage of the husbands of the women customers were also interested in it. Not all of them, but I would say that twenty-five or thirty percent of the husbands of our women customers were also interested in the shop and knew it well--all the ones who were interested in cooking.

Jacobson: Were your male customers gourmet cooks?

Williams: Some of them, yes. Julia Child's book came out in 1961, and I forget when the TV program started.

Jacobson: That was in '63.

Williams: When that started, I would say that a good percentage of the people who watched it at that time were husbands and wives. They both watched it; it wasn't one-sided. I don't think there would have been that many housewives who could have watched it by themselves, because it was at night. So I think both would have to have been interested in it. At that time there was an

awful lot of interest in watching those programs and making the recipes. Both husband and wife were interested in it, and both of them were doing it.

Jacobson: Did they cook together?

Williams: They cooked together, and the men became much more scientific about French cooking. I think that probably had a great deal to do with it. It was French cooking, and French cooking was developed by men. The men chefs were the ones who produced it, wrote about it, and made up the complicated recipes for haute cuisine. I would say that any man who was interested in eating would be fascinated with it and would gravitate towards a shop like ours.

It had the same sort of a pull to it as a hardware store has. A hardware store usually attracts men rather than women. There were a lot of men attracted to the shop because it did look like a restaurant supply place rather than just a small shop with all kinds of things. Today I think we attract many more women than we do men. We do have a lot of men customers, but we've attracted so many more women by having other things in the shop. We have more dinnerware, more glassware, more in the way of kitchen linen, place mats, and that sort of thing. That doesn't really interest a man that much, but we didn't have any of that in those days.

Merchandise

Jacobson: This [demonstrates] is the first product list that you published. You wrote a few words at the beginning of it, and I noticed that you said something about all the bakeware being useful. "There are no gadgets, no gimmicks, no conversation pieces." [See Appendix H] I was very interested in why you emphasized that aspect of what you were stocking.

Williams: I suppose it was because the American approach to a lot of baking or cooking was in the way of gimmicks. We only had the tools for cooking, really good tools. We didn't have gadgets that would do something that really wasn't necessary.

Jacobson: Like what?

Williams: Like a gadget that made an egg square when you boiled it--that sort of thing. We didn't have those kinds of things. There

were--and still are--an awful lot of gadgets put out that we never bothered with. It's only the really useful tools that are used in professional kitchens that we carry. All of our stuff was basically French cooking and baking equipment that was used by the chefs in France. Ninety-five percent of the merchandise we carried in the shop was from France at that time, and for a number of years it remained so.

Jacobson: When did that change?

Williams: Probably in the late sixties or early 1970 we started putting in things from other places.

Jacobson: Let's talk a little bit more about stocking the store. I think one of the things you did was put in the same items in multiple sizes. Was that from the beginning?

Williams: I opened the shop in May or June of 1958, and we had an exceptionally good Christmas. We were bowled over with customers at Christmas.

Jacobson: I remember your advertisement for the first Christmas. It said something about this being the place to stop for all your yuletide gifts and a place to forget Sputnik for the moment. I thought it was very interesting that you put that in.

Williams: That first year we weren't able to get too much. I was only able to buy things in this country. As I said, we did have French Vallauris earthenware, French knives, and I was able to get some casseroles. It was all sort of basic things like that, and we really didn't have that much in the shop. We had some food; we didn't have food that was sold in grocery stores. We had cans of French snails and things like that which were unusual and that you couldn't buy in a grocery store.

We were able to buy a few things in New York. There was a shop called Bazar Francaise in New York. They were a restaurant supply at 666 Sixth Avenue, down in the garment district. They were strictly a restaurant supply for French restaurants; they only had French equipment and only had things that sold well, that French restaurants needed, and they didn't have much of anything else. So the scope of things they had was limited. There were some things they wholesaled, and even then you didn't know if you were going to get them or not, because they were mainly a retail store for the restaurants. They were buying in sufficient quantity to wholesale some of the stuff to a little shop that may be opening up here and there, but there weren't very many. You didn't know whether you were going to get what

you ordered or not, because their retail business came first. If they didn't have enough for their retail business, you wouldn't get it if you were buying wholesale.

Then there was another one that started up in New York, Charles Lamalle, that was bringing over a few things from France. That was about it. There really wasn't very much.

Buying Trips to France

Williams: After Christmas of our first year in San Francisco, in January 1959, I decided I needed to go to France, with the idea that I was going to find the things that I had seen before. I more or less had an idea of what there was in the way of French cooking ware, but it was only a drop in the bucket compared to what I finally came up with. I did have the address of a knife company, Sabatier, and I did go to see them. But that was sort of a letdown. I found them difficult to do business with. Even looking in stores where I had seen things before on my other trip, I couldn't find any names of manufacturers. I was really disappointed and frustrated by the whole thing.

A French woman, Madame Moon, whom I had just met a few months before--because she discovered the shop--was the fashion designer at I Magnin. She had married an American and was living in San Francisco, but her home was in Paris; her mother was still there. I knew she was in Paris at the same time I was for the couturiers and so forth. She told me where she was staying and to call her while I was there. I thought I could at least call her and ask her what I should do.

So I did call her and asked her, "What do I do? How do I go about finding this merchandise and buying it?" She said, "Let me find out. I'll check and see." She had a friend, Mademoiselle Pompousie, who was an interesting woman at that time. It was apparently something that was done in different parts of Europe in places where rich Americans might go. These women acted as shopping guides. They weren't impoverished; they were well-born but weren't able to live as well as they would like to on their reduced incomes, so they did things like becoming shopping guides to the rich. They took them to the fashion shows, to good French shops, guided them around, and translated for them so that they could buy their clothes, jewelry, and antiques in France.

So my friend called Mademoiselle Pompousie, who subsequently called a friend of hers, and got me an appointment to see the manager of the showroom for Pillioyt, which is a porcelain company that makes part of the ovenware that we've had all these years. They were one of the two companies that made most of it for the world, supplying restaurants with white porcelain ovenware. They had a showroom in Paris, and she made an appointment for me to go over and see [the manager]. He spoke English. I talked to him, and he said, "First of all you have to have a buying agent." The French companies are not able to cope with exporting because there are all kinds of paper work you have to make out for exporting merchandise out of the country. It's not just a matter of packing something up and sending it over to America. You had to have export licenses and fill out export papers in order to send merchandise out of the country. Most companies are small and don't know how to cope with that. It apparently has something to do with the taxes in France.

Later it became even more complicated, because they had what they called VAT [value added] tax that was placed on all merchandise, and that tax had to be paid to the government before you even sold it. It's not like our state sales tax, which is paid to the government after you sell the merchandise. VAT has to be paid before. When you manufacture something, they put the VAT tax on it, and you have to pay it. In exporting you can get it off, but you have to fill out all kinds of papers. That was part of the problem.

Anyway, he gave me the name of a buying agent he knew, and I went over to see them, which was subsequently Julemi. They were one of the larger buying agencies in France and had been before the war. They went downhill considerably after the war. However, they knew nothing about the kind of merchandise that I was talking about. They were well-versed in the purchase of buttons, lace, material, and couturier. They went to all the fashion shows with some of their clients. Even racehorses--they could put you in touch with stables that raised racehorses that they sold to different places in the world.

In any case, we had our conversation, and he said, "I don't know whether we want to take this on. I don't know anything about you, I don't know who you are. Go away, and come back in a half hour, and I'll tell you whether I'll do it or not." So I went away and came back, and he said, "Yes, we'll do it." I said, "What made you make that decision?" He said, "I just called Chase National Bank in New York and found out about you." I said, "How did they know about me?" He said, "Oh, they know

about everybody in the country who has opened a shop through their banking relations with banks around the country and also Dunn and Bradstreet. You're listed. Your credit is okay."
[laughs]

So we started out, looking in department stores. It took us months to find the manufacturers of some of the merchandise, because the agency really didn't know anything about any of these companies. Over a period of about three trips--I made a trip each year and spent a month or six weeks each time--I found an awful lot of it. I did go to places like Matfer that makes French bakeware, and I did buy most everything that they made in the way of bakeware. I didn't buy it all at once, but I started with some of it, and within a matter of about three years I had all of it.

Buying Multiple Sizes

Williams: I never bought just one size of something, because I really didn't know that much about it. I mean, what size would you buy? Brioche molds had about ten sizes, and I wouldn't know which size to pick; so I bought all ten! I bought every size of everything I ever bought. Even the little molds--there would be maybe ten sizes of the little tiny tart pans in different shapes, and I would buy every size. It made quite an array of bakeware which was really beautiful, because the shapes are so nice.

At that time there was a lot more of it, because we found all these other little companies. Matfer was the main one, but there was also Gobel, Sanbonnet. There were three or four other small ones that we were also buying from. Two of them were just working in a garage in one small building, and the stuff was all made by hand. We did get things from them, but that only lasted about two years. They were swallowed up by Matfer, which was very aggressive, buying up a small company like that just to get them out of business. They would buy their molds, which they never used; they just put them away and never used them.

Jacobson: Could you then buy them from Matfer?

Williams: Not the things we had been buying from the others, because Matfer wouldn't make them. They just bought the molds and stored them; I guess they didn't want the molds, they just

wanted the company out of business so that they would have it all.

I did the same thing with the white porcelain. I bought every size of anything they made. It was the same case with so much of the restaurant ovenware porcelain. It wasn't just one size; it was always five or six sizes. Some things even more than that--an au gratin dish could go from seven inches down to four-and-a-half inches; there would be six or seven different sizes.

Today, I don't think it would be considered very smart business-wise or inventory-wise to do something like that--to buy every size and shape. It was something that Macy's department store would absolutely frown on and would consider it unbusinesslike to buy every size of something. You are dividing your sales up and spreading it out over so much, and having to have so much inventory, rather than devoting yourself to two or three sizes that sell the best. In any case, that's the way I did it, and I think in the long run it paid off. Visually it made such an impact that wouldn't have happened otherwise.

Look of the Store

Williams: I remember the City of Paris [department store in San Francisco] did have a little French kitchenware section. Madame de Tessin did buy some of those things, but for some reason she had an enormous madeleine pan rather than the normal size. She'd have maybe only one or two sizes of tart pans, where I had six sizes of tart pans. So visually it never had the same effect, and you wouldn't notice them that much. But the way I had it, one wall was nothing but tinware. It was all shiny tin in all of these different shapes, with a whole shelf of one shape in all sizes. That's how the whole baking section was.

I did the same thing with the pots and pans, too--the restaurant sauce pans and saute pans. I bought every size they had, and they made more sizes in that kind of equipment in those days than they do now or than Americans ever did with cookware for household use. I would say that most of the companies that made cookware for household use had maybe three sizes of sauce pan, or maybe just two, and that's it. We always had five or six sizes with the French, and it was visually a much different look.

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Williams: At that time we had a larger array of copper [cookware] than any other place in the country, even in New York. We had much more copper in the different shapes and sizes and so forth. The company that made the copper also made professional aluminum cookware, so we got the same shapes and sizes in copper as we did in aluminum. They were both restaurant ware.

Professional Chefs Among the Store's Clientele

Jacobson: Did you have restaurant chefs coming into your shop?

Williams: We had some, yes. There wasn't anyplace else for them to buy, but there really weren't that many chefs using that kind of equipment; there were only a few restaurants in San Francisco that ever used French equipment. The ones that we attracted more were the chefs aboard the ships that came to San Francisco, like the Matson Line, the President Line. All of those ships used to come into San Francisco port--the ones going to the Far East, the Matson Line going back and forth to Hawaii. The President Line went from here to all over the Far East. So we did get a lot of passenger ships in those days, and we had most of those chefs off those ships, because most of them were French. We were the only ones selling that kind of stuff. The restaurant supplies here weren't selling it then.

Later, when some of the big hotels were being built here--like the Hyatt Hotel on Union Square and other hotels around California; there are others in Southern California--most of them were featuring a French restaurant in the hotel and importing a French chef. We got most of the business from that through a restaurant supply. There was one East Bay restaurant supply, and also Dohrmann's at that time had a hotel supply division, and we were supplying them with equipment.

Merchandise Displays and Store's Educational Function

Jacobson: There is something visually exciting about the multiple sizes, but in terms of making a selection did it have other advantages in terms of being more enticing to a customer?

Williams: It was more enticing. For instance, if you had just one charlotte mold on a shelf it wouldn't mean that much, but to see a whole shelf in all the different sizes--it has more importance, it has much more of an impact of what a charlotte mold is: Well, what is a charlotte mold? What is made in a charlotte mold? It is a mold for making one of the most classic desserts in French cuisine. It is first lined with lady fingers and the center filled with rich Bavarian cream, then unmolded.

There weren't many cookbooks available, but we did have one, *The Art of French Cookery*. It was a big, thick French book, and all the famous chefs' recipes of the past were condensed in this book, all the things they were famous for in the way of haute cuisine. I don't think any living chefs were included; I think they were all past ones. It was an impressive book. The photography wasn't that great, but it looked great in those days. They were colored photographs of examples of all the traditional dishes, like charlotte russe, brioche, and croque en bouche, were shown in the book. So we did have a book like that to show people what this stuff was all about, and people were fascinated with it.

Of course, when Julia Child started, I think she was doing soufflés in charlotte molds, and she specified a certain size of charlotte mold; it had to be a certain diameter across the top, a certain height, a certain base. People would come into the shop the morning after one of her programs, and they had a tape measure with them. This was the size they had to have or else nothing at all. It was a problem coping with all that, because we never knew what was going to be on the air; nobody ever said what was going to be shown on these programs. So if we didn't have them or only had two of them, it was just too bad.

Jacobson: It seems that you, like Julia Child, were providing a certain educational function with this display that made people curious, so they would investigate what food goes with this curious item that comes in so many different sizes.

Williams: It was an educational process. It was an educational process for myself as well as the customer. Right or wrong, I was doing it that way. It wasn't anything that I thought of as being the correct way of selling merchandise. I didn't do it for that. I was doing it simply for the fact of educating people in cooking, because I was fascinated with it myself. I was very fascinated with it, and I was trying a lot of it myself. I've tried most all of it--making charlottes, brioche--the whole works!

Every time I would go to Paris I would come back with something. Not that I tried to go to the expensive restaurants; I didn't. I never really cared about going to the expensive restaurants, but usually on every trip I was taken to some restaurant that was sort of special as far as what the chef did. It usually wasn't one of the haute cuisine restaurants; it was usually one that the French people knew did marvelous things. I was taken to one by the owner of the Matfer that made the bakeware. He took me to one that was near their factory on the outskirts of Paris. It was one that was well known to one of the early chefs. After he retired he had his special table there, and he was there every day for lunch. They were greatly influenced by that, and they did things that he asked for.

So I did find out how a tart tatin should be done, how it should look in its true form, not done as a haute cuisine dish in an expensive restaurant but how it was done by a really good chef in a small restaurant that was frequented by people who really loved food and loved to eat. Also brioche and all those kinds of things.

More on Buying Trips

Williams: I was assigned a young fellow about my age at the buying agency who was going to take care of me. We did travel quite a bit. We had to hire a car, and we also went on the train to factories around France.

Jacobson: Did you speak French?

Williams: I didn't speak French. I could get by myself going into a restaurant or buying something, but very little. I was trying to learn French, but as soon as they got hold of me, they said, "You cannot speak French when we are with manufacturers. We'll take care of all of that. We don't want you trying to speak French to people, because you'll make mistakes, and then it will be your fault if you get the wrong things. We can't correct it if you make mistakes. So stop trying to use your lousy French." So I shut up, and I got so that I could hardly speak anything. I was uninterested when they were speaking French, because they were speaking too fast, and I couldn't understand what they were talking about.

I remember one trip when we were down in the country. When we came back--he lived outside of Paris in Sevigny, which is on

the road to Fontainebleau--we stopped there, and he took me to a little local restaurant. There was a party on that afternoon after lunch, and they had this marvelous big croque en bouche filled. Their party got started--it was sort of a reception--and they started cutting this croque en bouche. I was so fascinated with it, that they started talking to the people who were giving the party, so I got a piece of this croque en bouche.

So things like that happened on all these trips. Every trip I would come back with two or three marvelous experiences that I had just had with the French--things that just happened. I think I was fortunate to experience things like that. It was a much different experience than people had going over as a tourist. I was going over there on business, going to factories, and meeting people. Not that they would ever take you home; that's something that the French never do. They won't take you to their homes. Although one did once, after years and years of going to the factory every time. We'd always have lunch in a restaurant somewhere, but one time I was there he took me home. They had a marvelous cook who had prepared lunch. It was a great honor to be invited to their home.

I did have some marvelous experiences, and I did learn an awful lot. I have an inborn curiosity for all of that. I would see something in a window of a shop, and not that I knew what it was, but I sort of recognized what it would be for. Sometimes I was wrong, but usually I was right in what the use of it was for.

Jacobson: What sorts of unusual items that caught your eye did you bring back?

Williams: Oh, some of the tools I would see in a window, like some of the unusual-looking melon ballers. Some of them are oval shaped, some of them are fluted. We had all the different kinds, and we always had every size of melon baller; they came in six different sizes. There was something that we still have today; it was a "V" shape. It looks like a knife, but it's a "V" shape rather than a knife blade where it comes to a point. I didn't know what it was, but I knew it had to have something to do with food. I found out it was a thing to make the V-shaped cuts in a melon all the way around, and then you have two halves with jagged edges. It was a fast way of doing it rather than with a paring knife; it was just a V-shaped knife.

American Fascination with Traditional French Cooking

Jacobson: How did the French tradition get translated in America in the fifties and sixties? Was there an American twist to the French gourmet tradition that was capturing the fancy of the American cook?

Williams: How do you mean?

Jacobson: Was it simplified in any way? Was it the haute cuisine people were after, or was it something a little more simple?

Williams: Oh, no. They followed it strictly to the haute cuisine formula. They didn't cut any corners on it. I think that's probably the reason it died out, because it was something that couldn't be done that often. It was a lot of work and very difficult. They did follow the instructions right to the "T." People did follow Julia Child's book completely, and she didn't simplify. They were very detailed recipes. Her recipes in both volumes of *Mastering the Art of French Cooking* were strictly the way it was supposed to be done traditionally in France. People were following those recipes in great detail.

I often found that people who knew how to cook well found it very difficult to use the books because it was too time-consuming to read every single sentence in a recipe, telling you what size pot to use and what kind of spoon and so forth. There was a very good cook here who had lived in France and Italy, and she was fascinated with the books. She tried to cook from them and found that she couldn't. She'd read so far, and then she'd go off on her own and do it. If she followed the recipe word for word, she found that she would make mistakes because she was used to cooking her own way. She found that it didn't work that well for her, but it did work very well for people who didn't know how to cook and wanted to learn. They spent hours making some of those dishes. They were even making French bread, and I think one of those French bread recipes covers fourteen pages [laughter]; that's a long process. But people were doing all of that.

There weren't many other cookbooks; that was it.

Jacobson: And there was *Gourmet* magazine.

Williams: Yes, and the first and second volume of *Gourmet*. But that wasn't so much French cooking. It was sort of based on it, but that was just good restaurant cooking. An awful lot of it was

good restaurant cooking around this country or even in foreign countries. A lot of it was made up of recipes that came from good restaurants that were requested by people who had had something to eat in a restaurant in New York or Paris or Milan or Florence. They would ask *Gourmet* about it, and *Gourmet* would find out about it. Sometimes they would do the recipe their own way, but most of them were traditional recipes; but most weren't the traditional haute cuisine French recipes that were so long and complicated.

Jacobson: Were you interested in a more simplified tradition than that?

Williams: Yes. I did all of those complicated ones, but I simplified them on my own. I really didn't stick with doing the traditional way because it took too much time. Some of them I really didn't like doing because they were too time-consuming. I didn't have the patience for that kind of cooking. I'd do them once, and that would be it.

I remember doing a cake once that I saw on the cover of *Gourmet*. It was quite a complicated cake and took me all day to make, and it was eaten in about ten minutes. [laughter] It was a chocolate genoise cake; it didn't have any baking powder in it. It was very difficult to make--so much beating, and beating egg yolks over hot water with the sugar, beating and beating by hand, and then getting the cake baked. Then making the icing was endless, too. It went on and on, making a mocha butter cream and getting it on the cake in big swirls that had a definite pattern, almost like a basket weave all done with that butter cream. It was very difficult to do, but I finally got it done, but it was the only time I ever did it. I wasn't much on repeating those kinds of things.

James Beard's Influence on Williams

Jacobson: I understand that James Beard was an early influence on you.

Williams: Yes. James Beard came into the store probably the first year I opened, and I knew him from then on until he died. We became very good friends. He was fascinated with the store, naturally, because he was a great lover of the French. He spent a lot of time in France, and he loved France. He knew most of the good restaurants, and he had a great feeling for wine. He knew good wine--not the most expensive wine, but he knew the good wines.

Jacobson: Was he drinking mostly French imported wine?

Williams: Yes, at that time he was. He became very interested in California wine when the industry started growing here, but at that time there was very little American wine.

Jacobson: What would you say were his major influences on you in terms of cooking philosophy?

Williams: He was a person who was very easy to talk to about food. He did have a very good sense of what good food was, what it consisted of. I think he probably had the same feeling about that as I do. I've always been interested in food and in eating well, and he was, too. He was raised with food; his mother had a hotel, and he was always interested in cooking himself. He always knew how to cook. I think we spoke the same language.

He had a great knowledge of food, and he had a great recall of everything. He remembered everything that happened to him as a child in the way of food, much more so than I can remember anything. He did start traveling at an early age, too. He left home and went to New York. He wanted to be in opera, but he was never successful with it.

Jacobson: Did he have a good voice?

Williams: I never heard him sing, but he said he did. But he wasn't successful with it, so I guess he didn't. [laughter] He never got anywhere with it. I think he was in some small company in Portland, where he was born and raised, and then he went to New York. I think it was only a matter of a couple of years, and then he had to give it up and not pursue it any further, because he wasn't getting anywhere with it. That's apparently when he got into cooking. I think his first venture into cooking was in catering hors-d'oeuvres--just hors-d'oeuvres.

Jacobson: How would you characterize his idea of what made for good food?

Williams: He had a basic philosophy of food--good, simple food. And he was a great believer in American food. Even though he understood and liked French food, he was a great influence for maintaining the traditional American food and regional food. He was very interested in it. He understood all of it, I think much more so than anyone else in this country had. One reason was because he had an ability to absorb so much of what he read and what he saw, and he remembered it all. Most of us see things and read things, and we forget them; I know I do. But he never seemed to forget anything, so he had this tremendous

storehouse of knowledge about cooking, American food, and regional food, all mixed up with the French. Some Italian, but it was mostly French that he was interested in.

Jacobson: Simple food meant keeping the number of ingredients small?

Williams: Not necessarily. It was according to how it was done. Even though he was a believer in doing long, complicated recipes, I think he was also a believer in doing things as simply as possible, too. I knew I could always ask him about something, and I'd always get an answer. I'd ask him a question about the origin of something or how something was made by the French, and he was always able to answer it.

Helen Evans Brown's Influence on Williams

Jacobson: Were there other food writers or cooks who also influenced you in those years?

Williams: I spoke of Helen Evans Brown. I didn't know her very well, because she died soon after I met her. I think I only knew her about three years, and she died.

Jacobson: Did she come into your store? Is that how you met her?

Williams: Yes, through James Beard. They were here. He was here for something, and she was coming up from Los Angeles. He brought her into the store, and I met her. In fact, I had them for dinner; I fixed dinner for them. I would fix dinner for people on the spur of the moment in those days, and now I don't seem to be able to do it at all. [laughs] She became a very good friend, but she died soon.

I did learn a lot from her. I learned a lot about what she was involved in in Southern California. She was doing a newsletter for the Jurgensen Grocery Company, which had stores all over Southern California. They were expensive grocers, and most of their business was done over the telephone.

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Williams: They did establish a small cookware section in six or seven of the stores, like the Pasadena and Beverly Hills stores. She's the one who started the little shops to begin with. They didn't have much in the way of cookware before; they just had a few

things in the way of wine glasses, napkins, placemats, and that kind of stuff. Through her they established cookware, and I sold them their French merchandise. I brought it over especially for them. That went on for a number of years that I was involved with them in supplying them with French cookware for their shops.

Store Financing

Jacobson: This is slightly off the subject, but how did you get the capital in the first place to make your initial investment in all of the cookware that you imported.

Williams: When I was overseas the four years, I was getting a small salary, which I never got there; it was kept here in this country because we were taken care of overseas. So over that four-year period I built up a little nest egg for myself which was very nice. In fact, many in the service did the same thing; they were single and didn't touch any of it, and it was left in this country. That's how I was able to build a house for myself. By building a house and selling it, I made a little something, so I didn't have to borrow money.

I did own the building in Sonoma but with a mortgage. I still had the last house I had built for myself when I bought the building. I remodeled the building and made it into small shops, rented two of them and had one for myself. I sold the house in the meantime, and when I moved to San Francisco I eventually sold the building. So I was able to take care of myself. I never had to borrow money. In fact, I didn't have any credit on account of that. Unless you borrowed money, you didn't have any credit rating.

I was telling you about meeting Julemi in Paris and his checking on me through the Chase National Bank. The only thing they found out was that I never borrowed monies, so my record was clear as far as ever owing money and not paying. I had always maintained a good bank balance and so forth, and the bank was able to supply that information. But to have a credit rating, you had to borrow money, and that gave you a history of borrowing money and paying it back on a timely basis.

Jacobson: Were you at all reluctant to borrow money?

Williams: I never wanted to borrow money. There was always that fear of being poor. I never wanted to gamble on anything like that. The business was successful enough that I never had to, and I never took anything out. What I had was in the business, and I never even took a salary out for myself. It all just went back in. What I made each year went to buy a little bit more in France. Everything I made just went into buying more merchandise, and I always paid for everything in a matter of a week or two.

I had open credit in France, which was unusual. I had open credit with Julemi all those years. It was only later, when we were incorporated and started buying in other countries, that I had to use letters of credit. It was fortunate for me to have had an open account in France. I also had the same thing in England and Germany.

I never borrowed money when I was building houses, either. When I bought the building, I did buy it on time. But when I was building houses, I bought the property and built the house, and I never borrowed money to do it. The first time I ever bought anything on payment was that first building. I didn't have that very long; I sold it and paid the thing off.

Cooking Demonstrations and Cookbook Sales

Jacobson: Let's return to the store in the sixties. Did you have cooking demonstrations?

Williams: Not at that time we didn't. Well, I shouldn't say we didn't have any. We did start having demonstrations when James Beard was around and when Richard Olney and Julia Child were there. We did have things like that, but we didn't have a kitchen specifically for that in the store. We always just had sort of a make-do set-up that they could use.

Jacobson: So if they happened to be in town for a week, you might set something up?

Williams: Yes. When Marcella Hazan's first book came out, she made a tour and did a little something for a book signing--making something out of the book. They all did. Richard Olney was here for his first book and did something, but it was always a makeshift thing that we performed, because we didn't have any

demonstration area or demonstration kitchen. It wasn't until later that we started doing that.

Jacobson: How did you first become acquainted with Julia Child?

Williams: She came here when her first book came out. She and Simone Beck made a tour around the country and came to San Francisco. They did a book signing at Macy's and a demonstration. I think she did one for us after she did the one at Macy's, but Macy's was the main one in San Francisco. She did several for us after that when she came to San Francisco on book tours. She always came to the shop.

We did have the main writers, the few who did books in those days. That was just the start of it. Julia Child was the first one, then Marcella Hazan. Beard did one or two book tours, and Richard Olney. Then there were progressively more of them each year. Even buying cookbooks to sell in the store was difficult in those days, because books were sold in bookstores, not in specialty stores. The publishers weren't interested in even talking to you about buying books. I suppose a lot of it had to do with bookstores. The publishers were probably restricted to only selling books to bookstores. I am sure bookstores didn't want books being sold by other stores in a city. I think that's one reason the publishers really weren't interested in talking to you.

It was years before the publishers were convinced that specialty stores could sell cookbooks and do a considerable volume on cookbooks. Eventually we got on their list with their representatives around the country, but it was a long time before we could ever get anywhere with them on getting the latest books to sell.

Jacobson: In the fifties and sixties did you ever make recipes available to customers?

Williams: Yes, we did that. We used to have a large bulletin board that was established when we opened the store. When I'd find a recipe in a magazine that was interesting or something I'd find in France, I'd bring it back and put it on the bulletin board. We had information about cooking classes that were starting to appear in San Francisco and New York, and they were beginning to appear in France, Italy, and England. We had information on those cooking classes. Also cooking tours were starting up-- people taking a group to France and eating their way through the south of France or the chateau country--and we had information

on that. It seemed to be only the well-heeled who could afford something like that.

Expansion of Clientele and Growing Interest in Cooking

Williams: In talking about our customers, we did start getting people from other segments of society who became interested in cooking. For instance, a young woman, just married, worked in the main bookstore at Berkeley that supplied the books for college kids.

Jacobson: Was it Cody's?

Williams: Yes, I think it was. She worked there, and she was fascinated with cooking. Her husband was too, but she was mainly the one who was interested in cookbooks and French cooking. She was into all of that--haute cuisine. We had a customer, Mrs. Fulcher, who lived here. She and her husband went on an eating tour in France, and both of them were eating in the haute cuisine restaurants--the most expensive ones. She came back wound up like a clock about all the marvelous food that she had eaten, and she had all the menus from all the restaurants she had eaten in. She was the one who brought me a copy of *The Art of French Cookery*, the classic cookbook which had just come out at that time and hadn't even been translated into English. Subsequently it was translated into English, and it was a Bible that we used especially for the illustrations of what things were supposed to be like.

I remember this woman who worked in the bookstore in Berkeley, Mrs. Massingell--I've forgotten her first name--was fascinated with the book and got one. She was doing all the recipes. There was a recipe in it for gold-plating a turkey, and she did it for Thanksgiving. [laughs] Of course, you can eat gold; it is digestible. It was just gold leaf. The recipe was for doing the whole turkey in gold.

Then there were pictures of celebration cakes that were about fourteen inches in diameter at the bottom, up to three inches in diameter at the top, stacked about three feet high. We had the set of molds or pans for it; one of them had eleven tiers--eleven pans--that went from large at the bottom to about three inches at the top. They were beautifully made, and some of them were quite elaborate as far as the form went, in sort of a baroque shape. Of course each pan was flat on the top and a tube in each one until it got to one that was too small to have

a tube. I also found the recipes for them. I think there were three different shapes. One was called a Breton; there were different names for the different shapes. I think we had three different sets, and each one had a different recipe, according to the name.

I remember she made one of them once, an elaborate cake. It took her days to make it, to get all the layers baked and put together, and all the elaborate icing that went on them. But she tackled it, and she got it made. I never saw it, but she explained it in detail. So we did have people who were fascinated with all of this and were doing it. We had long conversations. There were a number of people who lived in Berkeley who were fascinated with French cooking.

Jacobson: What backgrounds did they come from? Were they college students?

Williams: Intellectuals. They read a lot. Some of them led very quiet lives socially. They weren't going to big parties or anything like that, like so many in the social whirl in San Francisco who were involved in dinner parties and all that. They were living very simple lives, but they became very interested in cooking. They would gather people around them who also liked to cook, and they were cooking for each other. That was their life; they were just completely wrapped up in it, and we were part of it. They would come over and have long conversations about making this and making that.

Jacobson: Why do you think people became so fascinated and interested in it? Was it reading, travel?

Williams: I think some of it was travel. It was inexpensive to travel in those days. Most any American who was able to save up a few dollars could take a trip to Europe. You could go over on board ship in tourist class for a little bit of nothing, really not much. Once you got over there, it was very, very cheap. You could stay in a hotel for \$1.50 a day; it was very, very cheap for Americans. So people were able to travel, and I think it was those kinds of people who went to Europe. It wasn't the tourist of today. It was a different kind of a tourist. It was the intellectual, the one who was fascinated with French history, with France itself. It wasn't just going there as a tourist to look at the tourist sites. They were intensely interested in the country and its history. If they liked to eat, it was especially interesting to them.

I think there were more of those kinds of people traveling. When the interest in travel became more widespread, they probably didn't go that much anymore. I don't think they liked being with those big crowds of people. They much prefer going and being by themselves. That's the way I like to travel. I wanted to be absorbed into the environment; I didn't want to stand out as a tourist. I never went to the tourist places. It was years before I went to the Louvre to see inside, and I never went to the tourist restaurants; I was always someplace else.

In order to do it my way, to be able to do it without borrowing money, I virtually did live in fleabags while I was there, the real cheap hotels. And by choice; I really preferred the experience of staying in places like that. They were marvelous to stay in--well, not all of them. [laughs]

Jacobson: Why?

Williams: You were seeing a part of life in that country that you wouldn't see if you were staying at a tourist hotel. Staying at a small hotel on the Left Bank of Paris--not that some tourists didn't stay there; they did, but they were usually the intellectual-type tourists who were going to school or studying. Students stayed in places like that. There were funny little hotels, and the maids were marvelous to know. The concierges of the little hotels were interesting, and they sort of took you in as one of their little household. If you were staying for a month or so, you became part of their lives, too. It was interesting, and I much preferred that. I don't think I'd be able to do it today; it would be too uncomfortable.

When you came in at night, you'd have to be pretty fast to get up to the top before the light went off. You turned the light on when you walked in the door, and you had to run upstairs and catch the next one before the light went off. All of those things--the creaky floors, the uncomfortable beds, plumbing that was awful--were all part of it.

The owner of Julemi, Andre Friedman, was a very proper Frenchman, and they lived in the best arrondissement in Paris in a big flat. He had his business acquaintances that he had lunch with in the best restaurants of Paris. He'd always ask me where I was staying, and I remember once I was staying at the Belmont Hotel. I had graduated up a little bit and was staying at a better hotel. It was sort of a business hotel, really. Once we were on a trip down to a factory and came back. I saw him the next day, and he said, "Did you get the letter? A letter arrived for you, and I sent it over to your hotel." I said I

didn't get any letter, and he said, "I sent it over. It was the Bellman Hotel, wasn't it?" I said, "No, I'm staying at the Belmont." He just naturally thought I was staying at the Bellman. He wasn't listening that well. He had never heard of the Belmont Hotel and wasn't expecting to hear about it, but he knew the Bellman very well because it was a very expensive hotel on the Right Bank. Well, they were both on the Right Bank. So I had to go over to this very posh hotel--a smaller posh hotel--and get my letter. [laughter]

Most Successful and Least Successful Products

Jacobson: Maybe we can wrap up this session on Williams-Sonoma in the fifties and sixties by asking you to comment on the most successful and the least successful items in your store.

Williams: During those first ten years it was basically the interest in French cooking from Julia Child's book and then the Italian--Marcella Hazan--and the other ones that came along. The emphasis as far as what we were selling was on things like soufflé dishes, most of the bakeware--quiche pans, tart pans. Not so much brioche molds but a lot of the little tart molds. Bread pans--bread became very much a part of it, and this was making bread by hand, probably more in loafs than the French bread, but we were getting into baguettes. Cutlery because of it being French cutlery. Pots and pans--heavy copper, of course, but more so the heavy aluminum. And the sauce pans and sauté pans; sauté pans were probably the biggest sellers. We were the ones that introduced sauté pans and were the first ones that ever sold them retail for households. We did sell an awful lot of them.

We started bringing in French kitchen towels, and they became very big. That was basically it. It was mainly the real French kitchen and serving things that sold the best. Another thing we were able to get that's not made anymore was the Arabia ware from Finland--beautiful platters and covered casseroles. They were all large shapes, but they stopped making them. The story I heard was that there were too many rejections of them, and they were losing money.

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Jacobson: Were there any items that you thought might do well and didn't? Things that never really caught on?

Williams: There were some things in the tinware; ice cream molds never sold that well, and we had a charlotte mold that never sold that well. Brioche pans didn't sell as well as the other items. I can't think of anything else. We sold an awful lot of omelette pans when we introduced those, and omelettes became very much a part of people's cooking. Of course, soufflés and crepes became very popular about the same time. We sold about three different sizes of the crepe pans.

Jacobson: I think you had an omelette pan that James Beard put his signature on.

Williams: Yes. It was an omelette pan that I found in England. It was made strictly as an omelette pan with a proper slope to the side and a proper finish inside. I showed it to James Beard, and he pronounced it the perfect size and shape for a three-egg omelette. Eight-inch diameter is the perfect size for a three-egg omelette so that it comes out the right thickness, and the sides have to slope just right so that it comes out easy. It was a pan that was highly polished inside. I asked him to put his name on it, and he said, "Sure."

Jacobson: Those must have sold very well.

Williams: Yes, they sold very well. It was the first one of that type with very highly polished aluminum on the inside and the proper shape, and it had a plastic handle so it was cool.

There was another one that came out later. I've forgotten the man's name, but he was an American who became interested in making omelettes. I think he was involved in the war in some way, perhaps as a pilot. Anyway, he took part of the dome on one of the bombers, where they had gun emplacements on a bomber--it was what was left over from the opening for gun emplacement, a thick aluminum form--and it was a perfect omelette pan shape. [laughter] It was what was left over after the war, and he bought these things up and put a handle on them.

They would have been expensive to make, but being as they were surplus items--. I think eventually he did have to make them. They were very, very thick aluminum and very highly polished, and he had a handle made for them. He became very well known; he was famous for those omelette pans. They were very expensive, but they were a beautiful omelette pan. They were much thicker than any omelette pan that was ever made. Of course, aluminum conducts heat so well. He did become famous for his omelette pans over a period of years, and then it sort of disappeared, like so many things.

Jacobson: I think that's one of the best peace dividend stories I've heard.

Commissioned Merchandise

Jacobson: There's also a story about the baguette pan that you carried.

Williams: The baguette pan was one that I had made. The professional ones are made for bakeries in France. This was one that was fairly new that this French company made for bakers all over the world making French bread. It was black steel in a waffle pattern so that it was very strong. It was a new concept for baking bread. The ones they made for the bakeries held about six loaves of bread and were much longer. The company made one for us that would fit in an American oven with just two loaves.

Jacobson: Was it very often that you would get a manufacturer to adjust something they were making for Williams-Sonoma?

Williams: We could get things. The factories were small enough in those days to get things made, but we didn't have too much to change. There was a company called Combrichon that made things out of wire, like cake cooling racks. We still buy the same cooling rack we got thirty-five years ago from them. I got them to make--you've probably seen them--an egg rack like a little tree that holds eggs. I had them make that from an old one I found in a flea market. I got them to do it a little bit different; it had a little wire basket at the bottom, and the tree came out of it, and there was a place for a salt shaker up in the top.

I found a wire basket in the south of France that had a cover; it was a goose basket. I had them reproduce that without the cover; it had a hinged cover to keep the goose in. I had them remake that one, and that was made for us.

I had an old wire basket that my French woman friend in Sonoma gave me. It was an old French wire basket that her mother had. She gave it to me once, and I took it to France and had them copy that and make a three-tiered basket. You've probably seen that one around, too. It has a wire foot, then a basket about a foot in diameter that flairs out, then a smaller one, and an even smaller one at the top. It stands about three feet high. I had them make that, and we sold that for a number of years. They were supposed to make them only for us, but now

they make them for everybody. I see them everywhere. They're expensive now, but you do see them around.

I also had an urn made--like a terra cotta urn, only in wire. I found a plastic container that would fit right inside, and we sold those as wine coolers. There were quite a few things I had made in that respect. We had a steel omelette pan at one time that I had made in France. Eventually we had the ovenware porcelain serveware. We had that made with a couple of patterns on it; they started putting patterns on the white porcelain restaurant ware. They were doing that for some of the restaurants in France, so I had them make a couple of different patterns for us.

It was easier to get things made in those days than it is now. It's very difficult. You have to order so much at one time, but at that time you didn't have to order very much because the factories were much smaller. They could do things like that and fit it in their production.

Jacobson: Now the small ones just don't exist?

Williams: No, they don't exist anymore.

Jacobson: And the big ones wouldn't do a special order because you wouldn't have the volume?

Williams: Yes.

Expansion of San Francisco Store

Jacobson: Is there anything else we should cover before we move on to the mail-order business?

Williams: Well, you know that the store in San Francisco did expand along the way. The building we were in was originally one building. Maybe I should explain that a little bit more. It was a very old building that was a silver shop--Schmidt Silver Company. Their original store was in Pasadena, and they established one in San Francisco in the early 1900s in this location. It was just a brick building, and I remember it very well. It had a porch that ran across the front, and it was all one building. It had a courtyard in the center.

Then it was remodeled and made into three shops; they closed in the courtyard and made a shop out of it. We were only in one section of it that Schmidt Silver Company kept. They originally had the whole building, and then when it was remodeled, they just took one-third section. They really didn't stay there long after it was remodeled. It was only about a year after it was remodeled that they decided to close up the shop and go back to Pasadena.

I rented that part of the building. There was a decorator in one of the other sections and an Indian shop in the middle one. We had just the single shop, which was very narrow. We did have the basement because the stairway to the basement was in our shop; so we had the basement under the whole building, which was fortunate. I was buying so much stuff in France, and it was coming over in big barrels. We had the basement crammed with merchandise.

Jacobson: That was your warehouse.

Williams: Yes. Of course, we built up an inventory that was way beyond what we were selling, but it was what made the shop look the way it did. So it did take a lot of inventory for the business. By all standards today it would be said that it wasn't a practical way to run a business, having such a big inventory with so little turnover during the year. Nonetheless, it worked for us. I think it was because there wasn't the competition; we were the only ones who had that scope of merchandise.

Addition of an Antique Shop

Williams: It wasn't until 1969 that we took over the second, middle section of the building.

Jacobson: The Indian shop had closed?

Williams: The Indian shop had left, and there was an art gallery in there for a while. He left, and then we took it over. I made two openings, one in the front and one in the back, to get into it. I didn't open it up completely, just two large openings. I made that part of it an antique shop to begin with. Almost from the beginning on my trips to Europe I started buying antiques more or less as props in the shop to begin with--oak furniture, oak tables and so forth that were used as display fixtures. We had two small rooms in the back and made them into little antique

shops. It was mainly English oak and blue and white Staffordshire ware--just sort of interesting things that went well in the shop.

I had bought so much of it because it was a period when it was very easy to buy antiques. They were very inexpensive. So I did spend part of the time when I was in Europe on the buying trips going to England maybe for two weeks, renting a car, and traveling around buying furniture and accessories. I had an awful lot of it, so I decided I would just open an antique shop and separate the two--have the kitchenware shop by itself and not mixed up with anything else. Although for about ten years we sold kitchen paintings. We had the walls covered with kitchen paintings that local artists did. They were selling marvelously. They were pictures of vegetables and fruit--watermelons and things. I remember one, Jack Johansen, was the art director at Saks Fifth Avenue who did all their windows. As a hobby he did kitchen paintings, and most of them were watermelons; he did watermelons in every conceivable way. We sold those.

There was another young fellow who worked in a florist's on Polk Street who did marvelous little paintings. Every once in a while I'll see one of those in somebody's house. He did mainly vegetables--artichokes, squash, and things like that. So we had a little art gallery, and it gave a lot of character to the shop. It was another thing that made the shop a little bit different and gave it a different look. The ceilings were very high in the shop, and it was a way of making the place a little warmer to have this marvelous collection of paintings on the walls. That eventually went away. They stopped painting, so we didn't have those anymore.

Anyway, we had the second half of the shop as an antique shop, but that only lasted a year. I rented another shop further down the street for the antique shop. It was a much larger space with another big basement. We expanded the kitchenware shop into the second sections [that had been the antique shop] in 1971.

Jacobson: How did the antique store do on its own?

Williams: It did fine. I eventually had to stop buying for it, because I didn't have the time. I'd say that after I moved it down to its new location I only made two trips for antiques; there were only two years that I stayed over and did buying for the antique shop. We decided it was too difficult to continue buying for it, and we just let it go down. We had a lot of extra stuff at

the time, and it went on for the period of the lease, about seven years. In 1977 we closed it up.

A New Aesthetic for the Kitchen

Jacobson: As you are describing the kitchen art and the antiques, I'm reminded of something that I think James Beard said, that I think you quoted in your first catalog in 1972. He said, "A kitchen is not a laboratory but a place to spend time pleurably in surroundings embraced by one or two antiques, amusing pictures, and wonderful pots and pans that beg to be used." Did you have this vision of the kitchen in mind?

Williams: Yes. I think that right from the beginning I had that. In fact, I encouraged people and wanted it myself. I did have it in Sonoma. The building that I bought that had the hardware store in it was actually a building that was built onto the front of a house; the house sat back off the street, and they built this building in front it, attached to the house. You could go from the back of the building into the house. After I sold my house I moved into this house in the back. It was just an old house; nothing had ever been done to it. I was remodeling along the way, and I really only got one room and a bathroom done. The rest of it I never did anything to.

Part of the house was really cut off, like the living room had been cut off. I made a kitchen, and it was the main part of the living quarters. It was always called the Spanish kitchen because I found some wallpaper that was in large blue and white tiles that had some yellow in it. It was a very baroque pattern, a beautiful pattern, and it made a marvelous effect, because I had the walls covered in this Spanish tile paper. I had a dark wood floor. I got pecan wood, which is dark to begin with, so I didn't have to darken it much other than just putting varnish on it, and it was very highly polished. I got old furniture--a round mission table and six early American captains' chairs--and painted everything white. I had a banquette along one side with some big cushions. With the Spanish tile paper and white furniture--I painted the chairs and the table, and it was all old, nondescript furniture, but painting it white made it look entirely different. Some of the chairs had cushions. It was really a very comfortable kitchen, even though there wasn't overstuffed, comfortable furniture, with the banquette that had cushions on the back, and the cushions on the chairs around the table. And I had some

interesting old things on the wall that I had found, old polished brass.

It was about the first use of formica. Formica had just come out, and I did the kitchen counter in white formica. I almost burned the house down getting it on, because it was very difficult to install. You had to install it on the counter, and the adhesive that you put it on with was very flammable. I didn't think anything about it, but it caught fire from the pilot light in a wall furnace in another room; it was in the wall adjacent to the kitchen but in another room. It was just the fumes from the gas pilot light that the stuff set on fire, and the kitchen caught on fire. But I got it out. It burned the cabinets. I had just finished them; they were painted white.

Everything was new--new type of counter, stainless steel sink. So it had a marvelous look and was very comfortable. That's what I wanted. That's the kind of kitchen I thought people should have--a comfortable kitchen. That's what I was doing in the shop; I was getting antiques that would work in a kitchen environment. That's what it was all about.

Jacobson: You were making the kitchen the center of the house.

Williams: Yes, I was. I eventually did have a kitchen in San Francisco that I did myself--a living kitchen.

Jacobson: Where you could entertain friends?

Williams: Yes. It was in *House and Garden*, and then it was featured in *Architectural Digest* just a few years ago.

Mike Sharp's Contributions

[Interview 3: August 26, 1992]##

Williams: I really didn't get into the help I had on the store. When I moved the shop to San Francisco, a fellow I met in Sonoma helped me move. We moved it together, and from there on he was very much a part of Williams-Sonoma. He was the one who kept it going; between the two of us we kept it going as cheaply as possible.

Jacobson: What was his name?

Williams: Mike Sharp. He was there consistently from then on when we moved to San Francisco. He was the one who waited on most of the customers, actually, because I was doing other things. I was doing the unpacking, stocking, sweeping the floor, and so on. I was waiting on customers, but his main emphasis in the business was waiting on customers and being there constantly. He was never away. When it did come time for me to make trips, it was always easy; I never had to worry about making a trip.

Jacobson: Because he managed the shop?

Williams: Yes. I would say it was a partnership, and yet it wasn't, because the business was mine; it wasn't a partnership of ownership in that respect. It was a partnership of running the business. This is all he wanted out of it; he didn't want to own half of the business. He wasn't interested in the problems of paying the bills and that sort of thing.

Jacobson: Was he part of your circle of friends in Sonoma who were interested in gourmet cooking?

Williams: Yes. He wasn't a cook himself; he just liked to eat, and he was interested in food. He was very much a part of that.

Jacobson: Did your staff grow much during the sixties?

Williams: Not too much. I think it's probably very important that that particular person was involved with this, because he was very much a part of the growth of the business--the forming of the business as far as customer service. He had the same feeling as I did, of giving extraordinary service to customers. He did know a lot of the customers, even before. He had been in the antique business in San Francisco, and he had worked at an antique shop in Menlo Park down on the peninsula that was very much a part of all the customers that we had at the beginning--all the San Francisco area customers in the upper-middle class who became our first customers. He knew so many of them, so it was just natural that they were very well taken care of as far as service was concerned.

Jacobson: By virtue of knowing all these people, did he help attract them initially to the store?

Williams: Oh, yes, very much so. I think it was very much a part of that growth in the business at the beginning. I was doing all the buying. I think he made two trips right at the beginning, but I made all the rest of them. Even the antique buying--I became a very good antique buyer. I just had a natural understanding of

good antiques and recognized them. He had been in the antique business before. He was raised on it. He worked as an apprentice, a decorator, in antiques when he was very young, so he did know antiques. That was probably the reason we developed the antique part.

Jacobson: Did he help with designing the displays, too?

Williams: Yes, somewhat. There's no doubt that I was influenced by that, too, because he had marvelous, simple taste. A lot of the customers knew him in the past, when he'd been at Merryvale and when he had his own antique shop; they all thought very highly of him. They always felt he was one of the best in his knowledge of simple decorating, simple display, simple furnishings--the best of furnishings, knowing what they are and recognizing them. Undoubtedly I was influenced greatly by that.

Jacobson: When you use the word "simple" to describe taste, what do you mean?

Williams: I describe simple as being the best; I consider the best as being simple.

Jacobson: Which means not ornate?

Williams: Not ornate, in the best of taste, the best quality.

Jacobson: Natural?

Williams: Natural.

Jacobson: You had Mike assisting in customer service, and you were handling all the rest of it. What kind of hours would you put in on an average day?

Williams: I always lived near the shop, so I was always able to walk. There were a number of years that I didn't have a car, because I never went anywhere. I would be at the shop probably at eight or eight-thirty, and I probably wouldn't leave until seven or seven-thirty. We were open from nine-thirty until six.

Wade Bentson's Contributions

Williams: Another person who was a big help with the business was Wade Bentson.

Jacobson: When did he come in?

Williams: He came in about a year after we moved the store to San Francisco, I think about 1960. He moved from Oregon to San Francisco, and it was right after he moved here that he came to work for us. He was nineteen or something like that.

Jacobson: What were his responsibilities in the store?

Williams: He just started out helping in the store. He gradually became very much a part of doing everything in the store and very influential as far as the display of the store was concerned. Eventually he became very much a part of buying merchandise. It really came to the point where he was buying merchandise in this country, and I was buying merchandise in Europe. I went to Europe, and he went to the Chicago housewares show and bought in this country.

Expansion into American Cookware

Jacobson: Most of your business was imported goods, and did you then decide to get into American wares?

Williams: Yes, we did start getting wares from some American manufacturers, but it was probably six or seven years before we got much of anything American.

Jacobson: What kinds of American goods did you buy?

Williams: We did get Calphalon cookware when it became a part of retail household cookware. We were able to get some of the commercial bakeware in this country. It was difficult to get, but we did manage to get a little bit.

Jacobson: What made it difficult to get?

Williams: The manufacturers really didn't want it sold in retail stores because it conflicted with restaurant supply businesses. It was only for restaurant and bakery use--commercial use.

V BEGINNINGS OF WILLIAMS-SONOMA CATALOG AND MAIL-ORDER
BUSINESS, 1970-1976

Growth of Business

Jacobson: Why don't we turn now to the decision to incorporate and start the mail-order business. How did that decision come about?

Williams: I do know the dates of that. Along about 1969, '70, '71, it was getting to the point where the business had increased. It was the one store, but we'd increased the inventory so much. We had taken over a second section for the store on Sutter Street. First it was the antiques, and then we moved the antiques out and got another building for them. Then we expanded the kitchenware into a second section. We had an enormous inventory for one store. We were also supplying Jurgensen's Grocery, as well as a small shop in Sonoma, and we were wholesaling a little bit, which became extra work as well as extra business. Business had increased in the store and we had to have more people. We had extra help, and especially at Christmastime we had to have a number of extra people working.

I was spending nights on bookkeeping, and it was becoming difficult. I was doing too much. I was still working every Sunday, and I never took a day off. I was spending all day Sunday rearranging the shelves. They were just painted shelves; they weren't like the shelves we have today that are of formica and very easy to keep clean. Painted shelves had to be scrubbed, because when you moved pots and pans around on a painted shelf they turned it black. So I had to scrub them every Sunday. I could have paid somebody to do it, but I didn't want to spend the money. [laughs] I felt it was something I could do. It wasn't that I disliked doing it; I really liked doing it. I always have enjoyed that kind of work, but it was a case of doing it every Sunday and not taking any time off to do anything else and getting to where you are just a workaholic. I

wouldn't advise anybody to do it, just because I did it myself. It really didn't do me any good.

Jacobson: That must have made your buying trips a joy in terms of a change of scene.

Williams: Yes, that was the one change that I had. There was thought of doing something with the store--selling it or something. The possibility of selling it was talked of, because The Magic Pan--The Fonos started that, and when it was only about two years old they sold it to Quaker Oats. They did very well. They were still part of the business for a while, expanding and opening Magic Pans all over the country. I knew them very well. In fact, I discovered the little restaurant when it first opened, and I became very well acquainted with them.

So I did know that was a possibility. Otherwise I probably never would have thought of it. A friend who was in the commercial real estate business brought the subject up, and he did investigate the possibility of a sale like that to a big company. He found though that there was no interest at that particular time.

Jacobson: Just to backtrack a little bit, how long were your buying trips? How long a period of time would you be away?

Williams: A month each year.

Jacobson: What time of year did you go?

Williams: In January or February; it was after Christmas. There were trade shows in late January and early February in Europe, and occasionally I did go to them but not always. It was only later that going to trade shows became a part of every buying trip, after the catalog built up to a point where I had to do it. Before I didn't have to. It was more important to go to factories and look in stores. I found more things in shops and larger stores and also factories than I ever did at the trade shows. Trade shows were much smaller in those days, and it was mainly large manufacturers, so they weren't that interesting. It was only in later years that they became very interesting, when there were more people going to trade shows, and then smaller businesses were in them. In those early days the trade shows were mainly for Europeans, however, a few Americans went over, mainly department stores that sent their buyers over.

Jacobson: These were standardized products that didn't have any handcrafted appeal?

Williams: Yes.

Idea for Catalog

Jacobson: How did it come about that you gave up on the idea of selling the business and decided instead to incorporate and start a mail-order business?

Williams: First of all I did a catalog. That was through Jackie Mallorca, who does the copy of the catalog still. We had a British week in San Francisco, and Princess Alexandra was here for it. There were a number of celebrations in connection with it, and all businesses in the downtown area were encouraged to have a British theme during the week. And we did. We certainly could do something like that, such as having British food. We did have some British baking equipment, things we had been able to get in Britain--not too much, but some.

So we did a display of traditional British food, like a trifle. I did a number of things and made them so that they would keep for a year. I had a marvelous large copper mold, and I made a typical fancy British meat pie that would have been done during the Victorian times. There was a steamed pudding, a traditional plum pudding. Jackie Mallorca, who is English, happened to come into the store and see it, and she was very intrigued. I don't remember whether she knew the store that well before, but she liked to cook and was an exceptionally good cook. She was working for Doremus, an advertising agency in San Francisco.

Jackie was intrigued with all the things I had done, this sort of big buffet of British food, and she approached me with the idea of doing a catalog. She said she would like to do it herself. I thought about it, and I called Edward Marcus, who was Stanley Marcus's brother, at Nieman Marcus. He was the one who had done the catalog at Nieman Marcus over a period of ten years and had built it up from scratch to what it was at that time, which was probably at its peak when he retired. That would have been in 1970, because our first catalog came out in 1971.

Here is a photograph of Princess Alexandra that I got when she was here.

Jacobson: Did she come by your store?

Williams: Yes, she came by the store. It was about the middle of the week that I had a telephone call from her lady-in-waiting saying that she would like to visit the store. It wasn't an official visit that had been planned ahead of time, but she had passed the store in her limousine when going from the hotel to lunch or dinner or something, and she thought it was a marvelous looking store and would like to make a visit the next day.

They gave me all these instructions of all the protocol and all the things you have to do: I had to be standing out at the curb at a certain time when the limousine arrived, help her out of the car, welcome her--what you were supposed to say and how you were supposed to say it--and escort her through the store. She was a charming woman and very appreciative. She was fascinated with the store. Apparently she liked to cook herself and was very interested.

In any case, Jackie Mallorca and I talked about a catalog, and I called Edward Marcus. I knew him before he was retired, and I saw him at a couple of trade shows in Los Angeles and here. He had been in the shop a couple of times. I knew him only as an acquaintance; he always introduced himself. So I thought, "I'll call him and ask him what he thinks about my starting a catalog."

He thought it was a good idea to start a catalog. He did ask about the business the couple of times he had been in, how it was doing and what it did. So we did a catalog. Jackie did the catalog completely. She designed it (it's that one over there [indicates]) and got it photographed. Through her connections with Doremus she was able to get it done as cheaply as possible, because that kind of catalog is expensive to do if you are going to do it through regular channels. But she knew how to get it printed. Some of it she did through Doremus, some of it she got through on her own by knowing some of the sources. In any case, we got it produced while she was still working for Doremus.

First Mailing of Catalog, 1970

Williams: It was only mailed to our mailing list, names that we had collected over the years. We opened a charge account for everybody we could. We offered to bill them; we never formally opened charge accounts. It was just a matter of a person coming in to shop from someplace else, and if they bought some things

that they wanted shipped back, we just automatically said we would send them a bill for the whole thing when we got it shipped and knew how much it cost. So we were very conscious of getting names and addresses. We got the names and addresses for every check we ever received. In those days people either paid by cash or by check or we charged it to them. There were no credit cards.

So we were able to get a lot of names and addresses. We were very careful about getting them, because we wanted the names and addresses.

Earlier Catalog Efforts

Jacobson: Why did you want to keep all the names and addresses?

Williams: Well, we were hopeful of doing mailings. We had mailed out one small mailer that we did ourselves in 1961 or 1962, about three to four years after moving to San Francisco. Then we did another one about 1966.

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Williams: Wade Bentson was the one who instigated the second one and took care of having it photographed.

Jacobson: This one was done in 1966.

Williams: Yes. We sent it out to our whole mailing list and had a fair response on it.

Jacobson: Why did you do it once and not continue it?

Williams: We really didn't know anything about the mail-order business, mainly. [laughs] We really weren't prepared to get into the mail-order business. It was only through Jackie Mallorca knowing a little bit about it--she didn't know too much, but she knew something about it, being in the advertising business--that we started doing it as a viable business. I would say that my way of doing things was doing everything yourself, and I saw no way of doing it myself. I just didn't think that way, of getting somebody else to do it. In the first place, I figured it would be very costly to have it done, and I didn't want to spend the money on something like that, knowing it was a pure gamble as to whether it would work or not. But having somebody

come along like Jackie Mallorca and wanting to do it, willing to take part of the risk of spending her time to do the first one and see how well it did in a proper way--.

We had done the second one on a shoestring. It was a customer who was the photographer. He really didn't do this kind of photography, but he said he would do it. He didn't charge me very much for doing it, and we put the thing together ourselves. I really didn't know anything about catalogs, but we sent it out.

Jacobson: It's a nice looking catalog.

Williams: Yes, but we only sent it out the one time.

Jacobson: Did you get much response from it?

Williams: We got some, but not too much. It wasn't enough to make us say we were going to do it again, and we didn't. But the third one did.

Production of First Catalog

Jacobson: Did Jackie Mallorca offer her services at a much discounted rate?

Williams: Oh, yes.

Jacobson: Did she do it for free, just as a test to see if it would work?

Williams: Yes.

Jacobson: Did she bargain with you that if it did work out she would continue doing it?

Williams: Yes, we talked about the possibilities. She wanted more or less to prove to herself that she could do it, and this was a chance to do it and prove to us that it was something that was a business that she could be part of. There wasn't any formal arrangement made; it was just a casual thing.

Jacobson: What was the response?

Williams: It was very good.

Mail-Order Business in the Early Seventies

Jacobson: Do you recall what the mail-order business was like in the early seventies?

Williams: There were many catalogs around during those year, but I was not a mail-order customer. [Montgomery] Ward, Sears and Roebuck, and L. L. Bean were sending out catalogs. Then Nieman Marcus with their catalog was virtually a new thing. It was a glamorous catalog that they put out, and their upper- level customers knew about the Nieman Marcus catalog. Nieman Marcus at that time had quite a glamour that was mixed up with it. You read stories about the store in Dallas as well as Houston and the customers they had, what they spent, and the fashion and all that. It was marvelous to read about because it was so unusual, something new and different that was happening away from New York. Things were happening in New York, but here it was in Dallas.

Then the Kenton Collection was started about that time.

Jacobson: What was that?

Williams: That was a combination of George Jensen, Mark Cross--three or four expensive stores in New York that went together and formed a business and also a catalog called the Kenton Collection. It consisted of things from the George Jensen merchandise: fine porcelain, silverware, glassware, plus merchandise from the other store in it, and I think there was a little fashion. There was one that had handbags. Anyway, there were three or four different ones that went in. In fact, they opened one in Beverly Hills on Wilshire Boulevard. It didn't do too well; they spent too much money on it, and their overhead was too much. It was about ready to go under, and Horchow, who had been working at Nieman Marcus in the mail-order department, negotiated to get the mail-order catalog--not the store, just the catalog--and that became the Horchow catalog.

Jacobson: It was the same collection?

Williams: No, he changed it.

Jacobson: What was he buying when he bought the catalog, if he changed the merchandise?

Williams: I think mainly what he bought was their mailing list.

Jacobson: While we're on the subject of fashion, cookware, and silverware, I noticed that in the early days sometimes your store served as the backdrop for a number of fashion photos. Judging by the clothing, it looks like the late sixties.

Williams: It would have been in the sixties, because this was in the back of the shop. There were two little rooms in the back of the shop that I spoke about being in antiques. The first little room was called the Marianne room because we had red-and-white-checked wallpaper. They were very small rooms, and this was the collection in them.

Jacobson: Did somebody approach you to do fashion photographs?

Williams: Yes.

Jacobson: Did that happen a lot?

Williams: It happened occasionally, yes. I'd say they used the shop for fashion a couple of times a year, and they used the front part more than they ever used the back part. I think mainly it was because there were very high ceilings, it was all white, and it had a marvelous new look with different merchandise. It did have a good look and was a very good place to photograph models in.

Jacobson: And it got you some marvelous free publicity.

Williams: Yes, we got some publicity.

Other than Nieman Marcus and Horchow, basically there weren't any other exciting catalogs; that was it. They were mainly the beginning of the explosion of the catalog business.

Jacobson: Were you trying to get into the same glamour niche as Nieman Marcus and Horchow collection?

Williams: It was sort of natural for us to do it, because we had the same store customers; our customers were the same as Nieman Marcus's and Horchow's. So it was the natural thing for us to start a catalog, knowing that that category of customer would buy by mail. We used our own list of names, which, as I said, we were very methodical about collecting. We even asked people for their name and address if they paid cash. Not every customer, but if they bought more than three or four things we would often ask them for their name and address.

Of course, we delivered free in those days locally. We delivered free by United Parcel right from the beginning, probably for twenty years before we had to give it up because it became too expensive. We got a lot of names and addresses locally, and eventually we delivered by United Parcel up and down the coast of California. Then United Parcel became nationwide, and we used their services, but we had to charge for anything out of the city. So we were able to collect an awful lot of names and addresses, probably eight or ten thousand names, which was fairly good for one shop in those days.

Jacobson: How did you go about trying to expand the mailing list?

Williams: That was a little bit later. We used our own list for that first catalog. We did this one for Christmas, and we followed it up the next year, which was more of a formal arrangement of really getting into the mail-order business with Jackie. She more or less took it over, and then she came to work for us, doing the catalogs. I've forgotten what the arrangement was, but she wasn't working full time; she was just working part of the time to do the catalog, which wasn't a full-time job. I think that was when she decided she really wanted to work freelance rather than writing copy for Doremus.

I think for the second catalog there were some names we got from somebody locally--a wine dealer or something. It wasn't very many.

Publicity for Store and Catalog

Jacobson: I have a copy of a memo written in January of '73, and it lists the number of orders you got: 315 orders from your in-house mailing list, 50 orders from *New Yorker* magazine ads.

Williams: That was one of the things we did; we placed ads in the *New Yorker* selling something and also speaking about the catalog.

Jacobson: Saying that if they wanted to be on the catalog mailing list they could send their name to you?

Williams: Yes. It was very difficult getting in the *New Yorker* at that time. It had to be approved; you had to be invited. I tried getting in the *New Yorker* even when I was in Sonoma. I met someone who worked for the *New Yorker*, and I did get an ad in, but you had to be approved as to the kind of merchandise you

were selling, what kind of a store it was, who your customers were. They were very fussy about it. They didn't have many advertisements in the *New Yorker* in those days. It wasn't as if they were trying to make an advertising vehicle out of it; they didn't depend on advertising for their revenue. They were doing it more as a service to their customers rather than for revenue.

Jacobson: Why were you acceptable in 1972 and not before?

Williams: No, I did get ads in before that, early on. I did get one in when I was in Sonoma, but it took quite a bit of investigation, because the shop was too new. The first thing I advertised--and I'm pretty sure it was before I moved to San Francisco--were some faucet heads that were made in Sebastopol by a man named Harry Axford. He had been in the foundry business in San Francisco, and he retired in Sebastopol with a ranch. He got back into foundry work of casting brass heads for outdoor faucets. You've probably seen them; one is a rabbit, one is a quail. I met him soon after I opened the store in Sonoma when they happened to come by; they had just started making the faucets. He was showing it to me, and I thought the quail was the best one. We started selling them in the store, and we sold an awful lot of them for a little store in Sonoma. I thought that would be a very good thing for the *New Yorker*, and it was.

Jacobson: Did you advertise in other magazines?

Williams: No, the *New Yorker* is the only one we ever did.

Baskets and Gardening Products

Jacobson: It was interesting that even back in the early days you were interested in the gardening end of things with the faucet heads, which you have branched out into more formally with Gardener's Eden.

Williams: Yes, and we also had sundials, baskets--we did quite a great basket business in those early years. We had marvelous baskets from France. All of those things were before they became popular in other businesses. There were Chinese baskets around Chinatown, but when you got away from that kind of environment you really didn't see many baskets. I think I was about the first one to do anything with French baskets.

Jacobson: What would people use them for?

Williams: Flowers, plants. I was the one who brought in oyster baskets. They came in different sizes, five or six. We started a whole trend with those among our customers. They came nested in five different sizes, the small one about fourteen inches in diameter and on up to about twenty-four inches. That was really the only way you could afford to have them shipped because of the cost of the space that they took. We started selling them in the shop, as well as using them to display merchandise; our customers used them as a basket to put a ficus plant in. It finally became the craze of the decorators around the country. In fact, the head of the window department of Saks Fifth Avenue in New York was out here and saw the baskets, and we had to send him enough baskets to put two or three in each window of the main Saks Fifth Avenue store. They had a ficus plant in every one. If you are familiar with the New York store, there are a lot of windows. That started a whole new trend on the East Coast for those oyster baskets.

It was sort of unusual. A very interesting thing that happened was that they were used in beautiful French rooms that had French paneling, beautiful French furniture. It became a status thing to have these ficus plants in a rough oyster basket. The bark was still on the baskets; they weren't stripped. They were just dark willow baskets with the bark still on them. They just had this natural look of "This is where they belong," in beautiful settings of beautiful furniture, beautiful rugs, and beautiful walls--a rough basket with a ficus plant in it.

At that time magazines like *House and Garden* also showed up with beautiful rooms with a ficus plant on each side of the fireplace in an oyster basket.

Jacobson: So you started a trend.

Williams: Yes, and it lasted a long time. They're still used that way, but it was very much a trend and very necessary for some people to have what was current.

Jacobson: That must have helped generate considerable publicity for you once again.

Williams: Yes. It was one of those things that just was created by word of mouth that Williams-Sonoma had these baskets. "They were a kitchenware shop, but they had these baskets that really had nothing to do with kitchenware." That's what happened all through those years. I'd find things like that that really had nothing to do with kitchenware, but they looked good in the

store. It wasn't anything that was completely out of place. It never was; it always looked in place there. And it was the thing that kept people coming back and back.

The way the business was in those days with that single shop, every time the ladies came down to get their hair done they always stopped in the store. I mean, every week we'd see the same people. They'd stop in to see what was new, and we always had new things throughout the year, just little things like that, that they were attracted to. Fortunately I had the ability within myself of picking out things like that, which I liked myself and thought were just marvelous, and they did too! It was just a natural ability of being able to find things. I didn't buy these things with the idea that I was going to sell a lot of them. It wasn't that at all. They were things that I liked myself, and I felt reassured that since I liked them, the customers were going to like them. And they did.

Jacobson: You were the consumer, and the consumer was you.

Williams: Really, the consumer was me. I was always very conservative about buying anything like that. I'd only buy a few to begin with. I didn't buy five hundred of something and say, "I'm going to sell all of these." I never did that. If I saw something new, it was only a few that I bought. Then we'd run out, and of course I'd have to reorder.

Jacobson: I was going to ask if you often found yourself overwhelmed with orders without the supply.

Williams: That only happened after the catalog. When you do it in the catalog, then you're in trouble. When you just have a store, you don't notice it so much if you run out--"we'll get some more the next time." But when you put something like that in a catalog and they sell, then they're already sold, and if you can't deliver you have a problem.

Free Publicity in Magazines

Jacobson: I also remember in your files that *House and Garden* periodically had great gift ideas, and there would invariably be a few Williams-Sonoma items.

Williams: Yes, even in those days we got considerable coverage in a few magazines. Now we get a lot.

Jacobson: What were the magazines?

Williams: *House and Garden, House Beautiful, Town and Country, Better Homes and Gardens, Sunset* magazine. *Sunset* magazine got a lot of stuff from us. They used a lot of our stuff for props, and *Better Homes and Gardens* did, too. *Better Homes and Gardens* was unusual, because they bought things. They had a tremendous warehouse of props. They never borrowed anything; they always bought it. Most magazines just borrowed things.

Jacobson: These are props for their photographs?

Williams: Yes, and they would give you credit.

Jacobson: So you really got an amazing amount of free publicity that way.

Williams: Yes, we did.

Creation of the Mailing List

Jacobson: I am still looking at this memo on your initial orders. There were also nine orders from the James Beard list. What was that?

Williams: That was one of the lists we borrowed; we borrowed his cooking school list. He had a big list of students, because he had been teaching classes for a long time, and we did use that.

Jacobson: Then I see "Doremus personnel list," so Jackie sent it to all the people she worked with?

Williams: Yes. That was really a test marketing idea because she could get evaluation of the catalog from them.

Evaluation of First Catalog and Mailing List

Jacobson: Then I came across a memo--perhaps you wrote it--on how to evaluate a mailing list and how to evaluate what the catalog's tone should be.

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Williams: I don't think I wrote that. I think this was probably Jackie. I'm sure it was written to get Edward Marcus's comments.

Jacobson: Does this [hands memo] help you recall what some of the early concerns were?

Williams: A lot of them are mentioned there. The first catalog was black and white, and there is something here about the color. This was probably written right after the first one came out. We were concerned about whether it should be in color or not, because Horchow had gone to color, and Nieman Marcus was in color, but there were still some catalogs that were black and white. We couldn't afford color in the first one, but on the second one, after debating the issue, we decided that maybe we should try some color. We only did part of it in color, about half of it; so it came out in color in different places in the catalog.

Jacobson: Did you find that you had better results with color?

Williams: Yes, it was better in color.

Jacobson: There's a question here about price range, whether items should fall within a certain range or whether there should be a few that are really, really expensive for shock value or snob appeal.

Williams: We did try things like that, and we found that it didn't work for us. Even when we have things that are expensive, I don't think that is part of it. I think what we were talking about there is the Nieman Marcus approach of having something for the shock value, for the snobbery of it. It was during that period that they started doing those his and hers gifts that were very expensive, very outrageous; they were outrageous things that they offered for his and hers Christmas presents for people who had everything. They made a big point of that, a big show of doing that sort of thing.

It didn't work for us. We tried it with an expensive espresso machine--devoting a whole spread to an expensive brass expensive machine--that I guess we got from Thomas Cara, but it didn't work. We tried once a silver-plated saucepan, and that didn't work, either. We were encouraged to do it by Edward Marcus, since they'd been successful with that sort of thing, but it didn't work for us. I think there is [in my files] probably a list of "things to go over with Edward Marcus." That's probably the reason that list was made. I don't remember, but I know that we did have conversations with Edward

Marcus on this first catalog and when we did the second one about what direction we should take and so forth.

Jacobson: There was also some concern expressed about evaluating and developing mailing lists.

Williams: We hadn't gotten into that yet, but we were thinking about the possibility of renting a mailing list. I didn't know anything about mailing lists, and I think Jackie knew not much more than I did. She knew that they existed and a little bit about them, but I didn't know anything about them at all.

Jacobson: So in the early years were there mailing lists that were developed for people with certain incomes, certain hobbies, or was it not quite that refined?

Williams: I don't think it had gotten that refined in those days. I think the first mailing list that we used was the Nieman Marcus one; because of Edward Marcus we were able to use part of it.

Jacobson: That happened in the seventies?

Williams: Yes, after he became part of the business.

Decision to Incorporate, 1972

Williams: After we did the first catalog, I was not sure how I was going to survive physically with the business, because I was working too hard. I knew it, and I didn't know how to do anything about it--what I ought to do with this business. I didn't want to lose it. I didn't have the mentality or that kind of thinking to say, "We'll open another store. We'll go to the bank and borrow money to open another store, and we'll hire people," and all this. I couldn't do that. I just didn't think that way. It was beyond my realm. I knew how to keep the store up; I could buy for it or talk to customers, but that was as far as I went. When it came to finances, forget it. [laughs] I just don't think that way.

I did call Edward Marcus and ask him when he was going to be out here again and that I wanted to talk to him. He was going to be out, and we made arrangements to have breakfast at the hotel when he was in San Francisco. So I went up to see him, and I said, "What do I do with this business?" I gave him all the information about it--what we were doing in the one

store in yearly business. We had excellent profit, an amazing profit, because the overhead was so small. We were doing everything on a shoestring, so the profit was good.

Buying most everything in Europe made for extra profit. If we paid a dollar for something, we multiplied that by five, and this was the common practice for buying in Europe in those days, because the dollar was valuable in Europe and you could buy things very reasonably. The value in this country was much more than what you paid for it. If it were made in this country, you'd pay much more for the same thing because everything was much more expensive here.

The way I did it was the way I was told to do it by other importers. At that time they used the same formula: they multiplied either by five or six, to be resold in this country. There were some things that we bought that were sold in this country, that were imported by others. In order to be competitive, having the same retail price, I used the same structure of mark-up. If we paid a dollar for something, we charged five dollars for it. The basic *franc* stayed the same; it never changed from year to year. If you paid a dollar for something, you charged five dollars for it. The *franc* being twenty cents, it was very easy to work out. In fact, if you paid a *franc* for something, you'd charge a dollar for it; a *franc* became a dollar retail in this country. So it was very easy to figure out the retail price of something when on a buying trip.

Our profit was very good. After all expenses, we'd have maybe twenty-five to thirty percent profit.

Jacobson: And you ran a lean business, too, because you weren't heavily staffed.

Williams: Yes. We paid a hefty rent. I didn't get a salary, Mike Sharp did get a salary. What I needed to live off of, I took out of the business. We did have a few employees, but salaries in that kind of business are never that high. I did want to build up the business, and this was the way I was able to do it--by being very lean. I didn't have a car, I didn't do very much. I had an apartment, but I was very economical with all of that.

So our cost of doing business was low. If I had taken a normal salary out, it would have made a big difference, and it would have been sort of a normal profit. But being as I didn't, it was more. In any case, I was able to increase the inventory; I was able to buy most anything I found that I thought was good

for the store. I never had that restriction of saying that I couldn't afford it.

Jacobson: Were you furnishing your own apartment with a lot of the cookware you were selling?

Williams: What I used at home was damaged cookware. If something got dented, why, that was what I took to use. If a pot arrived with a crack in it, I'd take that home and use it. I still have that collection of dented cookware. [laughs] It was fine; it worked.

Jacobson: And it wasn't anything that you could sell?

Williams: No. As far as furnishings, we were in the antique business, too, so I was able to use some of the furniture that we'd bought for that. Some of it I eventually sold and replaced it with something else. I was able to furnish a small apartment with a few pieces of furniture that were still for sale. I just used them in the apartment, and eventually they were sold.

Jacobson: So you were making considerable profits, but you just didn't know what to do with the business?

Williams: Yes. It was very interesting to Eddie Marcus that we were realizing such a good profit and that the business was really very successful. The amount of business we did each year was very good for one small store. His suggestion was that I either sell it or expand it, one or the other; just don't let it go. He suggested that I form a corporation and that he'd help with it. Little did I know that it wouldn't help me in any way as far as getting out from underneath it. In our conversation, ultimately I would not have to do all of it; it would become more of a structured business with other people involved in it and a manager put in to run the business and so forth.

But it didn't happen [laughs], unfortunately. We did form the corporation. I had fifty-one percent of the stock, and it was formed between me and Edward and Betty Marcus, his wife. Also Tom Freiberg, who lived in Beverly Hills and was an old friend of Edward Marcus, was very interested in becoming part of it. Edward said we would have to have just a few others, personal people, in it, so he said, "You really need to pick out someone you know in San Francisco to have just a small interest in it." And he wanted an old friend of his--in fact, she just died--Dorothy Rogers, Richard Rogers' wife in New York. He said she would have to have a little bit of the stock, a small percentage. Then there was Helen Corbitt of Nieman Marcus who

developed the health spa that Nieman Marcus had (not the Golden Door); she also did all the menus for the restaurants in the Nieman Marcus stores. Edward Marcus thought we should have a food person in the group. And that was it.

Jacobson: Who was the person from San Francisco?

Williams: That was Genevieve Di San Faustino.

Jacobson: Was she in at the beginning?

Williams: Yes.

Jacobson: Did Mike Sharp come in?

Williams: No, he didn't want to.

Jacobson: Once you incorporated, who took on the management responsibilities?

Williams: My part of the investment was my inventory. We evaluated the total inventory at a minimum value, and they matched it. Edward and Betty Marcus had the most, and then Tom Freiberg and the others had something like \$10,000, and mine was \$110,000. So the capital we had was my inventory and what they matched it with, and that's what we started off with as a corporation.

New Management and Store Openings

Jacobson: Did Eddie Marcus then give you all sorts of advice? Did he provide the management guidance?

Williams: Yes, and Tom Freiberg became the person who actually took care of the second shop that we opened. We started the corporation in 1972, and the first thing we did was open the Beverly Hills store. I had to go to the bank and borrow money, and I had never borrowed money before. Tom Freiberg lived in Beverly Hills, so he more or less took care of that store. He didn't work there, but he took care of it. Anne Kupper was hired to run that store.

It was a big venture to open that store on Rodeo Drive. Rent was expensive, and it was a big undertaking for us, but it was successful right from the beginning. The next year we opened the Palo Alto store, so we had three fairly close

together. The plan was that there would be a manager hired for the business, but it really didn't happen. I was still working my head off.

Jacobson: You had wanted to reduce your time commitment?

Williams: I wanted to reduce my time commitment. Incorporating did change the business considerably, and I didn't have to do all the thinking. I depended on them for supplying some of the decisions, especially opening a second store. We did hire a bookkeeper, so I didn't do that anymore. Jackie Mallorca became more and more involved with the catalog, which was growing, and we were using some of the names from the Nieman Marcus catalog business. We did bring in somebody to take care of the mail-order part of it. You couldn't say they were running it, because it was too small at that time; it was just part of Williams-Sonoma and didn't need a head.

So it was easier, but I wasn't out of it completely by any means.

Jacobson: Did you still scrub down the shelves every Sunday?

Williams: No, it got to the point where I didn't do that anymore. We'd moved the antique shop down to the other location, and Mike Sharp decided he wanted to take care of the antique shop. He really didn't want to be in the kitchen shop anymore; it was too much work. He much preferred just taking care of the antique shop when it moved down below. We hired Charles Gautraux to run the Williams-Sonoma store.

Wade Bentson became more involved in buying merchandise domestically for the catalog and the stores, and I was buying in Europe. So it was becoming a larger business with more people involved.

Cooking Demonstrations and Book Signings at the Store

Jacobson: You were also expanding your business in terms of the kinds of activities you held in the store. Were you holding more cooking demonstrations?

Williams: Yes, we were doing more of that and more book signings. In the early days there wasn't much of that. There weren't any new cookbooks; it was only in the middle of the sixties that

cookbooks started being written and turning up. By the early seventies there were more cookbooks coming out. Julia Child's second volume of *Mastering the Art of French Cooking* came out, and another one of Marcella Hazan's books came out, and Richard Olney had one. Increasingly each year there were more books. So we did get more authors when they were in San Francisco.

James Beard was around a lot. He started cooking classes at the Stanford Court, and I helped him with it. At the beginning Jackie Mallorca actually was in charge of organizing the students for the class. We were involved in getting the recipes all together for those classes and getting the classes established. We furnished all the equipment for it. I did help him with the classes every day while they were on.

So we were involved a lot more in extra things that had to do with the store.

Jacobson: That must have generated a lot more excitement about the store.

Williams: Yes, it did. We felt it was necessary to do those things as the opportunities came up to keep the name out there and get the store better known, both for the stores we were opening and also for the catalog.

Jacobson: That must have been one way to extend your mailing list, too, just getting that many more people into the store.

Williams: Yes.

Jacobson: How did you decide which cooks to invite to do demonstrations and which cookbooks to have signing parties for?

Williams: We always tried to get what we thought were the best of the cookbooks that came out. We didn't just publicize every little cookbook that came out, and we still don't. We only do the ones that we consider the best ones.

Growing Interest in Ethnic Cooking

Jacobson: I recall seeing a lot of ethnic cookbooks, like Chinese cooking --not just the French, but you were broadening out into a variety.

Williams: Yes. The minute Marcella Hazan's Italian cookbook came out, we did that one. Any Italian one that was good, we did. Italian cooking became very much a part of cooking in this country, and it wasn't going to go away. I think we sold more Italian than we ever sold French. Pasta is something that's going to be part of everyday American eating from now on; it won't go away. Italian cooking in general, I think, has been much more acceptable in this country than any of the others, because it's very simple cooking, much more simple than any of the other countries in Europe. Even German or Dutch cooking is all heavy food, and Italian is very simple. Even in restaurants so much of it is cooked within a matter of an hour or even minutes before you eat. It's not long-cooked food; it's all very simple food that is prepared just before you eat.

Jacobson: And it can be lighter, too.

Williams: Yes, it's lighter.

Jacobson: Aside from Italian, what other cooking did you feature?

Williams: We started out with Chinese as soon as we opened the store, because being so close to Chinatown we thought that we should. There really wasn't anyplace in Chinatown where you could go and get good Chinese cooking equipment.

Jacobson: What kinds of equipment were you selling?

Williams: Woks. The manufacturer of that kind of equipment was in San Francisco. It was established here during the war because they couldn't bring it from China during the war; it was cut off for three or four years. So there was an awful lot of it that was developed in this country for the Chinese restaurants all over the country, and the Chinese population had to have it. A Chinese cook's knife was developed in this country from an original one in China.

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Williams: And the woks and the tools for use in a wok were made here, so we did get all of that. We did very well with it right from the start and for a number of years. We don't do much with it anymore. I don't think Chinese cooking has the appeal to people just beginning to cook as it did in those days. It was then very much a part of people's interest in cooking, but not now. Although it has influenced our cooking a great deal. I'd say that most people cook vegetables the Chinese way.

Jacobson: Stir-frying?

Williams: Yes, different versions of stir fry. You don't have to have a wok for it; you can do it in anything. Just the way they cook things very quickly; I think most people have gravitated to that. Even in a saucepan they will cook that way, very quick.

Decision to Feature Recipes in the Catalog

Jacobson: I want to return to the catalog for the moment, while we're on cooking and different recipes. One feature of the catalog were recipes sprinkled throughout. How did that idea come about, and how important was it to selling the equipment?

Williams: We started having recipes with the first catalog, and we felt it was something we really should do, not that it had to be with the idea of selling something. In some instances it was to show how a piece of cookware was used. We found that some equipment needed a recipe to explain what it was about. I always go back to one perfect example, the springform pan. A springform pan sitting on a shelf in a shop really doesn't mean much to a person going into the shop. It's an odd-looking pan with a spring-clip on it. Well, what's it for? Visually it's not that attractive for anybody to question what it's for; it's not that interesting. Some things sitting on a shelf have an interesting form that attracts people's attention and they will ask what it is for, but not a springform pan. You either know, or you don't know; and if you don't know, you will walk right by and not question it.

We put a springform pan in the catalog, listed as just "springform pan," as we were doing with everything else. It didn't work; it didn't sell. I thought we would try it again, and I would make a cheesecake and show it. I got a chocolate cheesecake recipe from Jim Beard that a friend of his developed. It had a graham cracker crust and a swirl of chocolate through the top of the vanilla cream cheese filling. I showed that in a color picture with a springform pan behind it. The springform pan was not in front, but it showed the cheesecake that came out of the pan, with the pan it came out of behind it. We had the recipe there with it, too. Instantly we sold springform pans.

From then on, any question in the catalog about people not understanding what something was for, we put a picture of

results, and it worked. But you really have to show what the result is, and the result has to be attractive enough that it will be enticing to people to want to do it themselves.

Williams' Philosophy of Cooking and Good Living

Williams: To me it has never been the fact that I just wanted to sell springform pans; it was the fact that I wanted people to use springform pans. I wanted them to make their own cheesecake and not buy them from a grocery store.

Jacobson: Because it would taste better?

Williams: It would taste better if homemade. You can make really good cheesecake at home and not just depend on having it at some restaurant or buying one at a bakery or grocery store. This has been my philosophy all along, to encourage people to cook at home, cooking better things than you can buy. Being able to cook, you can produce things as good as some of the things that you think are so great in restaurants, and even better than some things that you get in restaurants. That's why I still do this and why I've done it all along.

Right from the beginning in the store, this is what it was all about--talking food, talking recipes, making a charlotte, a cheesecake, a muffin! Making brioche, putting the dough in the pan, putting a little head of cauliflower in the center of it, baking it, slicing it after it has been baked, and you get a cauliflower in a crust. Simple things like that. Making food more interesting to people, making them enjoy food, making eating an enjoyable experience rather than something you do just to keep alive. Staying alive to eat makes much more sense, not just eating to stay alive. [laughs] I've always felt this way about it, and it's the reason I've always done it, why I've taken the extra steps to make it happen, to make it more interesting and keep people interested in cooking and doing things at home.

Jacobson: Is part of it a faith in things that are handmade, homemade, as opposed to mass-produced or packaged for convenience in cans and that kind of thing?

Williams: Yes, I think so. Not that I'm anti-prepared food. There were lots of things that I grew up with that I liked. I always liked Franco-American Spaghetti that came in a can; I always loved

that when I was a kid. I don't eat it now, but I loved it when I was a kid. It has a special flavor, one you can't reproduce at home. I don't know how they make it, but it has a special taste. There's no reason to reproduce that.

There are a number of things that I think are very good. I don't think canned peas are very good; I don't think any canned vegetable is very good. Fresh is much better, and I don't know why people eat canned ones. But there are some products that are good canned. I always like corned beef that came out of a can. I don't know why, but it has a special flavor. It doesn't taste like any other meat; there's no fresh meat that tastes like it. You can't do anything to fresh meat to make it taste like that. [laughter]

Jacobson: Is it because it reminds you of an earlier period?

Williams: Maybe it's just nostalgia when I think of those things and remember them as being something special and liking them. I hated canned vegetables when I was a kid, but I did like canned corned beef and Franco American Spaghetti, and there were a few other things that I liked.

Innovations in Mail-Order Business

Jacobson: There is a long history of mail-order business, going back to Sears [Roebuck & Co.] and even much earlier, but you were among the first to get started in marketing more upscale items.

Williams: Yes, I think we were probably one of the first to market the kind of merchandise that we sell. There had been small attempts at catalogs, but there had never been a catalog on our scale that has gone on for so long and become very generic in this country. It is one of the main catalogs known all over the country.

Overcoming Distrust of Mail-Order Catalogs

Jacobson: In the early years, when you first entered into it, there was a distrust of catalogs. How did you overcome that distrust? Or did you encounter it?

Williams: Oh, we encountered it a great deal. There was a period we went through where there were a lot of catalogs that really weren't very honest. They were doing things that you really shouldn't do in the catalog business. They were putting out a catalog and not buying sufficient merchandise to supply the orders that would come in; they were putting out a catalog and only buying a minimum amount to hope they were getting over the hump, I suppose. I don't know why they were doing it that way, but they were, and they were disappointing customers. They weren't honest in their copy; they were making statements about the merchandise they were selling that were not true. In some instances photography was misrepresenting the product.

All these things--misrepresenting the product either in photography or in words, starting a catalog on a shoestring and not being able to follow through, accepting money for merchandise and then not delivering it and all of a sudden going out of business. There was a lot of that, unfortunately, and we did feel the effects of it--people being distrustful of what you were doing and questioning whether you were going to deliver the merchandise after they sent their money. We did have to go through a period of overcoming all that.

We did everything we could to overcome it in what we said in the catalog. We made statements about the pictures being true to what the actual merchandise is. Eventually we had to get into sending out notices if we couldn't deliver an item within a certain number of days. It was rough at the time, because there was an awful lot of it, and so much of it was being brought before the consumer boards around the country.

Messages from Williams in Catalog

Jacobson: One of the features of your catalogs is a personal message from you to the customers in the front of each catalog. What was the thinking behind that?

Williams: We had a letter in the first catalog. We decided that we should have a personal message in the catalog. Unfortunately Jackie Mallorca did the first letter. She wanted a signature under it, and she wanted me to sign it. Well, my writing is awful, and I said, "I don't want to sign it; you sign it." So she signed it with my name, and we're stuck with it. [laughs] It's difficult for me to write the way she does. She was trying to emulate my

signature, and the way I wrote in those days was sort of straight up and down. But I don't seem to write that way now; I write at an angle. Anyway, we couldn't change it after the first one. There was one time when we thought about changing it but then thought we'd better not. So the signature in the catalog really isn't mine.

We did start the letter right at the beginning. We needed to reassure people of what we were doing, and we made the decision to use the letter for that. Of course, very early on we felt it very important to stress the fact that you could unconditionally return anything that you didn't want or for any reason. I think that has helped us, and I think most catalog companies do that now. I think it has dispelled that fear, especially with a catalog that they know has been around for a while. They figure that if they can send it back for any reason, there's no reason not to order it.

I don't think there's that distrust now in catalogs.

Feedback from Catalog Recipients

Jacobson: Another thing you did in that first catalog was to invite your customers to write you with any ideas they had on products they needed for their kitchens. Did that happen? Did customers start corresponding with you?

Williams: Oh, yes. We get a lot of mail, and we probably get more positive mail than we do negative mail. We naturally get some negative mail when things happen: sometimes an address gets mixed up and they don't get what they're supposed to get, or they're sent the wrong thing; the SKV numbers got mixed up. We do have some problems, but considering the number of packages we send out every month, it's almost nothing.

We do get an awful lot of positive mail. People will sit down and write a letter to tell you what a good job you're doing, or just how much they appreciate having the catalog. They very seldom need anything, but they just want to tell us how much they enjoy the catalog. I think among people who cook the catalog is really very well thought of; people love the catalog, and they keep the catalog for the recipes.

Unfortunately we are stuck with the size of the catalog, of never increasing the size of it, which is probably one of the

best decisions we ever made. It was considered a number of times when we first started the catalog of increasing the size and making a much larger format. That's what most catalogs have done, but we stuck with that digest size, and I think it has really paid off. It's a size that people will keep, because it will fit in with books. When you get into a larger-sized catalog, people throw them out because there's just no place to put them; they just don't fit anywhere. They don't usually fit on a shelf, they don't fit with books, they get piled up on tables; those are the catalogs people throw out. Yet people will keep this digest-sized catalog because it will fit on a bookshelf or will go places other things won't, and they don't become a nuisance.

Jacobson: Did customers ever write you with ideas of products they wanted that you pursued?

Williams: I can't think of any, but there have been things that we bought. Recently an old customer in Minneapolis--I saw her months ago at a meeting in Miami, and she said she was going to send me something when she got home. She sent me kitchen towels made of flower sacks that had a little design embroidered in a corner and then a border around the whole towel. I remember them; they were things that were made by women in the thirties and forties as shower and wedding gifts. It was the days of the week. There were seven towels, and each one of them had a little cross-stitch design of what you did on that day--washday, ironing, cleaning, cooking, and so forth. They were charming towels.

This customer sent them to me, and she said that she still does this. She has lots of grandchildren and nieces, and she still makes a set of these towels for them when they get married. She said she'd like a little help on it, that she can't do them herself anymore and has had to hire people to do them. It has become very expensive, and it's hard to find anybody to do it. She was wondering if we couldn't help her and the rest of the women in the country who would like something like that. We're working on having the embroidery done in China or Mexico or somewhere. It's a charming idea from the past that needs reviving.

Catalog Production

Jacobson: Maybe we should talk about what goes into producing the catalog. Are you involved in the production of it now?

Williams: Very little now. Up until about six months ago I was, and up until then I was involved in it completely. That's been over twenty years.

Jacobson: What is the production process like?

Williams: It's a matter of finding merchandise, first. If the catalog has been an ongoing thing, you use a certain amount of merchandise that you've been running in the catalog, merchandise that you know sells very well. You hope people keep enough catalogs that you don't have to run the whole collection each time. Some items you can leave out so that the catalogs don't look too much alike. You want to make them look different each time. Also you need to cut down on the cost of the catalog. If you rephotographed every single catalog, it would be very expensive. You have to have a certain percentage that are pick-up pictures. It's a matter of assembling those and finding enough new merchandise to put in the catalog, and then sitting down and going through the process of putting things on the pages, trying not to duplicate the same group of items on a page that you did previously, or at least the two previous catalogs.

We do four catalogs a year, but we send out a catalog every month. That involves changing the cover, adding to the catalog, moving pages around. It's a long process. It takes a minimum of four months from the time you start working on the catalog until it's put in the mail.

Jacobson: That's for each one, since you do four a year?

Williams: Some of it sort of overlaps. One month is taken up with assembling merchandise and getting them on pages. It's a long process of juggling the merchandise onto the pages, moving them around so that they relate to each other on a page or on a whole spread of two pages together, getting a good sequence of categories through the book, taking care of the order form, taking care of any extra things you're going to add onto the next mailing and the next mailing after that. It's very apt that you may add some pages to it, and where do you add the pages? You may add them all at the back, you may add them all at the front, or you may put part of them in the front and part of them in the back--which is the easiest way, because that's

the way they're printed. If you put them all in the back, then you have to move some of the stuff in the back to the front to get them all in. There's lots of juggling around, and you have to prepare for all that so that it makes sense when you start production of the catalog. It takes several weeks to get that all together.

Then it goes into production: you have a design meeting, and the designer will find out about all the new merchandise you've got. Actually a book is made up of all the repeat items that are going to be in the catalog and pictures of the new items and any information about them. Then the designer goes away and starts designing the pages. You get a few at a time and go over them and decide if this is the way you want it to look. Usually there are lots of changes. It takes a minimum of two weeks and usually three weeks to do the designing of the catalog.

There's another two to three weeks for photography. After the photography is done, the actual production of the catalog begins, with color separation, and the copy has to be done, which takes several weeks in sequence with all this. During the month before it's actually mailed, the printing is done. It goes to the printer, and the printing takes about a week. Some of it's on a press and will be on the press for twenty-four hours a day for three days to get it all printed. Then it goes to the bindery, and finally it gets mailed. So it's a good four months, but we will start on the next catalog along about the middle of the production of one catalog. So they're overlapping all the time.

Jacobson: Is it a year-round process, then?

Williams: It's a year-round process. Doing the catalog, you're working on it all the time. There's not much else you can do. You can get buying trips in between assembling the merchandise, having the designer's meeting, having a copy meeting, meeting with the store people so they know what's going on, reading copy, and all of that. You have to fit in a buying trip in some of these spots. It's a year-round job, and it ruins Christmas. You're doing a Christmas catalog in April, and you have to find all the merchandise at the beginning of the year. You're involved in doing this Christmas catalog, because it's the biggest one and is very involved.

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Williams: The Christmas catalog runs for four months--September, October, November, and December. We have to have a different cover for each month, and we add a section to it, usually twice. The September catalog has to be geared for late summer. In October we have to add something that will have to do with Thanksgiving time. In November we add something that's purely Christmas--a whole section that will be just Christmas gifts. Then there's a final one in December. This year they're even sending out a special catalog about the tenth of December, just for a two-week period, for people who wait until the last minute to shop, and it all must be ordered by telephone or fax; it can't be done by mail. So it's even gotten down to that--one catalog mailed just for a two-week period of business.

Jacobson: That's amazing.

Williams: It is amazing. The catalog has gotten so geared to systems and technology. It's all done on computers now. They even design it on a computer.

Jacobson: How many people are involved in the production of the catalog? I suppose more now than used to be.

Williams: Well, not that many people. When I was doing it there were three of us. Including the color separation people there are only about ten or eleven people, but they're working on some part of it all the time.

Preparation of Food for Catalog

Jacobson: Did you do the cooking for the food that was photographed in the catalog?

Williams: I used to do all the cooking for the food in the photographs, but I gave that up about three years ago.

Jacobson: That itself must have been a huge effort.

Williams: That was a lot of work. And I did all the recipes. I'm still doing some of the recipes. But I did all the cooking. Looking at the catalog, it doesn't look like very much, but it's an awful lot. There's an awful lot of food that really doesn't show that much, too. There's food propping on so many of the photographs that really don't show that much, but we did have to prepare the food for them. It may not be baking a cake but just

a matter of preparing vegetables or fruit, like making a whole big bowl of melon balls.

- Jacobson: I remember those catalogs. You must have used every size of melon scooper, because there were so many different sizes of melon balls in that bowl.
- Williams: That glass bowl over there [points] I used to have to fill up with melon balls of all different shapes, sizes, and colors of melon. It was a lot of work. There is a very frustrating process in photography, too. It's awful to go through.
- Jacobson: That's one thing I was curious about, because I didn't think the food would stand the heat of the lights for the photography. How do you work with that?
- Williams: Usually setting up a shot involves an hour, sometimes an hour and a half, sometimes two hours, according to what kind of a shot it is. If it's a cover shot, it tends to take two hours for them to set it up. If you're doing food for that shot, you're trying to have it ready when they're ready. If it's something that's baked that will hold okay and you don't have to worry about it, like a cake, you can usually have it baked but not too far in advance; you usually can't keep them overnight. Preferably you shoot them within two or three hours after cooking. The important thing is you have to have the stuff ready when they are ready.

When they're fooling around with a shot for an hour and a half or two hours, it's very frustrating to know just how you're going to keep this thing that you've started looking fresh enough so that when they want it, it's there. Some things you can do part of, and then finish it up at the last minute. It's an endless process, all day long, every day, in those dark studios, never seeing the light of day, with this constant frustration of not knowing when they're going to get ready for the actual shot. When they get through setting up, they want the product right now. They don't want to wait, because it's frustrating for them to get the thing done, getting it just right--getting the lights adjusted, changing this, changing that. All during the process you're looking at it and every so often saying, "Can't we move it this way? Can't we move it that way? Can't we get more light from the back or from the front?" So they're going through this whole frustrating process with you: "Why don't you go away and let me do it." [laughter]

By the time they get ready, they want to get through with the thing--to shoot it. "Where is the food?" You get the food

out there, and usually it's something very perishable, like ice cream, and they start fooling with the lights again. "Just take the picture; quit fooling around with it."

Profiles of Key Personnel

Jacobson: I found this board game, which one of your employees made for you. It seems to capture some of the hectic pace.

Williams: Jackie Mallorca did that. She's an artist, too. She should go into the business of making illustrations for greeting cards. She's very amusing.

Jacobson: It's called "A Cook's Tour of the Williams-Sonoma Zoo," and it looks like she made a board game that's a variation on Chutes and Ladders.

Williams: She did the animals according to the person--these are all people who were part of Williams-Sonoma.

Jacobson: I wonder if you might comment on some of them.

Williams: The Sam dog was the manager of the shop, "normally to be found dwelling in the Deep South." He was from the South; he was from New Orleans. "It is friendly by nature but barks loudly when its supply of bones is snatched away and sent to branch kennels. Good guard dog." It is sort of her description of him.

Bobby Giraffe was Bobby Hale, who worked in the basement. "We have several kinds of antelopes, the Dan Buck, the Ann Buck, the Susan Buck, and a very small Alexis Buck about the size of a Thompson's Gazelle, often to be found grazing at the White Horse and other watering places." Those were people in the shop. Ann was a cute little girl, Dan was a young fellow, Susan was another young girl, and I've forgotten who Alexis was. They were always going up in the next block to a little bar called the White Horse.

Terry Leopard was very much a part of Williams-Sonoma. He was a marvelous guy. "This animal is very active and travels far afield. Eats enormous quantities of meat every day and cannot be fooled by hamburger extenders." He was an enormous eater. The Ernie Sloth--"This animal is not really slothful but merely quiet of habit and given to earnest contemplation about his computations. Delicate health." He was very quiet. The

Jackie Zebra was herself. "This animal thinks she is a horse and loves galloping around." She loves horses and rides all the time. "Very touchy and sometimes difficult."

The Williams Elephant, that's me. "This is the true king of the beasts. It has a prodigious memory and misses nothing in his kingdom and is very grumpy during the holiday season, when it is inadvisable to disturb him." The Wade Monkey is Wade Bentson. "This clever animal has been known to tweak the tail of the elephant and then skip nimbly out of reach." True. "Unlike the king of the beasts, this animal has a terrible memory and loses things, but it does smashing store interiors." That's all true.

The Marcus Lion is Eddie Marcus. "This lion has a very loud roar and can be heard from as far away as Dallas." The Sharp Tortoise is Mike [Sharp]. "This wary animal is exceedingly cautious, has a memory almost as long as the elephant's, and laughs to itself at private jokes when it thinks no one is looking."

She did a very good description of all these people. The Sandra Griswold Walrus--Sandra is the one who is doing all the food styling in these books that we're doing. She used to work for us. She was the manager of the Design Reseach store in Ghirardelli Square. It is now closed. "This animal is difficult to classify. It has not been under observation for very long." She didn't work for us very long. "It would appear to have the ears of the elephant, the hands of the monkey, the calculating propensities of the sloth, and flashes of the galloping instincts of the zebra." Accounting Squirrels--"We have two at WS. The Geneva Squirrel and the Una Squirrel." That was when we finally got an accountant, who industriously stored away supplies. "The Geneva Squirrel chatters angrily when these hoards are discovered and disbursed."

Jacobson: Then all those animals were players on this board game, which I take it was about producing the catalog and the annual routine.

Williams: Not just the catalog but the shop as well. Jackie did that bottom drawing over there [points to picture on the wall], a takeoff of a catalog cover, which is an old French print. She did that bottom one of me dressed as a French vendor.

Jacobson: She's very clever.

Williams: She was very clever. There's another one. She wanted a raise; she felt she needed a raise. It's very clever, about the goose

that laid the golden egg. She wrote a whole thing about it, and there was a picture of the goose laying an egg. It was something about the goose finding it more difficult to get by on what she was getting. The prices of grain and so forth had gone up, and it was very difficult. It was about time the goose that laid the golden egg was given a little bit more. [laughs]

Jacobson: She wrote the rules for the Williams-Sonoma game, which were that "You can't win, but you're impelled to keep trying. You have to go up the ladders and down the snakes." The final snake, when you got to the end of the game, was "It's time to start buying for the new catalog again," and that threw you all the way down to the bottom of the board again.

Williams: Yes, you never get through. [laughs] And it's true, it is endless in the catalog business. As I was saying, it ruins Christmas, because by the time Christmas comes around you've gone through so much Christmas in April, May, and June--forget it!

Jacobson: I don't know who wrote this, but it's called "A Mail-Order Christmas Carol."

Williams: Jackie wrote that. "On the twelfth day of Christmas Williams said to me, 'No soda siphons, no blue and white aprons, no candle holders, no nutmeg graters, no super strainers, no two-quart freezers. Don't bother me. No butter pots, no cooks' nips, no souffle dishes. And Marcus wants his sales report.'" It's supposed to be sung to the Twelve Days of Christmas.

Jacobson: One of the squares on the board game says, "We get a full page free, in color, in *Vogue* magazine. They choose an out-of-stock item." Did that ever happen, where a magazine plugged as a gift idea something that you no longer carried?

Williams: I think it did happen. If she has referred to it there, it did. That's something that happens with magazines, because they see something and don't say anything to you about it. They may ask you for a photograph, but nothing happens, and then a year later they put it in the magazine. [laughs] It's past history.

Jacobson: There's another one where if you land on a certain square you get to jump up a long ladder: "Conrad Hilton has placed an order for 3,500 copper souffles." Did that ever happen?

Williams: Well, not for that many, but for quite a few.

Jacobson: So restaurant orders were some of your largest sales?

Williams: In those days they could be. Trader Vic's was another one that placed orders for many things. In fact, Trader Vic's used to have a lot of special parties, and they'd have special wine served. Invariably at five minutes to six or right after six, someone from Trader Vic's would be banging on the door wanting a special cork puller that could be used on all corks. They never could find the one they'd gotten the time before. [laughs]

Jacobson: There's one more where you get to go up a ladder: "The Palo Alto store is doing so well they now have to stay open on Sundays, too." Did that happen where you extended the number of hours or days open?

Williams: Yes, especially in malls; that was in a shopping center. It was a case that the mall was asking all the stores to stay open, not just the grocery store.

Jacobson: Was this the Stanford mall?

Williams: No, it was Town and Country. Only the grocery store stayed open. But we were doing well there and decided to stay open on Sunday.

A Cook's Tour of the Williams Zoo: following pages

Jackie Mallorca, copywriter for the Catalog for Cooks, created this board game which she called "A Cook's Tour of the Williams-Sonoma Zoo." A variation on Chutes and Ladders, the board game uses animal players which satirize various Williams-Sonoma personalities of the 1970s.

A COOK'S TOUR OF THE WILLIAMS-SONOMA ZOO

The Saint-Gautreaux Dog. (Canis Familiaris)

Normally to be found dwelling in the deep south, it is friendly by nature but barks loudly when its supply of bones is snatched away and sent to branch kennels. Good guard dog.

The Bobbie-Giraffe. (Giraffa Camelopardalis)

Decorative and languid, this creature browses on the topmost shelves where the choicest leaves are to be found. Generally of placid disposition, it gets very haughty when annoyed.

Antelope. (Antilopinae)

We have several kinds of antelope -- the Van Buck, the Anne Buck, the Susan Buck and a very small Alexis buck, about the size of a Thompson's gazelle. Often to be found grazing at the White Horse and other watering places.

The Terry Leopard. (Felis Pardus)

This animal is very active and travels far afield. Eats enormous quantities of meat every day and cannot be fooled by hamburger extenders.

The Ernie Sloth. (Tardigrade edentate mammal)

This animal is not really slothful but merely quiet of habit and given to earnest contemplation about his computations. Delicate health.

The Jackie Zebra. (Equus Hippotigris)

This animal thinks she is a horse and loves galloping about. Very touchy and sometimes difficult to tether.

Moles. (Talpa europoea)

These industrious creatures are to be found in the basement, where they toil ceaselessly, building tunnels through the packing cases and nests in the excelsior. The chief mole wants to tunnel as far as South America.

The Williams-Elephant. (Elephas Africanus)

This, the true king of the beasts, has a prodigious memory, misses nothing in his kingdom, and is very grumpy during the holiday season, when it is inadvisable to disturb him.

The Wade-Monkey. (Primates Anthropeidea)

This clever animal has been known to tweak the tail of the elephant and then skip nimbly out of reach. Unlike the king of the beasts, this animal has a terrible memory and loses things, but it does smashing store interiors.

The Accounting Squirrels. (Sciuridae) We have two at W-S, the Geneva-Squirrel and the Eunice-Squirrel, who industriously store away supplies. The Geneva squirrel chatters angrily when these hoards are discovered and disbursed.

The Sandrus Griswoldus. The animal is difficult to classify as it has not been under observation for very long. It would appear to have the ears of the elephant, the hands of the monkey, the calculating propensities of the sloth and flashes of the galloping instincts of the zebra.

The Marcus-Lion. (Felis F. Leo)

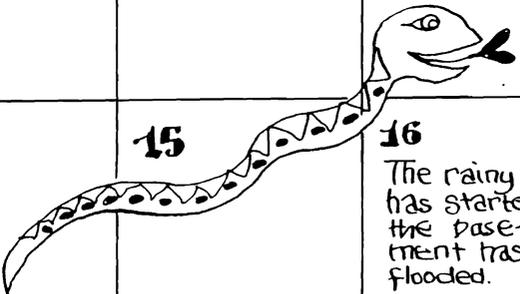
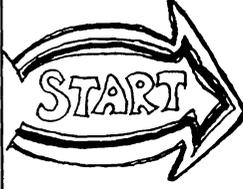
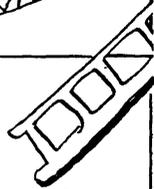
This animal has a very loud roar and be heard from as far off as Dallas.

The Storks. (Large altricial gallatorial birds of the family Ciconiidae)

These birds of passage nest amongst the antiques and scratch about in the catalog orders, laying the occasional egg.

The Sharp-Tortoise. (Species Chelonia) This wary animal is exceedingly cautious, has a memory almost as long as the elephant, and laughs to itself at private jokes when it thinks no-one is looking.

* * *

<p>62 It is time to start buying for the new catalog again.</p>	<p>61</p>	<p>60</p>	<p>59</p>
<p>45</p>	<p>46 The Palo Alto store is doing so well they now have to stay open on Sundays, too.</p>	<p>47</p>	<p>48</p>
<p>44 Wade orders 4,388,902 pat. holders by mistake</p>	<p>43</p>	<p>42 </p>	<p>41 We get a full page, free, in color, in Vogue Magazine. (They choose an out of stock item)</p>
<p>27 </p>	<p>28</p>	<p>29</p>	<p>30 There are fifteen long awaited sea containers on the sidewalk and 7 members of staff are home with the flu. </p>
<p>26</p>	<p>25</p>	<p>24</p>	<p>23 Ernie gets the vapors and goes home. </p>
<p>13 You have just won the Best in the West competition for the catalog. (It cost you \$50,000 plus \$30 entry fee). But you get a medal.</p>	<p>14</p>	<p>15 </p>	<p>16 The rainy season has started & the basement has flooded. </p>
<p>12</p>	<p>11</p>	<p>10</p>	<p>9</p>
<p></p>	<p>2 Conrad Hilton has placed an order for 3,500 copper souffles. (Delivery next Monday)</p>	<p>3 </p>	<p>4 Tam Frassburg fires Jimmy Kipper </p>

58

FREE!

57

Mike throws a kitchen shower for you for your birthday, Oct. 2. Happy birthday!!

56

55

54

The big enchilada moves his office from Turtle Creek to Sutter Street

49 The 576 Sutter Street Res- ment has been de- clared a city landmark. There will be guided tours every noon for Schools and ladies' Clubs.

50

51

E.M. & T.F. have found us a lovely spot for a new store. In Alaska.

52

53

MOTHERHOOD (All females)

40

39 The cops discover Geneva's banknote printing machine in the basement.

38

37

36 Ceautreux and Ann leave and start a cooking school.

31

32

33

34

35

22

21

20 A cute mother skunk has been dis- covered in the shredded parchment storage area, with 3 babies. The S.P.C.A. says NO WAY

19

The entire Beverly Hills staff have taken lessons in penmanship.

18 1/10

Jackie falls off her dammed horse and breaks her arm.

17

18

18 1/2

18 3/4

18 5/8

(The one she draws with.)

8

7

6 1/2

Terry figures out how to power the van with sawn-up shipping crates and horse manure.

5

6

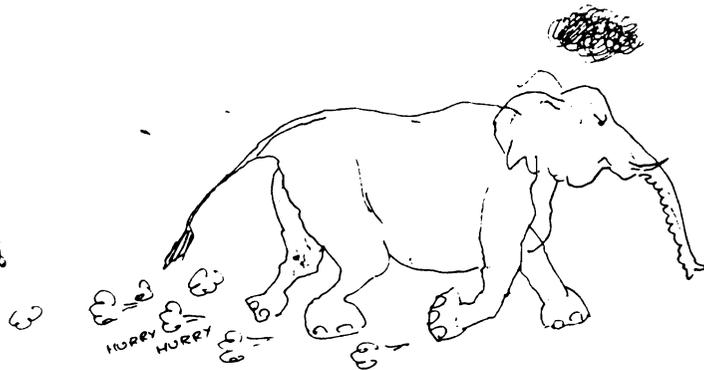
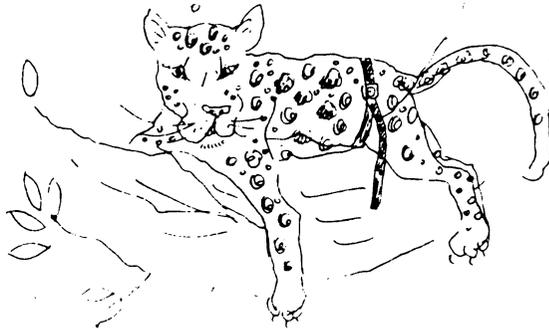
6 1/4



↓ RULES ↓

The Williams-Sonoma Game

1. You can't win, but you are impelled to keep trying.
2. Go up the ladders and down the snakes.
3. Any member of the old firm can play, also their legal representatives. But no tiresome stockholders, only the nice ones.
4. Different players use different colored counters. No loaded dice, please.



VI CHANGING ATTITUDES TOWARD FOOD, COOKING, AND THE GOOD LIFE
IN THE SEVENTIES AND EIGHTIES

[Interview 4: August 27, 1992]##

The Decade of the Home Cook

Jacobson: I thought we would start today talking about changing consumer attitudes in the seventies toward cooking and food as you were expanding your store operation. A *Time* magazine article from the mid-seventies proclaimed the seventies "the decade of the home cook." Assuming *Time* was right, what was responsible for that change?

Williams: There was that change, mainly because of the proliferation of cookbooks that came out, and there were cooking schools everywhere. There were some small cooking schools; a lot of housewives who knew how to cook started cooking schools for their friends and neighborhoods. There were television cooking programs. All kinds of things were going on. Julia Child's television program wasn't the only one. There was Graham Kerr who was very popular. It was done in Canada and distributed all over this country. James Beard did a series, Jacques Pepin was doing a series. There were book signings everywhere for new cookbooks coming out, and authors were traveling around. It became very much the thing to cook in the seventies.

What we started out with was an interest in cooking, along with Julia Child and her book and television program. That's all there really was at that particular time, and it was only exposed to a group of people who watched public television. At that time it was only subscribed to by a small intellectual group of people; it really didn't interest much of anybody else. It wasn't the station that people normally flipped to, plus the fact that there weren't that many public stations around. It

was only in the big cities that there was a public television station, because they were very difficult to establish; they had to be publicly supported.

Books also were more or less geared for the upper class because of price. Julia Child's book was expensive for that time. It was a very serious book, and it cost a lot to produce those, so it was more expensive. That limited the sales of it through the sixties and into the seventies. By then there were so many books out, and they were all different prices, plus the fact that family magazines picked up on it, such as *Family Circle* magazine, which was distributed through supermarkets. So the interest in cooking did spread throughout the different layers of society.

Impact of the Food Processor

Jacobson: What was the impact of the Cuisinart food processor, which was introduced in this country in the mid-seventies?

Williams: The Cuisinart really started in that same category of customer that we had when we first opened. They were the only ones who became interested in it, mainly because of the price. It was expensive.

Jacobson: They were close to two hundred dollars.

Williams: Yes, and even a hundred dollars would have been expensive. We were the first ones to have it in a catalog, and we were one of the first to have it in a retail store. Along with Bloomingdales we were the first ones to have it. It took a while for it to spread around the country into department stores. Mainly it was in specialty kitchen shops around the country rather than in the department stores. And it took a while for other companies to develop one to sell cheaper. It was several years before anybody came up with a food processor other than the original Cuisinart.

Jacobson: Did it change the way people cooked or what they cooked?

Williams: I don't think it changed the way people cooked or what they cooked. In some cases I think it probably encouraged some people to cook more and to cook some of the more complicated recipes, because when it came to chopping vegetables and that sort of thing it was very easy to do, especially when cooking

for entertaining. I think people soon found that it wasn't the most practical machine if you were just cooking for two people, but you really needed a family to cook for or a party. Among the people who bought it, they swore by it. In some cases, I think they were determined that it was going to help them cook, that it was going to be easier for them. Since then, I think it has found its spot in the kitchen and is used for specific things, and that's it. But in those days they were trying to use it for everything, naturally, because it was a new toy.

I'm sure it was one of the things that was part of getting people interested in cooking, keeping their interest, and trying new things. It was part of the whole cooking trend, along with all the French cooking equipment--sauté pans, omelette pans, crepe pans, and so on. All of that was the thing to have in those days--charlotte mold, soufflé dishes.

Recession, Rising Food Costs, and Energy Crisis

Jacobson: The seventies was also a time of rising food costs, recession, and an energy crisis. How did some of those things affect the marketing of gourmet products? For example, in your 1974 catalog you wrote, "The French and Chinese in particular managed to establish reputations for delicious food without having to rely on expensive ingredients." For coq au vin you wrote, "That suitably heavy pot is the crux of the matter. A clumsy one would allow the juices to evaporate and be lost." I wondered if there was some consciousness on your part on emphasizing the economic aspects of investing in gourmet equipment.

Williams: That's true, yes; it was very much a part of being economical in cooking, finding ways to be economical and also using recipes, especially traditional French and European recipes that were long-cooking. They always did use cheaper ingredients, and it was getting away from expensive steaks and chops and other cuts of meat. You can actually see the change in the markets by what went on in the way of availability of that kind of ingredient. I would say that up through the sixties meat markets would devote an awful lot of space to the different cuts of steak and chops. Well, for the last six or seven years it's just been reversed. Those take up very little space now. That curtailment of eating so much in the way of steaks and chops did start in the seventies--cutting down on that and eating more chicken and fish. The fish thing started a number of years ago,

not just the last few years. In the seventies poaching a salmon or any kind of fish was prevalent.

Jacobson: Those shifts would influence what types of equipment you sought on your buying trips?

Williams: Yes. Fish poachers were really very popular during that period. Since then they have sort of disappeared. Now you really don't see fish poachers in stores much. But it was a piece of equipment that was bought, and there was a variety of shapes and sizes so that you did have a selection of prices.

Energy-Saving Cookware

Jacobson: I also noticed in some of the catalogs in the mid to late seventies, and occasionally in the eighties, instruction on the energy-saving benefits of using particular kinds of equipment. Could you comment on what the different energy-saving benefits of different kinds of equipment were? You mentioned, for example, black-bottomed pans and the way they conduct heat.

Williams: Also thick-bottomed pans. Even if they were stainless steel, they started putting a thick aluminum base on them so that they absorbed heat and retained heat, so it did cut down on energy. Also using sauté pans and cooking with lower heat to conserve energy. It was the beginning of some of these blackouts they were having in New York, which happens every so often on account of the heavy energy use. It was probably also the beginning of our drought period. We've had them just recently, but we had them before, and that started the concern of energy being used--cutting down on the amount of energy you used.

There was a lot of interest in reading about it and doing something about it, and changing eating habits somewhat by having equipment that did take less energy. There are pots that take less energy. A heavy black pot like Calphalon takes less heat than other pots. Thick aluminum put on the bottom of stainless steel helps absorb the heat rather than reflect it. If the shiny surface of stainless steel is put directly on the heat, a certain amount of heat is reflected back off. Stainless steel isn't a very good conductor of heat, so by the combination of the two a lot of heat is wasted. But when you put on a thick aluminum bottom or a copper bottom--a copper bottom is even better, because it does absorb the heat faster--you can use less heat.

At the time we really didn't think that much about it, but those trends did happen.

Changing Fashions in Alcoholic Beverages

Jacobson: In the seventies there was increasing interest in wine, and a lot of the products that you sold or advertised in your catalog were various wine products, either storage or serving or glasses. In the fifties, a good sixty percent of the advertising in *Gourmet* magazine was devoted to alcohol, whether it was wine, beer, or spirits. All three of those were advertised as part of the good life, part of the gourmet life. Did you see, with the increasing interest in wine, a corresponding decline in the association of the other alcoholic beverages with gourmet cooking?

Williams: For probably the first ten years that we were on Sutter Street, anything that we sold as far as alcohol was concerned really wasn't with wine. We started selling wine glasses, but that wasn't very much compared to selling the simple drink glasses. The glass martini teapot was something we sold an awful lot of for the size of our shop and the number of customers we had. It was made by the Pyrex company. I sold those in Sonoma, but I think that within a year or two after we moved to Sutter Street they stopped making them, so we couldn't get them anymore. We did eventually find somebody else who would make them. It was very much a part of the establishment segment of society to have a glass teapot for making martinis, because it was easy to mix and to pour.

There's a short story connected with that. The wife of one of the members of the Pacific Union Club had one of the Pyrex glass teapots, and for some reason or other they made martinis in it. He took it to the bar in the Pacific Union Club to show it off, and they started using them for serving martinis. It became very popular among that group of club people. It went on for a number of years and sort of spread around the country clubs of America until the head of the Pyrex company, Corning Company, found out about it and stopped production of it. He was a teetotaler, and he objected to his teapots being used for mixing martinis. He refused to make them ever again, and they have never been made again. [laughter]

Jacobson: So you had no more to stock in your store?

Williams: There was a period when we couldn't get them, but then we found somebody else to make the glass teapot. I've forgotten where it was made--Italy or somewhere. We did have them for a while after that, but then the sales declined considerably. Drinking martinis before dinner was just a normal social performance that went on with the country club set in this country. Even in many small homes they had their drink. Then it declined down to almost zero and was replaced by wine.

That's when the interest in winemaking in California began. Before that there were wineries, but there were very few of them, and they weren't that popular. But they soon became popular. That changed along with the interest in food, the kind of food people were eating, and their interest in cooking. It's not that the knowledge of wine goes along with people's cooking, because it really doesn't. It is a different category of person who is really interested in wine and having an understanding of all the ins and outs of fine wine as against ordinary wine. That's not necessarily a part of a person who wants to cook. It's more apt to be somebody who is not interested in cooking or even what they are eating.

Jacobson: Why do you say that?

Williams: If you analyze most of the people who are authorities on wine, who consider themselves experts on wine, they really don't care what they eat. They'd just as soon have a hamburger; it really doesn't matter. They're more interested in the wine than they are the food. I've run across quite a few of them. Anyone who thinks Williams-Sonoma is a good place to expose a wine product that is for the expert in wine is mistaken, because we don't get those customers. Only the few customers who are very good cooks are interested in wine to that extent. There's not that many of them.

If you went to one of the good wine merchants and canvassed their customers, you'd probably find very few of them who were good cooks or were interested in cooking. They're interested in the wines, in drinking fine wine and understanding it and making a study of it. But drinking wine is a part of eating, definitely.

Cooking with Wine

Jacobson: Was there a greater interest in cooking with wine?

Williams: Oh, yes, it became very popular to cook with wine and to put wine in everything. There was a period where they were doing all of these French recipes of beef or chicken done with wine, and there were all kinds of variations of them. Different cookbook writers were writing not French cookbooks but variations on French cooking. They were devising all kinds of recipes with wine. We were constantly having to caution people about what kinds of pots and pans they bought if they were using wine.

Jacobson: What difference would wine make?

Williams: You shouldn't cook food in aluminum if you're going to put wine with it, and you shouldn't use cast iron that's not enameled. In the sixties and probably even in the seventies there was still a holdover in this country of the American Dutch oven, which is cast iron. It was a holdover of the older generation. If they were in their forties or fifties in 1960 to 1970, they were very familiar with the Dutch oven, because it was a family pot. Everybody had one. Then suddenly it became fashionable to use American regional recipes for stew and so forth and turning them into a French dish by adding wine to them, which doesn't work in cast iron. You just take all the patina off of the pot.

Jacobson: The wine harms the pot?

Williams: No, it just ruins your food. Cast iron builds up a patina with use. It doesn't really affect the food if it's just plain food that's cooked in it. Well, tomatoes will remove the patina, too. None of those American stews ever had tomatoes in them; they were just meat and vegetables--potatoes, carrots, and onions. American stew never had tomatoes to any extent. Maybe a few, but not enough to do anything to the pot.

If you added wine, especially red wine--and they weren't using just a little bit; they were using a lot. That was the American way of cooking: if a little bit is good, more is better. The same way with the spices and herbs. The wine added to the stew would just eat into the patina on the pot. An old, well-used Dutch oven would turn a wine-laced stew black.

We had the same problem with aluminum. People complained that their heavy aluminum pot all of a sudden turned bright and shiny inside. They wondered what was wrong with their pot; they were influenced to buy the pot and then couldn't use it. When you got down to finding out what they cooked in it, you usually found that they had put wine in it or for some long-cooking dish that was loaded with tomatoes. They hadn't kept the aluminum

pot clean--they didn't polish it each time after they used it-- and it built up oxidation from foods, a chemical reaction that makes a pot oxidize, and gradually it would discolor. Well, you put wine or a lot of tomatoes in a pot like that, and it will clean all the oxidation off. Not that it's going to hurt you, but it's a matter of it being in your food, and I think most people were concerned about eating it.

Wine Tastings and Wine Sales at Williams-Sonoma##

- Jacobson: There were a few times when you had wine tastings and cooking demonstrations. I think I ran across a reference to a Mondavi wine tasting at Williams-Sonoma that went along with the cooking demonstrations. Did that happen frequently?
- Williams: Not too frequently, no. It probably didn't happen more than once or twice a year that we ever had anything like that.
- Jacobson: Did it appeal to your customers when you did have it?
- Williams: Oh, yes, it had appeal to some customers. I think the change in cooking and eating habits--what people were eating, what they were cooking, how much they were cooking--the same thing was happening with the interest in wine and drinking more wine. Before that it was basically French wines that people were drinking, and it was only on occasion that they were drinking wine. Among a certain stratum of customers, yes, they were having wine with every dinner, because they were used to it. They had lived in Europe or spent vacations in Europe; they were traveling extensively and staying in very good hotels, so they had become familiar with drinking wine with meals and just normally did it. But that wasn't true of the general population. Most people didn't at that time.
- Jacobson: I understand that now your San Francisco store has Chalone wine available.
- Williams: We did, but we don't anymore. I think that was only for about two years. It was something that Chalone came to us with. Chalone winery also has other wine that they don't make themselves. They have some very good vintage wine from France, from the Rothschild winery and even some of their own vintages that were special. These special wines they didn't sell wholesale; they sold it only themselves. They wanted exposure in the center of San Francisco, fairly close to the financial

district, so that they would get exposure among San Francisco people for that type of wine.

That's the reason they wanted to do it. We had the space on the second floor, and they thought it was a good place for them to be. How good it was, I really don't know. I guess it was okay, because they did stay, until just a couple of months ago, when they decided to move their operations completely out of the city. I think they had an office in the city, and moved it to the winery; they were consolidating everything.

Jacobson: So in general wineries usually approached you, either to hold a tasting or--

Williams: Yes, it was never anything that we encouraged ourselves or that we aggressively went out to promote. We've always treated wine drinking as an optional thing or the choice of people. We've never promoted the drinking of wine or liquor. It's part of food in this country for some people, but we've never promoted the idea that everybody should be drinking wine or liquor. We've never put an emphasis on it being the most important thing and that everybody should be doing it. As far as cooking is concerned, we encourage everybody to cook. We like to have the proper glasses for people to drink wine out of, but the main thing that we always stress is using the traditional proper glass for white wine, red wine, brandy, or whatever. If you're going to drink wine, drink it in a proper glass. That was our approach to it.

Jacobson: So you had champagne and brandy glasses?

Williams: Yes, the traditional shapes in all our glasses.

Williams-Sonoma's Appeal to Counterculture Tastes

Jacobson: Let me ask you to talk a little bit about changes in the profile of the Williams-Sonoma customer. You've talked a little bit about there being a broader appeal. Did you see more different types of people entering your store in the seventies?

Williams: Oh, yes. In the seventies the range of customer broadened. It had been more or less restricted to a small stratum of people who lived in certain areas, but it did broaden out. I did mention that even in the first years it did take in people like the flower children who were interested in good cooking ware and

large pots that were not available in the average department store--large stock pots and large stew pots.

Jacobson: For their communal cooking?

Williams: Yes. It did spread out to them and even to the so-called hippie generation. Many of them were interested in good, basic cooking. They were very good cooks. Some of the restaurants established by those people were very good.

Jacobson: Can you think of any?

Williams: I can't think of any.

Jacobson: How about Green's?

Williams: Well, Green's would probably be one. I think vegetarianism was all part of it. Unfortunately there were a good many people put in the category of the hippie who were basically just interested in being vegetarians.

Jacobson: Did women and men continue to shop in relatively equal numbers, or did you see that shifting?

Williams: That changed somewhat. There were always more women than men, but I would say the number of women customers increased with the interest in cooking, while the men probably didn't increase so much.

When you speak of the hippie generation getting into cooking, I would say an awful lot of bakeries were started by the hippie generation. They gravitated to baking; they loved to bake. I think it was all based on the philosophy of life of that generation of young people, of getting back to nature and getting back to the way things were originally done--baking your own bread and not buying it from a grocery store, using natural grains and all that. It was all part of the health food store popularity, too. The health food stores gained considerably off of the hippie generation. Before that it was just the health food addicts who were interested in them, but with the hippie generation it was a different story. They were interested in the natural grains and natural foods, and the health food store was the only place they could get them.

Jacobson: I have an article here that speaks to changing ideas for wedding gifts, that brides were looking for different kinds of equipment. This article credited the "counterculture tastes."

Williams: Counterculture is a better name than hippie. [laughs]

Jacobson: "Informality, mobility, finances, women's liberation, the new morality." This was written in 1971. "Counterculture tastes and even the Vietnam war" are credited with some of the changes taking place and what kinds of things brides requested. Rather than choosing china patterns and sterling silver patterns, they looked for different things and increasingly turned to your store. According to the article, "The local authority on kitchenware is Williams-Sonoma, probably the only kitchenware specialty store in the country that regularly lists the wishes of brides. Although the store has never actively promoted its bridal registry, the bridal business has grown."

Williams: Yes, we always had a bridal registry, and it worked. That counterculture was very much a part of that kind of business. People don't always mention it, but unfortunately it was sort of tied in with drugs, too. Most of it was. So many were influenced to get into the culture and stay in the culture because of the drugs in different degrees of use.

Popularity of Steamers and Butcher Block Tables

Jacobson: Wade Bentson is quoted in this article, saying that brides were interested in butcher block tables rather than antique tables, and in things as mundane as vegetable steamers.

Williams: Yes, vegetable steamers were very big, and pots just for cooking asparagus were very big. It was a way of cooking asparagus that has disappeared from this country, but at one time it was the only way to cook asparagus, and that was upright in water so that only the bottoms were in water and the tops were in steam. And all different kinds of steamers--we sold whole steamers and steamers that you could put in other pots. That was all part of it, too.

I wouldn't say it was all over the country or all through different strata of society, but certainly among our customers butcher block tables were very big. I mean, it was nothing for us to sell four, five, or six tables on a Saturday, just out of the one shop. That was very common for a number of years, and then it gradually tapered off and is down to where we just occasionally sell one. But in those days it was something that so many people felt they should have. It wasn't just with

people starting out in apartments, even though that was a lot of it.

People in some of the big homes were buying a butcher block table for their kitchen, where they hadn't had a table at all before in the kitchen. It did happen in some of the bigger homes that had had cooks, which sort of went out of fashion, partly because the younger generation didn't want to go into the servant career. The older ones were dying off or retiring, plus the fact that servants became very expensive, and a lot of people couldn't afford to have cooks anymore. So they were having to do their own cooking and had to rearrange their kitchens so that they would be a little more comfortable, which really doesn't speak very well for how they furnished their kitchens for their help. [laughter] Suddenly, when they were going to have to work in the kitchen themselves, they found it was very uncomfortable. So they were buying new equipment--electric mixers, food processors, and butcher block tables that they could work on as well as eat on, because they were eating in the kitchen more; it wasn't being served to them in the dining room, so they were going to eat in the kitchen where it was easier.

Impact of Decline in Household Servants

- Jacobson: The rise of the servantless society really must have been a boon to your business.
- Williams: It wasn't only the very rich who had servants; plenty of the middle class had a cook. It wasn't uncommon for a family to have a cook.
- Jacobson: I wonder if this change had an impact on the kinds of people who shopped in your store. In the fifties, when the homes in Pacific Heights, say, had more servants and a cook on hand, would the cook come in and buy?
- Williams: Yes, they sent the cook in to buy. A lot of those people knew about French cookware. They knew about soufflés, charlottes, brioches--not that they'd ever seen the pans or ever had them, but they knew these dishes because they were used to eating them on trips to France and being exposed to them when entertained by other people that had them. So they were interested in acquiring the equipment for their cook. Or if someone suddenly had a [need for a] new cook, they brought over a French cook

from France. That was popular in those days as a way of getting a cook: bringing over a young person who wanted to immigrate to this country who had a little cooking experience. Maybe they weren't that good a cook but had some cooking experience. They were able to get people like that. We ran into a number like that. They did send their cooks down for equipment.

Jacobson: Did you see a fall-off, then?

Williams: Yes, when they started disappearing. Sure. But when many of those people started losing their cooks, they were coming down and buying equipment for their kitchens.

Jacobson: Were these mostly women buying them?

Williams: Oh, yes, mainly women.

Differences in the Buying Habits of Men and Women

Jacobson: Have you ever noticed a difference in the buying habits of men and women?

Williams: There's a big difference in the way women and men shop for cookware. A woman who is very interested in cooking, extremely interested, and who really has very little interest in fashion or other things of that nature--other personal expenditures--would invest in expensive pots and pans and other equipment. But the average woman who was interested in cooking in just a simple way would probably be much more economical as far as what they bought. They wouldn't be very extravagant at all.

But a man coming in is always very extravagant. I mean, they'll buy the best cutlery, where a woman is very apt not to. They would settle for a cheap knife, where a man wouldn't. A man would gravitate to the best pot, where the average woman probably wouldn't.

Jacobson: What do you think accounts for the difference?

Williams: I think it's just the difference in what people put value on. The average woman would put less value on equipment in the kitchen than they would on the value of what bedding should be or things in the living room or bathroom. They wouldn't hesitate to buy good sheets, but they might hesitate to buy an expensive pan. For a man it's just the opposite. Usually a man

will spend much more on a car than a woman would. Usually men are naturally more interested in hardware and cars. Well, a knife isn't far removed from hardware or a car; it's a technique of using a piece of equipment.

We found that as far as men being interested in cooking, it was more likely that a surgeon or doctor would be more interested in cooking than a dentist would be. It's just the natural interest a surgeon would have in knives--how to use a knife and how to use it correctly.

Jacobson: In one article I read you observed that women's buying habits differed from men's in that women bought because they thought they ought to or had to purchase an item, but men bought something because they wanted it.

Williams: It's true. I thought for a long time, up until about ten years ago--and I think most people agree--that we really weren't affected by recessions that much, because people bought our kind of cookware because they wanted it, not because they had to have it. During the average recessions we had in those years, sales in department stores and other specialty stores dropped off, yet ours didn't drop off that much. It was just a fact that, say, during the school year they had to buy clothes. They really didn't like to, but it was something they had to buy. But cookware was something that they wanted, and if they wanted it they would find the money for it. If it was something they had to buy, they'd put it off if they could get by without it. That's what used to happen in recession. Something that they had to buy to live, if they could put off buying it they would; but if it was something they wanted, they were more apt to find the money for it. [laughs]

Jacobson: I wonder if men pursue gourmet cooking as a leisure activity, whereas for women it's associated with duty. Do you think that has something to do with the difference in their buying habits?

Williams: It used to, but I think that has changed considerably. I don't think that's the case anymore. It was that the woman's place was in the home, cooking three meals a day, and the male never went near it. He wasn't expected to. In fact, I think the attitude was that they weren't to be in the kitchen: "Stay out of the kitchen; that's my domain." But that's changed. Even for women who don't work, their role in the kitchen has changed completely. They don't have to spend that much time in the kitchen. There's very little in the way of breakfast cooked anymore. It's very possible that the man will get up and make the coffee, and that will be it as far as cooking is concerned.

You might have a piece of toast, and that's about it. Lunch is no more. Even if there are children they don't have to worry about lunch, because that's all taken care of at the school.

That's changed completely. I don't think there are that many instances where the woman's role in the household is pure drudgery, the way it used to be. And it was a very restricted life. Some of them managed it very well and made a good life out of it, if they had sufficient interest in other things connected with it and found themselves with enough friends who were in the same category of interest in cooking and taking care of the house.

More on Butcher Block Tables

Jacobson: I want to return to the butcher block table for a moment. Was Williams-Sonoma one of the first to make them available?

Williams: We were the first ones to sell butcher block tables. We got them from the Bally Block Company, who were one of the biggest manufacturers of butcher block equipment for butcher shops. At the time we started getting them was about the time--

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Williams: --butcher block work surfaces were being banned or outlawed for use in butcher shops in some states, and it gradually spread over the whole country.

Jacobson: Why?

Williams: Because the butcher block work surfaces used for cutting meat, if not kept sanitary and completely clean, harbor bacteria and can contaminate meat. It probably was okay in most places in the old days because I think they took sufficient care with them, but as butcher shops got larger and into supermarkets and places like that, it was more difficult to take care of them. There wasn't sufficient help to scrub them down at night and see that they were absolutely clean, so there could have been problems, especially in the cities. The health departments in the states started outlawing the use of wood for food preparation.

I think mainly they changed to stainless steel to begin with, and then it gradually went to plastic. Plastic became

better made, where they were able to make thick acrylic blocks and big shapes, and they replaced the butcher blocks.

Jacobson: Is that what accounts for its decline in the home, too?

Williams: No, that had nothing to do with the home. That was when we started getting them to sell in the home. Bally Block Company stopped making them, because there wasn't that much sales in them. They were still used in some states, but it got to the point where they had to make them specially for us; they weren't being made anymore by that particular company. There were a couple of other companies that were making a few for some areas where they were still legal, but Bally Block Company had stopped making them.

First they outlawed the legs of butcher blocks: butcher block work surfaces had to have metal legs.

Jacobson: Why was that?

Williams: Legs weren't cleaned enough. They had to be kept spotlessly clean because they could harbor bacteria. That was the first thing they eliminated on butcher block surfaces; they had to go to the metal legs. We found out that Bally Block Company did make beautiful wooden legs, so we had them make the wooden legs for our butcher block top. But eventually they outlawed the butcher block tops completely, so they had to make the whole thing for us. At times it was difficult for us to get them, because they had to make them specially; it wasn't something they had in stock. It was inconvenient for them to stop work on other things to make butcher block tops for us.

Butcher block tables are still being made. Most of them have finishes on them now for use at home.

Changing Fashions in Kitchen Design

Jacobson: I wonder if the popularity of the butcher block table was connected to the country kitchen look, which was taking off in the seventies.

Williams: Oh, yes, it was all part of that. And yet it was very much a part of contemporary, too.

Jacobson: I found this picture.

Williams: That's typical.

Jacobson: It's a lovely photograph of the display of copper pots and pans.

Williams: They used the copper pots in those days, and the butcher block tables. It's a kitchen table; it was the center.

Jacobson: It's in the center of the kitchen, with a chair by it so that you could work comfortably.

Williams: The butcher block table became a part of contemporary decoration, too, in homes. It was a very good look that they liked. In fact, we ourselves started doing tables with chrome legs; just using the thick butcher block top and putting chrome legs on it. We had round ones and rectangular ones that we had chrome legs for. We were also selling what I think is called a Bruer chair, which was a contemporary chair that was originally designed either in Italy or Germany that was very curved. It had a chrome frame that was continuous in an "S" shape, and it had a cane seat and back on a natural maple frame. We were one of the first ones to sell those. We brought those over from Germany. It was a very good look, a very contemporary look for a number of years.

That was even before the "going-back-to-the-farmhouse" look. Then it changed over to a farmhouse look with farmhouse legs. Then it went into painted legs; white was used for the legs and the apron with the butcher block top. That has become very popular.

Jacobson: One of the things your store was very much doing was changing the aesthetics of the kitchen. In your 1974 catalog you wrote, "What could be more inviting than the shapes, colors, and textures to be found in a country kitchen." That went along with displaying the copper pots.

Williams: At that time it really took up a lot of the shop selling butcher block tables and chairs. It became very much a part of what we were doing, and there were kitchen designers who started springing up here and there. All over the country there were kitchen designers who were subscribing to this kind of look of butcher block tables, natural wood cabinets, both contemporary and then gradually going to the farmhouse look. Originally it was mostly contemporary they were doing in those days. There were several designers here, and they were very popular.

The Kitchen as the Center of the Home

Jacobson: Did this particular aesthetic have something also to do with a particular view of how the kitchen should function in the home and in everyday life? What was that view?

Williams: When people come to the point where they found themselves cooking as an interesting performance rather than drudgery--interested in a new kind of cooking, interested in French and Italian--then the kitchen did change. It became the center of activity, a great place to have a party. In fact, it got to the point where a person cooking dinner really didn't want to be left out of it, the way they were before; they wanted to be part of the party. So they were fixing up their kitchens. They were remodeling the old-fashioned kitchen that was in the Victorian house, where you were stuck off in a dark corner with closed doors in a kitchen that was very uncomfortable and very difficult to work in--very ill lit.

So there was a great surge in remodeling kitchens all through that period. We heard an awful lot about it, and we were very much a part of people remodeling their kitchen. People would come in and ask advice about what they should buy, what kinds of pots and pans they should have. We were selling butcher block tables, so what kind of butcher table should they have--what size, what shape? And on and on.

For that time we had quite an extensive line of different shapes and sizes of butcher block tables. There were work tables and what we had worked out as being dining tables, because they were lower than a work table. The work table was thirty-four or thirty-six inches high, which corresponded to a counter; but a dining table was thirty inches. We had them made that height. It wasn't something that the butcher block companies made, because they were making stuff for butcher shops, and that wasn't the height they were using. In any case, we did adapt a lot of that for eating rather than a work surface, but we were still selling more work surfaces than we were dining height. Then it went into more dining height than work-surface height.

We were the ones who started making the small rolling cart. It was a twenty-four-inch square work table, and we had the legs cut off and put casters on it. That became a very popular item that we were selling.

Design of Chuck Williams' Kitchen

Jacobson: I wonder if you might talk a little bit about how you designed the kitchen in your own home in San Francisco, because that seems to reflect a lot of your ideas about the aesthetics and function of the kitchen in the modern home. You were working with a San Francisco apartment that had an old design, with a very small kitchen originally.

Williams: The original apartment I had in San Francisco had a very small kitchen. I didn't do anything with that, but I found that I probably cooked more in that kitchen than I ever did in any other one. There was no work space, the refrigerator was about twenty-four by twenty-four inches. It was very inadequate, but it's surprising how much you can cook under conditions like that.

When I bought the house on Nob Hill, which is very small, it didn't have much of a kitchen. I took the ground floor and made a kitchen out of it. It hadn't been used for anything; it was just a storage space on the ground floor, and I made a living kitchen out of it rather than just a kitchen, having an eight-foot long butcher block work table and putting a sink in it. So I had a good-sized work area plus a sink. No cabinets or counters around the wall, which was completely different than other kitchens, but it worked very well. It was a very efficient kitchen, even though it didn't have kitchen cabinets or counters. There was sufficient work space, and any pots and pans that are used all the time were hanging on a wall butcher rack, and knives were out in knife racks. So there really wasn't any need for cabinets, because I had a walk-in pantry that was convenient.

It was an exceedingly comfortable kitchen to live in. I think people who have designed their own kitchens that way, or had them designed that way, have found them very comfortable kitchens to live in, and they become the central point of their living. They find that they use the living room very little. They spend all their time in a kitchen that's built that way; they have comfortable chairs and a table to dine at and a comfortable work area that works well in that environment.

Jacobson: Why did you not want to have any cabinets?

Williams: Because I didn't want it to look like a kitchen [laughs] as a typical kitchen came to be known. I would say all through the last thirty-four years people have tried to disguise kitchen

cabinets so that they didn't look like kitchen cabinets. They took all the hardware off of them and tried to make them look like a smooth wall because they really were trying to get away from looking like a kitchen. They wanted to have a different, more comfortable look to a kitchen.

Jacobson: Make it into a living room?

Williams: Make it come to life as more of a living area with pictures on the walls and decorations around rather than having a sterile work area that was common in the early 1900s. People did start putting colorful curtains at the windows and having interesting canister sets. There were lots of decoration made for kitchens during that period, and there still are all kinds of things being made. It's kitchen art; we were selling kitchen art, and it did become popular with people redoing their kitchens and adding more wall space.

Advantages and Disadvantages of Open Kitchens

Jacobson: I've looked at pictures of open-faced kitchens where all the equipment is out and often thought of earthquakes in San Francisco and wondered about the whole kitchen collapsing on the floor. Did you ever have any problem with that?

Williams: No, I never had any problem with that. I think one problem you have with open kitchens where you have things out is that you have to keep it clean. It's not advisable to have too much out, because anything that's out is going to get dirty, just from the air and from the stove. Any cooking on the stove emits particles that float around in the air and land on anything you have exposed. If you've got more pots and pans out than you ever use, you'll find that they'll gradually get dirty, and you'll have to get them down and clean them every so often. But if you have the few that you are constantly using, fine; they'll stay clean. Any others will get grimy, because they do collect grease that comes from the air from cooking. I think most people have found that out. They've done their kitchen over and decided they want a big display of pots and pans out, and they find that they only use about three of them, and the rest of them hang there. Every so often they have to get them all down and clean them. [laughs]

Jacobson: I suppose the change in kitchen design is probably related to the decline in servants. If the hostess is also doing all the

cooking, she or he would want to have her guests in the same spot, which was no longer possible if you didn't have servants doing the work in the kitchen.

Changing Concepts of the "Gourmet"

Jacobson: Let's move on to changing attitudes toward the gourmet. One thing that characterized the seventies, at least as some journalists were noticing, was a rebellion against formality. I think there's even some of that you can see in what brides registered for. Rather than a formal china set they were going for something a little bit less formal. I wonder if there was any parallel change in attitudes toward the gourmet or ideas about what it meant to be gourmet.

Williams: If we get into the use of the word "gourmet," it's been so overused. In fact, it's a word that we have never used right from the beginning. I refused to use the word "gourmet," because I just didn't feel it really explained what we were doing. Unfortunately the use and misuse of the word "gourmet" has made it to actually mean anything that is expensive, and that's not true. We never have put ourselves in a category of having things that only are expensive, to begin with. We've always felt we should have the best quality merchandise that we could find at a reasonable price. We have had things that were very inexpensive, and we have had things that, yes, are expensive, but they are the best quality or exceedingly good quality.

Years ago we had wooden spoons that were five cents, up to a saucepan that was twenty-five dollars at that time. All of those things have gone up in price, but we still have things that are inexpensive. So we've never felt that we wanted the use of the word "gourmet" in connection with what we were selling.

Now the word "gourmet" is applied to most anything. They apply it to food products, cooking ware, anything that's used in the kitchen or is in connection with food, in restaurants, and so forth. It just doesn't have much meaning anymore. A restaurant serving "gourmet food"--basically, it means it's expensive. It doesn't mean anything else.

Yet "gourmet" in its origins meant that it was exceedingly good. It was exceedingly well cooked, and it didn't have to be

expensive. It could have been something made out of two or three ingredients, say a few vegetables, that were exceedingly good. They were very fresh, picked at the right time, and they were prepared in a very simple way but exceedingly good in taste. That's what gourmet was about, but it doesn't mean that anymore.

Jacobson: I think James Beard had almost the same reaction. He said, "I hate the word gourmet and all the other terms people have thought up. Good cooking is good enough." He believed in doing simple things exquisitely.

Williams: Yes. Gourmet originally meant that something was exceedingly well cooked with good ingredients. I mean, it could be just rice; it could be anything. It didn't have to be foie gras. Foie gras isn't an indication that it's gourmet, because there's some foie gras that's not that good. Also how it's presented-- in a simple way. Now gourmet is when something is presented on a gold plate. Well, it's lost its meaning.

I think the expression "bon appétit" has lost its true meaning. It's used so much, but it really doesn't hold the meaning it had years ago.

Jacobson: Which was?

Williams: It meant "enjoy your food"--eating well, a good appetite. Now it's just used the same as we say "hello" and "goodbye." [laughs] It's said the same way as most people say "hello," with no expression. This is so true of so many expressions that we use today. We don't put any feeling in them, so they don't really mean anything. It's just as though we are just saying something.

In the stores we are going through the process now of talking about how it's not what you sell but how you sell it. We talk about giving service. Well, what kind of service? There are all kinds of service. It's the quality of the service that you give that makes it worthwhile. It's all in the way you say "hello" when someone comes in the store. If you just say [flatly], "Hello," what does that mean? Is that a greeting? It's no greeting. It has no indication that you are welcoming them into your store; it's just an expression that you're supposed to say. If you don't put some feeling into it, it would be just as well if you didn't say it, because it's very apt that you are giving the customer a negative feeling right off from the way you said "hello."

All these things we have automatically done all these years, we have never really talked about. Now we're having to talk about it because we have so many stores and are dealing with so many people, and lots of people who have never been exposed to quality service or experienced it themselves because there are so few places that give it. So when we are talking about service, they don't know what we're really talking about, and we have to explain it.

In any case, we have always given this kind of service, and not intentionally; we just automatically do it. It's the way we have always felt about it. It's a matter of doing something with a passion. If you have a feeling for what you are doing, it's just automatic. All these years with me and with everybody who was associated with the shop in the beginning--some of them didn't have it, but most of them did--we've always had that in the shops.

The use of the word "gourmet" we never used. We never let them put it in any advertisement we do. In fact, when they started doing these Time-Life books--

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Williams: --writing the introductions and different parts of the books, they were using the word "gourmet"--gourmet this and gourmet that--and I told them to take them all out; we don't want them in the book.

Jacobson: In the seventies you sold a book by Rita Leinwald called *How to Beat those Cordon Bleus*. I don't know whether her book was trying to demystify the gourmet or what it was.

Williams: I remember it. I would say that in some respects it was a difficult situation, because she was a very good customer of the Beverly Hills store. I think she was fairly well known in the Beverly Hills area and that part of Los Angeles. She wrote that book, and unfortunately she left on it the name she put on it [laughs], and there were some people who really didn't like the title. They would have preferred a different title for the book. I guess I understand what she was trying to convey in the book, that you didn't have to be a so-called Cordon Bleu-educated cook to cook well. You can do it yourself; you don't have to get a diploma at the Cordon Bleu cooking school to cook well.

Jacobson: Why did the title offend some people?

Williams: I don't know. It seemed to.

Jacobson: Some of your customers?

Williams: No, individuals who felt very strongly about so-called gourmet cooking, French cooking as done in the Cordon Bleu manner, and so forth. Some of them felt it was derogatory to the profession. I think it was mainly some who were strong believers in the authority of the Cordon Bleu in France and French cooking and what it stands for.

Jacobson: Did you take any flack for having the book sold in the store?

Williams: Oh, yes. [laughs]

Jacobson: Did you have reservations about the title?

Williams: Well, yes. I knew she was doing a book, and we were looking forward to seeing it. I was really surprised at the title. Frankly, it's an unfortunate title in any respect, because it's not the kind of a title that will draw people's attention to something they would want to buy. A title like that usually doesn't sell. You know, a title is what sells a book, plus the jacket. I think the book would have sold much more if it hadn't had that title.

Growing Interest in Ethnic Cuisines

Jacobson: Let's talk a little bit about changing tastes in foods in the seventies and how that affected things that you sold. What sort of impact did the increasing interest in ethnic foods and nouvelle cuisine have on your store?

Williams: With the interest in all of those cuisines--Italian cuisine--we naturally were selling much more of that kind of equipment. We were selling things for making pasta by hand. In fact, we were selling that kind of equipment before the Cuisinart came along and you found out you could make a pasta dough in a Cuisinart. People were making it by hand and rolling it out.

I guess there was more of an interest by the Italians who were doing cookbooks in endeavoring to educate Americans to make pasta by hand, even to refuse to use a hand crank to make pasta. You were supposed to do it on a board with a long rolling pin--kneading it by hand for ten or fifteen minutes, and then rolling

it out. Not that it ever gained that much popularity, but it was pretty well stressed by the Italian cookbooks that came out. A lot of people tried it, but they all reverted to using a machine. The electric pasta machine probably was the most popular for a number of years. It was made by Bioletti, and as far as we were concerned it was probably one of the most popular electric machines that we carried, especially at that time.

Jacobson: I remember one catalog description of the electric pasta machine, which you introduced as your favorite machine because it gave texture to the pasta. It didn't produce pasta that was like manufactured pasta, which was sleek.

Williams: Yes. It had plastic rollers that had a slight texture to them so that it did give a texture to the pasta that would hold the sauce much better. Even today there are one or two factories--I know of one factory that makes pasta in the old way. They still use brass or bronze rollers to roll out their pasta. It's rolled out in big, long strips and then hung over rods to dry in the old-fashioned way. They don't make it that way anymore in the modern factories in Italy; it's all produced the way it is anyplace else in the world. But this one factory, and I think one or two others, still make pasta in the old-fashioned way. The bronze had a slight texture on the roller. You don't even see it, but it's there, and it does hold the sauce better; it's not real slick, and the sauce doesn't slide off.

Jacobson: I suppose with interest in different ethnic foods you began traveling to a lot more different countries on your buying trips.

Williams: That didn't happen until the eighties. I never went anywhere else in Europe other than France and Italy, and I started going to Portugal about 1980. I didn't start going to Eastern Europe and China until the eighties.

VII THE CATALOG FOR COOKS IN THE SEVENTIES: PRODUCTS AND PROSE

Drawing Attention to a Product's Dual Uses

- Jacobson: I have a few questions about the Williams-Sonoma Catalog for Cooks. One thing I noticed about the copy was that you often emphasized dual uses for products. Did you feel that was an important thing to do in educating your consumer or in encouraging buying?
- Williams: I thought it was an important thing. If a product was developed for a specific purpose that wasn't something that you used all that often--if it had a dual purpose, you really needed to tell the customer that it can be used for something else as well. It's not a matter of selling the merchandise; it's a matter of encouraging people to take advantage of something if they really wanted it. It's not just for this; you can buy this thing and make what you'd like to make with it, but there is also something else that you will find it useful for. Oftentimes people need something else to justify spending the money on something that they want to get.
- Jacobson: There was a translator machine that weighed flour grains--converted it from metric into American measurements. You said it was great for weighing letters, too.
- Williams: In those days it was sort of important. That was a period we went through where the postal system clamped down on weights of letters, and you were getting mail back because of insufficient postage. They were checking more; it wasn't just occasional spot-checking. As the mail went through the postal system, there was something the letters were hitting so that if they were too heavy they were kicked out, and people were getting all this mail back. It was in the days where everything had to go by mail, and if you had too many sheets of paper--and especially going to Europe it was even worse. You had to be very careful on that, because if you sent something to Paris, it could get

all the way to Paris and be rejected because of insufficient postage, so here two weeks had gone by and the thing still hadn't been delivered. So it was very important to see that your mail had the proper postage on it before you let it go.

Philanthropic Appeals

Jacobson: In the 1972 catalog you had imported something from Bangladesh. Part of the copy said, "This is a country struggling to recover from national disaster," I guess trying to encourage purchases to help the country out. Do you remember that and how sales were?

Williams: Yes, it was a basket I found. It was beautifully made. It wasn't woven; it was sort of wound around. I don't know how the pieces were connected. Then there was a brass rim formed around the top of it. There were several of those that we had. It was a time that Bangladesh was going through an awful famine or some disaster--a typhoon or something that had wiped out the country --and the people were just destitute. It was one of the first catastrophes of that kind, although we seem to have them every year now, in Somalia, Eritrea, and Ethiopia. But that was really the first one, and it was such a tragic thing of so many families being wiped out from this disaster. It was publicized so much, and everybody was trying to help. There were organizations that were springing up all over to help Bangladesh. This basket came along, and I thought it was a marvelous thing to get and sell to help them out--buy their products. Who knows, maybe they never got anything back from it, but at least we were hoping that we could sell them and be able to buy more. And we did; we sold an awful lot of them. So we did force importers to buy more.

Equipment vs. Gadgets

Jacobson: I also noticed in one of your catalogs--I think it was 1975--you emphasized that you were selling not routine housewares but specialized equipment of the best quality, professional equipment for use in the home. You added, "Like most people, I succumb to the occasional gadget if I think it's really useful." I remember your very first catalog where you said no gimmicks, no gadgets, no conversation pieces. I wondered how you feel

about selling gadgets in your catalog and what you think of as being a gadget.

Williams: Most of the equipment we had, especially the equipment from France, was professional tools of the trade. That included things like a chicken-boning knife, a beef-boning knife, melon ballers, zesters, lemon strippers. They're all sort of common today, but they weren't at that time, and they were professional tools. Gadgets are a different thing. I consider a gadget something that's dreamed up by a person thinking that it's a useful item in the kitchen. Usually it takes the place of something else that probably does it just as well or more efficiently, but maybe this will do it faster.

I can't think of any now, but there have been a lot of gadgets in this country. Most of them have been made in this country. If one of them does come along and proves to be very good, then I would consider it a tool rather than a gadget. I'd say there have been a few gadgets that we have put in the catalog, but they were good; they were useful, and I did succumb to them. They did something maybe faster, maybe a little better than by doing it the long way.

Jacobson: I think I recall that initially the lettuce dryers struck you as a gadget.

Williams: Yes, when I first saw it, it was a gadget. The first lettuce dryer that we had was just a wire basket that you would take outdoors and swing. It was a round basket made of wire, something that had always been made in France. It didn't bruise the lettuce, but all the water was forced out of it. They worked very well. Well, this other so-called gadget came along that had a string on it; it was invented in Switzerland. It had another container inside, and you pulled the string back and forth. Each time you pulled it, it reversed directions. It's accepted now, and we sell it; we still sell it. At the time I thought it was a gadget, but it proved to work very well.

Jacobson: I have friends who think they just can't cook without one.

Williams: You had ways of drying lettuce that you always felt worked fine, but once you start using something like that which is so much faster, if you all of a sudden don't have it, you find yourself saying, "How am I going to dry this lettuce?" [laughs]

Jacobson: I also have a friend who uses it to dry her nylons in.

Williams: We had a small one that the French made for drying herbs; it was just a miniature one. We sold a lot of those for people to dry their nylons in. In fact, we had them in the catalog, and we said that in the copy.

Jacobson: Oh, for dual use?

Williams: Yes. And we sold a lot of them, because it was small enough. It was just right to dry one pair of nylons, and it really worked; it took all the water out.

Loyalty to the Original Manufacturer

Jacobson: I observed that occasionally you made a plug for the small manufacturer. There was an ad, for example, for English butcher aprons made by Rushbrooks, the firm that had supplied "the great Smithfield meat market in London since 1837." The copy read, "The produce market in Covent Garden has gone, Les Halles in Paris is gone, both victims of progress. We do hope that Smithfield and Rushbrooks carries on. We like tradition!" I wondered if in your buying you really did have a preference for the small manufacturer.

Williams: It wasn't so much the small manufacturer. If the small manufacturer was better than the large manufacturer, I preferred the small manufacturer. The other thing that I preferred and always was loyal to was the one that originally made it. For instance, there have been items that were made in France, say a corkpuller, by a company with a definite name for it. All of a sudden it's copied in Japan or Korea or someplace like that and starts being sold by them in this country. We stick with the original, even though it's going to cost twice as much. We never go to the copy. We try to avoid that; we never do that. We still sell some tools from original manufacturers and have never gone to the copy, yet the copy is sold all over.

We have one now. It's a little plastic mandolin that was made in Switzerland. It was first made by a company in Germany, and we still buy that one. Yet there are about three copies that are made in the Orient, but we've never touched them, even though they are cheaper. There are quite a few instances like that. There's a stainless steel olive oil container that has a pouring spout that was developed in Italy. There's a copy that's made in India that's probably a third less in price, but

we refuse to buy it, and the manufacturer can't understand why, since it looks the same.

Jacobson: Tell me why.

Williams: We feel loyal to the company that developed it. Why should we switch, just because somebody else is making it? If the copier had developed his own olive oil container of different design and it was better, why, yes, we'd probably be interested. But just to copy it and expect us to buy it, I just don't believe in that. I don't think it's right. I don't think it's really ethical.

Jacobson: Is it also a question of going for the authentic and not a copy? A lot of your business is built around selling the authentic.

Williams: Yes. A lot of it in the past was, but it is very difficult today to hold to that. Years ago it was very much the feeling we had about the original and not a copy. I was always conscious of that. If it was something I had found and was going to buy, if there was any chance of there being an original, I would have found that and bought it rather than a copy. There have been times that I have found something that was made in Korea, obviously a copy of something else, and I would try to find the original.

We had a problem here recently. There was a corkpuller called a Zig Zag that suddenly appeared on the market here. Somebody in this country had made one.

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Williams: There was a story that was included with this, that it was a French corkpuller. I said, "You really can't do that, because we used to sell the original one, and I don't know why you still don't have it. It's something that had been dropped out of the line, and I'm sure it's still made." They started checking with the buying agent, who said he couldn't find it. So I dug around and found one of the original ones that we had. I made a xerox of the photo of the corkpuller, showing the manufacturer, and they found it. It was a very small manufacturer, still there in France someplace, and he's still making them. They're not widely distributed, but he's probably making all that he needs to make for a living and selling them to a few places in France.

But we got the original back; we didn't settle for a copy that was made in this country that was going to be about four

times as much. That's the way I feel about it. I just feel that we should be selling the original of something. If it's too expensive, then don't sell it at all.

The Cook's Almanac

Jacobson: I noticed also that you had a quarterly newsletter called "The Cook's Almanac" that you advertised in the catalog. What was that?

Williams: We had a Cook's Almanac that we put out. I think we only did it for two years, and it was once every quarter. It was a newsletter that also included items that we had found that we probably wouldn't put in the catalog; or maybe it had been in the catalog but we weren't able to say much about it. In the newsletter we could show a little drawing of it and explain more what it was used for, how it was used, or tell the history of it. I asked Elizabeth David if she would write for it, and she wrote a newsletter from London. I think it was called "A Letter From London," and she wrote a little article about some specific product and always had a recipe with it, or maybe a couple of recipes for something special that was unusual. It was often something that had to do with an ingredient that she could explain very well, like the use of saffron--where it came from, what it was for, how it was used, how it could be used today, and there would be a couple of recipes using saffron. That sort of thing.

Jacobson: Elizabeth David was a real favorite of yours, I think. You said her cookbooks were "for the thinking cook."

Williams: Yes. She wrote about cooking in a literary manner. I suppose you really had to have a fair understanding of cooking to get the most out of her recipes, but her books were very readable. Even the recipes were almost prose, though she did separate the ingredients from the instructions. Sometimes she didn't, but usually the ingredients were separated a little bit up at the top, but the way she wrote the recipe was very literary and sometimes very amusing and informative. She'd put a little sentence in the middle of a recipe, and it would be very interesting. It would be something about where she'd had the dish to begin with or something like that.

Jacobson: Was her style of writing similar to M. F. K. Fisher's?

Williams: Yes, in some instances it was. She was a literary writer like M. F. K. Fisher, but M. F. K. Fisher had a different way of talking about food and different expressions that she used. She could explain about eating a dish of spaghetti, and you could almost see it visually. Elizabeth David was able to express herself very well in talking about food, but it was in a little bit different manner. She was a very knowledgeable cook, whereas M. F. K. Fisher wasn't. M. F. K. Fisher could write about food and you could almost feel it and see it, where Elizabeth David had this great knowledge of food and its preparation that she was able to put forth in writing.

Sales of French Cafe Chairs and Tables

Jacobson: Your catalog started carrying French cafe chairs and tables and trays. How well did those do?

Williams: Oh, we did very well with them. I like to think that we started the trend in this country. We were probably one of the first ones to bring them over, if not the first. Individuals had brought them over, but I think we were probably the first retail company to have them. It was long before they were easily gotten in France to ship over to this country to resell. We had a difficult time getting them. It was a factory that was very old and decrepit and barely able to stay alive. Their production was very erratic, and I think basically the French government kept them alive for the parks around France.

Jacobson: Did you find restaurants buying them or just individuals?

Williams: Just individuals. I think we did sell a few to restaurants. It would have to be a restaurant with a garden look to it or if they had a little outdoor section. But mainly people were buying them for maybe a patio, and people bought them for small apartments to create a little dining spot in a two-room apartment.

Introduction of Food Items in the Catalog

Jams

Jacobson: One other change in the catalog was the gradual introduction of food items. You hadn't always carried food items.

Williams: We had always carried a few, but not too much. Right from the beginning we always had a few items, and then there was a period in the latter part of the sixties where I started buying more in France, bringing more things in that were unusual in this country, like jam made without preservatives and with a minimum amount of sugar. The only sugar added to it was what it needed to gel to a certain consistency. It wasn't just a matter of taking the formula that was mainly used in this country of using a pound of sugar for each pound of fruit; no matter how sweet the fruit was, you still put a pound of sugar in. And you cooked it so long, having nothing to do with the proper consistency of it. The French jam was cooked only until it got to a certain consistency, and they never used any additives for jelling or preserving as were used in this country. For home preserving they sold Certo for that, but the French used none of that.

I started bringing that over. It was a very old company right outside of Paris. They made jam for other companies in France under different labels, but they offered us their original label, a marvelous simple blue and white label. It was their original label that they really didn't use anymore, so they used that for us; however, we had to have an English label on the other side. There were thirty-three different flavors of jam that they made, and we had them all. We sold all of them, too, though some sold better than others.

At the time I remember the one that was the best, that most everybody liked and some people returned for week after week, was apricot jam. The reason it was better than most apricot jam you get--and even today it was probably better than what you can get--was because they put a bitter almond pit in it. Every jar had a bitter almond pit that intensified the apricot flavor.

Jacobson: It didn't leave a bitter almond taste?

Williams: No, it didn't.

Jacobson: Did it have hints of almond in it?

Williams: I don't think bitter almond is supposed to be used in much of anything, as far as the FDA is concerned. I think it's used in the manufacture of some drugs. In any case, it was used in this way, because there was only one pit in a jar, and nobody would eat it anyway because it was a whole pit.

Jacobson: What other kinds of food items were you selling?

Williams: French sea salt.

Jacobson: What were the benefits of that?

Williams: It was natural sea salt and had much more of a salt flavor than the regular salt sold that has something in it to keep it from drawing moisture and sticking together, which granulated salt almost has to have. Rock salt doesn't need that. We used to have a lot of French customers who came in for it, because they used it in their bath. A lot of French people in France prefer bathing in sea water rather than fresh water, and they were used to that; they were raised that way. These bags that we sold were one kilo or a two-pound bag of sea salt, and it would last them for about two weeks.

Wine Vinegars and Olive Oils

Williams: We were probably one of the first to sell wine vinegar. Wine vinegar was not made in this country, and it wasn't brought into this country; nobody brought it in. The vinegar sold was just cider vinegar, and that was it. But we got French wine vinegar, both red wine vinegar and champagne vinegar, which was very mild and exceptionally good. Then vinegar that was flavored with tarragon, and later we got one that was flavored with garlic.

There was one that I found that was white vinegar that had garlic in it. There were five cloves of garlic on a wooden skewer. It had to be five cloves of garlic; that was the tradition in France. In France, any liquid that you put garlic in as an additive always had five cloves. That goes back to a plague in Marseilles. As the legend goes, there was a man who survived the plague because he ate five cloves of garlic every day. [laughs] To this day they consider five cloves of garlic to be the magic number. So we had these bottles of vinegar, each with five cloves of garlic on a skewer. Just to hear the story, you couldn't help but buy one.

Jacobson: And olive oils?

Williams: We were one of the first to bring in extra virgin Italian olive oil, Tuscan extra virgin olive oil. Not that olive oil wasn't available; it was, but only Star olive oil and some of the other ones that were just commercially blended olive oils. But you suddenly find that there's Tuscan olive oil that is extra virgin, only the first pressing, and so forth, and it tastes entirely different. Extra virgin olive oil has become very common now. Now there is so much extra virgin olive oil and so many different brands. It didn't take long before there were an awful lot of people in the olive oil business in Italy.

Jacobson: This raises the question of your introducing an item and then it being picked up by bigger manufacturers and sold in supermarkets. What happens to sales of your food items when that happens? Wine vinegar, for example, you can find in supermarkets.

Williams: We don't sell much wine vinegar anymore, but we still sell plenty of olive oil. I think vinegar is a different story, because if you buy one of those quart bottles of vinegar--which is the way most French vinegar is packed--you've got it; there's no reason to buy another bottle of vinegar for the rest of your life. When we first brought in the wine vinegar, we did sell a lot of it. I think it is because it is so much more widely available that we don't sell that much wine vinegar. But we still sell a lot of olive oil.

Jacobson: And the jams?

Williams: We don't sell much jam anymore because I don't think people are eating jam like they used to. The consumption of jam went way down in this country.

Jacobson: What do you attribute that to?

Williams: People worrying about their diet and health. I think it's only in the Middle West that you'll probably find people sitting down and eating big, healthy breakfasts in the morning of toast and jam, butter, bacon and eggs. In the cities on the east and west coasts you find people are not eating that way. So many don't eat breakfast at all. They may have a cup of coffee and dry toast or a muffin, but they're not eating jam with it. So jam really doesn't sell that well. I think you will find it to be the same case in supermarkets; they don't sell that much jam.

Pommery Mustard

Jacobson: I think mustard was another item you carried.

Williams: French mustard, like Dijon mustard, was available in this country, but I brought in the Pommery mustard in a big crock with a marvelous label on it and red sealing wax on the top to seal the cork. That was the first year, about 1971, that it was made in France again, because production of that mustard had stopped during the war and wasn't revived right after the war. It wasn't until probably about 1970 that I found it. I think it was the first year that the company had gone back into the business of making this particular mustard. I must say that it was exceptionally good. It was marvelous mustard, but after about two years the quality of it went down. The flavor changed because the production had gotten too big. It had always been made in very small quantities. Within six or eight months after I had it, it began appearing everywhere.

Jacobson: And you discontinued it?

Williams: We had it probably for a couple of years, and then we finally drifted away. But we sold an awful lot of it. One girl who worked for us, Anne Nicholson, had a marvelous personality, very vivacious. Anything to do with food, she had a great passion for, and she just sold it with passion. She took it upon herself to sell Pommery mustard, and she sold it to some of the people in the financial district to give to their employees [laughter]. The shop was small in those days, and just that one Christmas--the jars were big--it added up to three or four tons that we sold--that she sold. We called her the mustard queen. We gave her the gold star that year.

Aceto Balsamico

Jacobson: Are there any other food items that you were first to introduce?

Williams: Aceto balsamico was one. We were one of the first to bring that in. I saw it for a number of years in Italy. The Renacenti department store was right next door to the hotel we stayed at in Milan, and they had a small food department up on the sixth floor. I always went in and looked at their food department, and I always noticed this bottle that looked like hair tonic --a frosted bottle. I really didn't know what it was.

One year I finally asked what it was and found out it was this vinegar that was only made in Modena. It just happened that they had it in the food department of this store because one part of the food department featured the products of Fini, a factory in Modena that made prosciutto, hams, and mortadella. They had their vinegar, too, and the only reason it was there was because it was made in Modena, and that's where it stayed. So many things made in a region of Italy never left the region; it was only for that region that they were made and sold, and aceto balsamico was one. It was never exported to other parts of Italy.

But in any case I did get some, and now it is everywhere. Of course, we put aceto balsamico and other things we found in the catalog, which made them known all over the country. You can buy a version of aceto balsamico most anywhere now.

Jacobson: Do you continue to sell it in your store?

Williams: We still sell it, because the one that we have is really the best one. Some of the other ones are really very weak versions. They are wine vinegars flavored to taste like balsamico. They almost have no relation to the one we have. If you taste one against the other, there's a complete difference. You may as well use regular vinegar, there's so little difference between some others and regular vinegar. I don't know the system in Italy of distinguishing aceto balsamico; I guess they really don't have a ruling on what it has to be to be called aceto balsamico. In Modena it has to be made of certain grapes, cooked and aged for a certain length of time, to be labeled with the official seal. Apparently they do not control what is exported.

Sweets

Jacobson: Are there any others? I think there was a ten-pound chocolate bar.

Williams: Yes. In the catalog, we were the first to sell a ten-pound commercial bar of chocolate at retail. The first one we had was Guittard, an American one made in San Francisco, but then we got the Caillebaut, and we were the first ones to sell that.

Jacobson: What was the advantage of buying a ten-pound block?

Williams: It was a cheap way to buy chocolate if you wanted lots of chocolate. If you bought ten pounds of small bars or Hershey bars, it would be very expensive for that quantity of chocolate. Per pound it was inexpensive, and it still is, to buy it that way. If you are baking or making candy and require lots of chocolate, it's the cheapest way to buy it.

There was lots of food we brought in. There were cookies that we brought in, Crepe Dentelles. There were a number of biscuits we brought in from France. Coffee sugar--we were probably the first ones to bring that in from England. They are brown crystals of sugar that are made just to sweeten coffee.

Jacobson: What was their advantage?

Williams: It gave a little extra flavor. It was sugar crystals that had a little bit of caramel in them. It was a natural thing; in the process of making sugar they kept it in its natural state, with a little caramel with it, which eventually would be extracted when it was refined. It was left to form in natural large crystals and sold as coffee sugar. It gave coffee a little different flavor and sweetness.

Jacobson: It seems that the food items you chose to sell were chosen with the same philosophy as the cooking equipment--that it was authentic.

Williams: Yes, the original manufacturer of something. That's almost impossible today to find. So many things have been absorbed by some other company. Even the Fini aceto balsamico that we sell now belongs to Kraft.

VIII HARD TIMES AND EXPANSION OF MAIL-ORDER BUSINESS

[Interview 5: August 28, 1992]##

Relocation to Emeryville, 1976

Jacobson: Why don't we start today with the hard times the company experienced in the late seventies. You had gone through a considerable expansion, opening new stores in Beverly Hills and Palo Alto. Also the mail-order business was well underway. Then you started to experience some hard times around 1977. What was going on then?

Williams: To reconstruct the business, in 1971 we did the first catalog. In '72 we did the second catalog, incorporated the business, and opened the Beverly Hills store. In '73 we opened the Palo Alto store, and I think in '74 we opened the Costa Mesa store. The catalog was increasing along the way.

It was in '76 when we started working on moving the whole catalog operation to Emeryville, because the catalog had gotten too big. We were doing it all in San Francisco in the basement of the antique store. The offices were taking most of the antique store, as we just kept moving it forward and partitioning it off. It got to the point where there was about a third left in the front for the antique store, and the rest of it was offices in the back. Even though it was pretty primitive as far as how we were doing it, it made a lot of business.

We did have an accountant. In fact, somewhere along in there we got a new accountant and completely changed over. Geneva Hawkins was our accountant for several years before. We had expanded the buying part of it as well, and Sandra Griswold was part of that. Another one was Libby Paine, but I think she came in later.

We actually made the move to Emeryville in the late summer of 1977. We had made arrangements to open the store in Dallas, and we did open that; I'm not too sure when it was opened. In the meantime, Edward Marcus died, and that sort of changed the whole thing. Even though he had more or less negotiated sites in Dallas for the store, I don't think the final thing was done while he was still alive. It may have, I've really forgotten, but it was all part of it.

There was negotiation as far as bringing somebody in to run the business, and that was part of Edward Marcus's last performance--picking out somebody for that. It was decided, although I don't think it was done before he died, that they would hire Gerald Dirkx, who worked for Horchow in mail order. They thought it was better to have someone who had mail-order experience, because that did need expansion, and we really didn't know anything about it. So he was hired, and there was another one hired with him, Dave Case, who was at Horchow; the two of them came more or less together. Dave Case was going to run the mail-order part of it--the packing and all that.

Then we negotiated on moving the business to Emeryville. First we had talked about South San Francisco. It really couldn't be in San Francisco because the labor unions were still very strong, and it wasn't feasible to continue having it in San Francisco. So we did move it to Emeryville.

Bank Loans and Hard Times, 1977

Williams: When Gerald Dirkx came on as president of the company, he decided that we needed more money. They were negotiating with Wells Fargo Bank, which is where we had always done business and where I had taken out the first loan for the business when we formed the small corporation.

I think the first loan had been for \$75,000, and then we needed to increase it each year for doing the mail order. Each time it was paid off way before it was supposed to be. Even my last loan, which was \$180,000, we paid off I think even before Christmas with the Christmas business. So there was never any problem on that.

Dirkx negotiated for a larger loan with Well Fargo and wasn't getting a response for too much extra, so they went to Security Pacific Bank and got a much larger loan. Probably it

was he and Tom Freiberg, who had come from Lazarus, the big chain of department stores in Cincinnati. He was in management there and was more capable and had more experience, so he was doing that along with Gerald Dirx.

So we changed banks--which was probably the first mistake--going to a bank that was willing to loan more money and not to the bank we had always done business with, which I knew better. They borrowed more money and proceeded to increase the mailing. Gerald Dirx was familiar with buying names for catalog use, not that he had that much experience with it; I don't think he had, but he more or less indicated that he had. So they were buying names. They got names from Horchow, I think we were still getting them from Nieman Marcus, and I think they bought other names.

Jacobson: How expensive is it to buy names?

Williams: It's expensive. You can pay ten cents a name or even more. It depends on how good the names are and how big the list is. If you're buying a hundred thousand names, it can be expensive. It can break a company to buy names and not get a response off of it. Basically, that's what happened. Moving to Emeryville and taking on more expense as far as warehouse and office facilities--even though it was a small space, it was a big jump of cost. Also buying names. When we moved to Emeryville we did have a labor problem. A union person happened to get a job, and we had a strike and went through all of that. We never had that problem in San Francisco.

Jacobson: Were these the people in the warehouse?

Williams: Yes, in warehousing. I think it was just because of moving over there that it happened. We did have a strike, and that was probably costly, too, as I remember, having to have lawyers and all that. We finally worked it out so that it didn't become unionized. We found the person who had created it and proved that there was no cause for it at all. We were paying well above the going wage, and there wasn't any reason for becoming unionized. So we got through that. It was just an extra cost of doing business.

Also we were buying more merchandise with the anticipation that the business was going to be increased by added mailings. I think at that time also there was a change in the catalog. Wade Bentson was still there, but he resigned soon after that. He was involved more in buying merchandise for the catalog.

Changes in the Catalog

Jacobson: What was the change in the catalog?

Williams: Gerald Dirkx changed the copy, having his wife do the copy and having someone else do the layouts for the copy, which probably cost more than what Jackie was doing it for. But he cut all of that out and wanted to change the whole thing and get his wife the job of doing that part of it.

Jacobson: Did the change in copy cause a change in tone?

Williams: Yes, there was, and it was something I had to constantly fight for, to keep the tone of the catalog what it was. She didn't like it that way, and it was very difficult. The whole thing was very difficult for me, because I was caught in the middle of it.

Jacobson: How would you describe the change in tone?

Williams: Ultimately it didn't change that much, but there was a different tone to the copy because she didn't write as well about the merchandise as Jackie did. Her type of writing was different. Although in the process of reading the copy and making corrections and going over and over it, there really wasn't that much difference in it.

Jacobson: Jackie had a very conversational style.

Williams: Yes, with a little bit of humor that was good humor in the copy here and there, not very much of it but just a little bit. Gerald's wife didn't have that. If she tried to put humor in it, it came off the wrong way. It was just different.

At any rate, money was being spent unnecessarily in making these changes, trying to expand too fast, and not having a firm foundation or hiring somebody to do the catalog. They didn't have that much experience with it at all. I mean, I remember one young man really didn't have any experience at all doing catalogs. I must say that it was difficult to find anybody who had any experience in catalogs, because it was a very new business. I think we had a new photographer, and the whole thing was sort of changed over. I think, looking at the catalog, you could see that there was a difference in 1977, and 1978 was part of it, too. The Christmas catalog of 1978 was the last one that Wade did, and he resigned. That catalog would have been done in April, May, and June.

Jacobson: Why did Wade Bentson resign?

Williams: He didn't like all of the changes, and he really didn't see that much future for himself in the changes that were taking place. And I really can't blame him. Then, of course, Jackie was left out of it, too, for a period of two or three years.

Jacobson: Then she was brought back in?

Williams: Oh, yes, she was brought back in as soon as Howard Lester bought the business.

Dallas Store

Williams: I've forgotten what the debt was; I think it was up to around \$700,000 or \$800,000, as they continued to borrow money to make these changes that were taking place, and mainly it was the catalog. Also it was establishing the store in Dallas. There was too much money spent on it. It was done differently than we had done the other ones. The Beverly Hills store was done very economically. The cabinet work was done as cheaply as possible, but it had a good effect--the same sort of look that we had in San Francisco. It was a very pretty store.

There was more money spent on the Costa Mesa store. Eddie Marcus was still alive for that one, but he died before the Dallas store opening.

Jacobson: Was the Dallas store located near Nieman Marcus?

Williams: No, it was located in Preston Center, a shopping center. It wasn't the best location by any means that we could have gotten, but it was the best location we could get at that time. The best shopping mall we couldn't get into, so it was sort of taking second best. It really wasn't a very good location. There were all kinds of problems getting the thing built. The cabinet work was let out to someone who was supposed to be a good cabinetmaker, and he wasn't. Ultimately it turned out okay, but it wasn't done on time. In fact, we had an opening planned, and we didn't have any cabinets. He kept promising it would be done, and it never got done, so we had an opening with no cabinets. The whole thing was very badly managed. It was probably our costliest proposition.

Jacobson: You must have had some high expectations for that store. Wasn't an oil boom on in Texas at that time?

Williams: Yes. But it really wasn't a very good location. It wasn't in a mall; it was in an open shopping center. It was on a street location, but it wasn't a very good one. Not that it wasn't located well for having a business. I mean, we did build up the business to be fairly good. When we moved to Highland Park later, I don't think our business changed that much; it really didn't. So in spite of the location we did build up a good following, because it didn't take us long to build up the name.

More on Hard Times at Williams-Sonoma

Williams: I think that was one of the things that was very costly. Gerald Dirx was one who spent money--establishing a warehouse in Dallas with the anticipation that there was going to be a store in Houston, which there ultimately was, but it was years later. There was going to be all kinds of expansion in Dallas; there wasn't going to be just one store, so they established a warehouse there and bought excess merchandise for it, a larger inventory than the actual store needed. We ultimately had to close that and backtrack.

It was expansion without the basis--and this all happened within a year. It's amazing how something like that can happen.

Jacobson: That was very rapid expansion.

Williams: Yes, it was too rapid. Someone coming into the business and not knowing that much about the retail business--Gerald Dirx had been in the army during the war. He had been a captain or something, and he was a typical army man--very military-like in his manner of doing business, having people do things.

Jacobson: He was a good delegator?

Williams: Yes. And he really didn't know anything about the retail business. He'd never been in a retail business. As I remember he got in with Horchow when he got out of the service, so he really didn't have experience in the retail business. I don't know how long he had been with Horchow.

In any case, it was a matter of spending too much money.

- Jacobson: Did he have much of a feel for the Williams-Sonoma product?
- Williams: I don't think so, not really. I don't think either he or his wife did, not the way I felt about it--my feeling for cooking and service to the customer and all that.
- Jacobson: Was the value of the dollar as strong in that period as it had been when you were making your first buying trips?
- Williams: Oh, yes, the dollar was still fine, so buying was still fairly easy. It was good up until--well, it's only been recently that the dollar has been so bad. Even in 1987, '88, it was still pretty good, because I remember going to Europe and spending Christmas there. It must have been 1988 or 1987, and it was very cheap to stay in hotels and so forth.
- Jacobson: My memory of this isn't very good, but it seems to me that in the late seventies, when the interest rates were so high, the dollar must have gone down a bit.
- Williams: I think it probably did. There was a period when it did change, but then it got better again. There was some devaluation along the line of one of the currencies. I think Britain devalued their money along the way there somewhere, and I think France did, too, and Italy. There was devaluation of money. It had to be in the early eighties that the Italians devalued the lira. On one of my trips all of a sudden you got one thousand lira for one dollar, where before you got five hundred.
- Jacobson: But overall that didn't have much of an effect on you?
- Williams: No, it didn't have that much effect. It's only been in the last four or five years that the dollar has lost so much value that it has made the prices go up on merchandise and made the cost of everything be too much. So much of what is imported from Europe is really not worth it, the value is inflated so much. Prices are put on the things, and we keep raising them, but is the actual merchandise worth it?
- Jacobson: Are you finding that because of that you are importing less?
- Williams: No, we're not importing less, because there's nothing to substitute. We still have to have it; there's no alternative, really. There have been cases of something being made in this country--a new start-up of a company--and their being able to make something and sell it for a little bit less, but not much. It doesn't make that much difference.

Competitors

Jacobson: Were you encountering any competition from others in related businesses during this time?

Williams: Oh, yes, there were businesses starting up, both retail and catalog. There was a lot of it. Lots of small shops were opening all over the country, and some of them were successful for a while. A lot of them didn't last very long, I think, mainly because a lot of them were copies of what we were doing. It would be, say, a retired couple who decided, "That looks like a good thing. I like to eat, and I like to cook." So they'd start a little cookware shop, but it didn't last very long being just cookware.

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Williams: Then they became a little gift/cookware shop, because for many of those people who thought selling cookware would be a good thing to be in, it became boring. You had to have a real interest in it, a real passion for it to be interesting. You have to put an awful lot of yourself into it and have the interest in cooking and talking to people about cooking. Otherwise it could be a boring situation, because you really can't change the cookware. You can't go out and change the pots and pans. There's no reason to, to begin with, because pots and pans are pots and pans. You don't put a fancy handle on one and change the looks of it and then try to sell it, because it's not going to work. It's not like having a gift store, where you can get new things all the time.

We always had a little bit of that. I'd find things that I liked and thought were amusing, in some cases. I didn't expect them to be part of the shop very long, but we always had interesting things that I ran across. Most of the time they sold very well. Our customers appreciated that sort of thing, and that's what brought them back--to see what we would have that was a little bit different. It could be a set of dessert plates or a jug--like the chicken water jug. There were those kinds of things all the way along.

Pop-up sponges was another one. That was sort of a natural thing that intrigued people. Then I found in Europe little round plastic sponges in the shape of a lemon and an orange. We had those for a number of years, and people were fascinated with them. They were little pot scrubbers that were sort of plastic mesh that was formed into a round shape and looked like a lemon,

and it had a little leaf on it. We sold thousands of those. We always had something like that which was sort of amusing.

Competition was springing up all over, but, as I say, so many of them were started by older, retired people. They soon became gift stores, and most of them disappeared along the way after a few years. There were only a few who stuck to it. There was one in Chicago, Cooks' Mart or something.

There was another one in Washington, the Kitchen Bazaar. It became quite a large shop, but it was done differently; there was a different feeling about the shop. They didn't restrict their merchandise to, say, upper-scale merchandise; they included it all. So they tried to have everything we had, everything department stores had, and everything that discount stores had. It was just like a big housewares store. And they were successful with it, because they were catering to people who were looking for bargains as well as people who were looking for good stuff like we had. Not that they were ever that much cheaper; in some cases they were, but not too much. Their overhead was different from ours. They didn't really give that much service. But it certainly was a good business for a long time. They did expand to three or four stores around the Washington area. I don't know if it has been sold or what, but I know they're having problems now.

Finding Solutions to the Fiscal Crisis

Jacobson: How was it that you worked through the crisis of sorts that you found yourself in?

Williams: It was a problem, because the bank couldn't be paid back; there was no money to pay the bank back, although I think we did keep up on the interest. I was very concerned, but at the same time I never felt completely threatened by it. I really wasn't. I don't know why; maybe I was naive. I guess I just figured something would come along and take care of it. I did insist that we pay the foreign [accounts]. It was basically one-- Julemi, our buying agent in France. It was an open account, and I insisted that they be paid, because they were in a foreign country, and if they weren't paid, we wouldn't be able to get anything from them, which was the basis of the business.

We became slow in getting some of the local vendors paid. We never got to the point where employees weren't paid. We

didn't get behind on unemployment insurance and that sort of thing. That's what so many companies do when they have a problem; they stop paying those kinds of things, and you can't keep going without paying those kinds of things. So we were able to manage on that part of it, and I was insisting on that, because I guaranteed part of this loan, unfortunately. In order to get the Wells Fargo Bank loan, I had had to guarantee that one, so when it was transferred, that went along with it.

We did manage to stay afloat until we put out feelers for someone to either take over the business or invest in it.

Jacobson: Was Gerald Dirkx putting out the feelers?

Williams: No, Tom Freiberg was, and our lawyer was, too. Edward Marcus had died, but Betty Marcus was still a partner. They had equal shares in it; their part was divided between the two of them, so she just had his share. She was fairly well known in Dallas and was working on that. It was either through someone Betty knew or Tom Freiberg knew, or our lawyer or an accountant in Los Angeles who knew Howard Lester. I don't remember exactly how it happened that it was presented to him.

Purchase of Company by Howard Lester, 1978

Jacobson: What made Howard Lester decide to invest?

Williams: He had had a computer company that he had sold, and he hadn't been doing anything. I think he spent a number of months with his family in Hawaii; he was just taking a nice, long vacation. It was at a time when he felt he wanted to get back into something. This was brought to his attention, and he took an interest in it, thought it might be an interesting business. He came up to see my lawyer, who was also the company lawyer who had taken care of the incorporation to begin with. He and [Jay] McMahan decided that they'd do it--that they would take it over.

Jacobson: So they bought the company?

Williams: Yes. It was just a case of my not being that business-minded. I never have been. I wasn't financially minded. I could do things with my hands, I could run the store, I could buy for it; but when it came to talking about finances and all that, I really didn't have that much interest in it, and I still don't.

I never have had a keen interest in financial situations and deals and so forth.

My feeling was that I just wanted it over with--just get it straightened out. If it meant selling the whole thing, okay. I did hate to lose it, but that's the way it worked out. I sort of left it up to my lawyer to take care of it, basically, and this is what they felt was the best thing to do.

Jacobson: What was the arrangement in terms of holding onto stock in the company?

Williams: They would buy the company completely, and would buy my stock out completely. There were these other small stockholders. Tom Freiberg did go out completely, but there were other small stockholders, which they ultimately bought. There were a couple that stayed in for a while, but when it came to the point of going public, they had to be bought out. Well, they didn't have to be, but they [Lester and McMahan] insisted that they be bought out in order to structure the shares differently. Naturally, if anyone has a small interest in a company that's going to expand and go public, they become fairly large stockholders, because the share structure gets completely changed.

So everybody was bought out eventually. I still had my original investment in it, but that's all. I didn't have any stock.

New Management Arrangements

Jacobson: How were the responsibilities divided up between you and Howard Lester and Jay McMahan?

Williams: Jay McMahan really wasn't to have that much interest as far as operating the business. I had been chairman of the board before; I was right from the beginning when the corporation was formed. Howard Lester became chairman of the board, naturally, and he was going to run the business. He always had a story to tell about one buying trip he went on with me. I guess it was about a year after he came on board. He thought we should have more entertaining things, like caviar service and things like that. He kept talking about it, and I would just sort of ignore it, because I never felt that anything like that would sell.

On the buying trip we went to a place where I knew they would have them, and I asked, "Is this what you're talking about?" He said yes, and we ultimately bought the caviar service. They didn't sell. So we had a conversation, and he said, "You buy the merchandise, and I'll do the hiring. Let's leave it at that. You stay away from hiring people, and I'll stay away from buying." [laughter] We've always gotten along.

He brought financial expertise to the business, and he is good at it. He understands finances and all that part of it, and I don't.

Jacobson: What was McMahan's contribution to the company? Was it purely financial, in terms of the investment?

Williams: Not really, because there wasn't that much financial investment necessary. The business was a going business, and all it needed was a guarantee of paying off the loan while the business generated the money to pay it off. I think they paid off part of it, but it wasn't a case of having to put in a lot of money; it wasn't that at all. It was just a matter of the two of them sharing the responsibility for the company financially.

Jacobson: In terms of guaranteeing the loan?

Williams: Yes, basically that's all it was. That's all it really needed, because it hadn't gone way in debt. It did have this one big loan, but it wasn't that old; it hadn't been renegotiated, and so forth. As I say, it all happened within a year's time.

Jacobson: So McMahan didn't have much to do with the daily operations?

Williams: No, he didn't have anything to do with the daily operations. Howard came up here. He was still living in Los Angeles, but he came up here and got an apartment. He'd go back down [to Los Angeles] on weekends, or sometimes he'd stay up here. He was running the day-to-day business. Gerald Dirkx was out, and also the one he brought from Dallas with him was out. I think a new accountant was brought in, and the whole structure was changed. The catalog was changed. I don't know when he got Pat Connolly; it had to be a matter of a few months, but I don't know exactly when it was.

Jacobson: What was his contribution?

Williams: He had had considerable experience in the mail-order business, and it was Howard's feeling that we needed to do something about the mail-order business. There wasn't any point in trying to

open stores, although there was consideration of opening one in Minneapolis, but that didn't happen right away. Howard felt the mail-order business needed someone with experience, so after considerable conversation with Pat, it was decided that Pat would be the best one.

Expansion of Mail-Order Business

Williams: From then on it was decided to expand the catalog business, because everyone felt it had the potential at that time, and they were proven right. It did increase rapidly with somebody who knew the ins and outs of the mail-order business and knew list management, knew how to buy names, who to buy from. So even under the still primitive conditions that we had in Emeryville with mail orders, we gradually built it up and ended up having five locations to store merchandise and one place for fulfillment--actual packing and sending out the merchandise. We had little warehouses all over to keep the merchandise.

That happened over a period of a few years until Memphis was opened and the catalog fulfillment and store distribution was sent to Memphis.

Jacobson: So you had five warehouses?

Williams: We had five little warehouses around Emeryville.

Jacobson: You were shipping everything to the East Coast from here?

Williams: Yes.

Predominance of Mail-Order Customers on the East Coast

Williams: Then it was decided that the logical thing to do was to establish the mail-order operation under one roof, and the best place to do it was in the middle of the country. It would save on delivery costs, for one thing. At that time the biggest part of our mail-order business was on the East Coast. There was a concentration of people around New York and Washington, D.C., and it did turn out to be that that was where most of our mail-order business was coming from. It was much slower building up

the catalog sales in the West and in the middle part of the country than it was on the East Coast and in the northeast.

Jacobson: What do you think accounted for that?

Williams: I suppose it was because there were more names available.

Jacobson: In terms of buying lists?

Williams: Yes. The best names were in that part of the country because it was where the concentration of people was. And more at that time, because there has been a migration. This was eleven or twelve years ago.

Jacobson: So the East Coast dominated the West Coast even in the early eighties?

Williams: As far as our business was concerned. I don't think it does now. I don't know what the ratio is now, but at that time it did. Our biggest business was in the Washington, D.C., area. The concentration of people around that area was the biggest contribution to our mail-order business. We always felt that it was because of the people who lived there. I mean, there were people around the Washington, D.C., area who came from all over the country, and basically they were all intellectual people in good government jobs or attached to government jobs or contributing to the government. And they entertained a lot; they had to entertain a lot. So it was a natural place for the catalog to work.

Jacobson: Did you find that the Washington, D.C., area was always your hottest spot, or was this an eighties development?

Williams: It was only just that development. When we started expanding the mail-order business, buying lists, and expanding our own mailing list, it sort of developed there faster than it did in other parts of the country. I don't know what it is today. It's gotten so big that I really haven't found out where the real concentration of our business is. With all the other concepts, I think it has probably changed.

Jacobson: I wonder if it also has something to do with where the catalog originates. I'm thinking about the catalogs I get in the mail. It seems to me that a lot of catalogs originate on the East Coast. Is that true?

Williams: Yes, I think most of the catalogs are from the East Coast, and I would say that at that time they were. There was not much of

that out in the West. San Francisco was the boondocks as far as the creation of catalogs. We were having the catalog photographed here, doing all the work, and getting it printed, and it was even difficult to get it printed. We were getting it printed by a company in San Francisco, and then they moved their operation to Reno, and we had to take it to Reno to have it done. There were no photographic studios that specialized in catalogs either; that was all in the East.

Catalog Production in Dallas

Williams: A lot of [catalog production] was concentrated in Dallas at that time.

Jacobson: Why Dallas?

Williams: I suppose because Nieman Marcus grew there, and then Horchow came along and was established there. It became the center of catalog production. There were any number of photography studios where that was all they did; they concentrated on catalogs. There were some in the northeast, around the New York area.

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Williams: It was felt by us that trying to continue doing the catalog in San Francisco possibly was wrong. This is when Pat Connolly did something about investigating where we should be doing the catalog, and it was decided that we should do it in Dallas. Pat did know where catalogs were produced. He was involved with catalogs, and I think the ones he was involved with were in the East. So it was natural to do it. I think we did the first one in the fall of 1979.

Jacobson: So Dallas is a year-round facility?

Williams: Yes. At the time that we moved to the photographic studio in Dallas, they were doing some of the big catalogs from all over. There was one called Serendipity, they did the Gucci catalog a couple of times, they did Burdines catalog from Miami. Oh, there were any number of catalogs; it was a big operation. There were two or three catalogs being photographed all the time. Lots of fashion catalogs; one whole section of the studio was fashion. Another section was for smaller catalogs.

I must say that it was probably the best thing that happened to us, because we were exposed to what other ones were doing and how they were doing it. I think we were able to expand it faster that way, having the expertise of the people who had been in the business.

The first catalog we had done there--the studio could provide the whole thing: they could provide the copywriter and all the production work of getting it through printing, if you wanted it. But we only wanted part of that. The copywriting was through them, and the production was through them. But on the second one we changed and reverted back to the way we were doing it before, because we thought it was much too expensive to do it that way. We could do it much cheaper by using their expertise in getting the photography done, but we had a good copywriter, and there was no reason not to use her.

Jacobson: That was Jackie?

Williams: Yes, that was Jackie. And we could handle production ourselves --the part that we could do--so we did establish our own catalog production.

Preparation of Food for Catalog Photography

Jacobson: What were some of the influences on catalog design or production or even copywriting from your exposure to the other catalogs at the Dallas facility?

Williams: Seeing what they were doing, how they were photographing. They did have lots of experience in that, but not in the way of food, unfortunately; they really didn't know anything about that. They had a good kitchen established, but our kind of food photography they really didn't know that much about. I was doing all the food for it, and I did learn from other food stylists who were hired for other catalogs. At the beginning, when the studio was doing all of it, they did bring in food stylists to do the work. It was difficult for me to get them to do what I wanted done. I wanted it to look natural; I didn't want food styling done the normal way they do it for advertising. This was something I had a problem with on the first catalog. I did the food for the first one, but for the second one they wanted to use a food stylist, and that didn't work.

Jacobson: How did the food stylist approach things in a way that is different from the way you do it?

Williams: Their aim is for perfection in food. Like a piece of toast has to be browned evenly all over, and you can't get that in a toaster. If you want to show a piece of toast in a toaster, to me it has to show what the toaster does; and it doesn't toast evenly. But they don't do that; the toast has to come out perfect. They'll use a whole loaf of bread and toast every slice in the oven until they get every slice even on both sides. They'll make twenty pieces of toast and pick the best one out. That's not the way I feel about food in our kind of catalog, where a piece of toast is shown with a toaster. I think it should be toasted in that toaster and shown the way it comes out.

They never use ice cream in a shot that calls for ice cream, and I insisted that we use ice cream. They make a mixture of flour and lard and shortening. You can scoop it out, and it comes out looking like ice cream, but it never melts. Ice cream sitting in a bowl is not that way. If you put ice cream in a bowl, the only way it's going to stay hard is to have the bowl frozen, and then you get frost on the bowl. There's no way to have a ice cream be perfect sitting in a clear glass bowl, because it won't stay that way. The minute it hits a piece of glass, it's going to melt. I insisted that we have real ice cream in the shot.

Jacobson: Those shots of all the ice cream--scoop upon scoop of different colors, with the ice cream maker--

Williams: The MiniGel. That was the first catalog we did in Dallas.

Jacobson: That's a spectacular shot.

Williams: That's the one that I did. I did all the food for the first catalog. We had all this ice cream, and I insisted on using real ice cream. It was a job; I had a crazy time doing it. I really didn't know what I was doing; I didn't know any of the finer points of doing that sort of thing. I was manipulating around, keeping the ice cream frozen--making the ice cream balls ahead of time and keeping them so that they weren't too hard and would melt a little bit--and then getting on the set and being able to photograph it. It was a workout. It worked; we finally got it done.

When you stop and think about how that was all real ice cream--there was no phony stuff in that one at all, and that's

something a food stylist would never do. They would use the other stuff that they could fix ahead of time and put on the set to just sit there; nothing was going to happen to it. [laughs]

Jacobson: The photographer must have worked very quickly.

Williams: Yes, they had to. They had to set it up and have the lighting the way they wanted it. In some cases it's not the best way to do it to be sure it's going to come out exactly the way they want it. They can set up the lighting the way they want it, but when you put something else in there, it's apt to change the lighting. It's apt to put a reflection on something, or what you put in may absorb the color of something else and cause the whole thing to turn blue or green because of the way the camera absorbs the color in something. You just have to take your chances that it's going to be okay.

Usually any time you are setting up for photography, anytime you move something or put in food, they always have to go in and look, and then they start making adjustments. So the food does have to hold a little while. They don't really want to shoot immediately; they want to look at it and see if there are any adjustments needed, and they usually do make adjustments.

That's all the frustration part of it. You know, you get something done where you think it's going to look its best. You put it on the set, and they start fooling around, readjusting the lighting, and you get to the point where you say, "I have to do the food over again, because they fooled around too long."

Jacobson: Have you ever had to redo food?

Williams: I've had to redo food because they fooled around too long and something happened to it that changed it--something that doesn't hold that well after it's done.

Jacobson: Did you have backup for the ice cream?

Williams: Yes. Some of it we had to change, where the light was too strong and it started melting too much.

Catalog Production Personnel

Williams: But I learned a lot all through that period. One good thing about that whole situation of moving to Dallas--it was good for us, because the photographer we have now who is photographing the Williams-Sonoma catalog is the one who did the first one when we took it there. That's been twelve years that he's done the catalog. After we finished the first one, Peggy Hidell, the designer, decided she wanted to go to work for Nieman Marcus. So she turned the catalog over to a designer friend of hers, Carolyn Andres, who designed the second one. Peggy, who did the first one, was only at Nieman Marcus a year, and she quit and came back and went into a business partnership with Carolyn, who was doing our catalog. So the two of them did our catalog for a couple of years; they sort of shared it. But basically Carolyn Andres became the one who continued to do our catalog for the next ten to eleven years.

As we grew and started the Gardener's Eden catalog, the Hold Everything catalog, and the Pottery Barn catalog, they were all done in Dallas. The Gardener's Eden catalog was done by another designer, but photographed in the same studio as the Williams-Sonoma catalog. The Pottery Barn and Hold Everything catalogs were designed by Peggy Hidell, but photographed at another studio, Gregg Booth.

Anyway, we ended up with both Peggy and Carolyn doing four catalogs; one of them did two of them, and the other one did the other two. Carolyn was basically the one who did all of the first few catalogs with a little help from her partner. For the last seven or eight years, she has done every one of them. Between the photographer, her, and myself doing the food and being there for everything, I think we did a great job on the catalog of changing it gradually, constantly improving it, constantly doing new things to it, working with the photographer and getting him to change the lighting and improving the lighting all the time, and learning what things to do. We ultimately have been producing the best of catalogs at Williams-Sonoma. They have always been considered the best in the industry.

Jacobson: You have received any number of design awards.

Williams: We have received any number of awards on the catalog. The different changes we've done--we've increased the size of it as far as the number of pages, and we've even changed and worked with the color and composition. It's really been a marvelous

experience, both in the results we've gotten and what the three of us have learned and how we've contributed to each other and worked so well together. We have; we have worked very well together. We got to the point where I really didn't have to worry too much about how they showed something, because we had worked so long together that we knew what each of us had to do. I knew how much I could ask of Carolyn as far as design, I knew how much I could ask from the photographer and what he could do; and Carolyn knew what I wanted and the way I wanted it. She knew I didn't want very many props, and she knew that I wanted real props--only things that we sold; I didn't want any props put in that weren't for sale.

It's been a great experience of producing one of the best catalogs in the country for all these years. It's one that people say is unusual. It has consistently stayed there as being the catalog that people welcome receiving, want to receive, always look forward to it, save it--not only for the recipes, but I know people who save it just to be saving it, I guess, and then ordering from it five years later. We've had that all through the years.

Jacobson: Oh, really?

Williams: Yes, people digging out some of their old catalogs, looking through them, and seeing things they want to order five and six years later. I think that's pretty good.

IX MERCHANDIZING PRODUCTS FOR THE HOME: DIVERSIFICATION DURING
THE EIGHTIES AND NINETIES

Purchase of Gardener's Eden Catalog, 1982

Jacobson: Maybe this is a good time to talk about your expansion into the other catalogs. How did it come about that you got into Hold Everything, Gardener's Eden, the Pottery Barn, and most recently, Chambers?

Williams: The first one was Gardener's Eden. There was talk of the possibility of doing another catalog, because in establishing our own production, we wouldn't be busy all the time. The catalog is done four times a year, but there are times in between where those working on in-house production wouldn't have much to do, or at least that was how it was when we first started our in-house production. So we thought it would be good to have another catalog so that you could work the two of them together and be busy all the time, plus cut down costs. You'd have to adjust the photography sessions and the design meetings and all that so that they would work out evenly; printing and mailing would also have to be arranged so that they work together but not on top of each other.

So it was decided that we really needed another catalog or two, and the first step was buying one that was already started rather than trying to start one ourselves, not knowing whether it would be successful. That's how we purchased Gardener's Eden. It had been started by Ruth Owades. She had borrowed a small amount of money to start it. She had had it for a year and a half or two years and was at a point where it needed more capital to expand it. She felt it was probably better to sell it and be part of that operation for a while. I really don't know how she felt about it, whether she felt she would continue being a part of it for a long time or whether it would be difficult to accept that sort of arrangement of selling it and then being part of it. Those situations oftentimes don't work

out. It's something you've created, and you've sold it; yet you don't want to give it up. And usually they don't want you to give it up; they want you to be part of it, because they don't want that break in management. It's a give and take situation, and it's usually difficult on both sides.

Jacobson: It's a situation not unfamiliar to you, when Lester and McMahan purchased Williams-Sonoma.

Williams: Yes, it's the same thing. I was retained. I had to have a contract; they insisted that I have a contract of working for whatever length of time it was--five or ten years. It was for their protection so that there wouldn't be any break, so that I would be there.

Gardener's Eden came to be noticed, there were negotiations on it, and we bought it. She came with it for a few years; I think it was supposed to be five years. Of course we had a production department to take care of it, and the photography was taken to Dallas; in fact, we did it in the same studio that we use for the Williams-Sonoma catalog.

That catalog progressed. It wasn't until her period of time was up and she chose to go her own way that we had to get someone else for the Gardener's Eden catalog. That's when we changed the size of it. We felt it would be better to change the size and make it a larger catalog with a larger format.

Jacobson: It was originally what size?

Williams: It was a digest size, the same as Williams-Sonoma. Looking back on it, it was difficult to show a lot of the gardening merchandise in the digest size. With anything big, it's difficult to show in a digest size. You either have to give it a whole page or two pages, or it has to be small and doesn't show up that well.

Jacobson: Was Gardener's Eden seen as a seasonal complement to the Catalog for Cooks in terms of its sales running in a certain part of the year?

Williams: Yes, we felt that would be one that would complement Williams-Sonoma, because Gardener's Eden wouldn't be anything at Christmas time when Williams-Sonoma was the biggest. We felt that Gardener's Eden would be the best in the spring--April, May, and June--and business-wise it could contribute more during that period than Williams-Sonoma would. It was felt that this was a good balance. It does make good sense, but since then

we've increased the scope of Gardener's Eden, and it does well year-round. We've got a different mix in it, and we found a great deal of merchandise that was just right for the Christmas business. So the Christmas catalog is probably as good as any of them during the year.

Hold Everything Catalog

Jacobson: How did the Hold Everything catalog come about?

Williams: That was in '83. We still felt that we could handle more catalogs, and we felt it would be good to get ourselves established in a broader sense in the mail-order business as far as the home was concerned--to expand in that area, and a little more rapidly before others got into it, more or less to protect ourselves, really.

Hold Everything came about through hiring Alan Rushing, who lived in Dallas. He was from Dallas, but he had worked in San Francisco for a number of years during the late fifties and early sixties. When I opened the store in San Francisco, I met Alan Rushing. He was working at Joseph Magnin. He was one of the main ones responsible for the extraordinary look of Joseph Magnin and their great success in that period of the early sixties. Joseph Magnin was an unusual store for the whole country; there was nothing like it anywhere else. A fashion store that had the best of fashion--not the most expensive, but the best of fashion--the best of coordinating display and merchandising, the best window display. The whole store was coordinated. The fashion was coordinated with the window display, with the bags, with the boxes they designed.

Every Christmas they had different new packaging. They had a marvelous designer, Margot Larson, who lived here. She did marvelous designing of boxes and bags at Christmas. Every Christmas they were different. One year the boxes would be shaped like San Francisco Victorian houses, and every different shape would be a different kind of a house. The next year would be something else. It was really a marvelous period, and Alan was part of that. He was the one who coordinated all this stuff.

Horchow got him to move back to Dallas and become one of their buyers. He did, and he became one of their main buyers. When they were building up their business, they were also

increasing the number of their catalogs. I think they got up to around ten catalogs before they were finished, with all these catalogs they were adding, and he was all part of that. At one period he left Horchow and came back here and wanted to do something else. That lasted just a few months, and he went back to Horchow. I don't know why he became dissatisfied, but he quit again and went to work for Fitz & Floyd, a company that designs most of their merchandise that they sell in the way of earthenware and porcelain.

We needed a merchandising person. I think up until then we had really never had an experienced merchandising person, one who had a background in it, and we felt we needed it. He was recommended by somebody, and I knew him. I was going to Dallas all the time.

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Williams: On one of my trips to Dallas I met with him. He had decided to come to work for us, but he had to remain in Dallas for a period of time before he could come. The possibility of starting up a new catalog had been discussed with him, and he had been thinking about it. When I saw him in Dallas for the first time in many years, we started talking about doing another catalog. He had the thought of a possible catalog dealing with organization. What made him think about it was a container store that had started in Dallas that ultimately has become a good business. It had started about six months before. I had heard about it, but I hadn't seen it.

So we went over to see it, and it was an interesting store at that time, a completely new concept of a business. It was a big warehouse kind of a store that had shelves upon shelves, like a warehouse. It was filled with anything that held something--just containers: canning jars, or just jars, plastic boxes, corrugated cartons to pack things in, and all that kind of stuff. It was very interesting, and that's how the catalog started. Alan thought it would be a good concept for a mail-order business, selecting things that held something.

When he came to work, we started working on it. I was doing the buying trips, but he never went on any buying trips for any of this. I came back with ideas, and he racked his brain and went to one of the local shows, until we accumulated enough stuff to put in a digest-sized catalog. He did the first one, and then he decided he wanted to go back to Dallas. I don't know whether he was even here for the final printing of the catalog; I think he left even before that.

In any case, it was successful enough that we felt we should continue it. I did the second catalog. I was doing the Williams-Sonoma catalog, but managed to do the second Hold Everything catalog, too. Then John Moore, who was helping me on the Williams-Sonoma catalog, took over the Hold Everything catalog. That's when we increased the size of it and made it a larger format.

Jacobson: With the same reasoning, that the products were too large?

Williams: Yes, some of the products were too big and needed the space.

Opening of Hold Everything Stores, 1985

Williams: John did the first larger one, and then it was decided that it was a concept that could be retailed, store-wise, so we opened the first store in Corte Madera. I must say that I don't think it's desirable to start a retail store from a catalog. It's a difficult thing. It's easy enough to do a catalog from a retail store business, because you can take part of the store merchandise and put it in a catalog; it just becomes an item then. But to take items, that in some cases are not related to each other, and put them in a store, and that's all you have, it doesn't work that well.

I think a lot of catalog people have found that out when they started a retail business from a catalog. I think the only one that really worked is Brookstone, but they've kept it just as a catalog business. They operate the stores as a catalog. When you go into one of the stores, they've got everything displayed like it would be in a catalog, with numbers, and you order from those numbers. It comes down a chute, and you pay for it and take it out. It's a very small operation and takes very few people, because it's just items they are selling. You have no stock out on the floor; it's just one of each thing with a sign beside it. They've apparently been successful, because they're still around.

It was difficult, because somebody had to get the merchandise for the store. It was basically taking everything from the catalog, putting it in the store, and adding a little bit to it, but not much, because we didn't have the time. John had never had any experience in a retail store, so he didn't know what it was like to run a retail store or to buy for it.

Jacobson: Has the Hold Everything store concept taken off much, or has it never been as successful as the catalog?

Williams: It's been okay, but it never seemed to get its complete direction or basis for a retail store. All these years it's been okay. The stores have grown, and it's never been to the point where we thought we really shouldn't be doing it. They've always been successful enough that they're a good, viable business. But the concept has been difficult, and I think everybody agrees that it has never found its complete basic assortment of merchandise, how to display it in the store, and what is the best size for the store. There's always been a question about what size the store should be and how much merchandise you should have in it; how much scope should you have for the kind of merchandise we're talking about.

Even the catalog--it's had its successes. It's been years, and it's been very, very good and has expanded very rapidly, and the increase in business has been exceptionally good. Then all of a sudden it went the other way and started going down. Who knows why? I think the economy affected it more than anything else. I suppose it is the kind of merchandise that, when a recession comes along, you don't need. It's one of the first things that you don't need to buy and you're not apt to buy.

It has had its ups and downs, but it's still good, and I think it is on the way to being leveled out as far as what size the store should be and how the displays should be. We're finding out an awful lot about that and how best to display the kind of merchandise that we're selling.

Jacobson: I thought perhaps the original idea for Hold Everything had come from your Catalog for Cooks, because in the late seventies you started featuring items for home organization.

Williams: Part of it was. I was continually finding items for organizing the kitchen and we devoted several pages to them in every catalog. They sold well in the stores, too. It was natural, when we started thinking about it, and the container store sort of indicated that we should be doing the thing as a separate catalog. Because we were adding, and had been adding for a couple of years, storage items, mainly for the kitchen. We were adding all kinds of things like that and found that we had good sales off of things of that nature. I think it's one of those things that could be very short-lived. You wouldn't continue selling any specific thing for a long period of time.

We had all kinds of stuff, and when we started doing the Hold Everything catalog all that was shifted over to that catalog, which was just as well. We found that there was a certain category of household goods that was related to kitchens that we could sell very well in the catalog. One of the things that are not related to the kitchen, other than the back door, that we can sell exceptionally well is doormats. I think it's because doormats are not that easily available; there are not that many places you can find doormats.

Jacobson: Attractive doormats.

Williams: Yes. We put in what ultimately became a collection of good doormats, and we do very well with them. We don't dare leave them out now.

Jacobson: That does well in the Catalog for Cooks?

Williams: Oh, yes, it does very well; it does exceptionally well.

Jacobson: Which other home organization items didn't do so well in the Catalog for Cooks that did better in the Hold Everything catalog?

Williams: Some of the wire racks, drawer units, and shelves. They did okay in the Williams-Sonoma catalog for a period of time, but we really didn't want to give them that much space. They were put in places where the exposure may not be that good. If we needed the space for something new in the way of cooking, they got left out.

Profile of the Hold Everything Consumer

Jacobson: I read in the annual report that Hold Everything was pitched to consumers who lead busy lives--busy people who like to be organized in the home. Did you find that the profile of the Hold Everything consumer was similar to the Williams-Sonoma catalog?

Williams: I think it's a little bit different. I think it overlaps a little bit. As far as our having it in our catalog, I think there was a certain percentage of customers who were potential buyers for that kind of merchandise, but I don't think all of them were. Things that might help them organize their lives if they had a pantry or were short of storage space, or they had a

closet that they could fix up and get storage out of--I think in those respects those categories do overlap, but I don't think any more than that. I think the way it has gone is that there is some overlap, but Hold Everything has gotten their own customers.

Jacobson: Can you describe the profile of the Hold Everything customers?

Williams: I don't know how much it spreads out now, but originally it was a lot of younger people living in apartments and mainly in cities; it's not so much in suburban areas. New York is a perfect example of a place for a Hold Everything store to do very well, and we just opened one there that is doing exceedingly well, beyond our expectations. It just happens to be in an area that I would say is upscale or middle, where a lot of young people live in those masses of apartments that were built years and years ago. They don't have closets, and they need help.

So many younger people today can't afford very much furniture. They have to make do with what's available in cheaper make-do furniture. So this sort of thing was a natural. It's grown out of that a little bit, but right at the beginning it was a period when young people were having to go together and rent an apartment. They were able to buy a bed, but they had to buy those plastic crates and stack them up to make a bookshelf, or buy cement blocks and a board to go across to make shelves that way. People were devising all kinds of things, trying to get enough to furnish an apartment. It was all part of that when we first started it, and you could see that that was what was happening. I think it has gone beyond that now. So that wasn't specifically our cooking customer. There were plenty of people who had to have that kind of stuff who don't cook. I mean, they'd buy a pizza and bring it home to eat.

I think we did get sufficient business from our own mailing list, which was basically Williams-Sonoma customers, but I think we had to go beyond that. This is where buying mailing lists works. When you start buying mailing lists for a new concept of catalog, you're going to pick up a lot of extra customers you wouldn't have on your own.

Jacobson: It must have saved you in start-up costs on Hold Everything to have the mail-order list already there.

Williams: Oh, yes. Our list is so big now that naturally there are going to be customers for almost any kind of a business in there

somewhere and probably sufficient enough to find out if the concept works or not.

Table Designs and Kitchen Classics Catalogs, 1984

Jacobson: In 1984 you started two catalogs, Table Designs and Kitchen Classics. What were they?

Williams: That was about the time that we went public. There was a possibility of a table-top business, and that was just a trial to see if there was or not. We found that it didn't work. It was okay, but it didn't show that it would be anything extraordinary, by any means. I think if you look at the catalogs out in the marketplace, there's not much of anything like that. Probably for that reason. There's no specific catalogs that are just specifically table tops. Dinnerware is mainly sold by the department stores and a few specialty stores; a jewelry store will have it. There aren't many stores around the country like Gumps that specialize in a big department of dinnerware. There's usually one in every city, but that's about it. There's a big one in Los Angeles.

It's a rough business to get into, and we just thought there was a possibility that we would have something. It's a difficult business to buy for, specifically for that, because you can't have just one pattern. If you have a catalog of fashion, you can't just have one dress; you have to have a lot of dresses to show, and you have to have a big inventory. The same thing with dinnerware--you have to have a lot of patterns and a lot of different types of patterns and price points to satisfy enough people.

It was just a trial, and it didn't work that well. It wasn't a complete bomb, by any means. The quantities we sold on some of it were very encouraging.

Jacobson: Did it encourage you to carry some of those types of items in your Catalog for Cooks?

Williams: Yes. I think it was probably done at the wrong time; we picked the wrong time to experiment with something like that. We were just in the process of doing it just when we went public [in 1983]. If we hadn't gone public, we may have gone on with it, refined it, and done more with it, but having it come out right

after we went public and having it as something that really didn't work that well--the timing was bad.

Going Public and Store Expansion Plans

Jacobson: Why did you decide to take the company public?

Williams: Speaking for myself, I really wasn't involved in the original conversation about going public. But basically it was to raise capital for expansion of the business. If you stay a private company and want to expand more, you're going to have to go borrow money at high interest rates. Or you can go public and get the money that way. I think it's a very good way to do it.

Jacobson: What kind of expansion plans were in your mind or in Howard Lester's mind?

Williams: Expanding in the stores. We had increased the catalog and continued to increase the catalog, but we wanted to expand the stores. The catalog had gotten to the point where it was the natural barometer that we could use for expanding stores--in locating stores where they were going to work.

Jacobson: Based on number of sales in particular areas?

Williams: Yes. We knew where to open stores. I think, with just a few exceptions, they have been right.

Jacobson: Which locations have you gone to, to open stores?

Williams: Up to that point there were only the stores here and in southern California and the one in Dallas--that's five, and Minneapolis made six, and then the store in Washington, D.C. That's as far as we had gotten. To expand beyond that, it needed capital. After Washington, D.C., there was Houston, Kansas City, Atlanta. We stayed away from New York.

Jacobson: Why was that?

Williams: On account of the high sales tax. When you go into a state, all your mail-order customers have to start paying sales tax.

Jacobson: So when the mail-order business is really strong you don't want to go in because--

Williams: You really don't. It would be better if you didn't. There are a certain number of customers who are going to resist buying by mail order if they have to pay sales tax. In New York the sales tax was so high. People in New York are trying to find ways of buying things by mail to keep from paying sales tax. It's very common. All kinds of businesses in New York were establishing business out of the state to get mail-order customers. In New York there are lots of cases of business having different ways of getting around the tax, but a lot of them didn't work.

So we did stay away from New York, but we did open in Washington, D.C., Atlanta, Florida; we expanded all over.

Jacobson: Were you in Massachusetts or any other New England states?

Williams: Yes, we went to Boston, Chicago. I guess the first store in New York was opened five or six years ago, but it was one of the last places we went into. We had quite a bit of expansion after that, but a lot of it was in states that we were already open in; it was a matter of putting more stores in. Last year was our biggest year, where we added a lot of new Williams-Sonoma stores.

Changes in the Catalog for Cooks during the Eighties

[Interview 6: August 28, 1992]##

Jacobson: I want to talk about the expansion of types of items offered in the Catalog for Cooks in the eighties. I noticed that the catalog offered more dinnerware, serving plates, serving bowls, and things like that. I wonder if there was a conscious decision to move in the direction of having more serving items and less cookware featured in the catalog.

Williams: Some of it was due to expanding the number of pages in the catalog, which was increased over the years. When they increased the number of pages in the catalog, it meant having to find more merchandise to put in it. There were periods where it expanded on the exposure of cookware. Then it was found that there were other items that produced more revenue off of a space than cookware did, so you will find periods where cookware is relegated to smaller spaces. There are three or four different kinds of cookware that we have, and maybe only two of them are shown in the catalog. Also we were trying to make the catalog

look different each time, not having everything in every catalog.

There was a conscious effort to see what we could sell in the way of serving equipment and dinnerware. After the trial of the Table Designs catalog, we found just from that one book that there was a type of dinnerware we could sell and other types that we couldn't sell.

Jacobson: What types worked, and what didn't?

Williams: Informal ceramic type dinnerware was much more saleable as far as we were concerned than more restricted, formal dinnerware. Also price had something to do with it. We found that low-priced dinnerware our customers probably would buy for their everyday use if they ate breakfast or lunch in the kitchen. The more expensive dinnerware, even if it was informal, didn't sell as well. It indicated that the people who were using our catalog as a shopping source tended to buy things that they were more apt to use in the kitchen than they would use formally.

Jacobson: How important is it to introduce new items in terms of increasing or maintaining sales?

Williams: It is very important to introduce new items. There have been periods where we have tried to introduce maybe sixty percent new items in the catalog, but it became increasingly more difficult to do that. To find new items became increasingly more difficult just because of the simple fact that the world over became more uniform. There wasn't that much new to find, say, in Europe that wasn't available in stores in New York, Chicago, Los Angeles, or anywhere else. Everybody was shopping the same markets, and there were more retail outlets going to Europe and shopping the same markets.

Buying Staff for Williams-Sonoma

Jacobson: Did you increase your buying staff at this point? Who was doing the buying besides you?

Williams: I was doing the buying for the catalog of Williams-Sonoma. We had a buyer for the stores; it was more or less established to have a buyer for the retail stores along about the beginning of the eighties.

Jacobson: Was that John Moore?

Williams: No, John Moore was never the buyer for the retail stores. Helen Godek was one, Gina McGuire was one, and I think there was somebody before her.

Jacobson: What was John Moore doing?

Williams: John Moore was mainly assisting me with the Williams-Sonoma catalog, and at the beginning he was more or less taking care of the actual ordering of the merchandise. At the beginning he didn't go on trips with me. Eventually he did; in fact, early on he did start going on trips with me. I really never had anything to do with the actual ordering of the merchandise. It was just a matter of taking the buying trips. When I was on buying trips I had to take all the notes, get samples, get all the prices, and so forth.

When John started going with me, he was the one who took the notes, and I found that there was no point in my making notes anymore. I tried it, but I found it was just repetitious and taking up my time writing notes, although I did keep some, but not as thorough as I did before. He was the one who was going to order the merchandise, order the samples, take care of seeing that we got the merchandise. That was his function.

I was the one who selected the merchandise, and I must say that John was one of the best for acting in that role, because he really didn't interfere with anybody's thought process if they were a buyer; at least, he didn't with me, and I'm sure that with anybody else he would have been the same. He may have had opinions about things, but he never really expressed himself unless there was something I'd ask him about. If I didn't say anything, he never expressed any opinion. It was a good arrangement.

Qualities of a Good Buyer

Jacobson: When you select buying staff, what qualities do you look for?

Williams: When I was going on all those buying trips for thirty-some years, I never went out specifically looking for, say, a three-quart sauce pan or a jug or a set of dishes; I never went out with the idea of looking for anything specific. I went out with the idea of looking to see what I could find that attracted me.

I never spent much time looking over an exhibit in a trade show --going into every single exhibit and looking at everything. I never did that. I just walked down the aisles and gave everything a sweep. I usually noticed unusual things that I hadn't seen before.

Going to trade shows, basically you see the same thing every time. The same vendors are there, and they bring the same merchandise to the trade shows. They may have one or two new things, or they may not have anything new. I found that I could walk down the aisles and spot things that I hadn't seen before. Sometimes it was something that attracted me--good design, mainly. I think that is very important in a store; something has to be attractive to people visually. Otherwise they're not going to notice it.

I found that if I was attracted by something visually, it was usually because it was a good design or a good color. If I had to stop and think about it and say, "Do I really like it? Is there something wrong with it?" I would stop myself; there was no point in going any further. If I questioned it, it wasn't very good.

I must say that I do have a fairly good visual sense of good design and shape that is pleasing to the eye. I have always admired things that were a classical shape in design. I recognize things in nature that have a marvelous shape and design, like an egg. I mean, an egg is beautiful in design and shape. It's perfection; you can't improve on it. I've always noticed things like that, where other people don't. They don't stop and think about things like that. Unconsciously they will see things, but they are not really attracted to them especially. But I always have been.

So that's the way I shopped. I would stop by something like that, and if the design was good, the quality was good, and the price was within range, then I would pursue it further. Otherwise there was no point in pursuing it any further. If the price wasn't within a range that you could negotiate over, there was no point in going any further.

Jacobson: Did you shop much in flea markets or auctions?

Williams: I did for buying antiques but not for the store. In the early days I did a lot of shopping in department stores--going through the department stores thoroughly--and tramping the streets of Paris, looking in shop windows. In those days I found most of the stuff we have in shops and department stores. I went to

factories, but I think I found more in stores. I found a number of things in the Prisunic, which is the equivalent of a dime store here.

Changes in Consumer Tastes during the Eighties

Jacobson: Returning for a moment to the increasing offerings of dinnerware and serving dishes in the Catalog for Cooks, did that reflect a change in who the Williams-Sonoma consumer was?

Williams: I think it was not a change in the consumer specifically but a change in what that consumer would buy. Maybe the education of the consumer was changing in what they wanted. Just the fact of what they were seeing elsewhere--in magazines that had entertaining sections, in some of the expensive stores, in restaurants. All of that affected consumers.

Just the simple fact of people wanting big plates--which to me has become pronounced only fairly recently--because they've seen them in restaurants, where they are served their dinner on these enormous plates. I don't think it's because people want to eat off of big plates like that at home; it's just a matter of feeling that they want to be in style, and they are more or less showing off to their friends that they are current. After all, entertaining and cooking are done for other people. You don't do it for yourself; you do it for other people.

Most people who like to cook and entertain like to cook well for their friends, and they also like to set the table so that it is very attractive; they like to do it better than their friends. It's competition. [laughs]

Those simple things--an awful lot of it has happened especially in the last four or five years. It's been a gradual thing, but all of a sudden it's here. I've noticed it more in the last couple of years than I ever noticed it before.

Jacobson: I wonder if things like Martha Stewart's books on entertaining have had an effect?

Williams: Oh, it's had a great effect. Those entertaining books have had an effect on people, especially ones like Martha Stewart's. She did one thing, really, of entertaining in a very special way, using old plates and old things. A lot of it the average person couldn't do; it would be unattainable, because it was stuff that

came out of antique shops. A lot of things the average person couldn't do because they were done by professionals-- professional flower arranging and that sort of thing.

But she has gone in a different direction, being taken on by K-Mart and getting into magazines that are sold in supermarkets. So she has had to change slightly in what she's presenting in the way of entertaining and what she is using. She is even getting into designing, and it is becoming obtainable. It's being designed for, say, K-Mart, and K-Mart is selling it.

Buying Habits of Men and Women

Jacobson: One thing you mentioned about your consumer in the fifties and sixties was that you got a fair number of men who really were drawn to the heavy cookware equipment. Do you find that women more than men are buying the tabletop wares in your store?

Williams: Not necessarily. Of course, I think there are more women buying that sort of thing, but when it comes to, say, white restaurant dinnerware, there is very apt to be as many men as women buying that. I would say that most men establishing their own apartment, and an awful lot of them are and have been for the last ten years, have gotten out of college and have gone in with somebody else and rented an apartment. If they've been successful in what they're doing, eventually they are apt to have gotten their own apartment and are having to furnish it. Their natural instinct is to go for white restaurant china, and that's what they buy. There's an awful lot of it sold to men. That also includes place mats, napkins, stainless steel cutlery, and all that. It's very apt to be just perfectly plain.

Popularity of Barbecue Equipment

Jacobson: I also noticed an increase in barbecue equipment sold in the catalog.

Williams: That was intentional, because we didn't sell any barbecue items previous to that. I would say most of our locations really didn't call for having barbecue equipment in the store. In our store in San Francisco, there was never any reason to have

barbecue equipment, because most of our customers were living in an apartment in San Francisco or in a house in Pacific Heights, and they don't have barbecues. It wasn't until we got into our Corte Madera store--and Beverly Hills was more apt to buy barbecue equipment, and Costa Mesa--that we did start putting in barbecue equipment, and in the catalog, too. We found that it did sell in the catalog, not to the extent that we thought it should at times, but it did sell.

We found that barbecue equipment only sold at certain times of the year, but now we're finding that it sells most any time. It doesn't seem to have any season now. I think it's because our catalog is sent to so many different areas of the country where people would be barbecuing all year long--places like Florida, Texas, Arizona, and New Mexico. When you get into northern areas, they wouldn't be barbecuing in the wintertime, but that would not stop them from buying it. We found the mail-order business to be very good in the winter in cold areas for most anything; it could be summer things that you would be selling, because there was more time to look at catalogs in the wintertime than there was in the summer.

Jacobson: Did restaurant trends, like using mesquite, encourage your introduction of barbecue equipment?

Williams: That all had something to do with it, too. I would say that five years ago there was much more of that done in restaurants than there is today. It's not so publicized in restaurants as it was in those days. There was a big effort to do things with mesquite and have special foods and make an issue of it. Now they still do, but they don't make a point of publicizing it: "This is grilled with mesquite wood." They may say it's grilled, but you really don't pay that much attention to how they grill it. They can grill it on the gas stove, as far as you're concerned, whereas they used to make a point that it was grilled with mesquite wood, and you would assume that they had a barbecue out there that they were doing it on. [laughs]

Jacobson: Did sales fall off after that?

Williams: Yes, they leveled off. But also we found that we could sell larger barbecues that were not apt to be sold in the average discount house or hardware store--the different outlets for barbecue equipment in suburban areas; and there are definite places where people go to get that sort of equipment. Maybe even a local filling station might be a vendor for barbecue equipment.

Interest in Ethnic Cookware and Foods

- Jacobson: One other thing I noticed in the catalog was that although you had always highlighted ethnic foods, that seems to be becoming even more prominent, with spreads devoted to Spanish, Chinese, and Italian cooking. What guided that decision?
- Williams: Making the catalog different, mainly. It was an effort to make the catalog look different by having a definite division between sections of the catalog. We really got into a routine of having one or two spreads of Chinese or Italian, having more scope in what we had for, say, Italian cooking and getting it all together, including ingredients that were related. We did find new things in those countries that really weren't that available in this country.
- Jacobson: Like paella pans?
- Williams: Yes, and aceto balsamico, saffron--it's amazing how much saffron we sell.

New Food Items in Catalog

- Williams: Another ingredient that we have put in the catalog and increased the sales of--actually increased the use of among consumers--is crystallized ginger. Crystallized ginger really wasn't used that much in cooking. It wasn't that available, either. You would see it in, say, the Spice Island herb and spice section in the market, but there'd only be a small jar of it and very expensive. That was another thing I started doing--getting ingredients like that and having them in a larger container for a little bit more than you would pay for a small quantity. Packaging became very expensive, and a larger quantity of the actual commodity really didn't cost that much; it was the packaging that cost the money. So you could offer three times as much in quantity for a little bit more than you would pay for a small amount.

I think one of the first things we did in that respect was getting vanilla extract from this company that only supplied vanilla extract to ice cream makers and some bakers. It was only the more prestigious bakeries and ice cream makers that used pure vanilla; only expensive ones used it. Getting it from them in a good-sized bottle, we were getting it at a reasonable

price because we were buying from the manufacturer of pure vanilla. When we first started selling it, we offered an eight-ounce bottle for a little bit more than what you would pay for about an ounce and a half in the grocery store. But that soon changed, because Nielson-Massly apparently found that selling it to retail businesses was good and their costs for packaging, etc., went up.

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Williams: We do that with many ingredients now. If it's a jam that can be used in pastry or in baking, we'll get it put in a large jar. It's more than a small jar, but it's not double. It's much cheaper than buying two or three small jars of it.

Acquisition of Pottery Barn, 1986

Jacobson: I want to briefly talk about some of your other diversifications. You acquired Pottery Barn in 1986. What was the reasoning behind that?

Williams: We were continuing to think about the possibility of becoming a leading company selling merchandise for the home--a complete home center. This was another facet of it that could become very much a part of the home center. We had Williams-Sonoma, which was the kitchen; Hold Everything was organization for the whole house, for closets and storage items, even for the kitchen; Gardener's Eden was for outdoors, and that became closer to the house. It wasn't just gardening; it was outdoor entertaining, more centered around a patio, terrace, even a solarium in a house or an enclosed porch. It includes now informal entertaining and decorative accessories for that section of the home.

Pottery Barn was more into the dining part of it and also into the entertaining part of it as far as the drawing room was concerned. Pottery Barn wasn't centered in the living room, it wasn't wholly centered in the dining room. It was part of all that. The original concept was actually offering seconds from restaurant dinnerware that manufacturers accumulated. Then they got into seconds on things like Le Creuset cast iron enamel cookware. That was basically the nucleus of the beginning business, and then they expanded into simple glassware, cutlery --all things that are part of casual living.

Jacobson: Does it have a different price range than the tableware sold through the Williams-Sonoma catalog?

Williams: It tended to be a slightly lower price, lower-price glassware and dinnerware, but now it isn't. Now it's about the same.

Jacobson: Why did prices go up?

Williams: Actually, it was the difference in what was available in the marketplace, more than anything else. There were other outlets for them, and new businesses were started up that were competition to that kind of merchandise. Crate and Barrel came along.

When Pottery Barn was first bought by new owners, it was about the time Crate and Barrel started, and they were working together. In many instances they were buying together, and they were keeping out of each other's market. Pottery Barn was not going to expand into Chicago, and Crate and Barrel would not expand into New York; they went to Boston. They were keeping separate, and they formed an alliance in their buying so that they could really buy better. They formed a little import company so that they could buy in Eastern Bloc countries. Early on in those Eastern Bloc countries, the only people they said they would deal with and talk to were import companies. They wouldn't sell direct to a retail business, even a department store; it had to be through an importer.

Jacobson: Why was that?

Williams: I don't know. It was just one of their government restrictions. I suppose mainly they were concerned about security as far as their sales were concerned. They didn't want to take any chances of losing money on merchandise that they delivered. I think generally foreign vendors and manufacturers have had problems selling to individual retail stores in other foreign countries, delivering the merchandise and never getting paid. So they wanted more assurance and stability that they were going to get paid, and an import company was much more reliable than individual retail stores or companies. Even department stores have not been that reliable as far as foreign countries receiving payment are concerned. They have come and gone, and gone up and down, and a lot of them have lost money.

The Eastern Bloc countries were really very cautious, because they required the dollar--western currency--to survive; they had to have the western currency to survive. They couldn't take a chance on losing money.

Jacobson: Was the import company a joint venture between Williams-Sonoma and Crate and Barrel?

Williams: No, it was Crate and Barrel and Pottery Barn. It had nothing to do with us. When we acquired Pottery Barn, that was dissolved. Pottery Barn still had their contacts in the Eastern Bloc countries, but it wasn't a necessity that they had to have that import company to deal with them. It was strictly that Pottery Barn was able to do it because they had established themselves as being reliable.

Jacobson: Pottery Barn was originally owned by The Gap, wasn't it?

Williams: No, it was started by Bob Secon and his brother in the late forties. They had it for eight or nine years, and they sold it to Hoyt Chapin and Tony Brush. When they acquired it, they expanded it and had stores all over New York, in New Jersey, in Pennsylvania, and then they came out West and established stores in southern California. But the stores in other states were actually owned by somebody else. Richard Friedman owned the southern California stores. I don't know whether it was a franchise or what it was, but it was a joint thing. They all bought the same merchandise, but they were separate little companies.

Then they ran into difficulties. Tony Brush wanted out of the company, and Hoyt Chapin bought him out. Tony Brush had been doing most of the buying, so Hoyt Chapin had to get somebody else to buy for the company, and it started going downhill. It went down and down, and that's when The Gap bought it. The Gap didn't have it very long, only a couple of years.

Jacobson: Where does Crate and Barrel fit in with Pottery Barn?

Williams: Gordon Segal started Crate and Barrel in Chicago, about the same time that Tony Brush and Hoyt Chapin bought Pottery Barn. Apparently they knew each other, and they started buying together, because they were both small. To buy in Europe and get the best price, you had to buy large quantities, so some things they were buying together. Then they formed this little import company that they were both using as a way of buying in, say, Poland, Hungary, and Romania, and also in China.

We eventually did have access to the same agent that they were using in those Eastern Bloc countries, but that agent would not take us to Poland. It was only once or twice that he took us to Poland, but only to companies that Crate and Barrel and Pottery Barn didn't buy from. He was trying to keep it

separate, because he was acting as their buyer in those Eastern Bloc countries. He knew the business there--he was just an independent--and their merchandise was bought more or less through this little company. They had a company name for it that they used, and both of them used it as a name and address.

Competition from Crate and Barrel

Jacobson: Has Crate and Barrel been a real competitor to Pottery Barn or Williams-Sonoma?

Williams: Oh, Crate and Barrel and Pottery Barn were competitors; there was no doubt about that. In many ways they were very similar. They had more or less the same kind of merchandise, and both of them had very important glass collections--large displays of glass--and dinnerware, cutlery, a little bit in kitchens--not too much, but they both did. Crate and Barrel still has that. In some respects Crate and Barrel leans toward Scandinavian. They always did, right from the beginning. Some of their dinnerware would be Scandinavian, their glassware would be Scandinavian. They have always been very important as far as Scandinavian glassware--in vases and table glassware. They've always had lots of it.

Crate and Barrel and Pottery Barn were similar, but they stayed out of each other's market; they would never get into each other's market.

Jacobson: Do they still?

Williams: They still do. No, it's changing now, because Crate and Barrel is going into New York, and they are getting into it; they have sort of disregarded that.

Crate and Barrel has been a competitor of ours, too, as far as that goes. We're in the same markets in many places. We're next door in some areas.

Competition from Discount and Department Stores

Jacobson: What about competition from discount and department stores? Has that become more of a factor in recent years?

Williams: It's been a very competitive business in many respects for ten or fifteen years. There were periods when it was very strong. What happened was that department stores--specifically Macy's, because it was very strong in the East, in New York and through there, and in San Francisco and in the whole West, though not so much in southern California. I think it was probably about the late sixties or early seventies that a new president of Macy's West was appointed; I think it was Mr. Finkelstein. They noticed us as becoming very important in that category, even though we were just one store, and they realized that their housewares and kitchenwares departments had gone down considerably.

I can remember going to Macy's and looking around when we first moved to San Francisco, and their kitchenware department was just nil--the pits; there wasn't much there. They had the basic Pyrex and Revereware and Mirrorware and Wearever, but it was very sparse. The gadget section was half empty. Those sections were really very bad, and they weren't realizing much out of them.

Then they had the idea--and I think it was when Finkelstein came in--of redoing the basement of the Macy's store here in San Francisco into a housewares section. They redid the basement, and they were up at Williams-Sonoma every day with architects, and they patterned it after Williams-Sonoma and the merchandise we had--Calphalon and Chantel and whatever we had. They did a lot of things the way we did it and patterned their sections the way we were doing it.

It was a great success. When they opened it, they publicized it, and it was very well received. As soon as they opened the one in San Francisco, they redid the one in New York, the main store. They redid the whole basement over. Basement shopping was going out of fashion in department stores. It was where a lot of people shopped for lower-priced merchandise and stuff that was put on sale. It was where the bargains were, and it was a very popular place for people to shop. But it sort of went out of fashion along about the seventies.

I remember the Emporium basement was one of the last holdouts of the basement being a place to shop for bargains. But they started losing out and began to change. Let's face it; business in department stores did change as designer fashions became more popular and more in demand, and more American designers came on the scene. It became important business, and it was easier to sell that kind of merchandise than it was to sell bargain stuff down in the basement. Macy's was very smart

to change their basements over to kitchenware. Those departments have been big moneymakers for them. Creating a cookware center and a food center--both of them had big food sections, and they have been very successful with them.

Jacobson: Are the department stores able to underprice?

Williams: They were always able to do that. It was a long time before we were able to compete with them on electrical equipment. We can now, most of the time; there aren't too many times that they are able to have something that they publicize at a cheaper price or a special price. That all depends on the vendor. If the vendor is favoring department stores over the specialty stores, you're going to have it that way, and there's nothing you can do about it.

Jacobson: Which they might, because the department stores can buy more of it?

Williams: Yes. It's according to what the vendor wants to do. Today usually the vendor is very conscious of our importance and also other ones that are important as far as cookware is concerned, so they are careful about seeing that we get the same price as department stores get. So we are more or less the same, but that has nothing to do with discount houses. That's a different story. We can't compete with them at all. Even though they say that we get the same prices that they do as far as cost is concerned, the discount stores sell everything at cheaper prices because their overhead is less. There's nothing we can do about that, and it's a constant problem. They do advertise, and when they do, it's large advertisements; but that's something we have to live with.

Jacobson: Did your retail store expansion help you to price more competitively?

Williams: Yes. It really forced us to be more competitive, too. When we just had the five stores and the catalog, it really wasn't that important that we compete with them on all of the electric items. It was mainly electric equipment, cookware, and knives that has anything to do with it. It never has anything to do with any decorative accessories or dinnerware. Occasionally you run across it, but usually it doesn't amount to much. It doesn't usually matter that much to people.

But when it gets into electrics like a food processor--Cuisinart's food processor has gotten to the point where if we want to sell them, we have to be competitive at least with the

department stores. It was getting to the point where we really weren't selling the food processors because we weren't able to sell them at the same price as the department stores. Department stores were spending so much money on advertising in newspapers and doing promotions that we were more or less left out. It didn't matter that much, other than losing business on other merchandise because people would go to Macy's to shop for that, and they would very possibly buy something else while they were there in place of buying it from us.

Jacobson: Your advertising is the catalog, for the most part.

Williams: Yes. We never advertise in newspapers. We only advertise by the catalog. It's where you want to get your business. If you want to increase your total business, disregarding what the profit is going to be, then you have to go along with getting into electrics that are a special price. But if you're not concerned with building up the gross business and are really more concerned with what your profit is, you can always tone down what you sell in electrics. Your gross business will be down, and your profits will be much better.

Jacobson: Have you made moves in that direction?

Williams: At the beginning I always did that. I always felt it was better to have the good profits rather than the gross sales. There's no reason to have more gross sales; it is the profit that is the most important thing. But when you are growing a business and want to show increased business all the time, then you have to do other things to increase that part of it. It means doing things like increasing your business in electrics, where the profit is low. They are usually larger sales but less of a profit.

Ralph Lauren Home Collection

Jacobson: Let's talk a little bit more about some of the other areas you got into. There was one point where Williams-Sonoma got into managing Ralph Lauren Home Collection. How did that come about?

Williams: That came about as another phase of getting into or expanding our position in the home category. The opportunity came up in talking to the Ralph Lauren people. They had gotten into the Home Collection of designing bedding, upholstery, and bath linen. They were wholesaling it and establishing a Home

Collection in department stores. They had done some of that, but they really wanted to get into establishing Home Collection stores. They were really not ready to do it themselves or didn't want to do it themselves, because basically their beginning, even in the fashion business, was selling franchises to individuals who came up to their standard of business.

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Williams: I gather they had some very good franchises, and in some cases they were very generous franchises to people who later on found out how generous they had been as far as the territory the franchise covered.

In any case, it was an opportunity for us to get into that part of the home furnishing business. We would have the right to open Ralph Lauren home furnishing stores, and we would have the distribution center available to have the merchandise and also supply the store. We would have it only in areas that the franchises were not. Of course, the franchises were in different areas all over the country in some of the prime locations. In any case, it was good for us, and it was good for them, because they said they didn't want to do it.

We did the first one in Palo Alto. We got it open, and it was successful. Then Ralph Lauren decided that they really didn't want to go in that direction. They really wanted to control the stores themselves. The whole thing sort of changed for them. I think that in some instances they were disenchanted with what franchise fashion stores were doing, and they weren't conforming to Ralph Lauren's demands as far as display and all of that was concerned. They were very firm on how they wanted things displayed and what they wanted used in display work. Just in building the store in Palo Alto, it went on for months-- getting the store built, changing wallpaper. I mean, they changed the wallpaper in the restroom three times. [laughter] Each time they put it up, "Oh, I don't like that." This all came from Ralph Lauren, because everything had to be approved by him. It was all being done by other people, but it would then be given to him for approval. If he didn't like it, it had to be changed.

It wasn't anything that we were doing. It was just a matter of their changing their decision of how they wanted to be in the retail business. They decided that they wanted to have home furnishing stores of their own and get back as many of their franchise fashion shops as possible. Which apparently they're doing in different places. I know they've done the same

thing with the Dallas franchise that they did in Palo Alto. They just bought the store back. The whole thing was dissolved very easily with no problem at all. They relocated, built a much larger store, and combined the two. Apparently that's what they wanted to do, too--combine the fashion with the home furnishings, and not have them separate.

Introduction of Chambers Catalog, 1990

Jacobson: Did the experience with the Ralph Lauren Home Collection influence the development of the Chambers catalog?

Williams: I suppose it did, yes. We did get into that, and we gained experience out of that part of it, being exposed to that type of bed linen. It was fascinating to see how it was selling, what they were doing, the things they were designing. Naturally it made us think about it. Otherwise we probably wouldn't have. It certainly influenced us on starting at the higher end rather than at the lower end. We had the experience of knowing that it works. The high end does work, and it can be a very good business.

Jacobson: How has the Chambers catalog done?

Williams: It has done very well. It did very well right from the beginning, as soon as we did it. That's the approach that we took, and I must say that John Moore was the perfect one to do it. He had that sort of feeling for it himself, of personally wanting that kind of merchandise for himself. He loved looking for beautiful bed linen. Not the most expensive, particularly, but just beautiful, simple, plain bed linens was the direction he took with the catalog right from the first one.

We shopped for a lot of it on the buying trips we went on together for Williams-Sonoma. When we started thinking about the Chambers catalog, we were buying right along when we were on these trips. A lot of it in the first year I was involved in, too.

Jacobson: I wonder how you might compare Chambers to the Ralph Lauren Home Collection. I suppose the Ralph Lauren Home Collection was known for appealing to the consumer's appetite for tradition, a sense of nostalgia about old families, old wealth. Did the Chambers catalog play into any of that?

Williams: We took a different approach. When you stop and think of it, yes, right from the beginning his fashion has been playing on nostalgia--not specifically on nostalgia, in some respects, but playing on the English aristocracy and that quality of life, their leisure, their sense of living well, doing everything correctly, and doing it a little bit better than everybody else. That's what he was after. Actually, he made it fashionable. I mean, it's fashion, really, with him. It's nothing else, because he keeps changing it all the time. He's trying to get as much out of it as he can by changing it, and some of it verges almost on getting away from it, some of the things he gets into--the way he's changed the looks of something, the combination of the colors and patterns and things like that. But it's just sheer fashion.

He took it into the home furnishing the same way, using mainly English styles, but he has gotten into American with it, too--the Western look and even early American in some respects. Not colonial--he hasn't gotten into colonial; it's just sort of early 1900s, especially when he gets into the kitchen part of it with his dinnerware collection, making that fashionable.

Jacobson: How is Chambers different?

Williams: I wouldn't say that Chambers has anything to do with fashion. It's changing a little bit now, but the first few catalogs were basically the best of linen and in some respects the luxury linen, but always very plain and very simple. It was never any garish patterns or getting into gold and silver decoration. It was just plain, good linen. And some of it is very expensive--say a camel hair blanket rather than a wool blanket or cashmere rather than regular wool. It was all luxury items, really.

Being able to use our mailing list, which has a very good collection of names of people who can afford that kind of merchandise and who do live that life, has worked very well for us. We were able to isolate those customers in our mailing list because of their buying pattern over a period of years. They were very recognizable in the list as being people who are very apt to live that way.

Let's face it; if there are any people who are apt to spend money on having a little extra luxury in their home--and they may neglect the rest of their house--they are very apt to spend it on the bedroom, where they spend a good part of their lives. People will spend money on their comfort as far as the bedroom is concerned, or a bath--those two. They may not spend on the

kitchen or the living room, but they are very apt to spend on the bedroom and bath. We're finding that this is true.

Williams-Sonoma's Commitment to Natural Fibers

Jacobson: I suppose offering natural fibers was important.

Williams: There was a trend that started in the fifties of everything polyester, and that lasted for a good many years. They were trying to make cotton almost out of fashion, but that's going away, and cotton is much more important now. We resisted that whole period. When I started the store in Sonoma and moved it to San Francisco, most of the kitchen towels were polyester. Anything to do with kitchen linen was polyester. It also got to the point where most sheets were polyester, and towels-- everything was polyester. They were mixing it with cotton, too, but it was very common for all sheets to be polyester. You could hardly buy a cotton sheet, and you couldn't find a cotton kitchen towel.

Right from the beginning, I wouldn't have polyester kitchen towels. I started buying kitchen towels in Europe, getting linen ones from Ireland and cotton ones from France, and we built up quite a business on kitchen towels. It was a period when it was very difficult to get kitchen towels. Department stores didn't have much in the way of kitchen towels, and what they had was just polyester.

Between selling flour-sack towels, which is something that still hangs on as a lot of people's idea of a really good kitchen towel, because they are cotton and they are plain woven towels that are absorbent and big. They're not the most absorbent towels, but they are big and so make up for absorbency by being big.

Jacobson: It seems as if the Catalog for Cooks sowed the seeds for every direction you have gone into. You had the storage container items before you started Hold Everything, you had the garden faucets and doormats that you later got into Gardener's Eden, you had the kitchen towels for Chambers. You had even some informal kitchen tableware that branched off into Pottery Barn.

Williams: Yes. We did establish that, and we did establish the importance of sticking to that, insisting that cotton is better and not reducing ourselves to the general trend of other manufacturers of trying to force the sale of polyester on everybody with

everything. This is the trend that was happening. Even the old manufacturers of sheets and bedding and so forth went into polyester completely. Maybe that was the trend; maybe this is what the consumer wanted--they thought. But it was only through advertising feeding to the public that this is what they should have that made it that way. If they had stuck with cotton, it wouldn't have happened, but in order to build up their business and keep selling, selling, selling, they went into polyester. But now it's reverting back again to cotton.

The Williams-Sonoma Ethos

Jacobson: It seems that part of the Williams-Sonoma ethos has been to stubbornly resist the mass produced.

Williams: Oh, yes, we have resisted the mass produced. We did find things in the early days that weren't mass produced. Unfortunately our buying power is so big now that we do have to subscribe to it, because small manufacturers can't supply that much. We'd like to have things that way, and with Chambers we can still do that. We don't go to the large manufacturer; we can go to the small manufacturer. In that category there are a lot of small manufacturers in Europe--not in this country, but in Europe--that are making luxury linen. Even the large manufacturers in this country have realized that there is a market and demand for better linen. I think probably the reason for it is that through the eighties of better jobs, more people making good money, more spending, naturally that's the direction that it went, because people could afford better things.

It became fashionable to emulate people who live well. That's what happens all through merchandising. We can see that with the proliferation of Hermès, Gucci, Louis Vuitton. They're every place in the world now. Louis Vuitton was in Paris, period, and Hermès was in Paris, but now you see those two names everywhere. If they can't build a shop themselves, they'll have a small section in a good fashion store. So it's that kind of select merchandise that was not exactly restricted, but only started as very small companies of luxury items that were mainly for people who lived well and were able to buy them and travel.

But now that kind of merchandise is available to everybody. It's lost a lot of its glamour, or whatever you want to call it. To me it has. There have been so many copies made of that kind of merchandise that you really don't know whether it's real or

not if somebody is carrying it around. If you bought it yourself and have a decadent feeling for it--it's something that you have to feel that you own it, and it's a feeling of possession. It doesn't mean anything much outside of that. Well, it was always that way. People who lived well in the old days when Hermès was just that one little shop had that feeling, and it was just among those people who owned them. A lot of people buy things like that now only because they feel that they should, to emulate people who do have them.

Jacobson: Was the Williams-Sonoma customer of the 1980s more interested in emulating the well-to-do than was the customer of the 1950s, 1960s, and 1970s?

Williams: I think we gained a lot of customers in the eighties for whom that was happening. I think in some respects we were there to help them, to educate them. That was part of our process, and it still is, because those people do need help. We're all for helping people better themselves and to live better. I think there are an awful lot of young people who came from poor families that didn't have very much, and they weren't exposed to very much. They lived either in a small town or in a very simple neighborhood in a city and went to a poor school. Their parents were able to send them to college, they graduated, and some of them wanted to better themselves.

They got a job in the financial district, and all of a sudden they found themselves in an environment that was completely foreign to them. They were associating with kids who were raised in wealthy families, who were well-educated people. They had gone to good prep schools before they went to college, where education also involved manners. I mean, they had all this training. When you came out of one of those schools, you were sent away to school for the whole year, and maybe you'd get home for the summertime. If you were sent away to school, you learned all the etiquette and manners, and you came out a finished person and knew how to conduct yourself.

A lot of these other young people who were put in this environment found themselves awkward and wanted to learn. They've learned in different ways. Ralph Lauren has helped them; we've helped them as far as what they should have in their kitchen. Simple restaurant white ware is perfectly acceptable. It's a good way to start. Cotton kitchen towels rather than polyester--get away from the polyester. All of those things. We tried to educate people and help them, as far as I'm concerned.

It's a process I more or less went through myself. I learned, and I appreciate it. I'm happier for it. I like knowing and appreciating the better things of life. Not that I want all of them--it's just knowing about them and seeing them. It's a nicer life, as far as I'm concerned.

Purchase of the California Closet Company, 1990

Jacobson: There was another recent purchase, the California Closet Company. What was the reasoning behind that? I take it that it is an offshoot of Hold Everything.

Williams: I was really not involved with the beginning of that, when they found out about it. I didn't know anything about it until they decided to do something about it. It was thought that it would be a good way to further the Hold Everything concept of having a closet design by providing a complete makeover of a closet.

Opening of Il Fornaio Bakery, 1984

Jacobson: Then there was Il Fornaio restaurant purchase in 1984.

Williams: That was a bakery. It wasn't really a restaurant. It became a restaurant, but it was a bakery. This came about because of one of my trips to Italy, probably in '83. My agent was American, and his office was in Florence. Nearby was a bakery, and we used to go over there with him. It was just an Italian family bakery, and we used to go over there sometimes to get something. This one year, he said, "Come and see what they've done to this bakery." It was just a sleepy little corner bakery before, and now here it was a very attractive, well-designed bakery that was busy. I mean, the place was mobbed with people. Before, you could go in at any time and never find anybody and have to wake somebody up to sell you something, and they didn't really have very much.

But here was the bakery all done up. It had been beautifully designed, and people were lined up outside to get in and buy the stuff. It was fascinating to see. There was just the one, and we tried to find out about it. The woman at the desk didn't want to give us any information, but we found a plaque up on the wall that gave the name of Vegetti and an

address and telephone number. We called and found out that, yes, Vegetti had gotten into the business of redesigning bakeries.

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Williams: They were regional bakeries, and each region had specific things that they baked. There wasn't any common Italian bread; each region had different kinds of bread. Each region had different kinds of pastry and cookies. Vegetti and his father had established a business of cabinetmaking. They did cabinet work for businesses; it was commercial cabinet work. He happened on doing a bakery over and called Il Fornaio. The original one he did was a bakery in Milan called Il Fornaio, and that's where the name came from. He must have got the rights from the guy who owned it, because he used it from then on.

He didn't own any of the bakeries himself. He would negotiate with a small bakery, and they were all individually owned; there were no chains of bakeries in those days. He would negotiate with the owner of a little rundown bakery--and it was always family-owned--and make a deal with them to redo their bakery, design it, install all new equipment--new ovens and all of that. He made a study of all the bakeries in all the regions of Italy and started to combine them all. He got the good breads and pastries of all the regions and made a good unit out of it. He taught the people in the bakeries. He had bakers in his organization up in Lake Como who would go out to these bakers and show them how to make all these different kinds of breads and how to do it efficiently. Most of the pastries were made in the main Como bakery. He supplied cookies and some cakes; they weren't done by the individual bakeries.

It was very successful. When the one in Florence was done, we discovered that he already had three hundred of them built around Italy. They were all called Il Fornaio, but they were all owned by different people. When I came home, I told Howard about it. I don't know why I thought it would be interesting, but I did, and he thought it was interesting. So he made a trip over to see it. We met Vegetti, and it ended up that Howard made a deal with Vegetti to build the first one and have the rights to build Il Fornaio bakeries around the United States. He thought it was very conceivable; he could do the same in this country as he could in Italy. Most of our individual bakeries were gone already, and bread was lousy in this country. It was left to the supermarkets to provide bread.

We built the first one on Union Street in San Francisco. We brought over the bakers. Their architects designed the bakery. Most of it was brought over. The rest of it was fitted together with workmen here. The cabinet work was brought over, and the light fixtures and all of that, and the ovens were brought over, too. Most of it was Italian.

We did it exactly the way they did it. Their system of selling is different than ours. You looked around to see what you wanted to buy, then you had to go up to a cashier and pay for it, and then you took your chit over and got what you had already paid for. This is typical of Italians; you pay for everything before you get it. They don't trust you to pay for it afterwards, I guess. I don't know why they do that; it's sort of annoying that you have to make up your mind what you want before you get it. [laughs] But we did it that way.

Bread was sold by the kilo--by weight. They weighed the loaf of bread, and you paid for exactly what it weighed. Whether that was inefficient for us, I don't know, but they did change it along the line and reverted back to our way of doing things. It worked in the beginning. People thought it was marvelous. It was very interesting. There was more Italian spoken in the bakery than there was English. All the bakers in the back were Italian. Vegetti's daughter came over, and she worked out in the front. Her boyfriend was one of the young bakers in the back. We always had a master baker from Italy doing the bread. It was a great success right from the beginning.

Then we had to do something about expanding. We couldn't just stop with that one, so they started a bakery in Levi Plaza. It was a much larger space for a bakery, and that was going to be established as the place where we could bake more goods and open a little one in another location. Even in the first one we sold pizza, but it was a different kind of pizza made in big sheets and cut up. You could buy pieces of it and eat it there if you wanted to, but it wasn't a restaurant. Even the one in Levi Plaza wasn't a restaurant, even though we did have the space for a couple of tables and some chairs outside in the summertime. They did sell pizza and coffee, and I think we had coffee in the first one, too. You could also eat pastry there, but nothing else; they weren't restaurants.

Then we opened one in Berkeley and one in Beverly Hills. When we opened the one in Beverly Hills we did make it a little bit larger, and we had a little bit more to serve. It became not a restaurant but sort of a cafe.

We had problems as far as management was concerned. It needed someone to take care of it all the time. We had an Italian who was overseeing it all, and after we expanded it a little bit, it wasn't very efficient. We decided that we needed to really get someone in to concentrate on running it and spending more money, or else let somebody else take it over. It was decided to let somebody else take it over, that we really shouldn't be in that business; we should concentrate on what we're doing and not try to be in the bakery business.

It was sold, but Howard still has interest in it. In fact, the company had interest in it; I don't know if they still do or not. Then it had to be sold again. It had been sold to a group of investors, and somebody was running it who wasn't very good, so it went downhill and was sold again to Larry Mindel, who had been in with Jerry Magnin, and they had built restaurants like MacArthur Park, Ciao, Harry's Bar, and a couple of other ones down in southern California. It was a chain that did very well; they expanded and had some marvelous restaurants.

That whole thing was sold, and Larry Mindel came in, and he and some other investors bought the Il Fornaio concept. He's the one who has expanded it and did the restaurants, which have been very successful--probably more successful than the bakery part. But they still have the bakery that's very much a part of it; he hasn't lost that part of that. He is beginning to get the bakery goods out into the wholesale market, too; they are beginning to appear in markets.

That's the story of Il Fornaio. When you look back on it, we've been pretty busy doing things. [laughs] We've been involved in things and starting things. Usually I don't think anything about it, but when you make me stop and think about it, we have done some interesting things. Just like Il Fornaio--I don't know why we did it, but we did.

Other Food Shop Ventures

Williams: There was one thing that was worked on along the way. It really never happened, but there was work on it. Howard and a friend of his in Oklahoma City, G. T. Blankenship, thought of getting into gelato when it first started creeping into America. We went to Italy and to the people who made the gelato machines and supplied the ingredients for gelato. We went to see quite a number of them. We came back, and we hired a girl who worked on

the possibility of opening a chain of them. That went on for six or eight months, and it was decided that it really wasn't that good.

Then we had Hediard, too. It was also an adventure. Hediard is a specialized food shop in Paris across the street from Fauchon and about in the same category, a very upper-scale food shop. Their original concept was exotic fruits that they were importing from different parts of the world. It became a very high-class food shop, not as big as Fauchon and not as well known, but in Paris it was very well known.

Howard met Phillippe Brunon, who inherited the business. Along the way it was thought that it would be a good kind of a food shop to introduce in this country. It became, I think, just between him and Phillippe. They opened a Hediard next door to Williams-Sonoma in Beverly Hills. It was sort of connected. I think it lasted only about eight months, and it didn't work out because they limited it to candy. They made their own candy--chocolates and so forth--and had some wine. He was a very good wine merchant.

In Paris they had a marvelous wine cellar, and one of the biggest parts of the business was the wine shop. So wine was a part of it, chocolates was another part of it, and they were famous for their jams. We did sell their jams in the store; we had a collection of their jams, some of their other preserved fruit, and some things like a pasta sauce that they had. For a number of years we had Hediard; they were very much a part of us in the food section. We were connected with them in the shops that they opened. But that's long gone. He has since sold the whole business.

Jacobson: Did he find that the American market didn't respond well?

Williams: It was expensive, and it was probably before its time. If it had been done two or three years ago, it probably would have been successful.

Jacobson: What would have made the difference?

Williams: There were more people who would have recognized that type of business. It's the same as the success of Godiva and all of those chocolate shops all over the country. I mean, expensive chocolate shops are everywhere now, and they are all apparently successful. But this was earlier. Godiva was the only one then, and there were only a few of those around the country. It was before Neuhaus and the other ones started up.

Actually, the only one that had started up, and that was in Beverly Hills, was Kron. He was the one who started a marvelous chocolate shop in New York, and they opened one in Beverly Hills. He opened it just before we opened Hediard, and it was too early. It was bringing something from France that was typical of France and Belgium, but America really wasn't ready for it. Two years ago, it probably would have been successful.

Entering the Japanese Market

Jacobson: Another of your ventures was taking Williams-Sonoma into the Japanese market. How did that come about?

Williams: That came about from the Japanese. That was something that was an ongoing thing. There was a period in the eighties when we got a lot of requests from people in France and Germany and Japan wanting to have a joint venture. We had more of them from Japan. I would say we had four or five department stores and possibly other big companies approach us with the idea of having a joint venture in Japan. We talked to all of them, but nothing really ever happened. They didn't carry it any further. Some of them had made several contacts with us, but then they changed their minds and didn't pursue it any further. Or else we gave them no reason for pursuing it any further, because we really weren't prepared to get into anything like that.

But the Tokyu Department Store persisted and were really very interested in doing it and wanted to do it. Finally it worked out that we did open in Japan. We opened one store, and now we have ten. And we have a catalog that is about three years old.

Jacobson: How did the Japanese find out about Williams-Sonoma?

Williams: The Japanese always knew about it, right from the very first when we were just one store on Sutter Street. I would say that from 1958 on, the Japanese always knew about Williams-Sonoma. We always had Japanese in that shop. Anytime any Japanese came to San Francisco--and there were forays of Japanese from department stores and Japanese manufacturers into this country every so often. They would make trips around the country. They would be in New York, Chicago, and they always came through San Francisco.

Williams-Sonoma always attracted them. They were always attracted by what we had. Wooden spoons always seemed to attract them, and all the bakeware. Especially department store buyers, even in the fashion part of it, were always in our store. I talked to a lot of them, and they were always fascinated with the merchandise. So much of it was French, and they were fascinated with French merchandise.

So it wasn't anything sudden; it had gone on for years, with this interest of the Japanese people. When it came to the category of buyers, designers, and display people, they were always fascinated with the shop and what we had.

Jacobson: Do you think the Japanese consumer is very similar to the American consumer?

Williams: I don't think they're that much different. They have developed about the same as we have in taste. They're great consumers; they love to buy. They're great shoppers. Of course, they were restricted for so many years in buying, because there wasn't that much to buy, plus the fact that manufacturing for their domestic market was never that great. But when they started doing some manufacturing for the western world right after the war, just cheap merchandise--I mean, they were copying everything, and all the cheap merchandise was just flooding into this country. We had the problem when we first opened in San Francisco of staying away from anything that was a cheap copy of something else. We tried to keep from buying anything that was made in Japan, because there was a resistance to selling anything made in Japan.

After they got away from making that cheap merchandise and got into making the quality merchandise that they are capable of, all that changed, they started manufacturing good-quality merchandise for the domestic market in Japan. Their standard of living has gone up so much, their unemployment has been practically nil, and the bank savings of people is very large. So there's an awful lot of money to be spent, and the consumer is spending it. So many of them get out of the country and find all this merchandise that isn't available in Japan because of their restrictions on trade.

So it is a good market. They are attracted by anything western. The culture is so much different when it comes to cooking, and it's a slow process to change that, but it is working.

Jacobson: The cooking style is very different, but still the Japanese are skilled and are fond of artful presentation.

Williams: Oh, yes, they are. They are interested, but the cooking techniques are a little bit different for the average Japanese housewife. What they cook and what they were raised with is completely different from the way we cook, so they do have to learn a new way of cooking and with different equipment. A lot of our equipment doesn't work in their small kitchens, but their homes are changing. They are being able to build larger homes. In the suburban areas of Tokyo there are developments springing up of western type homes with sidewalks, lawns, and little garages.

Jacobson: Those must be incredibly wealthy people, because land is so expensive.

Williams: We went out to a shopping mall that belonged to Tokyu Department Store, our joint venture people, and they had built a whole little city. Driving around the streets in the residential section right near the shopping square, it was almost American. Everything was on a much smaller scale, but they were there complete. The kitchens are larger, and they have better stoves and so forth.

Jacobson: Is the Catalog for Cooks for the Japanese market different in any way?

Williams: It's a little different. There are some things that don't sell there, and some things sell better. Kitchen linens sell very well there, clocks sell well, teakettles sell well, jugs can sell well. Some of the same things that have been successful here sell well in Japan. Our chicken water jug has been successful there. It's been a slow process of building up the sales on pots and pans and some of the bakeware.

Most of the electrical we can't sell there because it's not approved by the government; it all has to go through an electric board and be approved. It's very expensive to do, and the manufacturers don't want to do it, because they're not established over there. It's only the ones that are established that we can sell, so we don't have much in the way of electric equipment. We do have food processors, because Cuisinart is made there, so they do have a Japanese market. We're able to sell the Waring Blendor there because they did pass the regulations, but Krups refused to go in. So that part of the business we don't have.

Jacobson: Is the copy in the catalog more educational?

Williams: It's supposed to be about the same. I have no idea. It's all in Japanese. Right from the beginning I really tried with Atsuko Kandeia-Jenks, who runs the operation from here--she was partly educated in this country. She got her master's degree at Stanford. She lived in Canada for a year, and she's lived here for a long time off and on. She's become completely westernized, and I think she understands our western culture. She thinks in English now, and I think she really understands how we express things in the catalog, what we mean in the way we write. Hopefully she's getting that into the Japanese catalog. She's not translating it herself. She was doing some of it right at the beginning, but she's not doing it now; somebody else is doing it. But she is reading all the copy, and she says that she is getting the same meaning in Japanese that we have. It would have to be expressed differently, because the way they express things is different than the way we express things. But she says she is trying to get the same meaning into the copy. Hopefully it's true.

List Management Department

Jacobson: I wanted to talk a little bit about the mail-order business itself. I understand you have a separate department called List Management.

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Williams: There are list brokers, and it's big business in this country and in other countries, but not in Japan; they don't have such things. In this country there are list brokers who will negotiate selling a company's list of names, or parts of the list, to other people who want to use them. They can only be used one time. They can't be used twice; you can't keep the names.

Jacobson: How can you make sure people only use it once?

Williams: Because they always put what they call "seeds" in. There would be quite a few names put in of our own people or of an organization, and they watch it very closely. James West is more or less the head there, and he has these seed names out there. They've got codes on them, and if one of them turns up, being used a second time by somebody, they find out.

Jacobson: Does the business of renting mailing lists bring in a lot of money?

Williams: It can be very lucrative, because their overhead is not very much and it's almost clear profit. But keeping up a list is very expensive. When they get large, any new names have to be fed in to fit into the slots where they belong. You have to keep out duplicates, because duplicates can pile up very fast. We can even pile them up ourselves because of a different spelling or a misspelling of a name, or spelling out the first name where before it was just initials. There are all kinds of things that can create duplicate names, and it's very expensive to send out a catalog. There have been periods where people were getting ten of our catalogs because of the different mistakes that had been made in the spelling of their name. We may have their name from selling them something ourselves; yet when we were buying names from somebody else, we might get that name but spelled differently, the initials are different, or the name is spelled out. All kinds of things can happen, and we can build up the same name from different sources.

Computerized Analysis of Mail-Order Customers

Jacobson: As you have computerized and gotten more sophisticated with your mailing list, has it changed the way you analyze your customers? Do you have more sophisticated ways of looking at income, the neighborhood they live in, and all those kinds of things?

Williams: Yes, it's gotten very sophisticated as far as the information that can be plugged into the computer on every name that we have--what they bought, when they bought it, how much they spent, where they live. There have been surveys, and the names have been analyzed as to what category they would be in. There is all kinds of information you can get out of those computer lists, and you can get all that analyzed for you by companies that do that. They'll give you the percentage of people who are living in certain categories of income, where they live, what kind of lifestyle they have, and they have names for them, like the ones living in suburban areas and drive station wagons rather than a big car.

Basically our lists are people who really don't own RVs; they don't have pickups parked in their driveway; some categories of them are more likely to drive a Mercedes rather than another kind of a car. They're not so apt to own a Rolls

Royce; they're more apt to own a Mercedes or a Jaguar, because a Rolls Royce falls into a different category of people who are not apt to be a rich, old, established family; a baseball player is apt to have a Rolls Royce today.

Jacobson: So you have a much more refined sense of who your customers are?

Williams: Oh, yes. Not long ago we had a company who would analyze your customers. They would contact say a thousand customers and ask them if they would be on a panel. They would be in a certain area but from different parts of your list, and a certain number of these would say that they would be on a panel. You can watch this behind black glass if you want to. They ask questions about the company, about their experience with the catalog, and other questions that will give you answers as to how that segment of customer will respond to the catalog, what they think of the catalog, what they think of the stores. They can get a lot of information out of the panel. We have had that for the western part of the country, and we did find out a lot.

Jacobson: What did you find out?

Williams: We had one up in Portland [Oregon], one here, and one in southern California. One reason Pat Conolly wanted to do it was to find out what was causing the drop off of business in the catalog. We found out that, "Of course we're not using [buying from] the catalog when you opened a store right in my neighborhood. I'm going to shop in the store. I haven't stopped shopping in the catalog. I still get the catalog, and once in a while I do, but most of the time I go to the store because it's more convenient, and it's something I want right away; I don't want to wait."

There's the question of how many catalogs a customer gets. Some of them say, "You've been sending out too many catalogs. I don't want one once a month; I want one once in a while." They haven't got time to read a catalog every month. They do save the catalogs: "I like the catalog. I save it because of the recipes, for reference." Likes and dislikes as far as what we're doing in the catalog--the majority of them felt the catalogs were more informative years ago. They were more in-depth as far as showing different kinds of baking and not so much tabletop. I would say the majority of them really felt the catalog was better with strictly cooking and baking rather than getting too much into tabletop.

It was very interesting. This was only a small segment they were working with, so whether it's true all over the

country, you don't know. But I'd say it was a pretty good basis for finding out what the customer thinks. Also, seeing a group of customers together and seeing who they are--the ones who are interested enough in the company to want to talk about it and express their opinion. They are very basic people, owning their own home, very interested in their family, they like to entertain, they do travel. It's very interesting.

Jacobson: Is there an age range?

Williams: They were all women, and they were in the age range of thirty-five to fifty.

Jacobson: Were the women from different ethnic backgrounds?

Williams: They were mostly Caucasian.

Dangers of Overexpansion

Jacobson: Is there a risk for Williams-Sonoma in opening too many stores?

Williams: Yes. I think the feeling now is that the limit is 150 stores that we should open in this country, and we're about 102 now.

Jacobson: Why is there a risk?

Williams: There's the risk of getting them too close together. We found that out at this last managers' meeting. Stores have opened up maybe a little too close to another one, and the manager of the older shop says, "You're taking business away from me. You expect me to grow my business, and yet you are opening a store too close that's taking my business away. What are you doing?" So we are getting that feedback from the stores.

Also, what is the limit for having exposure of the store around the country to the point where you are apt to lose credibility of what you are selling and what you stand for? You become too common, too accessible; you make things too easy for people to reach you, so you become less desirable. There is that risk of becoming less desirable. If you become too common, too easy to get to, you become sort of like a Safeway. [laughs] You come down a notch in the way your are perceived, and you really don't want to lose that perception of what you are and what you stand for. So we do have that risk, and we do have to

be careful of it. We do know it, and hopefully we are doing the right thing.

Customer Service

Jacobson: In the process of expanding the retail store operation, has it been challenging to maintain the high level of customer service, which is really part of the product you are offering?

Williams: We work at it constantly. It's one of the main things now in our relationship with the managers and the store people, and even the people in the business here [at headquarters]. We have a very close relationship with them, and service is the main thing. As far as the business is concerned, the people in the stores are the most important people in the business, because they are the ones who are in constant contact with the customers. We have to be good in the office and in the distribution to supply the people in the stores, but they are the ones who are in contact with the customer. If they're not contacting the customer right, we don't have a leg to stand on. It's very crucial that it is projected the right way.

What we're going through now is not so much the fact that we give service--that's important; we have to give the service--but the kind of service we're giving. Giving service is one thing, but giving quality service is another. The quality of service has to be maintained. Just the simple fact of how you greet customers when they come into a store. Do you just say [dully], "Hello." That's not going to impress a customer. It's how you say "hello." It's not how much you say; it's how you say it. It's not the merchandise that you sell; it's how you sell it. The quality of the merchandise, yes, is important, but that's for the buyers to provide. The buyers have to be very conscious and very careful of the quality of the merchandise, and the people in the stores have to be concerned with the quality of the service they provide.

X COOKBOOKS, COOKING PHILOSOPHY, AND HOSPITALITY

Williams-Sonoma Cookbook

Jacobson: I want to ask you a few questions about the cookbooks. In 1986 you came out with the Williams-Sonoma Cookbook. How did you decide to come out with a cookbook?

Williams: It was discussed for several years to do a Williams-Sonoma cookbook. I felt that was something that would be good to do. I personally wanted to do just a cookbook. At that time we were approached by every major publisher--Simon & Schuster, MacMillan--they all wanted me to do a cookbook. I knew it would be a lot of work, and I felt I didn't have the time to do it. But Random House wanted to do it. Anne Kupper, who was our PR person at the time, felt it was very important that we do a book, and it was felt by the different people here that it should be a kitchen book as well as a recipe book. So it was decided that we would do it and that it be a kitchen book with recipes.

That's the way it was done. Whether that was the best way to do it or not, I don't know. I think it would have been much more successful if it would have been a good recipe book, with maybe a kitchen equipment section. But as it turned out, the kitchen part more or less took over; it was over half of the book, and it was in the front. It came out as a kitchen book with recipes.

Jacobson: It was a very unique concept to do it that way.

Williams: Yes, but it didn't sell to Random House's expectations at all.

Jacobson: I want to ask you to comment on a few things that you wrote in the introduction to that cookbook. You said something like, "It's silly to take naturally delicious food and mask its true

flavor with fancy preparation, just as it would have been silly to try to impress any guest with formal service."

Williams: In other words, I feel that simple food is the best. Do simple food to perfection rather than spending time on complicated food. I suppose I'm really referring to French food with their elaborate preparations of sauces, long cooking of some ingredients, and so many flavors added to it that the taste of the original ingredient is gone. Why not enjoy the original ingredient in the way it tastes to begin with? Why go through all that? That's what my feeling on cooking is.

Not that I disagree with French cooking; I don't. I think it's fine, but I think to go to the extreme and have this be the only way you cook is a mistake. I think you are losing a lot of enjoyment of eating just simple food and appreciating the taste of simple food. I had a yellow tomato today that was absolutely delicious; I never tasted anything so good. It didn't need anything. It would have been a crime to cook it. [laughter]

Jacobson: Were you trying to communicate anything about styles of entertaining when you said something about not wanting to impress guests with formal service?

Williams: Yes. It's the same thing; why not serve food well but simply and not spend all the energy and effort on elaborate serving of food, instead of enjoying simple food simply served, informally. I think a simple dish served informally is so much better than a dish that is served formally with servants. It never tastes the same to me.

Jacobson: Does the service have something to do with how you enjoy the meal?

Williams: I think so. I think service has a great deal to do with it--how things are served, how they are presented on a plate, how they look on a plate. I had our catalog designer up for dinner one night, and I fixed little round, green, scalloped squash with red bell peppers and something that was white; there were four or five vegetables that were different colors. I cooked them just a few minutes until they were just tender and put them in a white bowl. They looked beautiful, and they were good. You couldn't help but enjoy them because they looked so good.

Jacobson: I think you mentioned something about choosing kitchen equipment carefully: "You wouldn't buy a set of living room furniture, so why buy a set of pots and pans or dishes, for that matter?"

Williams: I always subscribe to that. When people ask me what set of pots and pans they should buy, I say, "In the first place, you shouldn't buy a set of pots and pans. If you don't own anything or if you have a mishmash of old stuff that's all beat up and you want to get rid of, buy one saucepan that you think you'll like. If you like the feel of it, the weight of it, try it out and see how you like to cook with it. It can be enameled steel, stainless steel, Calphalon, All-Clad--stainless steel on the outside and aluminum on the inside. It can be any of these things, but pick out the one that you think that you might like, and try it out. Go from there. But don't settle on a whole set of one thing, because you'll find that a saucepan in, say, enameled steel will work much better if you are cooking tomatoes, and a saucepan made of stainless steel or aluminum might work much better if you are boiling potatoes.

There are several different kinds of frying pans. If you are going to fry a steak, and you want high heat, you shouldn't use a thin pan, and you shouldn't use a stainless steel pan. You should use a cast-iron skillet. You shouldn't buy a whole set of Calphalon, either, and expect to use that Calphalon frying pan for frying a steak at high heat. I feel you should start collecting cookware, and if you end up with a whole set of one material, okay. But at least try different things.

Thanksgiving Dinner and Easter Brunch Menus

Jacobson: I came across this, "Williams-Sonoma Presents Easter Menus," by Chuck Williams, in which you give a menu for Easter brunch and how to prepare it. I am curious about this work schedule that you designed, with two weeks' advance preparation, one week, and all the way down to the last hour. Does that fit in with simple cooking?

Williams: It does fit with simple cooking. It fits with cooking today. Last year we did it for Thanksgiving, and this year we did it for Easter. I think most young people--and there are some people even forty years old who have been raised in a family that didn't cook that much. They got out of school, got a good job, were married, and have lived well all through the eighties. But they never really learned how to cook, and they never really knew how to entertain, because they have been able to eat in restaurants. If they did entertain, it was maybe having a caterer come in or doing a brunch and buying pizza. An awful

lot of them had never cooked a dinner. They had no idea what it takes to put on a dinner.

They didn't have children, and they went home for Thanksgiving. But now they have children and have to stay home and prepare Thanksgiving dinner, and they don't know the first thing about it. A good many of them would wait until the day before to go to the store and expect to buy a turkey and everything to do the dinner, and on Thanksgiving day they would find out that they didn't know the first thing about how to do it. They had done it completely backwards. Doing a family dinner is not easy. The whole family is going to descend on you, and maybe friends, too. You have ten or twelve people to cook for, and you have to have some planning and do things ahead of time. Somebody has to tell them. Not everybody needs it, but--.

We did a booklet last Thanksgiving, and I had so many people speak about it. One young fellow stopped me in the store in Embarcadero Center and said that he had picked up this thing in the store and had taken it home to his wife, who had never cooked a Thanksgiving dinner. They were young, in their twenties, and they were thinking about the possibility that they were going to have to do something about Thanksgiving on their own. She said, "I think I can do this," and she did. I saw him later, after Thanksgiving, and he said she did it! He said it was really very easy for her. She was able to follow the suggestions of when to do things.

Jacobson: Did he help out?

Williams: Yes, he helped out.

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Williams: I'm not saying that this is for Grandma, who was raised in the Middle West and has done this all her life. This is for the younger ones who really weren't raised that way. They were exposed to it at home, maybe, or at their grandmother's house, but they have never done it on their own, and they don't know what it involves.

Time-Life Series of Cookbooks

Jacobson: Your latest cookbook venture is the Time-Life series. I wonder if you might speak about that briefly.

Williams: The concept of the Time-Life series of books was presented to us by Weldon-Owen Company, a small company in Australia that creates books. They're not a publishing company like Random House, and they don't do their own printing or distribution. They create books and get them up to the point where they are distributed. They have them printed, and then it's taken over by somebody else to distribute them. This all has to be taken care of before, so they conceive a book and present it to someone, either a publisher or just a distributor. If the concept is a viable one and they can sell it to that source, they proceed with it.

They presented us with the idea of doing a book. First it was just a kitchen book, and we said, "Okay, that's fine if you want to do it." They went away, and they came back with a concept of doing a series of books. They came back with mock-ups of three different series of books--a series of small books of individual subjects, a series of larger books that were more in-depth cooking, a series of books for entertaining, and then a kitchen book at the end.

We were sort of overwhelmed with the idea of somebody wanting to do this, so they went away and approached Time-Life with it. Time-Life said great; they thought it was a great idea. They had never done the distribution or selling of books that somebody else created; they've always done their own. They have been on the downside of book distribution; they haven't been involved too much--enough to keep them going, but nothing extra. So they were very interested in doing it.

It was decided to do it, and they proceeded with it. We got out four, and basically we're overwhelmed with the reception they have gotten. We never expected to sell so many books. John Owen of Weldon-Owen Company is overwhelmed with the sales. Only we have sold the books so far. Time-Life hasn't even sold one yet. They are going to be distributed in bookstores all over the country, they're going to be sold by the Book of the Month Club, Time-Life is going to sell them in all of their direct marketing programs, and they will be sold internationally.

Jacobson: Will they be sold in the Williams-Sonoma stores?

Williams: We've been selling them for a month. On this first batch, we've had a month of selling them in the stores before anybody else has them. We will have another month or two of selling them in our own stores before they will be distributed to book stores.

Jacobson: The concept of them is very interesting, at least the four that I've looked at. There's one on pasta, one on pies and tarts, one on grilling, and one on hors d'oeuvres. It combines recipes and pictures of the equipment appropriate for that recipe, and information about equipment in the beginning. It's a very different balance than the Williams-Sonoma Cookbook.

Williams: Oh, yes, entirely different, and I think it's much more acceptable, much easier to read because it's very concise. Basically, everything on a particular subject is on one spread. You don't have to turn the page for any more. The recipe is on one page, and the picture of the finished recipe is on the other. There is no recipe that goes over to the second page; it's got to fit on that page or it won't be put in. The picture is full-sized, exactly the way it was made from the recipe. There's no doctoring up. It's not trying to make the picture or the food perfect; it's just the way it came out.

There's a glossary in the back of terms in the recipes that people may not be familiar with. There's a how-to section in the front for things that may need explaining in the recipes, explaining how to do it and steps on how to do it. There are basic recipes in the front that really don't need a picture, like a sauce that wouldn't show anyway. Something like pasta or pie dough might be in every recipe, and that would be in the front.

It's a very concise book, and there's no page that doesn't have a picture. There's something of interest on every page so that it's not boring. I would say that most of it is not intimidating, either. It's in large type. The whole thing I think is very well done. It has a very hard back cover, and the construction of the book is very good.

Jacobson: And the recipes are the essence of simple cooking--few ingredients, not so complicated that it can't fit on one page.

Williams: Yes. That's what I've insisted on. The recipes are simple. Putting the limit on the recipes that they had to be on one page sort of eliminates any recipes that are complicated. If it takes too much space for the list of ingredients, it's going to be complicated, and if it takes more space on how to do it, it's apt to be too complicated.

Jacobson: I understand that you edited it with a chef.

Williams: There is an editor in Los Angeles. He's done a lot of editing of books. He's a writer. He's not a chef, but he does know food. He's very interested in food and has done cookbooks himself. He worked on one in the Time-Life series a year ago, so he knows what they want more or less. I'm working with him. He does the writing and gives it to me, I go over it to see if I find things that are wrong, because I want everything correct as far as the information we give on ingredients.

I want the glossary to be correct about what things are and how they are used, and I want the correct ingredients on all the equipment that's shown on one spread. I go over all that, and I read every recipe to see that the procedure is simple and that the recipes are consistent as far as the explanation of each one and all the way through--not writing one one way and another another way. If you say it one way in one recipe, you say it the same in the next recipe. I see if all the ingredients are used in the text of how to do it and if everything is in the ingredient list.

It's a long process in doing them, but I think it's important. In fact, John Owen was telling me yesterday that we've sold as many books already as they expected to be sold in total. He would have been satisfied with the sale of x number of books, and we have almost reached that! I don't know what it is, whether it is a combination of the Williams-Sonoma name and Time-Life, the looks of the book, the recipes, or just our name, but anyway it's working. It has hit a nerve out there with our customers at least. There has been no publicity on it; it's just people going into the store. It has only been about a week that it has been in the catalog, so all of it hasn't been from that. Of course, the store people are behind it. They've have a contest in the stores to see who can sell the most. I'm sure that's had a lot to do with how many they've sold, but it's not the whole thing. I don't care how good a contest is, the product has to be good for people to buy it. They don't know we're having a contest.

Jacobson: Who creates the original recipes?

Williams: There are going to be different people for the different titles. They're trying to have different people do them. For the time being they're limiting one person to do no more than two books or three at the most in the series.

Jacobson: But they do an entire book? Say, one chef does all the pasta recipes, and one does all the pies and tarts?

Williams: Yes. They're trying to get people who are good writers and good cooks, people who have had experience with writing a book and doing good, simple recipes and being creative, too. Not getting the best--the really well-known ones; that's immaterial. It is proven that they don't have to have that name to sell a book. The ones we've gotten so far have had experience and have written books. They are known up to a point. Lorenza de Medici is not known that well in this country, but I think it's sort of a magic name. Most everybody registers on the name de Medici, so I think that was a fortunate one. John Carroll is not that well known, but he has done a couple of books. He did a simple little grilling book, and he did the food for *California the Beautiful* in the Beautiful Books [series].

Honors and Awards

Jacobson: You were honored recently in May by Gourmet Products.

Williams: Yes. Originally, to find cookware at a trade show, you had to go to the housewares show in Chicago. The housewares show is everything. That's cookware, any kind of electrical appliances --irons, hair dryers--and the whole gamut of housewares--mops, brooms, and all that sort of stuff. Ten or twelve years ago a group in San Francisco broke away from that tradition and started what they call a Gourmet Products Show that just has cookware and the best cookware. It has grown, and it's quite an important show now. Any department store, specialty cookware store, or any store that has any kind of cookware will come to the Gourmet Products Show.

They honored me with an award. It was the first award that they had given. They decided that they should start giving an award. Most trade shows have a program of giving an award periodically--not every year, but occasionally--to someone who has contributed to the industry. I'm the first one for Gourmet Products Show. They felt I was one of the main ones and one of the first ones to introduce heavy restaurant-type cookware to retail customers.

I also got the Silver Spoon Award from *Food Art Magazine*, which represents the restaurant industry--restaurant chefs and so forth. It's a trade magazine for that section of the trade,

and they have a Silver Spoon Award that they give once a year. Also there's a Silver Spoon Award at the Food Trade Show, an international food show that's put on by a big trade organization. They have one twice a year, one on the West Coast and one on the East Coast. It's a very large food show, probably one of the biggest ones in the world, and they gave me the Silver Spoon Award this year.

Jacobson: I know that you donated the proceeds from Gourmet Products to Larkin Street, which is an important charity for you.

Williams: Yes. It's a local charity for displaced children--children who are on the street because of broken homes or for whatever reason. A lot of it is connected with drugs and abuse at home. All of them are teens or a little older, in the age group of about fourteen to twenty-one, who gravitate to the cities from different areas. It's sad that there are so many of them. I guess it's the first time in this country that there have been so many of them. We never had this situation before, and it's not just San Francisco; it's all over the country.

I don't know what the rest of the country is doing about it, but they have established this organization, and it is working. There's only so much they can do. They can't force the children off of the street. All they can do is encourage them to come in for a meal, or they can find a place for them to sleep overnight if they need it. They provide recreation for them; they have a pool table, magazines and so forth, and a place for them to sit if they want to read. They encourage them to come in and rethink what they are doing to their lives and their health, maybe getting them back to school. Some of them have gotten back into school. They help them get a part-time job and get them back to going to school.

It's working for a small percentage of them, and I'm hoping it can build up. There's not that many of them that you can change that fast. So much of it is drug related, and so much of the time they don't talk about that. So much of it was created in the hippie generation and the counterculture, which was drug related. I feel very sorry for them. In some ways I relate to them, because I came from a broken home. My mother and father separated, and I chose to go off on my own, like so many of them do. I didn't leave home; I just didn't follow along. So I do relate to them. I understand what they're up against. It's not easy.

Accounting for the Success of Williams-Sonoma

Jacobson: How do you account for the success of Williams-Sonoma?

Williams: I really think it was the personal feeling I had when I started it that went on for so many years when I was doing so much of it myself. Not that I did everything myself--I didn't do it all myself, but I devoted my whole life to it, twenty-four hours a day, seven days a week. That's all I thought about; I ate, slept, and worked Williams-Sonoma. I did have people around me who helped who felt the same way. I had some marvelous young people who worked at the store in the beginning.

There was a marvelous girl, Marguerite, an Italian from Pennsylvania. I don't know what she was doing out here, but she was out here. She was more or less on her own. She did have a family and hadn't broken with it; they were very close to her. But she chose to be out on her own, and she was a marvelous Italian girl and very much wanted to have a home. She worked for us for a number of years. She had a marvelous personality, very warm. She was young, but she had a mature attitude about herself, and you know she was going to develop into an Italian mother. [laughs] She just had that quality of taking care of you. It's what she did with everybody.

She worked for us for about two years, and she went off on a trip to Italy. She met an Italian, and they got married. I've heard from her periodically since. He was from a small town, a farming village, and she became a farmer's wife in Italy.

Those were the kinds of people we had. They were marvelous young people who worked for us, and who wanted to work for us. It wasn't just a job. An awful lot of them were from other places and gravitated to San Francisco for some reason or other. This was the place they wanted to live, and a lot of them lived here for a while and then moved on. We did have people like that, and I think we did create a marvelous feeling about the store with our customers. These were customers from all over the country who visited San Francisco and people who lived here who became customers. We still have those customers here; they still go into the store all the time and shop.

We have projected that feeling out in all the stores. We do get the managers together, like at the meeting we had last week, to talk about the stores and the business. I think one of the things that has happened in the last couple of years is my

getting up and talking about the business more than anything else, and talking about the beginning of the business, what it was like when it was first starting, realizing that it didn't start the way it is now. It wasn't a big company; it wasn't a big store. It was a tiny little store that was started with just a little bit of merchandise, struggling along, and grew into this. It was a long time growing. It wasn't anything planned. I think they relate to that.

I relate to the staff in the stores better than I do to the people around here, with all the computers and financial details. I can talk to them much easier and make them laugh.

Jacobson: Their part is the art of the business.

Williams: Yes, and I think the reason it has kept that and been successful with that is because I'm around. I'm still here. I haven't gone anywhere. I'm not up on a pedestal or inaccessible. I'm part of them. I go out with them. I much prefer to go out to dinner with them if there's the possibility. I think that's what it is. In some respects it's remarkable that the business is over thirty-five years old and has maintained this success the whole way through. It has maintained a good image with customers and has exceptional employees. I get letters--I got this one yesterday. It's very interesting. I get these all the time.

Jacobson: [reads letter]. It's a marvelous tribute to her experience as a store manager.

Williams: Yes! She was a part-time worker who has gone off to do her own thing in business; she's going to start a little business of her own now. This letter tells of her experience working in the store, why she wanted to work in the store, and what kept her working in the store. I think it says a lot.

We've had experiences where the manager hasn't been that good and we've had to make changes, but we've done it. I must say that running one of the stores is a big job because of what they have to perform and the way they have to perform. Being a manager of one of the stores is very time-consuming. It's not a nine-to-five job by any means. They're committed to doing it, and they really have to want to work in the store to do it. We're not slave drivers, and we're not demanding unnecessary things. It's just the quality of service that we have to have and that is required.

I try to talk to the managers at these meetings about not getting involved in the store to the point where it is too much work and that you are working too hard at trying to do what you are supposed to be doing. Treat the customers as your own friends. How do you treat your own friends when you entertain them or when they come to greet you? Just be natural that way; don't force it. Don't try to do something that is unnatural for you. It's got to be natural. If you just think of these customers who come into the store as friends, you'll find that it works much easier. Then it doesn't become extra work; it's a natural thing.

I think all of this together sort of works. Quality merchandise--we are concerned about that, and it is more difficult all the time to get quality merchandise. We stand behind it, and it's returnable for any reason. We get taken a lot of times. People buy things at other places and bring it back to us because they know we'll accept it. We don't demand a receipt; they can buy it anywhere and bring it back to us and say, "I bought it here, and it doesn't work," or "I don't like it."

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Williams: It's very difficult today because there are so many people who have financial problems. There are all kinds of things going on and people trying to get away with things. Actually there have been cases where they steal things from another store and then bring them into our store and demand a refund for them. Or maybe they even take it from you and bring it back and say, "I want a refund," and possibly get it! It's a crazy world, but you have to live with it and adjust to it.

Jacobson: But you haven't adjusted to the point where you require a receipt?

Williams: I think we're getting to the point where we're going to have to, but it's going to be difficult. At some stores we have to have security. In New York we have to have security guards in the stores. It's sad, but we do. I don't think we do here. I think there was one period we did on Post Street.

Reflections on Cooking and Entertaining

Jacobson: You've been called the guru of cookware. I wonder if, in addition to introducing new kinds of cookware that hadn't been seen or used before, part of what you did was to revolutionize how people thought about the kitchen and how people thought about hospitality.

Williams: I think so, right from the beginning--moving to San Francisco and bringing in French cookware, and educating people to want good cookware, that any cookware is an investment. If you invest in inexpensive cookware, it's not going to hold up very long, and you're going to have to replace it. In the end it's going to cost you just as much and maybe more. Good cookware is more of a pleasure to use, and you take pride in it. You will take care of it better, and it will be easier to take care of because you will take care of it on a regular basis, just as good clothes are easier to take care of than cheap ones because you are naturally more careful with them.

I've been concerned with encouraging people to cook and to entertain--and entertain simply, because it is easier and you get much more pleasure out of it. You can have pleasure out of cooking. It shouldn't be drudgery; it shouldn't be something you do just to live. There should be enjoyment connected with cooking, there should be enjoyment in cooking for other people, encouraging people to get together and not just sitting in front of the television watching some stupid show. Get together with people and have something to eat, and have some conversation!

Jacobson: Thank you very much. This has been a delightful interview.

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University of California
Berkeley, California

Howard Lester

THE MANAGEMENT OF WILLIAMS-SONOMA'S EXPANSION AND
DIVERSIFICATION, 1956-1993

Interview Conducted by
Lisa Jacobson
in 1993

INTERVIEW HISTORY--Howard Lester

Howard Lester, chairman of the board and chief executive officer of Williams-Sonoma since 1978, presided over the company's expansion and diversification in the 1980s and 1990s. A retired software entrepreneur seeking a new business venture, Lester purchased the debt-ridden company in November 1978 with partner Jay McMahan. Under his stewardship, the company expanded its retail operation with the addition of over two hundred stores nationwide. The company also diversified its mail-order business with four new catalogs: Gardener's Eden, Pottery Barn, Hold Everything, and Chambers. Complementing the home-centered interests of Williams-Sonoma cookware customers, the new catalogs and retail outlets formed the core of Lester's successful strategy to make Williams-Sonoma a dominant retailer of specialty products for the home.

Lauded in the business pages as a savvy entrepreneur, Lester has applied his business acumen to disparate fields of interest. He started his own computer software business, selling it in the mid-1960s to Computer Sciences Corporation. There he held various positions for five and a half years, ultimately serving as vice president. In 1971, Lester acquired another computer software company, Centurex Corporation, and served as its president for three years before selling it to Bradford National Corporation. He stayed on at Bradford National for another year and a half as executive vice president. During his tenure at Williams-Sonoma, Lester also ventured into the food business, founding the Il Fornaio restaurant. He currently serves on the advisory board of two Bay Area business schools, including the Walter A. Haas School of Business at the University of California, Berkeley.

The interview with Howard Lester took place in his office at the San Francisco headquarters of Williams-Sonoma. Taped amid the hectic daily routine of a corporate executive, the one-hour interview was sandwiched between various business meetings and conference calls. Despite the hurried interview, Lester gave a succinct account of the strategy behind Williams-Sonoma's dramatic development into a multi-million dollar company.

The completed transcript, lightly edited, was sent to Mr. Lester on February 28, 1994. He read it, made a few changes to correct the spelling of names and clarify some explanations, and promptly returned it.

Lisa Jacobson
Interviewer/Editor

August 25, 1995
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name W. HOWARD LESTER

Date of birth 8-14-35 Birthplace DURANT, OK.

Father's full name WILLIAM HOMER LESTER

Occupation SIGN PAINTER Birthplace SHREVEPORT, LA.

Mother's full name LULA IRENE LESTER

Occupation HOUSEWIFE Birthplace ADABEL, OK.

Your spouse MARY VAUGHAN LESTER

Occupation HOUSEWIFE Birthplace BAY CITY, TX.

Your children RANDOLPH KIRK - LYNN KRISTEN

+ ANNE KATHRYN

Where did you grow up? DURANT, OK. (UNTIL 17 years)

Present community SAN FRANCISCO

Education UNIVERSITY OF OKLAHOMA - BUSINESS MAJOR

Occupation(s) CHAIRMAN of BOARD - CHIEF EXECUTIVE OFFICER
WILLIAMS - SONOMA, INC.

Areas of expertise BUSINESS MANAGEMENT / MARKETING

Other interests or activities GOLF - ART - POLITICS

Organizations in which you are active SF MUSEUM of MODERN ART
HAAS SCHOOL of BUSINESS - RETAIL MGT. INSTITUTE AT
SANTA CLARA U.

I EXPANSION AND DIVERSIFICATION OF WILLIAMS-SONOMA, 1978-1993

[Date of Interview: September 21, 1993]##

Work Experience Prior to Williams-Sonoma

Jacobson: I usually like to ask for a little background information. Maybe you can give me a brief summary of when and where you were born and your professional experience before you came to Williams-Sonoma.

Lester: I'm from Oklahoma. I was born in a small town, Durant. I grew up in Oklahoma and went to the university there. I was in the service, and I spent it in the Korean conflict. Then I spent a couple of years in Oklahoma City and worked for IBM. I left there and got into the computer software business. We started our own company and kept that until the middle sixties. We sold that to a company in Los Angeles called Computer Sciences Corporation, and they moved me to southern California. I spent five and a half years with CSC in a variety of positions, and I ended up as vice president of the company and running the commercial side of the business.

Then I left there and bought another software company that we were trying to acquire [at CSC] and couldn't; so I bought it. I grew that company and sold it in the middle seventies to a company in New York called Bradford National Corporation. I was an executive vice president with them for about a year and a half, sort of fulfilling my obligation as part of the sale, and then I quit.

I didn't do anything for a couple of years; I kind of retired, really. Then I began to look for something to do that would be fun, a different career from the one I'd had. I came across Williams-Sonoma in the spring of 1978, and with a friend of mine in Los Angeles we bought the company; I think we finally

closed it in the fall of '78, although I started working here in June of '78. And I've been here ever since.

Decision to Purchase Williams-Sonoma

Jacobson: What attracted you to Williams-Sonoma?

Lester: First of all, I wanted to do something different than the computer business. The retail business was appealing to me, and I thought it would be a lot of fun. I liked the quality of Williams-Sonoma, even though it was very small in those days; it was only about a \$4 million company in sales. I think it had four retail stores and had the Catalog for Cooks. The company was in disarray. It was losing money, and I felt I could bring some value to it, that it could be a fine company. It had a great reputation; it just was not managed well. It was a totally different thing for me; so I did it.

First Impressions of Chuck Williams

Jacobson: What were your first impressions of Chuck Williams?

Lester: I met Chuck, actually, at the office of the attorney who was managing the disposition of the company in those days. Chuck owned half the company. I met him in David Whitehead's office, and I thought he was a mild-mannered, quiet man. My initial reaction was that he was just a very nice person. I didn't really understand in those days how capable Chuck was, because I was looking more at the business and didn't have the opportunity yet to work with Chuck. So initially I just thought, "What a quiet, nice man," and wanted to be able to help with the business--the thing that he had his name on.

Management Reorganization and the Hiring of New Personnel

Jacobson: Had the company been put up for sale?

Lester: Yes, they were actively trying to sell it, because what happened was that Chuck had sold about half the stock to an outside group, and the principal in that group had died, Eddie Marcus, who had been chairman of the company. His widow, Betty Marcus, wanted to sell her stock. The company clearly needed an infusion of capital, and she didn't want to put any more money in, nor did any of the other shareholders. So they were actively trying to sell their stock, and I think Chuck was just passive; he didn't really know what to do. It was through that that a dialogue came about.

Chuck and I talked, and he wanted to continue to be part of the company, so through a fairly complicated transaction we bought control of the company. I advised Chuck not to sell his stock at that time, because the value of the company wasn't very much, and that we would be willing to buy it later at an increased value if he would stay and help improve it. He wanted to do that, so that was the original deal that we struck, and it worked out well for Chuck and for us.

Once we got that behind us, then I asked Chuck what he wanted to do. He said he thought he could probably make the biggest impact doing the catalog. Interestingly enough, the previous management, the fellow that Eddie Marcus had put in to run the company, had kind of excluded Chuck from the catalog, believe that or not. There was another fellow here, Wade Bentson, who was kind of doing it with Jerry Dirx, who was running the company. Wade left at the time we bought the company, and then we got Jerry to leave as soon as we closed the sale. So it was kind of just Chuck and I. We looked at each other and said, "What are we going to do now?"

He had been working on the book--that was from June through September--so he had helped some with the 1978 fall catalog. The catalog performed well, and then we had all the problems of trying to loan the company some money and put some merchandise into the stores for the fall retail season-- Thanksgiving and Christmas. We had one buyer here other than Chuck, and she quit. Her husband moved to Seattle or somewhere, and, heck, we didn't have anybody.

We called some vendors and asked them, "Do you know anybody who can come and just help us write orders?" Because Chuck and I couldn't write them; I didn't know how, and Chuck didn't have time. They did; they recommended a lady named Helen Godek. We interviewed Helen, and she came a couple of days later and was an immense help that fall in getting inventory into the stores.

Shortly thereafter, I knew that we needed some more merchandising help. I started out trying to find people and ended up finding a fellow named John Moore in southern California. I brought John up, Chuck liked him, and we hired John. Probably just a few months later one night I was working late over there, and one of the potential vendors, who was trying to sell us an 800 answering service for the phone, asked me to have dinner in the City. It was probably eight o'clock at night, so I agreed, because I lived in the City and we were over in the East Bay. I came across, and dinner was with Pat Connolly and his wife, Ginger.

Pat and I started talking about the mail-order business, and he said that even though he was doing a book for Hanover House, he'd give me a call and come over and we'd talk about the mail-order business. So Pat started coming over at the end of the day, and we'd work evenings. He'd try to teach me about how to mail the book, how to make money in the mail-order business, and so on. A few months later I asked Pat why he didn't just come to work for us full time [laughs], and he agreed to.

That was the initial team of people: Chuck, Helen, John Moore, and Pat. It just kind of started from there.

Diversification and Expansion of Williams-Sonoma

Jacobson: How did the decision to diversify the business come about?

Lester: As we started to be successful with Williams-Sonoma, I think a couple of things hit me. One was that as I drove around the country and would look at all these other little cookware stores, I realized that none of them were as good as ours. They weren't even close, really. At first I didn't understand why. Why is that? Why don't they just knock us off? It took me a while to understand why they couldn't, and it was because of a lot of things.

I also began to understand that as small as we were, with just a handful of stores and the catalog, we were the dominant retailer, not in terms of dollars but in terms of the upscale customer. I realized that we wouldn't have to be a very large company to totally dominate that niche. That came about by stopping around shopping centers all over the country. Every time I would go to another city, I'd look in the Yellow Pages and see who all our competitors were in that city, even though

we weren't there. Because we were thinking about how many stores we could build.

At the same time, I observed that in all the other little home businesses there wasn't anybody, either. None of the big retailers had ever made a serious effort in any of these niches. So the opportunity to do that was just right there in front of you.

That was one factor. The other one was that I questioned how big Williams-Sonoma itself could be. In retrospect, I may have miscalculated a little. It probably could be a lot bigger than I thought at the time. I thought maybe we could have 150 stores or so and maybe be a couple hundred million dollar business. I thought, "Gee, the only way we're ever going to be a billion dollar business is to have several of these." I thought, "Why not do that?" As we built the list for our mail-order book, those are the same customers that are going to buy for other needs in the house. We just happen to be addressing the kitchen with Williams-Sonoma.

In '82, Pat and I decided to test one of the niches. We bought this little catalog, Gardener's Eden. We actually did several tests before we bought it to see if the book would work well to our list, to our customer, and of course it did. That convinced us that was the right thing to do. Pat did a lot of demographic research and so on, and we became convinced that it would work. Of course, it did, and we knew that if that worked, then other areas of the home would.

By the fall of '83, we began to test the Hold Everything catalog. Once we got started the strategy was in place, and now it was just a matter of finding the various retail components, the vehicles to let you implement the strategy.

Williams-Sonoma's Dominance in the Upscale Cookware Market

Jacobson: I'm interested in hearing you elaborate why it was that some of these other kitchenware and houseware stores could not imitate Williams-Sonoma.

Lester: There were six or seven thousand of them, and there still may be today. Most of them were owned by an individual, somebody's wife or an engineer who didn't want to be an engineer any more, and they were undercapitalized. They didn't have an advertising

vehicle, because they didn't have a catalog, so they had no way to really advertise their store. So they weren't doing enough volume to be able to travel to Europe and buy direct and develop product, which was the strength of our business. They were forced to go to the housewares show in Chicago. In those days, we didn't even have a gourmet show; we just had the housewares show. They were pretty much forced to go there and buy what the domestic vendors offered for sale, so they all bought the same thing. And it was pretty bad, really. When you put it together in a collection, all of those shops looked like some combination between a cookware-kitchen store and a gift shop.

I think that was part of it. The other part of it was that none of them had ever really understood the business the way Chuck did. Probably none of them were the cook or the student of cooking equipment and cooking that Chuck was. Chuck is an unusual person, and this business has been his life, really, for forty years--and at that time twenty-five years. It's not like when you are just getting started in the business in those days; we had twenty-five years of Chuck already into it, really, since 1955. He understood how to bring a total product offering to a customer in a way no one else to this day has ever understood it.

Even if they had understood it, I don't think they could have implemented it without a lot of money, a lot of expansion, so that they could afford to bring containers of goods in. Chuck had developed buying agents in Europe twenty years before that. He had access to manufacturers all over Europe, small ones and large ones, and had relationships with them that nobody else had really developed. There were a few exceptions. This fellow Bridge in New York was doing that with some of the French cookware, but he didn't understand the other thing that Chuck did, so he was really uncommon, if you would, with respect to the marketplace.

As soon as we got a little bit bigger, then we could put a barrier to entry up that nobody could ever break through unless it was a big-time retailer with a lot of capital and a lot of muscle. That's why we started expanding our store base, because we realized--I said it in the early eighties--that if they would leave us alone for a few years and let us get fifty or sixty stores out there in key locations around the country, they won't be able to catch us. Because those malls don't want two identical competitors in there, and we'd have so much clout with our vendors that they wouldn't sell to them anyway. So it was a combination of things, and the strategy worked for us.

Risks of Retail Expansion

Jacobson: Is there a risk in opening too many stores?

Lester: Sure. You can open too many stores. We monitor that pretty closely. I think we have a pretty good feel for it now. You always tread the line. One of the things you're trying to accomplish is developing your brand, and your brand is what your consumer, your customer, perceives it to be. If you make yourself too common, then you change your brand. There's the right balance there, and we've tried to understand that and are sensitive to it. I don't think we could ever have a thousand Williams-Sonoma stores, but I might be wrong about that.

Advantages of Catalog Advertising

Jacobson: What are the advantages of catalog advertising versus other types of advertising?

Lester: The biggest advantage is that when you buy other types of advertising you pay for all the people, so much per thousand people who are exposed to that advertising, and maybe only 5 to 10 percent of those people are prospective customers of ours. That would be in the optimum situation, where we have a lot of convenient stores. If we're in a market like Dallas, where we only have two stores, and there are two million or a half a million people that the newspaper is reaching, you're paying for all of those people, when maybe only fifty thousand of them are convenient to your stores and are your customers in terms of interest, income, demographics, and all the things that go into it. So you pay disproportionately for the value that you are going to get from them.

Catalog advertising is more a directed advertising. You pay much more per impression, but you only pay for those impressions that go to the people that are prospectively your customers, if you do it in its optimum form. As we measured it over the years, that has worked much better for us than other forms. We just think we get more value for our buck in terms of the kind of response we get into our stores. And, of course, the catalog business as a stand-alone business is probably good business for us; it's a very profitable, growing business for us.

Profile of the Williams-Sonoma Customer

Jacobson: How did you determine who the Williams-Sonoma customer is?

Lester: I guess Chuck initially did it through feel. I think he developed an assortment, and it happened to be the assortment that he liked, originally. Enough people came to the store, and the customer kind of developed herself with Chuck. By the time I got here, we had 60,000 names in our file of customers who had purchased from us. We could then analyze things about those people, and we could understand where they lived, did they own homes, were they married, were they single, what they liked to do--did they like to drink wine or what magazines did they like to read? All those things are possible to determine today in this world we live in.

Once you do that, you have a pretty good basis for knowing who your customer is, or the characteristics of your customer. As we prospected with catalogs, we prospected with lists that had the same characteristics as those do. We tried to find more of those people, which is what we've done. Today we have eleven million households. That's broadened somewhat over the years, but we still do the same thing. One of our challenges is to continually broaden the customer interest and the customer segment for Williams-Sonoma. We may have to eventually utilize other forms of advertising to supplement our catalog in order to do that, so that we expose Williams-Sonoma to other people--younger people, different demographic groups, and so on.

Setting Consumer Trends

Jacobson: Does Williams-Sonoma create taste, or follow it?

Lester: I think a little of both. There are two questions inherent in the one question, I think. One is trends; do we create or follow trends? We try to do both. We try to create some, but we try to really understand potential trends around the world and bring those to our customers quicker than anybody else does. So I don't know whether we're following or creating in that instance.

I think we try to be an arbiter of taste. I don't think you can create taste. You can be an arbiter of taste in the sense that you can say, "We believe that this assortment is good taste," and I think that in that sense we have been a leader.

Expansion into International Markets

Jacobson: I wanted to ask you a little bit about the international expansion. How was it decided to enter the Japanese market?

Lester: Oh, that was just sort of an opportunistic thing. The Japanese aggressively marketed to us to try and get us to develop a joint venture. We went through a period where we had a lot of companies calling us through intermediaries or directly. We had so much of it that Pat and I went to Japan. The economy was booming then in Japan, and we had an excellent opportunity with a partner over there. We kind of got talked into it, but on the other hand, we thought it would be an interesting thing to do. That's how that happened. It has been an interesting learning experience for us.

Jacobson: How has it worked so far?

Lester: Fair. I think the Japanese consumer likes what we're doing. We faced a lot of obstacles with our Japanese partners--they've been a wonderful partner, but in terms of getting them to do business in terms of the way we do business--and in the mail-order business, as Pat probably described to you. There are different issues we've had to deal with there that are different than here. It's too early to tell, really, whether long term it was the right thing to do.

Jacobson: Will there be any ventures into other foreign markets?

Lester: I couldn't tell you. I would guess that long term, eventually this company will be in a lot of other international markets. There are no immediate plans to do that. We've got a lot to do right here, but I would think that long term, we will be.

Decision to Take the Company Public

Jacobson: Let me take you back to the decision to take the company public.

Lester: That wasn't really a very hard choice. We were at a crossroads. By that time we had bought Chuck out; Jay McMahan and I owned all the company. It was time to begin to build our stores, and we just didn't have the capital to build the stores. We had to get access to capital, and that was the most efficient method. The stock market was doing very well, and that was the most efficient way for us to raise capital. We really didn't have a lot of choice. It was a good opportunity for us, and we couldn't have expanded the way we did for the next few years without access to the \$14 million or so that we raised when we went public.

Biggest Challenges Facing Williams-Sonoma

Jacobson: What have been the biggest challenges in expanding the business?

Lester: I think finding great people is the biggest challenge. Since I've been here, we've grown from sixty employees to ten thousand. You need great merchants and leaders. We lost John Moore a few years ago. As we've done all these things, we need leaders for those businesses, and that's very hard to find in the retail business, particularly good merchants. Unfortunately we've never been able to clone Williams. That's been the biggest single challenge, I think--just execution, and it takes good people to execute.

II CONSUMER TRENDS AND COMPANY CULTURE

Accounting for Consumer Interest in Professional Cookware

Jacobson: Let me ask you about some consumer trends. What do you think accounts for the growing interest in professional cookware?

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Lester: It's like any hobby or avocation. Let's just talk about hobbies as an analogy. As people get more into a hobby, they upgrade their equipment. We're all equipment junkies, in a way, and we're all looking for better results with our hobby; we seek better results. I happen to be a golfer, and it's particularly true with golfers. The more interest there is, the more the manufacturer puts into research to develop better equipment, and the more we buy, because we want to hit the ball a little further or a little better. We want a better result, so we buy. The same thing is true in all sports. I had a big tennis racket; there was a tremendous improvement in equipment there. Technology has allowed that.

The same thing is true in cookware. As cookware was offered to the home cook that was originally made for the professional, it found a receptive market. Once the equipment is made available to them, those people who want a better result, and who can afford it, buy it. That's what happened, basically. A lot of things add to that. It's been advertised more, distributed more broadly. There's been a lot of advertising by a lot of the department stores and others for Calphalon cookware or All-Clad or French copper or whatever it may be. It is better than that which was available before for domestic use. All of those factors go together, and that's what happens in any area of interest where people want a better result.

If you were to look at professional cookware as a percent of total cookware sold, still the vast dollars are spent on Revere ware and so on. That still by far dwarfs what we're talking about here.

Continuity and Change in the Market for Home-Centered Products

Jacobson: What about the growing interest in home-centered products?

Lester: I don't know whether these market segments have really grown faster than the population has grown. I doubt that they have, really. In the recent couple of years, as interest rates have dropped, I think that has driven a lot of this. Since the eighties, a home has gotten so expensive. It's clearly our biggest asset. I don't know whether it's any different than with my parents, but people have had a high degree of interest in their home and in improving it. They have become more home-centered.

I guess my personal feeling is that it has always been there in one form or another. I think there are more retailers taking advantage of it today than there used to be--people like Home Depot, ourselves, Crate and Barrel, the CML group, Bombay Company. At the same time, we don't see all the furniture stores we used to see, and we don't see all the curtain shops we used to see. A lot of the other stores aren't there any more. You're hard put to find a furniture store today, and there used to be a lot of them.

Maybe it's just been a shift; I don't know. But there clearly is a big interest today, and I think there will be tomorrow. I tend to think there was twenty years ago; it just manifested itself differently. Chuck tells me that before the Second World War there used to be big, forty- to fifty-thousand-foot home stores around, that you don't see any more. We are going back to that. All of us are making our stores larger now.

Williams-Sonoma's Company Culture

Jacobson: Let me ask you to describe Williams-Sonoma's company culture.

Lester: Culture--that's an interesting word. I think it started with Chuck. A sincere desire to please the customer. To offer something better than they could find elsewhere. To be proud of the merchandise and service they offered to their customer.

I always wanted this to be a company where our employees were excited about coming to work in the morning, because this is what we do, five days a week at minimum; we get out of bed in the morning, we come to work here. That should be exciting and fun and something we look forward to doing. Also it should be a place that we can all be proud of in terms of what we do, and the kind of product and services we deliver to our customer. Quality is a word that you hear here a lot, and we mean it. It is inherent in everything that we do here, and I think it's a vital part, the cornerstone, of our culture here.

[It's important] that we're honest and fair with one another and respect one another. I hope that's inherent in our culture here. I'd like to think it's also a place where you work hard and are compensated well. Primarily I think our culture is one in which we are proud of what we do. It's why I've stayed around all these years. It is very important to be proud of what you do. Our customers say nice things to us and tell us we are doing a good job. That makes it all worthwhile.

Accounting for Williams-Sonoma's Success

Jacobson: What accounts for Williams-Sonoma's success?

Lester: A lot of things. Chuck's original vision that developed those first few years is fundamental for Williams-Sonoma, and it has expanded over the years. So we had a great beginning and a great vision. I think we had a pretty good strategy. We were lucky we didn't have some serious retail competition as we grew and were able to get dominant in those niches pretty quickly.

I think we had the courage to go ahead and grow the company without trying to go crazy. We could have grown faster than we have, but we have had measured growth, and I feel pretty good about that. We've always maintained a strong balance sheet so that we didn't risk every day what we built yesterday. We tried to grow within our means.

I think we have been true to our customer. We care about the customer, and we care about the quality of what we do. I

believe if you continue to put the customer first, it comes back to you. If you don't, and try to take advantage of the customer by selling things you shouldn't be selling, that comes back to you as well.

Most of the time we've executed well. Some of the time we haven't, and our financial results have demonstrated that, but by and large we have done more things right than we did wrong.

Future Challenges for Williams-Sonoma

Jacobson: What are the biggest future challenges, and what are the future directions of Williams-Sonoma?

Lester: I think the biggest challenge is going forward. We are currently faced with growing from \$400 million to probably \$1 billion over the next few years. Can the leadership of tomorrow continue to do what we've done in our time here? Execute fundamentals well, be true to the customer, change with the times, make the right turns at the proper time. That's always the challenge in business. Times change, people change, customers change, products change. We have to change with them, and we have to change quickly and make the right decisions--keep going in the right direction. I hope our leaders of tomorrow can do that. That's the biggest challenge, really.

We're in a marathon, and we're just through the first mile. We're doing pretty well, we just have to keep getting better, because the competition is going to improve. If we continue to keep the pace up and do the things we're doing, then this company is going to continue to grow and prosper, and there are no limits for our company over the next twenty, fifty, hundred years. I mean, there are just no limits with the right leadership. That's what it's all about in all these businesses.

Jacobson: Thank you very much.

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University of California
Berkeley, California

Patrick Connolly

MAIL-ORDER MARKETING AT WILLIAMS-SONOMA, 1979-1993

Interview Conducted by
Lisa Jacobson
in 1993

INTERVIEW HISTORY--Patrick Connolly

Patrick Connolly, currently senior vice president of mail order and marketing, directed the dramatic growth of Williams-Sonoma's mail-order business in the 1980s and 1990s. Recruited by Chief Executive Officer Howard Lester in 1979 to guide the mail-order expansion, Connolly came to the job with ten years' experience under his belt. A Stanford MBA, Connolly got his start in mail order when he founded a business with his brother-in-law selling re-soled tennis shoes through the mail. His next venture landed him a position as vice president at Hanover House, where he started a sports catalog.

From those experiences, Connolly learned that success hinged on understanding the customer and the merchandise. In his interview, Connolly discusses how computerization has enhanced the company's understanding of their mail-order customers. But he admits that some of this knowledge comes from hands-on experience with their products. Like many others at Williams-Sonoma, Connolly loves to cook, and appreciates the difference a high-quality knife can make. As he notes in his interview, "It is fun to work here because you sell things that you enjoy using."

The interview with Pat Connolly took place in his office at the San Francisco headquarters of Williams-Sonoma. Taped in one two-hour session, Connolly gave a detailed account of the nuts and bolts of the mail-order business, illuminating the multi-catalog marketing strategy he deployed to grow catalog revenues from \$2 million in 1979 to \$115 million in 1993. A shrewd observer, Connolly also assesses lifestyle trends and customer purchasing habits, and the impact of new communication technologies on the future of mail order.

The completed transcript, lightly edited, was sent to Mr. Connolly on February 28, 1994. Though there was some delay in returning the manuscript due to Mr. Connolly's hectic schedule, he read it, making only a few changes to correct the spelling of names.

Lisa Jacobson
Interviewer/Editor

August 25, 1995
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name PATRICK J. CONNOLLY

Date of birth 6-14-46 Birthplace PORTLAND, OR

Father's full name PATRICK J. CONNOLLY

Occupation NURSEMAN Birthplace ELPASO, TX

Mother's full name JOSEPHINE S. CONNOLLY

Occupation HOUSEWIFE Birthplace CHICAGO, IL

Your spouse GINGER FUERST CONNOLLY

Your children RYAN PATRICK, GLYNN URSULA

Where did you grow up? PORTLAND, OR

Present community MENLO PARK, CA

Education B.S. MECHANICAL ENGR, OREGON STATE U.
M.B.A. STANFORD, U.

Occupation(s) INDUSTRIAL ENGINEER, FLECTER & GAMBLE;
COMPUTER SYSTEMS, SPECIALIST; XEROX CORP; MAIL ORDER MANAGER

Areas of expertise MAIL ORDER CATALOG MARKETING
AND OPERATIONS -

Other interests or activities _____

Organizations in which you are active DMA, OUTWARD BOUND

I REFLECTIONS ON THE MAIL-ORDER BUSINESS

[Date of Interview: September 21, 1993]##

Education and Early Work Experience

Jacobson: Why don't we start with when and where you were born.

Connolly: I was born in Portland on June 14, 1946. I grew up there, went to high school and college in Oregon. I got an engineering degree and went to work for Proctor & Gamble. After a couple of years I went back to business school and got an MBA at Stanford. I went to work for a new division of Xerox for a little while and then started a business with my brother-in-law, which he had started, which re-soled tennis shoes through the mail. It was nuts, but it got us a lot of press and was my first mail-order venture, so to speak.

Eventually I started a catalog off of that which met with some success, but it was a case where I didn't get along with my partners, and they bought me out. I started another catalog for a major catalog company.

First Venture into the Mail-Order Business

Jacobson: What gave you the idea that re-soled tennis shoes would make a good mail-order business?

Connolly: We didn't know it would, but my brother-in-law was playing a lot of tennis, and he taught himself how to do it. This was in the mid-seventies, and at the time there was an Adidas tennis shoe called the Robert Halet, which was the tennis shoe which absolutely everybody in the country club scene wore. It was a

very comfortable shoe, but it was designed in Europe for play on clay courts. So it wore out almost instantly on an American hard court; it didn't last very long. And they are expensive. At the time they were \$30, and that seemed like a lot then.

They had a sole which could be removed. It was sort of a cup sole, and you could take it off and glue a new one on. We were able to get the soles from Adidas, and we ran an ad. We had a great ad that we ran in the tennis magazines, and it was enormously well received. It was just incredible. We were getting literally thousands of orders. I think in our best month fifteen thousand pairs of tennis shoes came in through the mail.

So that was the start of a business. We later started building new shoes, but we didn't sell those through the mail; we sold those through dealers. There was always a conflict, having a mail-order business and selling new shoes to dealers. It was an interesting experience.

Hanover House Catalog

Connolly: From that I learned a little bit about mail order and ended up starting a catalog for a major East Coast company called Hanover House. I started a sports catalog for them. Their mailing list, their customer list, had worked very well for the catalog that I had. They were growing rapidly and had no management; they were undermanaged. They looked at me as someone who could come to work for them and maybe manage a little more than they had been doing.

I did that for a while. The agreement that I had with them was that I would do two catalogs, and then I would move to New York. I did one catalog, and it had been out about two weeks. They said, "Look, you're going to have to move to New York anyway; why don't you just do it now?" My wife and I had just had a baby (who is now a freshman in high school, I'm sorry to say).

Recruitment by Williams-Sonoma

Connolly: In the meantime I had met Howard Lester through just the most unusual circumstance. A vendor who sold 800-number services called me and said, "Would you and your wife like to come up for dinner? We'll have the president of Williams-Sonoma there." I said, "Well, I know Jerry Dirkx." He was the president. He said, "No, no, this is the new guy." I said, "I don't know him." Ginger and I came up to the City, and she was about eight months pregnant. I remember that I got along with Howard [Lester] pretty well, and he sort of stuck up for Ginger. This guy was telling her how bad her delivery was going to be and how rough it was to have a baby. I think Howard felt sorry for her.

So I got to know Howard. I was still working full time for Hanover, but I came over at night after work. He had just come to the company. It was probably March [1979]; he bought control of the company in November or December. He said, "I don't really know what to do here." I looked at how they were mailing the catalog and things, and it turned out that the one thing I really knew how to do well, which is what we call circulation planning, was the one thing that they didn't know how to do at all. So it wasn't too hard to make some recommendations of what could be done to improve it.

I did that, and we put a new mailing plan together. One thing led to another, and Howard said, "Why don't you come to work? I can't pay you anything, but I can give you part of the company." The company was doing about \$4 million and breaking even at the time; this was '79. I went through a lot of mental anguish, with my wife and I trying to decide what we ought to do. I talked to twenty people, and ten of them said, "Go to New York--big fish, big pond," and ten of them said, "Stay here; your lifestyle is more important. If the company ever does well, it will be good for you," et cetera.

I decided, obviously, to do the latter, which was to come to work here, and it's where I've been since May of '79. We're doing about a hundred times more volume than when I came here. That's been a lot of fun.

Lessons Learned from Early Mail-Order Experiences

Jacobson: What were the most important lessons you learned from having your own mail-order company and then doing the sports catalog you did at Hanover House?

Connolly: I think the key is the merchandise. You really have to understand the customer that you are trying to serve. It's very hard to do. I learned the hard way how hard it is. There's a lot to learn, and all of those things have to be together to make it happen. A lot of people think there's magic in mail order, because you really don't see it; you just mail the books out, and the orders come in. That's not really how it works. It's just as nuts-and-bolts as the retail business is in many ways.

Certainly the market is bigger now, but at the time it was widely viewed that there were people who bought through the mail and people who didn't. That's pretty true. There are some people who just won't make a purchase through the mail; they want to go down and see it or touch it or try it on. I learned that, and I also learned just how important the merchandise is. Also, I learned what can happen when you have the right merchandise. A lot of items in the catalog were very successful, so it showed me that you could develop a good business. And [I learned] how much work it was.

Today vendors want to be in catalogs because it gives them free advertising, but fifteen years ago they didn't understand the mail-order business, so they viewed it as something that might hurt their image rather than help it. It took me a year and a half to convince Polo to sell to me. I got them to do it, but it took forever. Now people are calling on us every day, asking, "How do we get in your book?" Of course, this is Williams-Sonoma, and that was Pat Connolly, so it's a much different situation. [laughs] But I just kept plugging away at it until I got them to do it.

Products Best Sold Through Catalog

Jacobson: That raises an issue that I want to discuss more with you. The catalog is a form of advertising. What sorts of items are advertised best through a catalog?

Connolly: Why can't you just take the best items in the store and put them in a catalog and expect them to do well? That's a question that's asked here about once a week by all the new people who join the company. There are a couple of reasons that are important. One of the things that causes catalog items to be successful is that they are unique, or they are perceived as being unique. They are something where you wouldn't necessarily know where to go find it if you were looking for it. You might be able to find it in a local store, but you wouldn't know which one. Sometimes we truly are unique, and we are the only ones with it. It can't just be a different color or a slightly different size or something. You can say, "Our exclusive," and so what? It doesn't mean anything to the customer. But if it's really a unique item--.

One of the items we have had in the Williams-Sonoma catalog ever since I got here is the pop-up sponge. It's something about the size of a small piece of cardboard, but when you get it wet it expands into a sponge. People like it because they can have a little bag of them under the sink that doesn't take up any space, and every time they need a new sponge, they just pull one out. They're not very expensive, and they're kind of neat. We're the only ones that really had it, and it is something that has had great appeal to the customer, even though it's not very expensive; they're willing to add that to their orders. A lot of things that we've found in other countries have that same appeal: you see a plate that has a really cute design on it, and you really couldn't get it anywhere else. So one factor is its uniqueness.

Importance of Food Displays and Recipes to Sales

Connolly: A second factor is that you can sometimes show an item in a catalog in a way that you could never show it in a store. I think the best examples of that are the bakeware items that we do in Williams-Sonoma. As Howard says all the time, "We're really selling the hole, not the drill." We're selling the end product; we're selling the cooking idea: "I could make that wonderful cake if only I had that pan from Williams-Sonoma, and the recipe is right here." "I could make that raspberry chicken if only I had that raspberry vinegar that they sell." So you can see the cake, what comes out of the pan. It's very important to us that the customer sees that photo and thinks she can do it. We don't want it to look like the pastry chef at the Stanford Court; we want it to look like anybody can do it. The

product looks great, but you say, "I can do that; I just need that pan. And Chuck's recipe is right here."

We've always had good recipes. Chuck is not a professional cook. He is a great cook, but he has never considered himself to be a professional cook. To that extent he has always thought about it as a regular consumer would, even though he's forgotten more than most consumers will ever know about cooking. He thinks about it the way somebody would who would be cooking it at home, not the way they would do it as a profession.

That's what people can buy from the book. You go into a store and see a tart pan, and it looks pretty nondescript. But when we take a picture of one filled with fruit and a nice pastry crust that will make your friends go nuts when they see it, then that tart pan takes on a new life.

Advantages of Catalogs over Retail Stores

Connolly: Sometimes, too, you can convey information in a way that wouldn't be conveyed in a retail store. I can give you one example from my very early experience. In the sports catalog business, we always sold lots of jump ropes. They never sell in a sporting goods store. They're always hanging over on a rack or on a shelf, but in a catalog you can show somebody skipping rope, and you can talk about the benefits of it, all it does to improve your health, and how it's really very easy. You see somebody doing it, and you say, "I could do that." You get one that's weighted so that it's easy to turn, and it's easy to sell it.

Sharper Image in their heyday sold enormous numbers of telephone answering machines and devices like that. One of the reasons they were able to sell them is that they would explain the features of that item very clearly. The competition might have been people like Best Products or Consumer Distributing, and when you go in there the phone is disassembled, somebody is playing with it on the floor, and they have a three-line description. You have no way of knowing why you should buy that phone. So you can give the customer information about it [in a catalog] that they wouldn't get at retail very easily. They might get it in a store like ours, but they ordinarily wouldn't get it. You can take an item and show it in a way that gives it new life.

We're very successful right now selling some upholstered furniture pieces in our Pottery Barn catalog. The vendors tell me that more catalogs are becoming successful selling furniture because I can take that couch and put it in a great room--go out and rent a house, decorate the wall behind it, and make it look very hip and current, make it look just like *Metropolitan Home*. The customer sees that and says, "I want to live like that. If I get that couch, that's the way my house is going to look." When they see that same couch at a furniture store, they see it lined up with fifteen other couches and a bunch of kids jumping on it, and it doesn't have a lot of panache, not a lot of zip to it. Even though it's the same couch, it doesn't look like the same one we sell. We can show how it would look in their home.

Products that Sell Less Well in Catalogs

Connolly: Those are some of the reasons that you can make things work in a book. On the other hand, there are a lot of things that don't. We sell a lot of wine glasses. In the company we sell wine glasses that cost \$3 apiece and wine glasses that cost \$13 apiece. We photograph the \$3 glasses very well, and it's hard to make the \$13 ones look any better. You wouldn't appreciate it until you picked up the glass and could see that you can almost squeeze the bowl; it will flex and is very thin, and it has a balance and a weight to it that you can't appreciate in a photograph. You would never buy a tennis racket through the mail; you've got to hit a few. You might buy one at a discount from some guy in the back of the magazine because you know you want a certain racket, but you would never really know. You would want to try in out, demo it, before you bought it.

Those are some of the reasons why we feel certain things would sell through a catalog and others wouldn't.

Profile of the Catalog Consumer

Jacobson: What kinds of people read catalogs and buy through the mail?

Connolly: Basically, I think that market is much broader now than it was. It's a more upscale consumer. The top ten thousand of our retail customers are probably as upscale or as affluent as our top hundred thousand mail-order customers, but the mail-order

customer is a little older. We don't have the bottom end of the purchasing segment, because you almost have to have a credit card to buy. Now that's becoming less of an issue, but without a credit card you couldn't place a phone order. So if you didn't have one, it would eliminate part of the bottom. Shopping malls have a skew toward a younger buying population; younger people have no problem going to the mall. For older people, maybe their time is a little bit more important to them. They don't want to do it.

There is a customer who just hates to shop, so they would just as soon buy it through a catalog. That's probably how the catalog business got started. It could have been a person who lived in a major city but didn't like to shop or someone who didn't have access to it. There are a lot of very wealthy and affluent people who get all the magazines and want to have all the latest items, but they don't have access to them. They don't live in a metropolitan area, so this gives them a chance to do it.

We have found today that our best retail customers are also our best mail-order customers. So then there is the customer who just shops. I would say that my wife is in that category. We live a mile from the Stanford shopping center, and she shops a lot there, but she buys a lot through the mail.

It's all those people. I think it is female. Most of the consumer spending in America is predominantly female. Even in automobiles, it's heavily influenced by women. So women spend most of the money. If you go into a shopping center, most of the stores are geared toward women. In fact, the shopping centers try to attract stores that attract men so that they get both people into the shopping center. They love to see a Sharper Image or a Brooks Brothers, because it gives the men something to do.

Most of the catalog shoppers are female. I think many of them now, more than ever, have two jobs. They work during the day, and they raise a family when they get home. I was listening to an interesting National Public Radio commentary the other day, quoting some research done by the Institute on the Family and the Workplace. They have done a lot of research and have found that women's roles and what they did at home did not change when they went to work. They still prepared 80 percent of the meals, they still did x percent of the shopping; they did about as much as they did before. A lot of men called in after that was played and said, "Yes, but who does all the handywork?"

Nonetheless, women's roles haven't changed, so they don't have as much time. I think that makes it easier.

Changes in the Mail-Order Industry

Connolly: The other thing that I think has expanded the number of people who buy through catalogs is the proliferation of high-quality catalog companies. At my first direct mail conference in 1978, I remember going to hear a presentation by some guy who was selling this schlocky stuff through newspaper ads. I thought, "Boy, what kind of industry is this?" There were a lot of guys in white shoes and checkered polyester slacks running around with their latest gimmick. I'll bet there weren't four MBAs in the mail-order industry. We probably have eight or ten in our mail-order department now.

What has happened is that maybe fifteen years ago you thought of Nieman's, Horchow, L.L. Bean, Talbots, Miles Kimball, and a few companies like that as high-quality mail-order companies. Now there are two hundred of them. Because if you don't give good service, you're out of business. You don't do it because you think it makes you feel good. If you don't give good service, you're just not in business next year. It's a business that absolutely is dictated by giving the customer what they want. You don't put low-quality merchandise in the catalog, because it comes back. The cost of getting the return is about three times as much as the cost of shipping it to them the first time. So you just don't carry merchandise that you think the customer is going to return. You don't say anything in the catalog that may mislead the customer, because you're going to pay for it in about four weeks. You have a very direct measurement, even more than retail. You get item-by-item feedback, in a very financial way, about what's working and what's not and why not.

There has been a proliferation of high-quality mail-order companies. Everybody takes returns without question. I can't think of one that doesn't, and most of them will pay to come out and pick it up at your house.

Jacobson: Oh, really?

Connolly: Absolutely. We do. We'll send a UPS call tag. If you say you don't want it and to come and get it, we send a call tag out. UPS comes and picks it up and brings it back, and we'll send you

your money back. People have figured that out. They just keep the packaging, and if they don't like it, they put the item back in and say, "Pick it up. I don't want it." People have figured out that it's a little easier to do.

Computerized Analysis of Customer Purchasing Habits

Connolly: The customer is more broad-based than they were ten or twelve years ago. The other thing that has made an impact is the whole phenomenon of computer processing. We are able to keep track of all kinds of data about our customers' purchasing habits. We basically have on file everything they have ever bought from us, so we can make very good decisions about who should receive the catalog and when. We don't look at them individually; they're always in groups of people who have bought at certain times or who have purchased certain items. You don't look at them on a name-by-name basis. As a result, we can mail the catalogs far more intelligently than we could ten or fifteen years ago.

All of this intelligence costs a lot of computer processing power, and the cost of doing it has gone down logarithmically. In the next four months we're putting in a new system, which isn't even the major system in the company but is just for our mail-order marketing department. That will have 20 billion bytes of storage on line, twenty gigabytes. When I came here, Bank of America didn't have twenty gigabytes of storage on line for their entire company. And we can do it for nothing. I mean, it is not expensive to do it. It's less than we're paying now for an old system that we have.

The cost of keeping track of customers, of communicating with them, and utilizing the computer and database technology has dropped by huge increments every couple of years. It has allowed us to find new customers and decide who we should mail to.

Breakdown of Costs in Mail-Order Business

Jacobson: Where are the biggest costs incurred in the mail-order business?

Connolly: The cost of the merchandise is the biggest factor. The second biggest cost is what we call the advertising cost, which is the

cost of the catalog. A model for a retail business is that your cost of goods may be half. So for every dollar of sales, you pay fifty cents for the merchandise. Then you have 12 to 15 percent in employment costs, and maybe 15 percent in occupancy costs, which are the rent, utilities, and so forth, at your retail location. Then you have overhead costs in terms of merchandising and whatever.

In the mail-order business, our cost of merchandise is less for two reasons. One is that we have no shrinkage. We don't have much breakage en route to the store, because we don't ship it to the store; we ship it to the customer. We don't have any loss at the store; nobody takes it home or out of the store, because we don't have a store. We don't have the freight costs of moving merchandise to the store. The customer helps us pay the freight to ship it to them.

We don't have to carry items that have essentially low gross margins associated with them. Electrics generally are not very high-profit items in our business. They're very competitive, but they're very high-dollar retail. We carry the ones that are big sellers, but we don't have to carry ones that aren't, just to make our assortment complete, so we can focus on the higher-margin items.

After that, the advertising costs might run 25 percent, but our labor costs are 6 percent--for everything. That's from my salary clear down to the guy packing orders. Our rent is 1 percent, because we have a big warehouse in Memphis and a telephone center downstairs. The cost of advertising is slightly less than the cost of labor and rent in a store. If you think about it, our catalog is our store. We don't have the high labor costs because we pay the postman to deliver it. Our postage delivery costs are probably about the same as the labor costs in a store. We contract that with the U.S. Postal Service. It's just a different model.

Jacobson: What about expenses of returns and paying the postage for that?

Connolly: That's an expense. It's not a big one for us, because our returns overall in the company are about 5 percent. In fact, in the Williams-Sonoma catalog it's less than 3 percent. We do have higher returns in Pottery Barn and in Chambers. Chambers is very upscale bed and bath merchandise, and we spend inordinate amounts of money to make sure that the colors shown in the book are exactly the same as the merchandise. But when someone gets it home, if that rug or those sheets don't look right in the bedroom, it comes back. Most of our returns are

associated with that, not quality. If you buy a shirt at The Gap and it's not exactly the right color, so what? But if you buy a rug, it's going to be there for the next ten years; it's got to be the right color.

In Pottery Barn we get more returns as people buy things, look at them in their home, and decide whether they will fit or not. We sell a lot of drapes and window coverings. We can make them look really good in the book, and when they get them home, they say, "Oh, this is not as heavy as I thought," or, "It's too heavy," or, "It doesn't go with the wallpaper." So we have higher returns.

Inventory Management##

Jacobson: How do you determine your inventory, how much of particular items to stock?

Connolly: If you talk to Howard, he'll tell you we don't. [laughs] That's an interesting question. First of all, we have a lot of experience. We've been doing it for fifteen years, so we have a database of every item we have ever sold and how it did, how much space we gave it, and how it did relative to other items in the catalog. If you were a buyer, and you came in and said, "I want to sell this highball glass," I would ask how much it was going to be. You'd say, "Six dollars apiece, and I think I can sell \$60,000 worth in a week." I'd key in the word "highball," and out of our database comes every item that had that in its description. I could come back to you and say, "We've never sold more than \$20,000 of \$6 highball glasses in a week. What makes you think this is going to be the first one to sell three times that?"

So we look at the item, and we have a gauge of what we think it will do. We look at how much space we gave it, how well items similar to it have sold, and then we guess. A lot of times it's tough, because probably well over half of what we sell is made in other countries, and we import it directly. Our quantities are such that we have to start making it long in advance of when we photograph it, and we place an order for it. A lot of times we'll say, "Is this a great kitchen towel pattern?" If we think it's terrific, then we make sure the picture supports what we bought. If I bought \$150,000 worth of that towel, I had better take a \$150,000 picture, and it had

better have enough space, or else we're going to have a big inventory problem.

We try and do all those things. It's tough. We back order about 5 percent of the items that we sell, but thirty items are probably 80 percent of the back orders out of the thousands that we sell. We call them runaways, but they are something that sells far in excess of what we ever estimated it would. If the vendor is domestic and close to our warehouse and can replenish us very quickly, we don't have to order as much. If the vendor is in India, it's a six-month production cycle, and the item is inexpensive, then we're going to order a lot of it, because we don't want to get caught short. Usually the foreign goods have a lower cost associated with them, so if we are overstocked and it didn't sell, we can mark it down and put it on sale in the book and still do better than if we bought it domestically.

Manufacturing, Packaging, Freight, and Advertising Costs

Connolly: I'm always amazed that we worry about all of the manufacturing that is leaving this country and going to other countries. But what I've learned is that the manufacturing is the smallest component of the cost. We buy things in India where the first cost from an Indian manufacturer might be 20 cents on something that we're actually going to retail for \$1. The costs go into the packaging, the freight, distribution to our store, and the catalog advertising.

The printer here in this country benefits from that item, because you have to print more catalogs to offer it. The other components of our business are very significant, so it actually benefits our economy sometimes to do that, because now we can offer things that we never would have been able to offer, and we end up spending a lot of money domestically. The total component of what we spend is far greater than what we spent on the item. But to promote it, advertise it, transport it, package it, redistribute it, mark it, and sell it--.

Jacobson: Have packaging costs remained fixed over the last decade and a half, or have they changed dramatically?

Connolly: I don't think they've changed that much. What we see is that for the most part packaging costs are very expensive in other countries. The best corrugated and other packing materials are made here. Corrugated in China is more expensive than it is

here, or is just the same price and has terrible quality. We do repackage a lot of goods here.

The freight on foreign goods is sometimes as much as the cost of the goods. We ship 3,000 containers a year. I think we receive about 15 to 30 a day. You have to get as much in the container as you can. Most of our goods fill up the container before they exceed its weight limit. That's why, when you go into a store, you usually see baskets in three sizes. That's because they nest one inside the other. If all you sold was the larger size, the baskets would cost you three times as much, because they take up all the space in the container.

Jacobson: I hadn't thought about that.

Connolly: You go into a store, and you always see sets of three, and that's because it doesn't cost any more to ship the other two. The packaging becomes more important, but the real factor is freight. As you get larger, and we have, we can do lots of things to cut our freight costs--combine in full containers, consolidate shipments in foreign countries, and things like that which make the cost far less than if you and I had a store by ourselves; we could never do that. So there are a lot of economies associated with that.

The Intuition of Consumer Taste

Jacobson: There are some things that a computer database can't predict, like changes in consumer taste. Do you try to guess? Do you try to anticipate?

Connolly: What I have always felt is that the merchant--the buyer, which we call the merchant--has to be from the market they're trying to serve. There are lots of people out there who can read the results and figure it out. There are far fewer people who know what the customer wants, can anticipate it, and get it right in the beginning. Those are the kinds of people we try to hire. Chuck has always been that way. Chuck has always known, and still knows at eighty years old. He has an incredible eye for the goods.

That's what you try and do. Our merchants are from the market they're trying to serve. One of the reasons our Pottery Barn catalog is very successful right now is because all the people who work on it are in that market; they're all buying

homes, all starting to furnish their homes. They are either young couples or young families, so they just get it, because they are the customer. They understand exactly what that customer wants and what they don't want. It's just intuitive.

The same with our cooking equipment. Everybody here in the company cooks, so we know if it's going to work or not. We know if it's going to be a big item. It's an acquired thing. It's not a database thing, you're right. I think you can use your database to support hunches that you have, and you can use your database to tell you whether you are more likely to be successful opening a store to some degree. If we don't have any mail-order customers in an area, you're not going to have any retail. You're better off opening a store where you have lot of mail-order customers than where you don't. Within that general parameter, then, the location you have in the mall and all that is something else. You need some intuition there as well.

Frequency of Catalog Mailings

Jacobson: How do you determine the frequency of catalog mailings?

Connolly: It used to be that you would mail a couple of times a year. Now our best customers get a book almost once a month. That's probably because they are getting so many catalogs that we just have to keep sending them one to make sure we're in the pile. The other thing that's happened is that we mail far later in the season than we used to. Federal Express, UPS, and everybody else has said, "Don't worry about it; you can order late and you will still get it," and now the consumer believes it. It's amazing that the catalog mailing cycle and our catalog response is not that much ahead of the retail response. Our week before Christmas is very slow, but the first two or three weeks in December are huge. That never used to be the case. When I came to the company, the last time we mailed was October 7, and now it's December 7. So things have changed.

Jacobson: How do you determine which customers get monthly mailings, and which customers get less frequent mailings? Is it how often they purchase or how much they purchase?

Connolly: It's a whole bunch of things. It depends on what season they last purchased in, when they first bought and when they last bought, how much they spent on their average order, what kinds of goods they bought, what other books they've bought from.

There are actually 150 different things we look at, and we use computer modeling to digest all that information and say, "Aha, this customer is in this group." The higher the group, the more they get. That's the nuts and bolts of it; there's no magic.

Jacobson: When you have such frequent mailings, what do you think you have to do to keep people interested in looking through the catalog?

Connolly: You have to have new goods. We basically have on each of our books four major issues a year that are quite a bit different and seasonally correct, and we send minor revisions of those to people in between. If you don't do a good job, you see it right away. Right away.

Profile of a Williams-Sonoma Customer

Jacobson: Could you give me a profile of your typical Williams-Sonoma customer?

Connolly: I don't know if there is a typical one. I'd say that Chuck is buying for a lady in her fifties, and that's become a little younger, because I think we have many more people in the thirty-five to forty age range than we did five or six years ago. Someone who has good taste and likes to cook and entertain at home. The profile of our customer is educated, well read, well traveled, very home-centered. That's one reason we have five catalogs now, because the Williams-Sonoma customer was very home-centered. That means that their home is important to them, that they like to spend time there. They are more likely to stay home and putter around the house than they are to go skiing. They are more likely to have people over for dinner than go out to dinner. They are very interested in their community. Our research shows they are very involved in community and civic activities. They like to drink wine, putter in the garden, and entertain people at home. They love to read; they are big readers. All catalog customers are big readers, because you have to read the book. That tells you they have some time, too; they have some discretionary time if they have time to read.

So they like to read and their home is important--probably more important than what they are wearing.

Changes in the Catalog Design

Jacobson: Has the design of the catalog changed much in appreciation of that type of customer?

Connolly: Some of the books have changed. We're redesigning the Williams-Sonoma catalog for next year, and it will have a whole new design for the first time in really fifteen years. We'll know if it's right or not, but we felt it was time to change things and maybe appeal to a slightly younger customer without losing our older customer. We redesigned the Pottery Barn catalog with great success. We have continually modified the Chambers catalog with good success as we've learned more about what the customer wants. Williams-Sonoma will be the next attempt here. It will be interesting to see, and we'll know in January.

Jacobson: Can you talk about some of the changes that you've made to try to get that younger customer?

Connolly: We're going to test for the first time a larger-sized book. So it will be a small book versus the larger size. Hold Everything and Gardener's Eden were smaller catalogs, and we went to full-sized books there, and we had great results. But we also changed the merchandise quite a bit, so it's hard to say, and they weren't very big when we did it. Williams-Sonoma is a big catalog; it's our biggest catalog. It's our heritage. It's like the heirlooms here, and it's our franchise, so you don't just change that without thinking about it a lot. We have thought about it a lot, and we're changing it. It will have more dramatic food photography, closer-up photos of the items, more outlines; that's just the silhouette of the item as opposed to an environmental shot. I think we had too many environmental shots in the last year or two, where you couldn't see the item as well.

Jacobson: What do you mean by environmental shot?

Connolly: Shot against a background--shot on a kitchen counter, on a stove, in a cupboard, on a table--as opposed to just a silhouette of the item shown separately.

Jacobson: Why do you think that will work better than the environmental shot?

Connolly: You can see the item better. We'll also have an environmental shot where you can see it. It's a unique approach. We're all kind of wondering, but it needed to be tested.

Jacobson: The reason I'm curious about it is because earlier we were talking about how important it is to show a product in context, because that is part of what the consumer imagines.

Connolly: You have to do that. With Williams-Sonoma, where most of the items would be on a table--I mean, we're not selling tables; we're selling what goes on a table--we will show environmental shots almost lifesized. In other words, we'll have a shot that shows the plate actual size, but just part of the plate, a quarter of it, so you really see what you are going to get. Then we can have smaller photos which show the shapes of the various pieces. I don't know if it's going to work. I think it will. I think it's very exciting, and I think the customer will like it.

Expansion of the Mail-Order Business

Jacobson: Let's talk a little bit about how you expanded the mail-order business. How big was it when you started?

Connolly: When I got here it was about 2.5 million. That was at the same time that Chuck started doing the catalog. He had taken care of the foreign merchandising in the early years of the catalog, and someone else had done the catalog. When Howard bought control of the company, he said, "Chuck, what do you want to do?" Chuck said, "I think I could do the catalog," which was sort of an understatement. So Chuck did the books, and I mailed them.

There was another fellow who worked a lot with us, John Moore, who died a couple of years ago. John worked hand-in-hand with Chuck, and they found the goods. They knew exactly, just knew, what would sell. Chuck did all of the food photography. He was the stylist up until two years ago. Every shot, for twelve years, he did. Every food photo; he prepared every food item. He had this very high standard of how it should appear.

The first cover he did--we had done the catalogs locally, and we contracted with a company in Dallas to do the photography and design. They really knew how to do catalog photography. There's a whole art to it, and it's far different from advertising photography. We were using this firm, and they had brought on a food stylist to help Chuck, so to speak. Chuck does not need that kind of help. He got down there for the first shot, and there was this pie. They were ready to photograph it, and Chuck tasted it and said, "We can't shoot

this, because the sauce isn't sweet enough," [laughter] and the photographer goes nuts. Well, they had to redo it until Chuck was happy with it. That sort of set the standard. We don't do fake ice cream or any of that.

That story ended up in one of Tom Peter's books, *In Search of Excellence*, because it represented the founder's ideals in terms of what needed to be done. Chuck then started doing all the food and really had a knack for it. We about doubled the business every year, I think. We went from two [million] to five to ten to twenty to thirty-five, and then we went public in '83.

Then we introduced a couple of books that didn't do very well. They were sort of offshoots of our base business but were really too narrow in terms of what they offered. One of the ones that we did test that worked was Hold Everything. That was the genesis of the Hold Everything books.

I think we grew the business averaging about 25 percent a year or more from 1979 until we got up to about \$100 million, and then things slowed down a lot. It seemed like it took us forever to get from \$100 million to \$120 million. We opened a lot of stores, we were hit with two postal increases in fairly short order that almost doubled our postage rates, and I think our merchandise got a little stale. And I think the business got tougher--a lot more competition. You had to be sharper, and we weren't. Now we're sort of back on the road again here and seeing some pretty good growth, so I think we will continue to grow.

Role of Computer Database in Mail-Order Expansion

Jacobson: What role did the computer database play in the expansion?

Connolly: As we developed our other catalogs, we could have done a couple of things. We could have had a list for each catalog. Actually, we have one database that has the history of everybody's purchases from every catalog. If you had just bought from Chambers, your name would be there; if you had bought from Hold Everything, your name would be there; and if you had bought from all three of them, your name would be there. We use all of that information to decide who to mail to. What turned out to be very good for us is that we are a home-centered company. A Williams-Sonoma customer was interested in her home,

and she was upscale. Even though her average order wasn't really high--back in those days it was \$35 or \$40--if you spent \$12 on a bottle of olive oil, that was a lot of money to spend on olive oil. So it might have only been a \$25 average order, but it was olive oil and a caviar spoon or something. That told you a lot about the customer.

When we started Hold Everything, that ballooned Williams-Sonoma customer list worked very well. Then when we started Gardener's Eden, the same thing happened. Now all the catalogs bring in customers in their prospecting efforts who are great prospects for the other catalogs; so it really feeds on itself. Someone who buys for the first time from one of our catalogs is far more valuable to us because we have five catalogs than if we just had one, because chances are they are going to be as good a prospect for four out of the five books as we could possibly have.

Jacobson: How much overlap is there between, say, a Williams-Sonoma customer and a Pottery Barn customer?

Connolly: All of them overlap heavily with Williams-Sonoma, because it has the biggest database. There's some overlap with all of them. Hold Everything and Pottery Barn have the highest overlap. Gardener's Eden and Williams-Sonoma have the highest overlap. I can't remember which one Chambers works the best with. The computer sorts it out when we go to mail it. There is a high affinity among all of them. We use kind of the same lists when we're prospecting for most of them. Not all of them, but there is a lot of overlap.

Competition in the Mail-Order Business

Jacobson: How has increased competition in the mail-order business changed how you approach your catalogs?

Connolly: I think there's a little less competition right now. I'm seeing far fewer books. I think there's been a lot of consolidation, so there are not as many people mailing as there was a couple of years ago. We have become very sophisticated in terms of how we target our books, but guess what? So has everybody else. While more catalogs aren't being mailed, big mail-order customers are getting more catalogs. We've all found who is buying. We're doing well in the midst of a fairly flat economy because we know

who is buying. We're not mailing to the guy who is worried about his job, because he's not buying. We exchange names with other catalog companies, primarily, of customers who have purchased recently. For whatever reason, they bought. That's why, when you buy from one company, you end up with ten catalogs in your mailbox a couple of months later. We're just saying, "I don't know much about you, but I do know you are spending money right now; so we will mail to you."

Renting and Exchanging Mailing Lists

Jacobson: How expensive is it to buy lists from other companies?

Connolly: You don't buy them; you rent them for one-time use. That happens two ways. One way is that we exchange our names for a one-time use with another company. If I wanted to exchange with Talbots, I'd send to an outside, third-party, bonded computer house ten thousand of our names, and they would send to our outside computer service ten thousand of theirs. That's one way.

The other way is that we can rent them directly for one-time use. We rent publication names--*Metropolitan Home, House and Garden, Martha Stewart Living, Garden Design, Bon Appetit, Gourmet, Food and Wine*, and so on. I'd say the average rental price is between five and twelve cents a name, depending on who and what selections we get. If we say we would like female customers who live around our store areas, that costs us more than the names of those who bought in the last three months. That's different from saying, "Send me anything off your file." So we're very, very selective of who we get when we use outside lists.

Consolidation of Mail-Order Business

Jacobson: What accounts for the consolidations in the mail-order business in the last few years?

Connolly: I think it has become more difficult. We've seen a lot of companies go out of business, like *Fortune's Almanac*. There are a half dozen that used to mail fairly heavily that aren't around any more.

Jacobson: Is it market saturation? Is it recession?

Connolly: Well, I think we are "over stored" as a country; we have too many stores and too many catalogs. So it's competitive, and the best ones will survive. If you've got the right stuff, you'll just get somebody else's business. I think what changed in the early to mid eighties is that more people were buying by mail, and you just had stuff that you were selling. Now, if you haven't really satisfied the customer every time they have bought, if your prices aren't just right, and your service isn't good, they're not going to buy from you.

Balancing the Mail-Order and Retail Ends of the Business

Jacobson: How do you calculate the proper balance between the catalog business and the retail store business?

Connolly: We don't calculate it. I think we try and maximize both of them independently. When you open a lot of stores, you do hurt your mail-order business, because your response goes down. But we run them independently. We would like our mail-order business to be about 40 percent of the total, and it is about 32 or 33 percent. So we'd like it to grow faster than retail. I don't know if I can do that, but that's what we'd like it to do.

Jacobson: Why would you want it to be higher?

Connolly: The mail order is a little more profitable. It's a great business. It doesn't take as much capital--for us at this point. In the start-up phase, mail order is very capital intensive. It costs a lot more to start a catalog than to open one store, but it costs a lot less to grow a mail-order business than to open a lot of stores. It's a positive cash-flow business, and it puts more catalogs out there that continue to promote our name; so when we open a store in an area, they already know about us. That's the beauty of it. When we moved to Portland and opened a store three or four years ago, there were thirteen thousand people who lived in Portland who had already bought from us. We didn't have to do much advertising.

Jacobson: Are there items that are only sold in catalogs and not in the stores?

Connolly: In Pottery Barn there are. In Williams-Sonoma there are in the fall season with some fresh food and food items. That's an

important factor. You want to have a percentage that logically don't belong in the store. We don't sell our upholstered furniture in the Pottery Barn store; there's no room for it. We don't sell big rugs and a lot of different furniture pieces, but yet it all looks like it would fit in the same house.

Growth of Mail-Order Staff##

Jacobson: How big did the staff of the mail-order department start out, and how big is it now?

Connolly: It's bigger. It started with three or four people doing everything on the Williams-Sonoma book, and it was about \$5 million. The way we have grown it is with teams. We have a team for each concept, and everybody who works on the book is aligned with that catalog. We don't have a catalog production department that just churns through whatever happens to be coming down the pipe that day. We have a Chambers team, a Hold Everything team, a Pottery Barn team, and a Williams-Sonoma team. They are aligned with the customer service people who work on it, with the telephone sales people who work on it, with the people who do the circulation planning. We're a little more spread out in circulation planning, but we do have people dedicated to each concept. So we now have five teams, where we had one.

It's not a lot different. The overhead requirements are pretty much a function of how complicated the business is and how many pages you have, not necessarily a function of how many books you have. It takes more effort to produce forty-eight pages than thirty-six pages, and that is independent of the sales. Whether we are mailing a million of those books or ten million, it costs almost the same to do the book.

II CONSUMER TRENDS AND COMPANY CULTURE

First Impressions of Chuck Williams

Jacobson: I also want to ask you about your first impressions of Chuck Williams.

Connolly: I consider him a great friend and just one of the most marvelous people in the world, but I think the reason that Chuck was attracted to the mail-order business was that it allowed him to communicate to all of his customers without having to talk to them. I think he loved the catalog so much, as opposed to being more interested in retail or in becoming a cooking personality, because his ego is not one that causes him to want to push himself on others. If you have met any of these well-known cookbook authors, they are well known because they wanted to be well known. No one has discovered them; they are incredible self-promoters at every level. Retail is very much that way as well, and Chuck is not that way.

I think I was there four or five months before I heard him say my name. I saw him every day and kind of talked to him, but I remember that I was there a couple of months before I heard, "Connolly?" "Yes, Chuck." We got in a huge argument about two months after I came to work. We were over in Emeryville, upstairs in this converted paper mill where our offices were until we moved here. It was fairly primitive surroundings. We were all kind of together and sort of fit in with the office spaces that existed. I don't think anybody had their own office. We were opening our Minneapolis store, and I noticed that we were announcing the opening of the store, but we didn't tell people where it was. So I had them put the address of the store on the cover of the catalog, just in the area around where the store was. It said, "Williams-Sonoma, something, something, Nicolette Mall, Minneapolis."

Chuck came in and just started screaming at me and said, "You're ruining the image of the catalog. You're ruining the look of the book by putting the address on the cover." I said, "But Williams, how are people going to know where the store is?" This went back and forth, and finally Howard came in and said, "God, wait a minute. Everybody's listening to the argument all over the office here. What are we going to do?"

I think I made it a little more tasteful or something, but we ended up putting the address of the store somewhere on the book. Then we finally started talking to each other after that. That was my first introduction to him.

Chuck Williams's Genius

Connolly: A genius is someone you haven't worked with, because after you've worked with them, you don't think they're a genius any more. Williams is the exception to that rule. The more you spend time with him, the more you realize how much he really knows and how little you know. He has incredible insights; he gets it. I can't think of any merchant in any area who is any better than he is at what he does. He really is good. He really gets it. He understands fads.

Remember when blackened food was hot? Blackened catfish, blackened tuna, and all this Paul Prudhomme stuff? Chuck says, "I don't think this is going to last." I was driving home from work one night, listening to Narsai David talking on KCBS; he used to be the food editor. He had just gotten back from the food show down in Anaheim, and they were interviewing him about what was in and what was out. He said, "I'll tell you what's out: everything that's blackened is out." That was about nine months after Chuck told me, "I think this is a fad."

It's really difficult to take your customers in a new direction versus a fad. That's a very subtle thing, and he knows what it is. He's right almost every time. It's scary. I think he may err sometimes in being a little conservative. He may say, "I don't know about that," so if he errs, it's in that direction. But he never says, "This will sell," and then it doesn't. I can't remember a time that he found something to sell and it didn't. He doesn't do the book day-to-day now, but if it didn't sell, we figured there was something wrong with us; so we'd go rephotograph it and show it again, because it couldn't have been Chuck. [laughs] Usually it was us. We'd

rephotograph it and show it differently, and it would sell better.

That has just grown in terms of his knowledge of it. He has just dedicated his life to it, so he really understands it in a way that is fundamental. He just gets it. The more time you spend with him, the more you realize it and the more you learn.

Without having a dominant personality, we've tried to knock him off on our other concepts. I think the lady who does Chambers is exactly like Chuck is, only on Chambers. She just understands it. The lady who does Pottery Barn gets it. So we look for people who get it. That's kind of a funny expression, but we always say, "Do they get it?" You know, they just know. You don't figure it out, you just know it. Chuck gets it. He can take a look at a photo and have a very insightful observation about why it will work or why it won't.

Trends Set by Williams-Sonoma

Jacobson: How often does Williams-Sonoma go with a fad?

Connolly: I think we try and understand trends and try and take advantage of them. I don't think we take advantage of fads.

Jacobson: What's the difference?

Connolly: Well, pasta is a trend. I think blackened seafood was a fad. Chuck thinks fajitas are a fad. I don't know. I think there is enough of it out there in restaurants that maybe it won't be. Pizza is a trend, making it at home. Italian food is definitely a trend.

Jacobson: How much to you think Williams-Sonoma participates in fueling trends? Does it follow, or does it create them?

Connolly: I think in many ways Chuck created a lot of them. There was no gourmet show when Chuck first started. We can go to the houseware show today in Chicago, and I can point out thirty booths or sometimes entire aisles of goods where we started it; we were the first ones to ever sell it. I don't go to every show every year, so when I do go, I notice where some little thing that we found has spawned itself into a whole business.

We were there and did it. We were the first ones to bring a lot of different things to this country.

Even in the last five years, things that we have done--all of a sudden you see a whole company devoted to that sort of thing. So now it's all out there, and it is harder to remember who did it first, because there are a lot of people doing a lot of things now. We're not always going to be first, but I think one of things people commented on--Chuck liked blue and white. So everything we did--kitchen canisters, place mats, and so forth--was blue and white. People would call us and say, "Why is everything in everybody's kitchen blue and white?" It's because Williams likes blue and white.

Now we've moved to green, Williams-Sonoma green. A lot of people have contributed to a lot of things here. A lot of what Chuck knows and does and the way he thinks has rubbed off, and the best people are the ones who have let more of it rub off on them. We had an example a couple of years ago. One of the guys, Tom O'Higgins, works with Chuck all the time and has been with us longer than I--fifteen years. We sell a lot of Kitchen Aides, these big mixers. In the catalog we used to sell seventy, because they're very expensive, about \$300. We'd sell a lot more in the store, but not that many in the catalog. Tom had the idea of coming out with a colored line. It was cobalt blue, a color we had introduced for some different things that sold very well. He said, "I think people furnish their kitchen with this. They want it out on the counter. They just spent \$350, and it looks like a Mercedes on the counter."

Tom had them make one in cobalt blue for us, and we sold a thousand the first time. So now we buy fifteen times as much. Now there is red, green, blue, and black. That's the whole trend. They still sell some white ones, but they don't sell any almond ones, which is what the color was. That was an item that they wouldn't even sell to the home market. Chuck had to bootleg them by buying from distributors and selling them when he first opened the store.

Right after I came to the company, Chuck was at a houseware show, and he saw a muffin pan that was very shallow and painted. You hung it on the wall. It was made by a little company named John Wright, who sold us ornamental iron stuff. Chuck said, "Will you make that for me with no paint on it?" It had different shapes. They said they could, and we made a recipe for shallow muffins and put it in the book. Half the engine blocks in America have ended up as muffin pans. We had Four Seasons, which was the first one, then the Harvest Muffin; we've

done sea shells, then dinosaurs and zoo animals. We have done twenty muffin pans off of that, and we just keep introducing them. You can bake gingerbread houses at Christmas. You name it, and we've got it. That was one idea that just expanded.

Those are the kinds of things that happened. I was just at the houseware show in January, and I'd see something and say, "Good God, we were the first ones to do this, and now there's a whole aisle of guys selling that stuff." I think that in some cases we have been a trend-setter, and other catalog companies have, too. But we have authority now; we can dictate things more. That doesn't mean that you just do it. If it's not right, the customer is not going to buy it; but if it's right, they'll buy it from us. Just because you have a great name doesn't mean that you can sell anything. In fact, you have to be more protective than ever. You just wake up every morning and say, "Don't screw it up today. Let's not do anything that's going to damage our franchise, because that's everything."

Protecting Williams-Sonoma's Quality Image

Jacobson: What kinds of things do you worry about that you think might damage the franchise?

Connolly: How our name is used and how we allow it to be used. We had an example last year. The National Butter Board came to us and said, "We want to buy twenty \$2,000 gift certificates." They wanted to buy \$100,000 worth of gift certificates before it was all over. "And we want to have a recipe contest, the best recipes that America made with butter. We're going to offer these Williams-Sonoma gift certificates as prizes--Williams-Sonoma shopping sprees. We're going to advertise it in supermarkets. We're going to have a mobile in the dairy case saying, 'Win Williams-Sonoma \$2,000 shopping spree.' We're going to advertise it in 43 million Sunday magazine inserts." We said no. We said we didn't want our name used that way.

Jacobson: Because it would damage the upscale image?

Connolly: Everything you do. It either enhances or detracts from your image. General Electric wanted to do a thing where you bought a dishwasher from them and got a \$50 Williams-Sonoma gift certificate free. They were going to put a little sign saying that in front of every appliance seller in America. We didn't want to do that.

Jacobson: What is the association in someone's mind with General Electric clients in particular to degrade the image?

Connolly: I think we asked ourselves, "Would Tiffany do it? Would Ralph Lauren do it?" Why would we do it? At the end of the day, your image is everything. That's all you have.

We did a joint venture with Polo a couple of years ago on a home furnishings store. They're a nice company, and they are great people, but the one thing I learned from the whole experience is that they are absolutely fanatical about their image. No matter what, they protect it at any cost, because they know if they didn't, they wouldn't have any. That's what we are resolved to do.

Consumer Interest in Professional Cookware

Jacobson: I'd like to ask you to account for some trends. What do you think accounts for the growing interest in professional cookware?

Connolly: Chuck would tell you--I think Americans like the gear; we're always buying equipment first. It works better, if you've ever used it. The idea of buying something that performs better and lasts forever I think is part of it. I think it has a great look. We promoted that--Chuck did--by bringing over French restaurant equipment. That was the genesis of the company. That wasn't sold to French consumers; it was sold to French restaurants. It worked well, and Americans like to have the right stuff when they do something. I think it became fashionable.

In the early part of our history, our first store away from Sutter Street was on Rodeo Drive, so we became a store that was a favorite of Beverly Hills residents, movie stars and personalities. That sort of trickles down; it became fashionable to cook and to have the right stuff. I don't know that it's any different from home theater systems or a new stereo, or why we buy so many imported cars. It's the equivalent of that. And it looks neat, and it works. I mean, there is a difference. If you use a Wustof knife over a period of time, you'll never go to a different one, never. We test them all, and they all end up in the drawer; I never use them, because I always come back to the one I actually bought, because it's the best one.

That's sort of the story with some of the other things as well. I think people want to feel that using the right equipment will help them get a better result. It does make it easier to do things.

Jacobson: Do you cook?

Connolly: Yes, I cook a lot. I cooked before I came here. I cook virtually all the meals in our house.

Jacobson: Has working here enhanced your interest, or was it always an interest?

Connolly: It's hard to say. It certainly hasn't denigrated it, that's for sure. It is fun to work here, because you sell things that you enjoy using.

Accounting for the Growth of Home-Centered Retailing

Jacobson: Some people talk about an interest in cocooning. Is that what's going on when people are buying home-centered products, or is there something else?

Connolly: I think that whole cocooning thing is happening. I mean, that has happened. But I think home ownership remains virtually everyone's primary desire. I don't know that that has ever changed. I think one thing that has increased that is lower interest rates in the last year or two, which have made it easier to buy a home. The other thing that I think is impacting our business slightly is that in the last two years, according to Peter Lynch, this retired guy from Fidelity Magellan Fund who wrote *One up on Wall Street*, over a trillion dollars of home mortgages have been refinanced at lower rates. That's an enormous amount of home payments that have been reduced and have pumped more discretionary money into the economy, and people tend to spend it on their homes. If you look at the retailers that are doing well, they are Home Depot--they are more successful and growing more rapidly than even WalMart or the warehouse clubs, because they are the building material equivalent of the warehouse clubs--and people like Bombay Company, which is a retailer that sells home furnishings in malls. Our business in the last six months has been very good in particular. I think people are more interested in home-centered retailing.

I was just amazed when I heard the other day that over two million Dolby pro-logic VCR players have been sold. Those are the ones that allow you to have four-channel sound--home theater systems. Over two million pieces of equipment that had this Dolby prologic built into them have been sold. So there are two million home theater systems out there at various quality levels; but still, that is a lot of home theater. I don't know if you live near a Blockbuster store, but you can go down at seven o'clock on Friday night, and it's the busiest place in town. People are going to get something to do at home. There is that. I don't know if it is cocooning or not wanting to leave their house. There's both. You look at the home theater and the video rental market--my own personal observation is that I don't like to go to movies that much; I'd rather see them at home when they finally come out on video. When you do go to a movie, it looks to be a more downscale audience than it was a couple of years ago.

Jacobson: How sensitive is a business in an upscale market to recession?

Connolly: We're not selling luxuries. If I were in the jewelry business right now, I'd say people are becoming more practical. The two hottest cars today are the Explorer and the Jeep Cherokee. Those are practical cars. It's a different attitude; it's more hip to have an Explorer than to have a BMW. That's a new way of thinking. I think if you are selling utilitarian things, people want things of quality, and they don't want to overpay for it; they want great quality, but they're not going to pay too much. Nobody wants to pay too much.

I would say that right now it's probably less prevalent. In the workplace, dressing down is becoming more common. We do it at least six or seven times a month now here, where it's casual day. Every Friday plus every monthly meeting day is dress-down day. It's funny, I had the president of American Express here, and I was apologizing because it was one of our Fridays, and he said, "Hell, we do it, too, in the American Express Towers in New York. It's great." [laughs]

There are less people dressing, so there is more money to spend on homes. I think people are just more interested in their homes, and that's where the money is going. If you've got the right goods at the right price, then you're going to do fine. You've got to have both. Are we recession-proof? No. I think anytime you have a major retail presence in 150 major shopping centers in America, if traffic is off 30 percent in the centers, it would be very difficult for your sales to be up.

You'd have to be giving it away. If traffic is down substantially, then you are going to be impacted somewhat.

Sensitivity of Mail-Order Business to Recession

Jacobson: Is the mail-order end of the business less sensitive to that?

Connolly: Yes. A little bit because it's a little more controlled. We can cut back on our mailings. If I said, "I'm only going to mail to people who have bought from us or somebody else in the last six months," that number may go down because of a recession; but still, those people are going to buy. As the economy expands, there will be more of those people. Everybody is impacted. You can't be a \$400 million company and not be somewhat affected by the economy, but if you look at any economy, there are companies that are doing very well, even in the worst economies. If you look at the depth of our recession of 1990-91, you would see companies that are still growing phenomenally because they are tuned in to what people want. That's the key--what the customer wants.

Williams-Sonoma's Company Culture

Jacobson: How would you describe Williams-Sonoma's company culture?

Connolly: We're very lucky in the people that we attract. We're in a great city that a lot of people would like to live in, and we have a great product. We tend to attract people who come to work here because of the product, not because it's a job, not because of the pay. They come here because they want to work for our company. So the culture is very product-oriented. People can buy the stuff at almost our cost when they work here, so we have people who are very involved with the goods at every level and are very interested in them and in the company. They are very interested in the company, and very loyal to it.

People leave, but a lot of people come back. When they leave, they always feel they are leaving their family. Yet there isn't a career opportunity for everybody here, and sometimes we lose people because they are at a certain level where there may not be an opportunity that opens up, and there

is a chance to go to work in another company. A lot of times it's the commute. If they live way over in the East Bay--

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Connolly: I think the company mirrors our vision to a large extent. The people want to sell high-quality products, they want to do what's right for the customer, and they want to help protect the franchise. I think it's what sets the company apart. I don't know that our senior group of guys is any more astute as managers than anybody else, but what maintains people's dedication is the product, the vision that went into it in the formation of it, and concern about offering quality goods. Like attracts like.

The accounting department cooks. We have cooking contests at Christmas, and someone from the accounting department is just as likely to win it as one of the buyers--maybe even more likely. Our sample sales are about as close to civil unrest as anything I've ever seen. I mean, people go nuts. So there is that interest in what we offer. We're lucky that we sell things that almost everybody in the company would love to own. Whenever I'm at an employee's house, I see all kinds of products from our company. They want to own that stuff. We're lucky that way.

New Directions and Challenges in the Mail-Order Business

Jacobson: What are the biggest challenges ahead for Williams-Sonoma and the mail-order business in general?

Connolly: I think the relationship we have with customers will change over the next ten years. We went to an 800 number two or three years ago, and it has totally changed the way we view our customer. Almost 70 percent of them call us directly, and I think on big purchases everybody calls us. We have a whole group of people now who are on the front lines and are talking to every customer. I think that fifteen years from now you will be able to order merchandise differently than through a catalog, but it's all going to be databased, direct response theory that drives it. We need to position ourselves to do that.

Jacobson: You mean you won't mail the catalogs out?

Connolly: Oh, I think we will, but I think we may generate a lot of new customers through interactive television selling or other kinds of media. You know that's going to happen at some point. It's so inexpensive and so powerful that it will happen, but not when you have to sit there and watch the whole program. When you can say, "I want to buy a fax machine for my home," and fill out on the screen how many you get, what price range you want to have, and hit a button and eight of them pop up with the vendors who supply them and what the prices are, that will change the way we shop. That will happen. The technology exists today. It's a question of changing people's buying patterns.

Jacobson: I'm just thinking about your customers who like to read a lot.

Connolly: We'll always sell to readers. But you know what? Five percent of Americans read a book from cover to cover last year. Five percent! I think that's horrendous. I was telling that to a friend of mine the other day, and he said, "I hardly ever read a book except Western novels." I said, "Okay, you don't have to." I think it is dismal. What will happen is that in our lifetime we will have a new device, a computer-based device, in our homes, and the words "telephone" and "television" will sound as archaic as the word "icebox." We will be instantly networked to anyone everywhere with everything. I think we will find the experience of entertainment, shopping, and communicating to be incredibly stimulating and easy to do. While I'm still with the company, that will probably happen.

Shorter term--that's ten months away--I think we are always challenged with maintaining our franchise and the integrity of what we do so we can still be an attractive investment to our shareholders. That means continuing to grow the business in the right way and continuing to offer quality products. We will continue to do that and to exploit the opportunities that are here, provide challenging opportunities to our employees, and give them the opportunities to do it.

Those are the challenges. We are really excited right now as a company. I think everybody is energized. We have a very flat organizational structure, which I think is the way most companies are going. We're empowering people to do more.

Jacobson: What do you mean by flat organizational structure?

Connolly: There are not a lot of layers here. There's Howard and then Gary and I. Gary has about twenty direct reports, and I have about sixteen. That's not going to change dramatically. It

gives everybody a chance to do more and to feel like they are more in the organization.

Jacobson: It makes other jobs more interesting for more people?

Connolly: I hope so. Or more frustrating in some cases. [laughter] It gives them more of an opportunity to take action. It doesn't take a lot of time to get something done, not as much as it used to. There are less people who have to approve it.

Reflections on Chuck Williams's Leadership

Jacobson: Is there anything that I didn't ask that I should have, or is there anything else you would like to comment on?

Connolly: One of the things I've noticed about leadership and Chuck is that you can be a leader without being incredibly forceful. Everybody looks to Chuck almost as the merchandising vicar, the keeper of the vision here. He still is, even though he doesn't have to look at the reports every day. How can you be a leader and yet be a fairly quiet and unassuming person? It is because it boils down to confidence, knowing what you're doing, and having high principles and sticking to them. That gains the respect of people. Without that, you're not a winner. He has exerted incredible leadership in the company in a way that you would not necessarily define--if you took a course on leadership, that wouldn't be the first step in how it is achieved. But he's had, and still has, an enormous influence in a low-profile way. So you can do it. I think that can be an inspiration to a lot of people: "I don't have to have a hundred people working for me directly in order to have great influence."

Jacobson: Has it changed your management style?

Connolly: I don't know. I think it says that you had better know what you are doing. At the end of the day, you'd better be right. People respect confidence, fairness, and consistency, and that's the key.

Jacobson: Thank you very much for a fascinating interview.

Connolly: We have an interesting company, and it's a pleasure to be in it.

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Berkeley, California

Thomas O'Higgins

CATALOG AND STORE MERCHANDISING AT WILLIAMS-SONOMA, 1978-1993

Interview Conducted by
Ruth Teiser
in 1994

INTERVIEW HISTORY--Tom O'Higgins

Tom O'Higgins, vice president of merchandising, came to Williams-Sonoma through a circuitous route. Prior to joining the company in 1978, O'Higgins had worked in the television and motion picture industry, writing screenplays and television scripts. For two years he was a staff writer on the hit comedy *The Mary Tyler Moore Show*. O'Higgins left the entertainment business to pursue dreams of opening his own cookware shop. The son of two accomplished gourmet cooks, O'Higgins thought such a shop would be a good outlet for his own interests in cooking and entertaining. Eager to "learn from the best," as he notes in the interview, O'Higgins took a job as a part-time salesperson and store clerk at the Williams-Sonoma store in Beverly Hills. Shortly thereafter he was promoted to manage the Palo Alto store, where sales rose by 82 percent in nine months.

Subsequent promotions landed O'Higgins positions as merchandise manager and vice president for store merchandising. In 1991, he took over from Chuck Williams the job of producing and buying for the Williams-Sonoma Catalog for Cooks. O'Higgins has contributed many new ideas for products to sell through the catalog, including cobalt blue Kitchen Aide mixers and barbecue equipment. He recently left the company to start his own retail business.

Taped in one two-hour session, The interview with O'Higgins was conducted by Ruth Teiser in his office at the San Francisco headquarters of Williams-Sonoma. O'Higgins discussed a range of topics related to catalog and store merchandising, commenting on buying criteria, changes in merchandise, the company's ethic of customer service, and founder Chuck Williams's merchandising vision.

The completed transcript, lightly edited, was sent to Mr. O'Higgins on February 28, 1994. He reviewed the manuscript, making only a few changes to correct the spelling of names and clarify details.

Lisa Jacobson
Editor

August 25, 1995
Regional Oral History Office
The Bancroft Library
University of California, Berkeley

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name Thomas CURTIN O'Higgins

Date of birth 4-18-48 Birthplace Berkeley, Ca.

Father's full name JOHN C. O'Higgins

Occupation RETIRED Birthplace Berkeley, Ca

Mother's full name POLLY KENNEDY HIGGINS

Occupation Realtor Birthplace Seattle, Wa

Your spouse GERDYNE MAHER O'HIGGINS

Your children BRANDON, MARCUS, BRIANA & KYLA

Where did you grow up? BERKELEY (0-18) COLORADO VANCOUVER,

Present community ORINDA, FRANCE, LOS ANGELES (18-30)

Education BERKELEY - Grade K-5 St. Magdalen School

5-8 3R School San Rafael, 9-12 Berkeley High, UC SF State

Occupation(s) Freshman Zephyr College Menlo J.C. / 3-4 college Berkeley, SF State
Professional photographer 1972-1996 Europe

Vice Pres Stores, 1980-1983 Wm. Sonoma, 1983-1985 Buys

Areas of expertise 1986-1990 Vice Pres Merchandising, 1990-Present VP Catalog Merchand

Buying, Design, Photography/Film, Product Development
and Manufacturing, Store Operations

Other interests or activities Photography/Film, Script Writing,

Architectural Design/Construction.

Organizations in which you are active Conferie

I WILLIAMS-SONOMA'S MERCHANDISING VISION

[Date of Interview: January 21, 1994]##

Education and Work Experience Prior to Williams-Sonoma

Teiser: Let me begin by saying that according to your biographical data, you don't seem to have been educated for just this.

O'Higgins: No. [laughter] It was all happenstance, to be very honest. I was in the motion picture business for almost seven and a half years before I joined Williams-Sonoma. Before that I was educated at UC Berkeley with the aspiration, mainly of my father, for me to become an attorney--one, because I have a loud Irish voice, and, two, I'm a pretty good arguer. I went there with that goal in life, but my interest truly turned more towards the artistic applications of photography and film. Then some creative juices got me involved in writing scripts. After three years' time I was able to break into the motion picture industry, after writing some scripts for a couple of TV shows on speculation basis.

Teiser: I suppose those skills have carried over a bit into this.

O'Higgins: With regards to Williams-Sonoma, actually retailing isn't too much different in some respects from show business in the way one has to have a concept and an idea and hopefully a goal of satisfying or at least pulling on a heartstring of a customer, whether it be selling a new recipe or a new dish that is used in a recipe, or whether it be putting a pretty movie on the screen.

Decision to Join Williams-Sonoma

Teiser: How did you happen, then, to go to Williams-Sonoma?

O'Higgins: To be honest, I worked as one of the staff writers--there were many of them--for the old Mary Tyler Moore show. "Old" means it was quite a number of years ago that the Mary Tyler Moore show stopped, and Mary went on to other things. I created my own comedy series after that was done, and unfortunately for me--or for someone else--it was plagiarized. I got into a very thick legal entanglement for almost two and a half years.

Both my parents are pretty accomplished gourmet cooks, and I at one time thought about having a small cookware store with a capuccino and espresso bar on the side as a second interest. I decided that while I was going to all these court appearances. Unfortunately, in the motion picture business when you sue a major studio, a major star, and a major television network, it's a little hard to get a job until all that is settled. In the old days they used to call that blackballing. Believe it or not, politically it still goes on.

So with that in mind, if you're going to do the kind of little shop I was thinking of doing, then you better learn from the best; and the best was considered to be Williams-Sonoma. They happened to have a store on Rodeo Drive; so, as uppity as it might seem, I decided I would take a part-time job there, between my court appearances and my requirements to see my attorneys, and get a few ideas [laughter], with no desire of being deceptive necessarily. Of course, no one asked, and I probably wasn't very giving back then about how I might go open my own store some other time.

Promotion to Palo Alto Store Manager

O'Higgins: Mr. Lester bought into the company to enable Mr. Williams and himself to expand that business about six or seven months after I started working there part time. When I met Mr. Lester formally there, after I had been there for a year and he had had the company for maybe almost a year, he kind of wondered what was really going on with a gentleman who was driving a relatively nice new sports car and wore a Brooks Brothers blazer and Gucci loafers and could afford to work part time on

\$4.25. To use a bit of script and comic relief, the jig was up. [laughter]

I told him I had planned to open my own store down the road, and he convinced me to come to work for them for at least one year. If I didn't like it, he'd move me back anywhere I wanted to go, whether or not it be back to southern California. My lawsuit about a month later was settled out of court in my favor, but I signed a legal document and am not allowed to discuss anything beyond that.

Teiser: What do you think appealed to him about you?

O'Higgins: Oh, I think I had performed reasonably admirably in my duties as a part-time salesperson and stock clerk. I think my enthusiasm; I was a bit of an entrepreneur myself at that age--it's hard to believe that's almost sixteen years ago; I'm in my early forties. I think he saw a little bit of the gambler, willing to take on a challenge. That challenge was one that enabled me to move back to northern California, because I was given the Palo Alto store, which was then in the old Town and Country Village location, to see whether that store could be turned around. Not that it was doing poorly, but the expectation level, both from Mr. Lester buying into the company and Mr. Williams was that it probably could do better.

I was given the task of taking the regular manager's job to see whether we could increase the sales level. One has to realize that part of Mr. Lester's goal with Mr. Williams at that time was to extend the idea of doing a mail-order catalog, which Mr. Williams himself had done a few times, starting with a pen-and-ink version way back in the late fifties. With that in mind, we mailed quite a new catalog at that time, we made some management changes, and we also reassorted and merchandised the store with Mr. Williams' help. We increased the sales by 82 percent in nine months.

Teiser: I saw that statistic somewhere, and I was going to ask you how you did it.

O'Higgins: Well, I think part of it was good teamwork. The other thing was listening a lot to Chuck Williams and understanding what the original goal was and the Williams-Sonoma concept.

The Original Williams-Sonoma Concept

Teiser: What was the original goal?

O'Higgins: If you ask Chuck, who is quite succinct and very simple in the way he explains it, he went out to seek products that made him happy and which he felt would make people happy in doing food preparation and entertaining in the kitchen, to make it a happy experience and hopefully a lot less laborious one--one of convenience. He wanted the right tools for a fair price that allowed people to truly enjoy the art of cooking and entertaining. That's a real good place to start, and then you add on a quality of being honest, representing something for a fair value for what it is and the material it is made of, giving people good service, recommending recipes to do in certain pans, and how to take care of utensils so that they last longer than if they were not properly taken care of. When you add all those service aspects onto the premise of buying things that one likes oneself, and then for those reasons imparting them to people, it's a pretty good foundation to start with.

Chuck Williams's Aesthetic Vision

Teiser: I guess I've been going to Williams-Sonoma stores for years and looking at the catalogs. It seems to me Williams has true pitch in the aesthetics of common objects.

O'Higgins: I think that's very, very true. He's got such a good eye for aesthetics. It's not a question of whether it has to be colorful and all that; it's all the way down to the design and shape. He probably could have been an excellent architect, if he had wanted to be, rather than one of the master merchants around. The other thing is that Chuck is a great believer--and I think it's reflected in the ease of the shopping experience in the stores--in making sure that the stores are fixtured in a very simple way. Way back in the late fifties they may have been pine shelving, and in today's age they're made out of white laminate. In either case, he allowed the shelves to be the home for a product but very underwritten in their ostentatiousness. In other words, the shelf is the canvas for those goods, to really show up for the customer; the product is very visible and easy to see. The shelves were not any kind of fixture that you would necessarily find in a china shop; they

were just very good, basic shelving. He let the merchandise speak to the consumer's eye.

Sutter Street Store

Teiser: I guess the first Williams-Sonoma store I went to was the one on upper Sutter [in San Francisco]. As I remember, it kind of unfolded itself. There were rooms behind rooms. Not so many, but enough to give perspective and surprise.

O'Higgins: It did give a surprise. I always thought one of the fun things about going to a Williams-Sonoma store was that if you had been there the week before, invariably something had changed. It was organized in such a way that you went into an experience that may have started with cookware and bakeware, then you would go into serveware, and then you might get into the linen area and all that. Each room had its own personality and category and perspective, but they all still hung very well together because they all centered around the kitchen and the home. To me it was sort of like a walking experience, where you went from different categories and different fields of material, but they all did have a sense of relationship that Chuck was very natural about tying together.

I think the other interesting thing, when you think about that store, which was the flagship store after Chuck moved from the hardware store in Sonoma, is that it started out as barely a thousand-square-foot store. One of Chuck's friends and partner had an antique store next door, and as Chuck became more and more popular, he actually expanded on three separate occasions until it became a store over five or seven thousand square feet, which was very, very big for it.

The amazing thing is that between the food, the linens, and all that, Williams-Sonoma was always known to be the place to go, because something new and exciting was happening month to month.

Appeal of Williams-Sonoma to Diverse Customers

Teiser: I remember observing, as I would go to that Sutter Street store, that the shopper was almost always a woman who looked as

if she owned a home where she entertained, and she had with her what looked like her chef. I don't know if this was just the once or twice that I happened to be there--

O'Higgins: I think there were a lot of people who, if you lack a better description, were those of prominent position in San Francisco society and entertaining circles. I think the most incredible thing, when you think about it, is that Chuck's talents--both as a retailer and, obviously, as one who gave people inspiration and ideas for entertaining and cooking--not only traveled along with the chefs for the very wealthy but also for the single person living alone. I mean, Chuck was famous for recipes for one-pot meals and having the appropriate ceramic or terra cotta pot to cook it in in the oven, or for the particular cookware and the right pan that was perfect for doing a meal for a single person as well as for someone who had her own chef.

Chuck had a lot of imported items from all over Europe, and a lot of them, such as the French bakeware and tinware, the pastry chefs in the large hotels could not find on a regular basis, and they would visit us and buy multiples of French marquettes or brioches and things like that.

Teiser: Maybe these were the people I saw shopping.

O'Higgins: The amazing thing to me is that the assortment spoke so well to what the name meant to a lot of people. That was that you could find anything and everything that was basic as well as anything and everything that was new to the art of cooking. I think that's why, whether they be professional chefs, chefs who cook for large, prominent San Francisco families, or the individual cook, they always felt at home at Williams-Sonoma and always felt that they could find that hard-to-find item there.

Introduction of New Cooking Styles and Cuisines

Teiser: "New" is a key word there. How did he know that people were going to be interested in one particular kind of cooking?

O'Higgins: Chuck seemed to have his finger on the pulse, so to speak, of cooking in America. I don't necessarily mean cooking within our borders, but what people would like to do or what they would like to experience. I think that really began with an

incredible knack for being curious about the world itself that Chuck has. That curiosity led Chuck to experience a lot of things in his travels in buying merchandise. He was a very great adventurer in trying new cuisines and being able to adapt them to either the American palate or the American style of doing a recipe. I think Chuck was curious enough that he would come back from many a trip and try these things.

Really, part of the Williams-Sonoma foundation and history is not only one of selling product but educating people about something they themselves may not have experienced. We continue to do that today. Certainly I feel I have somewhat the same curiosity. I'm lucky enough that when I am here in the offices and not doing either some of the buying trips or supervising the photography of a catalog, Chuck and I spend a lot of time together talking about new trends and what would be interesting.

One of the other things that was important was that Chuck had an incredible knack for taking something that one would not necessarily call new and adapting it to today's times. As you know, people always claim to have invented the new wheel, but reinventing the wheel has been done time and time again. It's taking some basic recipe that may have come from way back in France or Italy and adapting it to a lighter and more casual style of entertaining.

Teiser: All these developments seem to have taken place at a time when traveling Americans were interested in foreign cuisines, too.

O'Higgins: Yes, that's very true. Americans were venturing out a lot more, going to England, France, Germany, some of the Asian countries, Spain, Portugal--a lot of the areas that Chuck had been to and continues to go to. With that in mind, I think it's the old thing of having seen or experienced that as a tourist and wanting to come back home and savor some of that memory (for lack of a better pun); and they also wanted to savor some of the cuisine. In his own inimitable way, Chuck was able to show them how they could replicate what they may have experienced in some Tuscan restaurant in Italy or a small bistro in Paris.

Renovation of the Sutter Street Store

Teiser: This brings up something I want to go back to later, and that is your influence upon the vendors who sell you things. So you succeeded in building up the Palo Alto store. What next did you do?

O'Higgins: If one personally knew Mr. Lester, our chairman, who is co-chairman with Mr. Williams of the company, Mr. Lester is real good at raising the bar up to the next level in the pole vault or the high jump. After that, it was decided that the Palo Alto store had turned around quite successfully. At that time we were only a five, soon to be a six, chain of stores. The manager who had succeeded Chuck, Charles Gautraux, had decided to retire and go off and do his own retail--what I call table-top--store up in the Napa Valley. Now it has been open several years.

With that in mind, Mr. Lester felt that if we could, we kind of wanted to update the flagship store, which was the store you mentioned at 576 Sutter, with Chuck's guidance and help. Chuck agreed to come in every Saturday morning and hold special training programs. We increased the size of the staff there, just to see how high "high" was in giving the level of service. Everybody who was hired had some expertise in the food area. Along with Chuck's help in holding Saturday morning training sessions before we opened, we had a great experience there.

I was there for a little over a year in that capacity. Chuck was a great help in training people in display and the kind of service we wanted. Mr. Lester was most supportive in virtually repainting and redecorating the whole place. We added in some receiving things that allowed us to carry more inventory, and we changed the entire basement into a stockroom that was probably double the efficiency. It had never been done since Chuck opened that store in 1958, so that was an experience, just going through the archives when we cleared out the shelving. The shelving of that store, before I took it over, actually had been the original crates that Chuck bought some of the first merchandise in, turned over on their sides, and stacked up. You can imagine--we're talking about 1980 or '81, and those had been there since 1958; so it was a big change to just make the stockroom look like a whole new place.

Teiser: I always liked the way it was.

O'Higgins: It was wonderful. It was like going back in time a little bit. Chuck actually participated in helping change that store. To make a long story short, about fifteen months later we had taken the oldest store in the chain and broken every sales record back then for a small chain of six stores. We increased the sales by over 37 percent. It was a challenge, but it was probably the most satisfying thing at that time and actually almost up to this moment, because it really was sort of the beginning of a wonderful friendship that I share with Chuck.

Chuck was most giving and helpful in that campaign, because he was really instrumental in making sure that that store ran like a top as far as the quality, the service--going out of our way, with his instruction, to know customers as much as we could on a first-name basis, knowing their likes and dislikes, helping them. It was as though Chuck himself were there every day; that's how we ran that store.

Criteria for Selecting Products

Teiser: There's a nostalgia factor here. It's very lightly done, but there still is. I feel it. I don't know where else you can get a hand potato masher, for instance.

O'Higgins: There's a nostalgia, but nostalgia is two things. One, just because something is old doesn't mean it's not good. As you heard me say earlier, Chuck always believes that just because something is simple, it doesn't mean it doesn't do its job. Whether it be a simple potato masher or a simple vegetable peeler, as long as it has a good blade, a comfortable hand grip, does its job, and hopefully lasts for what its time is meant to be relative to what it cost, its value and how it is constructed, then there is nothing necessarily wrong with it.

The other thing is that we have a lot of fun around here, because it's always an adventure.

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O'Higgins: It's like having Christmas every day of the week. We all take a lot of enjoyment that is shared mutually with Chuck--and obviously Chuck is a great part of it--in experiencing and really being delighted in finding products. As I noted earlier, Chuck sought this business out because he wanted to buy things that made him happy and hopefully would make his

customers happy. We practice the same thing on daily basis. It's a bigger group now than just him running around the world, but we enjoy the moment when we find an item and share it with our teammates around here. Then, obviously, we get very excited when we finally get it into the stores or present it in the catalog to the consumer to enjoy.

Teiser: When you find a new item, do you get a group together to discuss it?

O'Higgins: Normally either myself or one or two other buyers are traveling. Anywhere between four and six months out of the year, we are either somewhere in Asia or Europe. There is a lot of traveling involved. There are probably in excess of six to eight trade shows, and then probably about eight to ten different weeks of factory visits throughout the world. More and more it's a question of finding it. Someone has to make the final decision. Obviously I make a lot of the merchant decisions relative to the catalog, and the buyers on the retail side make those decisions.

I'm not stupid enough not to once in a while be sure to check with Mr. Williams just to see whether he thinks I'm not too far upstream from where he thinks we should be. I have a great deal of confidence, after spending almost fifteen years with Chuck. I'm still trying to practice all the rules and guidelines that he started this business on.

Items are a little bit harder to find. The world has gotten to be a much smaller and global place. As you probably know, the greatest form of flattery is when someone copies you. There are some retailers in competition out there who love to carry on behind our coattails, but I'm a great believer that we just need to forge forward and not worry about what's happening over the other side of our shoulders.

Williams-Sonoma's Influence on Other Retailers

Teiser: I see your influence in even, say, Macy's main store kitchenware displays.

O'Higgins: I think we have a lot of influence, but our influence is complementary. Chronologically, if one went back, Chuck was a man ahead of his time when it gets into the realm of the food processor or true French cooking. When Julia Child did her

book, *The Art of French Cooking*, and Chuck Williams happened to have the vision of opening a gourmet cookware store, there was a revolution afoot. Chuck was one of the three or four people who were leading that revolution.

The other nice thing is--and I don't mean to cast aspersions on anybody, whether it be the people at Macy's or anybody else--that for the most part, most of us around here are practicing home cooks. In other words, we actually believe in and test a lot of the products, if not all of the products, that we sell. In that way it probably puts us on the leading edge, so to speak, and I think that leading edge has a lot of influence on some other people who are doing business around us.

Teiser: Do you enjoy cooking?

O'Higgins: Oh, I do. As I told you earlier, both my parents are what I consider (the word is used a little too often) gourmet cooks. I do it as much as I can. I'm probably not at home as much as I'd like to be, but I like to cook casually, I like to entertain. I have that curiosity that I saw in my mentor, Mr. Williams, fifteen years ago. I still have it, and I know he still does. I like to try new things, and if I'm successful, I'm the kind of person who likes to share things.

Customer Service

O'Higgins: I think probably part of the reputation of Williams-Sonoma is not only the service and all that, but there's a generosity of sharing recipes and the congeniality of sharing the cooking experience, either when you walk in our stores or from the copy that you read on a given item in our catalog. There is some personality behind the product and some true belief in what we're selling you, either at the store level or in the catalog. And then back it up with an unconditional guarantee that if you buy something from us, we take it back and either replace it or give you your money back. That has always been the rule; whether it be printed or not, that was always the way Chuck conducted business.

Teiser: From what I see in the way catalogs come, the way orders that I phone for come, everything is done on a very businesslike basis--no slipups, no errors.

O'Higgins: We try not to have errors, whether it be in taking an order over the phone or transacting either a sale or, unfortunately, a return. No one is necessarily perfect, but we try, on a fairly regular basis, to practice professionalism. The one thing I might add to that, though, is that besides being professional, we certainly want the customer to feel welcome and that there is a human side to the transaction, whether it be over the phone, through the mail, or in person at the store. That's why we spend a lot of money and a lot of time on training at our stores and for our telephone sales people, as well as for our customer service people. Probably the biggest challenge for us, but one that we're fortunate to have Chuck himself participating in, is making sure that we don't lose sight of where we came from and the culture we have been brought up with, which is really the way Chuck started the business almost forty years ago.

Comparison to Other Cookware Retailers

Teiser: I have also gone to Cost Plus forever. Their main buyer, Lincoln Bartlett, had something of that same interest in shopping all over the world for unusual things that fitted in with current taste, but on a much lower level. Did that have any effect on Williams-Sonoma, do you think?

O'Higgins: It has had some, to a degree, possibly, whether it be Cost Plus or some of the other retailers to which one could draw some relationships or analogies relative to the assortment that Williams-Sonoma sells. But, quite frankly, I think it was something that transpired parallel. I believe that Chuck, in the most humble way, really was not someone who was preoccupied with what other people were doing. He truly was on a mission of doing something that he truly enjoyed, which was the art of cooking and all those things that had to do with it, and then having fun in displaying and presenting food in an entertaining environment. I think some of those things may or may not have been transcribed one to the other.

I'm sure that Chuck would be the first one to admit that you're always interested in what someone is doing, when you have the time--we rarely seem to have the time around here--but you also admire what other people do well. I think the mix of merchandise and the breadth of the mix of merchandise in, say, Cost Plus, is a lot broader, and in many cases some of the

items are a little more gifty or decorative and don't necessary fit the focus of Williams-Sonoma.

Teiser: And the quality.

O'Higgins: The quality is quite different, depending on the category. We certainly know who they are, and we walk through their stores. But I think we're so busy doing our own thing--it's not being a snob or anything like that, but we like doing stuff. You just keep rolling along, because you like your work so much. I have to say that I never thought that in fifteen or sixteen years I would be sitting here talking to you. I thought it was a one-year deal, and I would be back in southern California or whatever. But let me tell you, I always say it was the best one-year deal with a fifteen-year option, and we're still counting.

II CONTINUITY AND CHANGE AT WILLIAMS-SONOMA: THE EIGHTIES AND BEYOND

O'Higgins's Rise through the Company

Teiser: How is it that you have progressed as you have?

O'Higgins: I think I've been very lucky in two regards: Chuck himself and Howard Lester, our chairman and chief executive officer. Chuck, with his incredible knack in taste level and his generosity in being a teacher and a mentor in regards to what a customer might expect, identifying trends, sharing recipe ideas, and all that; and then Mr. Lester, who probably is quicker with a pencil on the back of an envelope than the best Hewlett-Packard calculator. He has great business acumen, a good balance of trying to avoid the pitfalls of a growing company and teaching those who were there when he started out in this with Mr. Williams.

I was given a good opportunity to be exposed to that, certainly an ample number of opportunities to show my abilities, and for that fairly identified and given the opportunity to do a lot of different things here. From being in the stores, I then ran the stores. From running the stores, up until we had roughly thirty-seven stores (I could be off by four or five), I was given a chance to learn the whole buying side of the business. Then I was the merchandise manager and vice president for the stores' merchandising.

Then, unfortunately, a colleague of mine, Mr. Moore, fell ill. He was a real instrumental person in doing the Williams-Sonoma catalog with Chuck and developed the Hold Everything concept with a gentleman by the name of Alan Rushing. I was given the opportunity to work with Mr. Williams on the Williams-Sonoma catalog about three years ago. Subsequently I now do the catalog. Obviously I say that Chuck is involved as

much as Chuck wants to be, and I certainly ask for his opinions as often as I want or need to.

So I've been very lucky. To sum it up, I'm lucky enough that I have a business mentor and a merchandising mentor, and they're both very good at what they do. I've been given a fair chance to do and excel at hopefully what I have brought to the company and to the business.

Changes in the Catalog for Cooks

Teiser: You got to work at changing the catalogs gradually?

O'Higgins: Yes. I had the greatest reverence for Mr. Williams. Chuck is going to be celebrating his seventy-ninth birthday later this year. As a matter of fact, Chuck and my father were born in the same year, 1915, and they're both a little bit deaf in the same ear. It's a real great advantage, with my loud Irish voice, that they hear me. Of course, everyone else thinks I'm some loud, angry Irishman, which is not the case. My bark is certainly loud, but my bite is very gentle.

After knowing Chuck as long as I had, I think that when the chance and the opportunity came, he was comfortable to a degree in allowing me to operate, design, and pick the merchandise for the catalog. Certainly I think that he knew I was bright enough and open enough to be available for suggestions as well as take some criticism. I think Chuck also knew that my heart and my mind were addressed to the same principles in regards to serving the customers that Chuck had back when he opened the store in '56 in Sonoma and in '58 in San Francisco.

With that in mind, I think some changes that gave the catalog an eighties, and now a nineties look were not so jarring to him, because he knew that with change sometimes there are a lot of good things that come about.

Teiser: What sorts of changes did you make?

O'Higgins: Some cooking things have changed. I think Chuck would be honest enough to tell you that he's not the world's greatest barbecuer; he doesn't do a lot of outdoor barbecuing. I happen to do a lot of outdoor barbecuing and what they now call grilling, and I like to experiment with different marinades and

spices and things like that. I think there are some items where the convenience factor has become accepted--i.e., quality cookware that does have non-stick interiors.

I think the bread machine has revolutionized the convenience thing. I think Chuck would tell you that the world has changed, too. There are a lot more husbands and wives who both work, and when the bread machine is used, with the correct recipe you are going to get a fairly acceptable loaf of bread. I'm sure Chuck might tell you that he would still rather do it the old-fashioned way, but he's a bright enough individual to know that electronic-wise and convenience-wise, the product is a fairly good product and is acceptable in this age of technology.

Those are some of the changes, both in merchandising and maybe the way I presented them. I think with the larger format, which we are in the current test on, we have increased the size of the type. It's bigger and more readable, visually and literally, in the way that it is laid out. I think that will probably be a major change for Chuck if we go to the larger format, but Chuck is a very forward-thinking person. That's what he has always been for, and he has always thought that way about cooking. So I think it will be okay, too, because he understands it better.

Frequency and Scheduling of Catalog Mailings

Teiser: I don't know where this question fits in, but I'm a careful reader of your catalogs, especially the cooking catalogs. There is a lot of duplication, a lot of overlapping. Do you send everybody two similar catalogs close to each other?

O'Higgins: Let me explain how that works, how we mail the catalogs. Sometimes it may appear overlapping, but we mail four succinct, different catalogs. There are actually a total of twelve mailings a year. We mail a catalog in January, and then to our best customers we have remails in February and March off of that catalog, when we add pages for Easter or sale pages in the February-March catalog. The covers do change, but the core of the book is the same. We then mail again in April, May, and June; and then there's another new catalog in July and August; and our Christmas or fall catalog is September, October, November, and December.

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O'Higgins: So even though there are four separate actual catalogs, there are twelve mailings in total. I always have said to my friends, who have made the same comments as you, that they get that many books because they are very, very good customers. I always call it the first, second, and third enticement. If we didn't get you the first time, we're either going to get you the second time, or we'll definitely get you by the third time. There has to be something in the book for everybody.

That's the way I explain it. It isn't out of any desire to be extravagant or waste good paper or to bother someone. We just like to keep our best customers educated about what we're doing. We try to change the catalog seasonally, as I said, for Valentine's Day, Easter, Thanksgiving, and Christmas. Within some of the mailings there are some extra pages added or changed around, besides just the cover.

Teiser: There's no index.

O'Higgins: We've had a lot of people ask about an index. When you first walked in here, you mentioned how cluttered my room is; it's almost a treasure chest of merchandise. I think our goal, at least from a merchant's standpoint, other than trying to be service-oriented, which we normally are, is that going through the Williams-Sonoma catalog should be just like that experience you talked about in the old shop, when you went from one room to another room, and you kept on wanting to walk through. Hopefully you would at least like to browse through the catalog a couple of times before you make your purchasing decision. If that makes it a little difficult, obviously I'll take that comment to task, but I think it's an enjoyable experience, even if you end up not buying anything at all.

Teiser: I keep leafing through.

O'Higgins: I'm glad you keep leafing through it. That makes me happy.

Teiser: I like to cook and am interested in cooking equipment. When I got advance payment for writing a book, the first thing I did was go to that Sutter Street shop and get the most expensive knife I ever got in my whole life. It is just fine. It was a real way to buy myself a present.

Qualities Sought in Store Staff

Teiser: When you hire people, what do you look for in the staff members?

O'Higgins: Back in the days when I was working stores, and I'm sure it holds true even now, obviously you want to hire people who have energy and motivation. Hopefully there is a desire or at least an affection for cooking and food. We look for people who understand the goals of customer service. I think it's really important that one likes people, because the connection between the customer and the salesperson often makes or breaks that selling experience. We welcome people who are pro-active, as I call it, who make suggestions--whether it's to the buyer, myself as the catalog merchant, or to the operations people--as to how we can make that customer service experience better each day. When we hire people we want people who understand that we are a company that does not sit back and rest on its laurels; we only want to make it better for them and for the customer as well.

So energy, enthusiasm, affection for or love of cooking and food items, a desire to serve the public on the customer service basis--the way we interact with the public--and truly also to have fun. That's an important ingredient. I certainly think Chuck had fun in building this business, and hopefully I'm an example of that after fifteen-plus years. I'm still smiling, and there aren't many days where I don't look forward to coming to work. That's not a bad recipe to me for hiring. At least you know what you're looking for.

Catalog Production and Photography

Teiser: In creating and revising the catalogs, what do you do? You have someone who reads the copy, don't you?

O'Higgins: I have someone who writes the copy. I proof the copy, along with my staff. I have a couple of associate buyers and a merchandise coordinator, and all of us look at copy, including my catalog production team. We make suggestions and revisions to the copy where we think it's important for information to be passed on to the customer as far as accuracy, use, or what needs to be done in regards to a recipe. Then the copy is finalized and printed when the book is printed.

Teiser: Someone told me that Mr. Williams sees to it that all the food that is pictured in the catalogs is real food.

O'Higgins: That's true. I do it very similarly to what Chuck has done over the years. I am there for the majority of the photography time. Our food stylist works directly with me and is instructed to make sure whenever possible that we use actual recipes that are tried out, that we use those actual recipes in the photographs for the recipes as well as the props that are used for dinner plates, platters, or whatever, and that it is real food that has been cooked and not doctored, so the accuracy is there.

In a lot of photographs in the catalog where there may not be a recipe on that page, the customer will call up and ask us, "How do we do that? What is the recipe? Where can I get the recipe--out of what book? Is it Mr. Williams' recipe?" If we have the recipe available, we will send them a copy of it at no charge as a service. Every recipe or food item photographed, where there was any cooking involved, we make a note of exactly how it was prepared and how it was done; so if a customer does ask, we can give them the method and the recipe and how it was done.

Teiser: What is your professional opinion on Gallo's ads for food and wine--the way they're done visually?

O'Higgins: Whether it be Gallo or anyone else, there's a lot of good food photography going on. The only thing is that doing the space advertisement for a line in a magazine is a little bit different when you are selling the actual goods that you are telling someone to use and they will have the same result. That's why we're very careful for whatever products we sell that we show the true results from our recipes being done by one of our employees or by Mr. Williams or myself.

I guess the best example is when you see oven-roasted turkeys shown in an advertisement, and it's so perfectly browned that, believe you me--and I'm not casting aspersions on anyone's acts, not Gallo or anyone, even if they had a turkey--a lot of them use brown shoe polish or Kitchen Bouquet to dress it up. Our goal is that we should not show food products that are not the same results that the consumer will get when they buy our products.

Teiser: Gallo ads often have great big, luscious-looking prawns. How do they get them like that?

O'Higgins: We often buy shrimp or prawns, and they are available anywhere. But we try to buy things that are truly fresh. It makes it a little more difficult to plan our photography schedule, but our food stylist goes out every morning whatever our needs are for that day. Most of that stuff is timed so that she can bake in the morning, and we photograph in the afternoon. Only rarely is anything done ahead of time, except for possibly turning on a bread machine. If we want a bread machine picture, we just turn it on the night before, and the bread is fresh the day we shoot the photograph.

Successful Innovations in Merchandise

Teiser: You were talking about innovations. Are there others that have been as big as the bread machine in your experience?

O'Higgins: The bread machine is probably the most substantial big innovation over the last five to six years; it's probably almost seven, as I lose track. I remember when we first introduced that, we were one of the first companies back then to do that. There had been juicer crazes, and we have sold a high-quality vegetable juicer and citrus juicer, but that has not necessarily been as long-termed as the bread machine. We have sold garlic bakers. Garlic became a big topical thing two or three years ago. In the last two years, someone told me, we have sold upwards of 200,000 garlic bakers to be used in the microwave or the oven to be served as an hors d'oeuvre. There was all the talk about garlic being medicinal, and it was a timely thing that we did.

But, really, the bread machine, as far as being a convenience item, is probably the number-one item even to this day. It's amazing. As you well know, it's across all retail levels. Now you would see them in the shopping clubs and all that, as well as in our type stores. It's just a question of how much one wants to pay for how many different things they will do.

Teiser: I got the first one you had, and I still use it.

O'Higgins: I'm glad to hear that. That's the kind of product we like, one that someone bought many, many years ago and is still giving them good service.

Relationship between Catalog and Retail Sales

Teiser: Let me go back to the relationship between catalogs and retail sales. Do they feed each other, or how does it work?

O'Higgins: The relationship between the catalog and the store actually is one of very important synergy. First of all, one has to realize that for the Williams-Sonoma retail store chain, the only advertising vehicle is, in fact, the mail-order catalog. The mail-order catalog is responsible for driving 30 to 40 percent of the retail stores' business. We don't do any newspaper or magazine advertising for the stores; the book is the direct advertising vehicle.

You have to remember that the stores have some 4,500 to 5,000 individual different items in their inventories, and the book features 400 to 500 items that we try to develop a thematic and seasonal theme around to drive those items that are important to the store sales but also important to the customer at that given quarter during the year. It may be grilling from April through July; harvest and Christmas baking in September, October, and November; bulb basters, roasting pans, stuffing, and all those things at Thanksgiving time; in January it's still the hearty and healthy food that you want to eat, like chiles, soups, stocks, and stews. So they run in tandem. We communicate; there are buying groups for both divisions. But I have to have the responsibility for satisfying a mail-order customer as well as having a balance of driving retail sales.

Teiser: I buy from the catalog often because I don't want to go downtown. I'm sure somebody in Stockton doesn't want to drive to the City. Have you ever done a comparison of catalog sales in areas where you have stores compared to those suburban or country areas?

O'Higgins: We look at sales many different ways. We know that our catalog sales in the store areas are less significant than the ones in areas where there are no stores. But as a company we have a strategic goal in business to, within reason, keep that balance so that the mail-order business remains a viable, profitable business. Because it is run like a business; it's not just an advertising vehicle for the retail stores.

With that in mind, you'll see many times that 15 to 20 percent of the items in the book may be catalog-only items. Those items have an inherently higher response, both from the

retail store area and, naturally, from an area where there is no store. By the same token, there is a responsibility also to drive the customers who get the book and are close to a store to go into a store and hopefully not only buy the items that were featured in the book and also carried in the store, but hopefully they'll buy some other items out of the 75,000 in the store.

It's a tenable balance; but, believe it or not, we seem to be very good at keeping that balance to keep both of them as viable businesses.

Goals of Williams-Sonoma: Present and Future

Teiser: Maybe I should get on to the future. How would you characterize Williams-Sonoma here and now?

O'Higgins: I think the best way to describe what we are and where we're going is to say that we are becoming a medium- to large-sized specialty retailer that has no desire to lose its sense of history upon which it was built--i.e., what Chuck brought as a merchant--his customer service and his integrity--to the marketplace. We also want to expand upon that as a company as we grow, to be very encompassing in providing goods and services that are related to the home--i.e., why we have Williams-Sonoma, which is the kitchenware, table, and serveware company; Hold Everything, which is home organization and home office storage and organization; Chambers, which is a bed and bath catalog that relates to the bed and bath area of the home. Pottery Barn, for a lack of a better description on my personal part anyway, is a younger lifestyle, home entertaining, and more of a design retailer. It has probably a younger customer base than Williams-Sonoma, and certainly does more furniture and decorative accessories for the home than, say, you would find in Williams-Sonoma as a kitchenware shop. Along with many homes comes the garden. Gardener's Eden is furniture, tools, and decorative accessories for what I call the patio garden.

So in that group of companies you have basically the same philosophy and the same foundation. All of them have a relationship to the home, and our goal is to be one of the premier specialty retailers for products that are associated with the home--the kitchen, the closet, the bath, the garden, the living room. If someone asks what we're going to do, it's very apparent that our growth is in categories that we are

already in or ones that pertain to the home living, cooking, eating, bathing experience.

Teiser: Has there ever been a single business that encompassed all these?

O'Higgins: Not that I know of. If you were to ask Chuck that question (and I don't mean to speak for Chuck), he would probably tell you that in a little bit of a way that probably was everything that he had in his hardware store. That may not be too far from the truth, but I've never thought to ask him that question that way. That's why we're so proud to have Chuck still so actively involved in the business, because he is involved with all the different merchants in all the different areas I just spoke about, and he seems to have a knack in all of them.

Teiser: It seems to me that Woolworth's, on a different level--

O'Higgins: At one time Woolworth's may have fit that niche at a different level, and obviously for a different customer and price point. I kind of look at us as the most specialized company that really is an enjoyable shopping experience for the home. If there maybe never had been a Sear's catalog--of course, now the Sear's catalog is defunct, as you know, this past year.

We really are a quality operation, good value for what you are getting for those areas of the home that people are doing more with. As you well know, people are spending more time at home. I think the whole home and family values thing probably plays into that a little bit, not to get political.

Teiser: Transportation, as it becomes more and more difficult, also plays into something.

O'Higgins: Oh, yes. I think down the horizon, if I can anticipate your next question, is that beyond what we do at the retail level and what we're doing at the mail-order level, we plan to sometime in '94 also test the waters on the upper level of the home shopping experience on one of the cable channels. We don't look at that as being competition to ourselves; we really look at it as another channel of servicing and offering our goods in probably all the concepts in the way that the world is going. We don't think it's necessarily going to replace either the mail-order business or the retail business, but we have an obligation to get those services out there, and television may be that way in the upcoming future--interactively or not interactively, depending on how one looks at it.

Teiser: Television has some relationship to retail in that although you can't pick up the pot, you can see somebody using it.

O'Higgins: Yes, much the same way that you see in a still picture in the catalog. Whether it be TV or the catalog or the stores, our goal is to provide quality goods at a fair value. Part of the equation that makes that work is to educate the customer as to why this item works or why they need this item. That's a very important part of any of that being done, whether it be a demonstration at the store level, a photograph with an explanation and a recipe in the catalog, or, as you said, a live-action demonstration on TV. The goal is not going to be any different, but the method of delivering it to the customer may be different.

Ventures into the Japanese Market##

Teiser: You've gone international to some extent.

O'Higgins: Yes, we have about twelve stores in Japan. That is a joint venture with the Tokyu Department Store, which is the second-largest department store in Japan and one of the largest companies in Japan. They are a \$22 billion company that has real estate holdings and owns hotels as well as railroads. That is a joint venture with them. We're really allowing them to operate Williams-Sonoma stores in Japan under our guidelines as far as their appearance and all that. I have to say that they have done a remarkable job. Those twelve stores are half the size of the average Williams-Sonoma store, but you would walk into one and think you were in a Williams-Sonoma store here in San Francisco or any of our other stores, for that matter.

We also have a mail-order business with them that actually started to make money in its second year. They continue to plan to open three to five stores maybe every year for the next four to five years, depending on how the economy goes in Japan. They approached us in the beginning; it wasn't something that we sought after, so it was a supreme compliment. But having spent a lot of time in Asia over the last ten years myself, it's really no surprise, because there is a great deal of motivation and desire to experience, be able to understand, and actually cook western-style food.

- Teiser: That's what I was about to ask. The traditional food preparation is so different. Who buys for those stores?
- O'Higgins: We have a group of people that we call the Japan division that is housed here in San Francisco and travels and works with a similar group under the Williams-Sonoma Japan project with Tokyu in Japan. Most of the goods are selected out of our stores' assortments and out of previous or current catalog selections that I have made. Japanese kitchens are very small, and their ovens and stoves are small, so most of the cookware items, anyway, are the smaller sizes that are available. But for the most part, that merchandising is worked out of current assortments both in the retail and mail-order business here. Whenever necessary, I work on the Japan catalog as an advisor. If they need some advice about something, they get it either from myself or from Mr. Williams on a regular basis. We both travel over there and review the stores and take a look at what's going on there on a first-hand basis at least once or twice a year anyway.
- Teiser: Do you sell traditional Japanese kitchen equipment?
- O'Higgins: Very minuscule, if any at all. That's on a select need basis, but rarely do we do that. Most of the stuff is all the tabletop, glassware, ceramics, and linens that you would see in our normal store, and a lot of the similar cookware pieces and all the different brand names that we sell, in the smaller sizes, and all the gadgets and utensils--wood, melamine--that we sell in our normal store.
- Teiser: Do many Japanese cook western style?
- O'Higgins: Oh, I think it's a growing thing. We are opening three or four new stores every year, and we already have twelve to fifteen, so there is a growing market, especially with the younger people. I would never think you would watch TV in Japan and order a pizza twenty-four hours a day and have it delivered, or have barbecue restaurants in the middle of Tokyo. That may not be the best example, but certainly the demand and the curiosity that drives those sales is there. Then there is the success of the mail-order book, as small as the circulation may be. Under the Japanese postal system, it's not the easiest thing to produce and mail a catalog; their system is a lot different from ours.
- Teiser: I don't understand foreign tastes in American things. Someone was telling me yesterday that young people in Switzerland affect cowboy attire. [laughs]

O'Higgins: I mean this as the most sincere compliment to my country when I say this, but western or American image is a lot of times taken on as being greater than life really is. The cowboy thing in apparel in Eastern Europe and Europe is sort of the hero-worshipping of John Wayne, I think. America is a very forward and progressive society, and a lot of times, right or wrong, people like to feel that they are forward and progressive. We may invent certain culinary things, and whether they be good or bad, people like to duplicate them or have them.

Let's be honest: even though it isn't a great culinary experience, we invented the fast-food craze. Much as I don't necessarily like looking at them, we are now seeing the McDonald arches all over Europe and Asia. We created that one, too. Whether that's good or bad, I'll leave up to someone else to decide; I don't want McDonald's to get mad at me.
[laughter]

Teiser: I guess Japanese noodle shops are fast food, aren't they?

O'Higgins: Yes, in Japan that would probably be true. They haven't yet become the rage here, though.

Hold Everything

Teiser: Let me go back to these other companies you have. Hold Everything--did you buy a company, or did you create it?

O'Higgins: It was an idea of a gentleman who used to work for Williams-Sonoma, Alan Rushing, who is now deceased. Alan at one time worked for Fitz and Floyd, the tabletop and dinnerware manufacturer. I think it was really his idea at first, and then he and a colleague of mine, John Moore, who also happens to be deceased, developed the concept of Hold Everything. They started it from the catalog stage; it was a catalog long before there were any stores.

We all talk about how great it is to have guests over, but you never want to show them your bedroom or, depending on how dirty it is, your bathroom or, depending on how messy it is, your closet. We all sort of strive to have new and easier methods of organizing our lives, especially when it comes to things underneath the bed and all the things that could topple

down off the top shelf of the closet. So I think that all started with Alan and with Mr. Moore.

Gardner's Eden

Teiser: The others that you acquired--

O'Higgins: Gardener's Eden was acquired from a wonderful lady by the name of Ruth Owades, who actually was a graduate of Harvard Business School and an entrepreneur. She basically started a home gardening business, or a patio gardening business, through a catalog out of her garage. We bought that when she had taken that business roughly up to a million dollars and as far as she could take it on her own finances. We bought that company, and she came along with it. She managed and grew that business into a fairly sizable and very reputable catalog over the course of five years.

After that, she has since gone on to have a company called Calyx and Corolla, which are parts of a flower. That is a catalog that I think started three or four years ago, and it is very successful. It sells plants, bulbs, and all those things that are perishable. You can order them, and they are delivered to your door overnight by Federal Express. It's pretty amazing, when you think that you're sending bouquets of flowers or live plants or bonsai trees or planters and all that, and they don't die. She's built a terrific business and a very successful one. Gardener's Eden continues to be a very, very strong, viable concept of ours through the mail.

Chambers

Teiser: Chambers seems least likely.

O'Higgins: If you get back to my comment that we want to be one of the premier special retailers regarding the home--after you organize someone's closet, you influence them with some wonderful tools and furniture to make their garden a nicer place. We've pretty well already captured their attention in the kitchen in serving, entertaining, and cooking. I think the next logical room in the house might be the bathroom. Chambers was also a concept of my former colleague Mr. Moore. That was

generated here before; it was an in-house deal. A wonderful lady by the name of Monelle Totah is now the merchant of it. It has been a highly successful catalog business and has grown substantially. Mind you, it's also the best of the best, in my opinion, of anything you would want to buy for your bathroom, whether it be hotel quality towels, linen, flannel sheets, bed ruffles, bed covers.

Teiser: I don't know where you go to get those things now.

O'Higgins: That merchant does much the same as I do. We scour all over the world on a regular basis.

Teiser: One used to be able to go to the White House [department store].

O'Higgins: There are a few of those. There is Chris Kelly's, Stroud's, and things like that. But we do a lot of our own developmental things and things that are very unique to the Chambers book. The customer is your best critic, and they certainly are supporting and buying a lot of merchandise out of that catalog.

Pottery Barn

O'Higgins: Pottery Barn is the last one that we haven't spoken of. We bought Pottery Barn from, of all people--it sounds a little strange--The Gap in 1985 or 1986. The Gap had bought that from two gentlemen, Dick Friedman on the West Coast and Hoyt Chapin on the East Coast. Pottery Barn, believe it or not, has been in existence as long as, if not longer than, Williams-Sonoma. It was always famous for its value in inexpensive dinnerware, serveware, and flatware.

The Gap really didn't know what to do with a hard-goods business per se, because they are primarily in apparel. We bought that concept with the real goal being that it had some very attractive real estate holdings, and we thought we had an opportunity to develop a concept that could be as exciting as Williams-Sonoma, could approach and invite a younger customer base that was into a little bit more casual entertaining and a little bit more lifestyle-type of environment versus necessarily the kitchen.

We had our struggles, and a lot of different people had a lot of input in making it what it is today. Today it is a

fast-growing retail concept and a fabulous mail-order catalog. Right now we look to having as many as 150 or 200 stores by sometime in 1996 or 1997. We have about 60 stores right now.

Teiser: Whatever happened to bone china while this has been going on? I don't see it much.

O'Higgins: We sell high-quality porcelain in all the stores relative to Williams-Sonoma and Pottery Barn. I would call it bone china without all the frilly decoration. In other words, the basic white porcelain, or bone china, if you want to call it that, will go with anything. Then we have decorative ceramics and all that.

One of the things that both Williams-Sonoma and Pottery Barn don't want to lose is the basic core customer, so we have basic white porcelain dinnerware for that customer. It may be different manufacturers or maybe slightly different styles and shapes, but we have a basic white business that we never want to get away from. Layered on top of that, we have what I call very festive, fun, entertaining, decorative ceramic ware. Pottery Barn may be for a younger customer, and Williams-Sonoma may be a little more traditional. We have a lot of different dinnerware patterns in colors, stripes, and different shapes and designs that can be for either everyday use, casual entertaining, and even to some degree formal entertaining.

Hopefully, it isn't quite as stuffy as maybe the old days, where you might buy at Shreve's and Gump's (if you know San Francisco like you and I do) or down on Madison in New York City. I think we have an offering that covers a large group of price points and a lot of different customers with a lot of different needs.

Bridal Registry

Teiser: Have you ever thought of having a so-called bridal registry?

O'Higgins: We now have a national bridal registry in the Williams-Sonoma stores which we developed, and we have advertised over the last two years with significant growth results. We continue to add to that. Our biggest challenge is to roll out a bridal registry in the Pottery Barns, hopefully sometime in 1994, and then in the latter part of 1994 or early 1995 launch a mail-order bridal registry on a national basis that will tie in with

the retail stores from Williams-Sonoma. So the bridal business is a big business for us. We just want to make sure that we offer services that we can back up and that the customer really enjoys and appreciates.

Predictions for the Future

Teiser: What do you think Williams-Sonoma will be in the year 2000? That's not so far away.

O'Higgins: I don't think you're going to find a company, at least in regards to its product mix, being too vastly dissimilar. I'm sure there are going to be a lot of technological innovations as far as convenience in the kitchenware business, but you still probably are not going to abandon your favorite knife or not make bread in a bread machine and all that. I think Williams-Sonoma will certainly challenge itself to continue to be on the leading edge and provide the latest and the best quality kitchen items at a fair price.

I think you may find variations in how those items are procured, whether it be by interactive television, through the mail, by phone, or by going into a store and pressing a button on a machine that may have a video monitor to tell you about a product, which might be a reality--interactive video on certain difficult product items, where the consumer deserves to be told how easy or how difficult it is to use. But I don't think the fundamental basics of the cooking experience will be too much radically different. Maybe the utensils to allow you to do something, and the speed and time in which they are completed, may be faster, but cooking has been around for a long time. Every time someone says there is something new--as I said before, how many times you can reinvent the wheel remains to be seen.

I certainly think that at Williams-Sonoma as a corporate entity, you may find us getting into other areas in a larger scale, such as furniture, lighting, and decorative accessories for the home, but as a company we plan to remain home-based as far as the product mix. We don't plan to get into some business that we don't have any business being in. All our businesses probably will be as related to the home as they are today.

Teiser: Do you have any anticipation of going further into suburban and rural areas?

O'Higgins: Mr. Lester has been quoted locally in the newspaper in the last couple of weeks to the investment community that it is not inconceivable that by the year 2000 Williams-Sonoma could be anywhere between 500 and 700 stores, adding Hold Everything, Pottery Barn, and the Williams-Sonoma chain together. And it's not inconceivable that we could possibly be mailing anywhere between 150 million and 200 million catalogs, when you add up the Chambers, Gardener's Eden, Hold Everything, Pottery Barn, and Williams-Sonoma catalogs.

So as far as being in a lot of places, when you have 700 stores, I would have to say that we would be in the 200 to 300 major cities, whichever those are in the year 2000; I don't have a crystal ball. I know you know something about California. I was recently in Fresno, and I can't believe what Fresno is today compared to what it was five years ago. If you apply that to the Birminghams of Alabama and the small towns in a lot of different states across this nation, there probably is a potential to have 700 or 1,000 stores very easily. Who's to say we wouldn't have stores in a lot of the major cities in Europe, too?

Teiser: I wondered about that, too.

O'Higgins: That's a possibility, once we feel we have a comfort level and a distribution level. A lot of people have approached us before, so it's not unheard of that we could have stores in Europe sometime before the year 2000, besides having 500 or 700 here in the United States.

If you were really to bring it down to the bare roots, so to speak, our largest challenge is that the larger we grow, the more we mustn't forget what we were and how we became what we were, with the great vision and level of service that Chuck delivered back in that first store. It seems a little ridiculous to say, but when you look at all the famous companies that have been written about, the ones that truly have succeeded and been noted in history as successes, are the ones that didn't forget where they came from and how they got there; they were big companies but were entrepreneurial enough to still act as if they were still a little company that didn't forget their customer. Don't forget, the customer is the one who validates how far you really end up going.

Teiser: I think that's a good interview. I think it will be interesting in the oral history of entrepreneurship.

O'Higgins: Hopefully, in ten or twenty years' time, maybe you and I will be lucky enough to still be here and have another interview about some other chapter.

Teiser: I hope it's going to be about whatever is next after the bread machine!

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WILLIAMS-SONOMA, INC.

- WILLIAMS-SONOMA
- HOLD EVERYTHING
- GARDENER'S EDEN
- POTTERY BARN
- CHAMBERS

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WILLIAMS-SONOMA, INC.

Through the combination of its retail stores and mail-order businesses, Williams-Sonoma, Inc. has emerged in the 1990s as the dominant home-centered specialty retailer in the United States. Founded by Chuck Williams in Sonoma, California in 1956, the company, now headquartered in San Francisco, has grown from net sales of \$44.5 million ten years ago to \$528 million in fiscal year ended January, 1995.

In 1972, Williams-Sonoma's first direct mail effort, *A Catalog For Cooks*, convinced consumers nationwide that they could expect to receive the highest quality merchandise through the mail. The catalog introduced customers to professional cooking equipment, cutlery, tabletop, linens and imported foods previously available only at the original Williams-Sonoma shop in San Francisco. Since that time, four distinct home furnishings catalogs have been added to Williams-Sonoma's mail order business: *Hold Everything*, for home organization and storage; *Gardeners Eden*, for garden living indoors and out; *Pottery Barn*, contemporary designs for home decor; and *Chambers*, furnishings for bed and bath. The mailing list for *A Catalog For Cooks* was comprised of 5,000 names in 1972. By the end of 1994, the company was mailing a total of over 100 million catalogs annually for the five concepts.

The 80's proved to be a time of rapid growth for Williams-Sonoma's mail order businesses as sales went from \$5 million to almost \$100 million by the end of the decade. Between 1990 and 1992 however, mail order sales were flat leveling off at \$112 million, signaling a need for change. The company took steps to re-energize the business with the introduction of new merchandising strategies and new catalog designs. Production on all of the catalogs was brought in-house in 1992, a decision that gave the company more creative control and the ability to better manage costs. The *Catalog For Cooks* was changed from digest size to a full size catalog in early 1994 following test marketing.

On the marketing side, Williams-Sonoma developed systems that helped it to more efficiently prospect for new customers. In addition, the buying habits of both the mail order and retail customers were tracked for the first time which helped the company identify its best customers, and allowed them to further refine their mailing strategies. Results from these and other creative and marketing changes have been very positive. The *Pottery Barn* catalog has doubled its sales over the past two fiscal years, and within that same time period, the overall mail order business also doubled. Williams-Sonoma ended 1994 with mail order sales in excess of \$200 million.

The retail side of the business, now consisting of over 200 stores including Williams-Sonoma, *Hold Everything* and *Pottery Barn*, has also seen extensive changes and growth. In 1992, Chuck Williams in collaboration with Time-Life, published the first four books in the Williams-Sonoma Kitchen Library Series - a set of single subject cookbooks that are full of simple recipes illustrated by beautiful color photographs. The series has grown to 24 titles and is distributed throughout the USA as well as other countries. The company expects that over 5 million copies will have been sold worldwide by the Fall of 1995.

In 1994, Williams-Sonoma, Inc. launched new store formats for both Williams-Sonoma and Pottery Barn. The new Williams-Sonoma Grande Cuisine stores offer customers an interactive shopping experience with an educational twist. Additional square footage, a professional demonstration kitchen showcasing visiting chefs and an improved and expanded cookbook library are just a few of the stores' new features. In addition, there is a tasting bar where customers can sample all of the vinegars and olive oils including those that are flavor infused such as the garlic, rosemary and basil. A modified food hall, modeled after those in Europe, has been incorporated into each new store which features various high-quality food items including the company's growing line of private label products.

Pottery Barn's new store format also features increased square footage (10,000 square feet on average, about three times the size of most existing stores) and offers many categories of merchandise that were previously available only through the catalog. At the heart of each new Pottery Barn is a "design studio" where customers can tailor their selections of furniture, fabrics, window treatments and floor coverings. It all evolves around a work table that serves as a resource center with leather binders that contain information on furniture quality and care, instructions on how to measure and install window treatments and design tips for customizing a living space. A lighting gallery with a selection of contemporary desk, table and floor lamps is another of the stores' new features. An exclusive addition to the stores is the "Interior Finishings" shop that carries the full line of "Paint Magic" by Jocasta Innes. Customers can learn how to refinish furniture and create different wall treatments by using faux finishes, paint washes and stencils.

To ensure rapid distribution of goods to retail stores and mail-order customers, the company developed a highly-automated, state-of-the-art distribution center in Memphis, Tennessee. This site was chosen because of its central location within the United States and its proximity to Federal Express. The center comprises over 750,000 square feet on a 70-acre site. An additional 300,000 square feet are now under construction.

Williams-Sonoma's response to the economy of the '90s has been vigorous. By continuing to open retail stores -- often clustering the three concepts to capitalize on an advantageous location -- and revitalizing its merchandising across all divisions, the company maintains a unique position as both a specialty retailer and cataloger. The catalogs provide the only advertising for its stores, which in turn broaden consumer interest through their visibility. Williams-Sonoma's success demonstrates the American consumer's insistence on value and integrity.

February, 1995

WILLIAMS-SONOMA, INC. TIME LINE

- 1956 - Chuck Williams opens Williams-Sonoma in Sonoma, California
- 1958 - Store moves to downtown San Francisco, Sutter Street
- 1972 - First catalog mailed to 10,000 customers
- 1973 - Beverly Hills store opens with several others following
- 1978 - Howard Lester and Jay McMahan purchase Williams-Sonoma
- 1982 - Gardener's Eden catalog purchased
- 1983 - First mailing of Hold Everything catalog
Williams-Sonoma goes public - NASDAQ
- 1984 - 450,000-square-ft. distribution center opens in Memphis, Tennessee
- 1985 - First Hold Everything store opens in Northern California
- 1986 - 26 Pottery Barn stores purchased from The Gap
- 1987 - First mailing of Pottery Barn catalog
- 1988 - Williams-Sonoma flagship store opens on Post Street, San Francisco
First Williams-Sonoma store opens in Japan - Tokyo
- 1989 - First mailing of Chambers catalog
First mailing of Japanese Williams-Sonoma catalog
2nd store opens in Japan - Tokyo
Sutter Street shop closes
- 1990 - Ground breaking for second fully-automated distribution center in Memphis
Five Japanese stores open - Hiroshima, Sapporo, three more in Tokyo
Williams-Sonoma, Inc. acquires California Closet Company, Inc.
- 1991 - Outlet Center opens in New York City
307,000-square-ft. distribution center expansion complete
Nationally-linked, computerized bridal registry put into effect in all
Williams-Sonoma stores
Two more Japanese stores open - Himeji and Nagano
- 1992 - Release of first four books of the Williams-Sonoma Kitchen Library Series
Chuck Williams receives first annual "Retailer Of The Year" award at
the San Francisco Gourmet Products show
- 1993 - Release of Vol. II and III of the Williams-Sonoma Kitchen Library Series
Two more Japanese stores open - Takarazuka and Funabashi
First two Grande Cuisine stores open in Southern California
Release of *Festive Occasions Cookbook*
Release of *Chuck Williams' Thanksgiving and Christmas*
211 stores operating - 115 Williams-Sonoma, 59 Pottery Barn, 37 Hold Everything

CHARLES E. WILLIAMS

Memorandum on store location, June 19, 1975

While our thoughts are on expanding and improvement of sales I believe the time has come for me to express some of my views on what I think Williams-Sonoma is all about. Here are some of my ideas on the principles behind it, the reasons for its success, the kind of people who make up the clientele and my opinions on shop locations.

First, we are a highly specialized store, selling mainly only what pertains to cooking and serving real food.

Success has come through an honest belief in what we are doing: selling quality merchandise and knowing what it is for, how to use it and how to take care of it. By giving as much courtesy and service as is humanly possible and by keeping an attractive store clean and well stocked (and displayed) with regular as well as new merchandise.

Our basic customers are a group in the middle and upper levels: a small but trend-setting (powerful) number of people who recognize and want quality in everything. They are not necessarily rich but they have built-in good taste. They are well informed, they entertain and travel a great deal and somehow Williams-Sonoma has a big message for them.

Next, location. In order to draw this trade, the shop must be in a neighborhood frequented by these people in the regular pattern of their routines. Witness Sutter Street and North Rodeo Drive.

Store location being a number one issue right now, I would like

to give some of my views on what I think we should concern ourselves. While I admit my lack of knowledge on shopping centers, malls, plazas and all types of group units I do realize they all need a steady flow of traffic passing through. The law of averages is going to assure a certain amount of business from so much volume. I am aware that there are different types of shopping centers catering to various degrees of taste and affluence. I feel we are in the odd position of appealing to such a small percentage of the general public who shop in these places that we would not really be getting full value from such an investment.

I think people seek their own level in where they live as well as where they shop and eat out in restaurants. I am sure there are vast sections of a city where everyone shops at the May Company or Penny's: why else would a whole area have only a Sears? No doubt that in a place, say like Newport Beach, there would be a great many people who would understand Williams-Sonoma but would there be enough? The people who have settled there have a common desire to be on the water, own a boat, entertain, etc. but that does not necessarily mean they are interested in the kind of cooking we are selling. Naturally everyone cooks, but not all require our type of equipment. Quality does not enter into it and for the most part, the cheapest will do.

My idea of a location is to be where the right shops are getting the right people. Beverly Hills is attracting not only Beverly Hills but Brentwood, Bel Air, Malibu, Westwood, West Los Angeles and Pasadena. San Francisco pulls in Pacific Heights, Hillsborough and the deep peninsula, Piedmont and the best of Marin. As for out-of-state people and mail orders we have always found that our customers are from the best parts of cities and suburbs. The East Side of New York, not the Bronx. The Hamptons, not Levittown. We have always had business from Grosse Pointe and very little, if any from Detroit.

Through the years we have had hundreds of people from all over the country become not only good customers but good friends and the cry has always been "when are you going to open a shop in our town?" And they mean it! They say they have shops selling bits and pieces but nowhere to go for a real selection of basic merchandise where they can get intelligent answers and knowledgeable advice. These are people from New York, New England, Dallas, St. Louis, New Orleans, Denver. They are talking about shopping areas such as Michigan Avenue in Chicago, Worth Avenue in Palm Beach, a spot in Cleveland, Atlanta, Washington D.C., Houston. Williams-Sonoma could be the one and only top kitchen shop in New York but it would have to be in the area of East 57th Street or Madison Avenue.

Serious consideration by all concerned should be given to shop location so that our services can be offered to a maximum of people who really want and need us.

My feelings about Williams-Sonoma are so strong I can't help but feel I have a pretty good idea of what makes it what it is. On the other hand, I may be wrong. Perhaps shopping trends have changed so that my ideas are no longer valid.

If so, here at least is my view, for what it's worth.

June 19, 1975

Entrepreneur®

BIRTH TO BILLIONS

Out Of The Frying Pan, Into The Fire

THE CAPTAIN OF COOKWARE

BY BOB WEINSTEIN

Williams-Sonoma

Thirty-three years ago, Charles E. Williams was running a classy little kitchenware store in Sonoma, California, that earned him a comfortable living. Today, Williams is heralded as the founder of a merchandising and retail empire, Williams-Sonoma Inc., that includes a thriving mail order business and 133 retail outlets around the world.

The man who made the kitchen chic: Charles Williams' kitchenware stores are cooking up millions of dollars in sales.

Though he is credited with revolutionizing the retail kitchen and tabletop industry, no one is more surprised

by the phenomenal success of the company than Williams himself.

Williams, 74, calls himself a simple man with average pleasures. He loves to cook and enjoys quiet living. He also candidly admits that he is neither an entrepreneur nor an extraordinary businessman. Was it luck or a mere throw of the dice that created a corporation that racked up sales of \$174.1 million for the fiscal year ending January 1989? Perhaps it was a combination of Williams' creative talent and the shrewd business foresight of Howard Lester, 54, the company's chairman and CEO. And it wasn't simple luck that brought this successful pair together, but a couple of bad busi-

ness decisions on Williams' part.

In 1956, Williams had everything he wanted. He owned a small houseware specialty shop in Sonoma, which he fondly dubbed Williams-Sonoma, after the quiet California town. Two years later, he moved the shop to San Francisco. From the moment it opened, Williams-Sonoma attracted a loyal following. It wasn't hard to figure out why. Each pot, pan, and cookware item was meticulously purchased by Williams himself. Initially, he bought traditional pre-World-War-II cookware locally, but it wasn't long before he was making annual buying trips to France and selling French knives, cutlery, bowls, and kitchen gadgetry

never before seen in this country.

Williams' unique shop not only attracted the attention of Californians, but it also drew gourmet chefs and cooking enthusiasts from all over the country. Business was so brisk that Williams was taken by surprise. Insisting that no one understood his business better than he did, he handled everything himself. Delegate was not a word in Williams' vocabulary. In addition to buying all the merchandise, he built the shelves, wrapped the packages, fixed the plumbing, swept and mopped the floor, and dusted the merchandise.

"I was just doing something I liked," says Williams matter-of-factly. "I had no grand plan, and I never looked beyond tomorrow." His houseware business grew strictly through word-of-mouth, which eventually brought him favorable publicity from national publications like *House & Garden*.

In 1972, Williams took the advice of his friend Eddie Marcus, the son of the founder of Neiman Marcus, and initiator of the Neiman Marcus catalog, who suggested he incorporate and expand. Williams decided the best way to reach potential customers throughout the United States was a mail order catalog; so that year, the company's flagship catalog, *A Catalog for Cooks*, was launched and mailed to more than 10,000 people. Meanwhile, Williams opened a second Williams-Sonoma store in Beverly Hills.

ON THE BRINK OF DISASTER

Business accelerated until 1977, when Williams encountered hard times and nearly lost the retail and mail order enterprise he had literally built with his own hands. He made some classic mistakes—the kind that have plummeted thousands of businesses into bankruptcy. He hired an unqualified executive to run the company, expanded too rapidly by opening four stores in California and one in Dallas and borrowed too much money.

Looking back on that traumatic year, Williams is still infuriated and saddened by the disturbing realization that no matter how solid your business, one bad year is all it takes to wipe you out. Enter Howard Lester, a re-

tired software entrepreneur who was looking for a new business venture to sink his teeth into. Though Williams-Sonoma was a far cry from his past experience marketing software packages, Lester was intrigued by the company's long-term possibilities. The firm had two things working in its favor: Williams' reputation and a growing catalog business. The downside was its disastrous financial situation. What had once been a \$4 million company was on the verge of bankruptcy. Williams owed the banks \$700,000, and had a net worth of only \$200,000.

So in 1978, Lester and a partner, Jay McMahan, bought the business for \$100,000, thinking it could earn \$300,000 to \$400,000 a year at first and perhaps \$5 million in sales eventually. But even Lester, who had a reputation as a savvy and accomplished entrepreneur, underestimated the company's potential.

"I would like to say I had a grand vision for the company," Lester says candidly, "but I didn't at the very beginning. When I looked at the firm closely, however, I realized that it had incredible potential. There were 7,000 individually owned [kitchenware] shops around the country, but there was no national retailer that was in the business in a big way. The department stores and catalogs like Crate & Barrel compete with us, but there isn't a lot of direct competition. Our customers are specialty store customers."

Once Lester got the lay of the land, he began to position the company for the 1990s, with hopes of building a \$500 million company by 1994. "I wanted Williams-Sonoma to be the dominant supplier of home goods in America through specialty stores and mail order," says Lester. The foundation for growth was already in place.

Williams' *A Catalog for Cooks* was an institution among serious cooks nationwide, and his image as "the man who made the kitchen chic" was rock-solid. Williams-Sonoma's customers looked to Williams for merchandise that was functional and timeless, rather than fashionable and trendy.

From the moment Williams relinquished control of the business that he

had built from the ground up, it was clear what role each man would play in the development of the million-dollar company. "I ran the business; Chuck did the buying," says Lester. "We made a deal: I wouldn't pick any goods and he wouldn't hire anyone." The arrangement worked. Today, Williams oversees *A Catalog for Cooks*, buys the merchandise, and makes sure the stores are properly stocked. Others run the business.

MAIL ORDER MADNESS

In 1983, Williams-Sonoma went public, and has been aggressively diversifying under Lester's direction ever since. Six months after Lester bought the company, he hired Patrick J. Connolly as vice president of mail order. The 43-year-old Stanford MBA had already put in 10 years with a New York City mail order company.

The mission at hand was crystal clear to Lester. While the gourmet cookware market offered promise and continued profits, it couldn't support the kind of growth the senior executive envisioned. Lester feared that rapid and aggressive expansion could lead to oversaturation and dilution of the special Williams-Sonoma image.

The solution that would lead to improved earnings seemed obvious to Lester and his senior executives: diversity. "We saw that, for the next 20 years, the home was the place where the action was going to be," he explains, "and we didn't see any retailer dominating the houseware field."

Lester reasoned that the same opportunity that existed in the kitchen existed in the rest of the home as well. It was a risky and costly move. But with a mailing list of approximately 3.5 million people who were likely to buy home furnishings, the company was operating from a position of marketing strength.

Embarking upon a new mail order business is not recommended for businesspeople with weak stomachs, says Connolly, who cautions that if you're counting on instant profits, you're in for a rude awakening. "Most [mail order] companies that have been successful try to break even in their third year," he says. The start-up costs for a new mail order venture are between

\$3 million and \$6 million; and the overhead costs, which include photography, copywriting and printing, are about the same whether you're mailing 500,000 catalogs or 1 million. And, of course, all of the above is contingent upon picking the right markets.

Connolly adds that it's three times as expensive to get into the mail order business as it was a decade ago. An essential key to making a mail order and retail operation work together is a commitment from the chief executive. "Howard Lester is interested in both [aspects of the business]," Connolly says.

No matter how much you think you know about your customers, identifying a new market can never be more than an educated guess. So far, Connolly and Lester have proven that they certainly have the Midas touch. They felt the purchase of the *Gardener's Eden* catalog in 1982 was justified, after market research studies indicated that gardening was the country's number-one leisure activity. When the storage and organization craze was in full swing, Williams-Sonoma launched the *Hold Everything* catalog in 1984, and then the first Hold Everything retail store the following year. Today, there are 12 Hold Everything stores; the venture has been a success both as a mail order catalog and as a retail operation.

Then in 1986, Williams-Sonoma bought the lifestyle home furnishing chain Pottery Barn, with 24 stores, and released a *Pottery Barn* catalog; in 1987, they opened a Williams-Sonoma store in Japan; and finally, in 1989, they started *Chambers*, a bed-and-bath catalog.

Each venture paid off. For the 1988 fiscal year, Williams-Sonoma had revenues of approximately \$105 million; *Gardener's Eden*, about \$14 million; *Hold Everything*, about \$30 million; and *Pottery Barn*, approximately \$25 million.

SAVVY STRATEGIES

Connolly designs a mail order campaign with the studied precision of a military strategist launching a full-scale invasion. He uses the same expertise and strategy the company employed in the kitchenware market

and adapts it to new product concepts.

By now, Connolly feels he has a pretty good idea of who the Williams-Sonoma customer is. According to company-generated market surveys, the average customer is female; 35 years of age, or older; lives in the large metropolitan areas of the New England, mid-Atlantic, and Pacific states; and enjoys foreign travel. Forty-six percent of Williams-Sonoma customers have incomes exceeding \$50,000, and their occupations range from professional, technical and management positions to homemaker, self-employed or retired.

Along with studies of potential new markets, the company's starting point for new mail order businesses is typically the Williams-Sonoma mailing list, which Connolly uses to identify potential new customers. When the company was considering purchasing *Gardener's Eden*, for example Connolly cross-checked the two firms' mailing lists and learned that a number of customers in the *Gardener's Eden* file were also in Williams-Sonoma's, confirming market reports that Williams-Sonoma's customers were interested in gardening.

Naturally, Williams-Sonoma's customer base grows as the company develops each new retail concept. As an illustration, while the initial *Hold Everything* catalogs were mailed to established Williams-Sonoma customers, the catalog also brought in new people, many of whom became Williams-Sonoma customers. Through a process of "cross-fertilization," Connolly says, the company increases its business with existing customers, while at the same time expanding into new markets.

This year, Lester says the company will spend \$20 million to mail some 75 million catalogs. The payoff will be about \$100 million in sales. The tricky part, according to Connolly, is melding retail and catalog businesses. "It is not easy running both together," he says. Connolly's strategy is to launch a mail order catalog first, then follow up with a retail store. "Catalogs give you the opportunity to test new products and new markets for the stores," he contends. Combine mail order and retail, and you have maxi-

mum market penetration. While it is impossible to gauge whether a new market will be successful, Williams-Sonoma has learned how to analyze its mail order business, thus minimizing the risk of retail operation.

"Catalogs give you reach," says Connolly. "We have customers in practically every ZIP code in the United States. But we don't dominate a market until we open stores there." When the company opened a store in Seattle in 1988, for example, it lost about \$10,000—nearly 30 percent of the mail order volume. However, the store still did over \$1 million the first year. The rule of thumb, according to Connolly, is that for every \$1 lost in the mail order business, the company picks up roughly \$7 to \$10 in retail sales.

While some of Williams-Sonoma's best stores are almost as profitable as the company's mail order business, mail order typically has better operating margins. The all-important sales ratio between mail order and retail, however, is classified information, says Connolly.

Williams-Sonoma's mail order business runs like a well-oiled machine. While the returns in mail order can be enormous, Connolly warns that it's a complex business with a high failure rate. "Most people expand too quickly and use up their capital," he says. "It's a business that involves a long learning process. There are hundreds of catalogs on the market, but they're all different. A lot of the merchandise is the same, but most of them are positioned differently." Connolly's advice for fledgling mail order businesses: "Since it is impossible to project how well you're going to do in the beginning [of your venture], start small and be willing to lose money up front."

At the moment, Williams-Sonoma is strategically positioned to maintain its current markets and add new ones. Over the past two years, the company's net earnings have grown by more than 55 percent. For the 1990 fiscal year, revenues for Williams-Sonoma are pegged at a conservative \$215 million, according to the company's chief financial officer, Jim Riley. "Our goal is to increase store sales by 25 percent a

year and to increase earnings by a significantly higher rate," Riley explains.

THEY'VE GOT WHAT IT TAKES

What does it take to launch a successful mail order and retail business? Williams and Lester hold different opinions on this crucial question. Lester feels that part of the success equation depends upon flexible goals. "Success is a journey, not a destination," he says. "The goals we had in 1980 are different than the ones we have today. As you go along, you have to be ready to bend and move with the times."

Bob Weinstein is a New York City writer, the author of eight books, and a frequent contributor to national magazines and newspapers.

It's also important to know your personal limitations, according to Lester. "I could not have made Williams-Sonoma the success it is today all by myself. Chuck Williams put the business in place. So by the time I entered the picture, Williams-Sonoma was just waiting for someone who had the knowledge and courage to move the company forward."

Williams takes a different tack, contending that it's a definite mistake for an entrepreneur to think he can cater to all types of customers. "First, you have to isolate the people you want to target as customers, and then buy merchandise for the business with them in mind," Williams says. "Second, you can't buy merchandise that you don't care strongly about. After all, it is foolish for someone to start a

kitchenware business without being interested in cooking."

Along with an understanding of your product and markets, Lester adds, a strong, resilient ego is essential for success in any field. Last, but not least, he says most successful people share one thing in common: a strong commitment to success. "No matter how rough things get, [success-oriented] people won't let themselves or their businesses fail." ■

"We saw that, for the next 20 years, the home was the place where all the action was going to be."

*Reprinted with permission
Entrepreneur Magazine
December 1989*

Forbes

At a time when many catalog merchants are flagging, Williams-Sonoma is going strong. What does it do that's different?

Preserving the magic

By Fleming Meeks

THERE'S SOMETHING invariably disappointing about visiting a retail store run by one of your favorite catalog merchants. The selection of gadgets and tools that seemed so broad and inventive in the Sharper Image or Brookstone catalog looks a bit ordinary when you see the same selection on display racks. The magic somehow disappears.

Williams-Sonoma, Inc. has managed to preserve the magic in its retail stores. The San Francisco-based merchant is best known for its Catalog for Cooks, which carries 300 or so items, from ostrich feather dusters for \$27.50 to \$285 toasters. But the 90 Williams-Sonoma stores are not mere duplicates of the catalog; each carries 3,000 items, far more than are in the catalog—things like custom-built French stoves at \$16,000 a copy.

Williams-Sonoma owns four other mail-order businesses: Pottery Barn, Hold Everything, Gardener's Eden and Chambers. Pottery Barn and Hold Everything also have retail stores. In each case, the catalog carries only carefully edited versions of their retail stores.

It's a hodgepodge, but it works. Most of the country's retailers were taking big markdowns at Christmas. But Williams-Sonoma saw same-store sales rise 9% in December over the previous year, with no erosion of margins. Its revenues for the fiscal year ended Feb. 3 probably hit \$285 million, up 31%. Marcia Aaron, a retailing analyst at Montgomery Securities, expects the company to turn in earnings of \$12 million—equal to \$1.15

on each of its 11 million o-t-c-traded shares. The company's stock market value has grown, in fits and starts, from around \$60 million, when it went public in 1983, to almost \$220 million (recent price, 19 $\frac{7}{8}$).

It all started in 1956, when self-taught carpenter and hardware store proprietor Charles Williams replaced the hammers and saws in his Sonoma, Calif. store with baguette pans and omelette pans he'd picked up while traveling in France. Two years later he moved his shop to fashionable Sutter Street in San Francisco, where it prospered. Then in 1972 Edward Marcus (of the Neiman Marcus clan) bought a third of the company and began opening new stores. But four years later Marcus died.

While Williams was a fine merchandiser, he was a financial innocent. He had no idea how to manage his way out of the \$700,000 debt load that the \$4 million (1978 revenues) company had taken on.

In 1978 he decided to sell out. The buyer was W. Howard Lester. A lanky Oklahoman who had worked as a data processing salesman for IBM and then started and sold a series of computer service firms, Lester was snooping around for a new company to keep him busy. In late 1978 he and a partner paid \$100,000 for Williams-Sonoma. Now 75, Williams still heads up the company's flagship Catalog for Cooks, but he's no longer running the company.

To handle mail order, Lester recruited Patrick Connolly, who had created a mail-order sporting goods catalog for Hanover Direct. Williams-Sonoma's mail-order business took

off. By 1982 revenues were up to \$35 million. Lester was now ready to open more stores, but he needed capital. In 1983 Goldman, Sachs & Co. sold 39% of the company to the public for \$23 million. It was one of those rare initial public offerings that make money for the public. One hundred shares bought for \$2,300 in the offering are now worth \$6,700.

In 1983 Lester brought out Hold Everything, a new catalog of home-organization products—cedar sweater boxes, clothing racks, closet bags and the like. It was a perfect product for an era when a consumer spending boom would fill America's closets and bureau drawers to overflowing. Two dozen Hold Everything stores currently generate \$16 million in revenues, and the catalog should bring in \$30 million.

In 1986 Lester paid the Gap \$6 million in cash for Pottery Barn, a moneylosing household accessories retailer with 26 stores in New York and Los Angeles. No surprise, he



Chuck Williams at his Sonoma, Calif. store (1956)

Out went hammers, in came baguette pans.

soon created a catalog. In four years, Pottery Barn's revenues have nearly trebled: \$30 million from the stores, \$17 million from the catalog.

A catalog of gardening supplies and outdoor furniture, Gardener's Eden, acquired for \$40,000 in 1982, should add \$18 million to last year's sales. Two Gardener's Eden stores were tested a few years ago but were later closed when the business proved too seasonal to support their overhead.

What's the secret of success for this company in a crowded field? Sonoma's secret lies in the fact that its highly automated mailing lists make it a kind of mini American Express. Its database of 4.5 million customers now tracks up to 150 different pieces of information per customer. With a few simple keystrokes, the company can tell you what you've bought from each of its five catalogs (an estimated 60% of customers have bought from more than one), what time of the year

you tend to buy, how often you buy, what category of merchandise you lean toward, and so on and so forth.

Through a complex cross-referencing of the data, Williams-Sonoma's two full-time statisticians are able to project, to plus or minus 5% accuracy on average, each catalog's sales. The database is also used to tell the company the most promising locations for new stores.

In the spring of 1989 Williams-Sonoma introduced the Chambers catalog, which sells everything from soaps and slippers to \$800 bedsheets and \$1,125 mirrors. Here again the statisticians led the fight, combing the company's mailing lists for customers most likely to order bed and bath products. The Chambers catalog turned a profit on its first mailing. Last year Chambers produced revenues of \$10 million. This year Lester will test market a Chambers retail store.

The cross-fertilization possibilities

seem endless. Last May, Lester acquired California Closet Co. (*FORBES*, May 30, 1988), a nine-year-old closet remodeling company, for stock then worth a little over \$9 million. Lester figures on promoting the new acquisition's services through the Hold Everything catalogs and stores.

Lester, now 55 and sitting on almost \$30 million of Williams-Sonoma stock, is now broadening top management—perhaps aware that the company is getting too big to be a one-man show. Two years ago he hired Kent Larson, 51, as president. Larson's credentials: 23 years at Pillsbury, where he last ran the company's \$2-billion-plus U.S. food operations. Says Larson: "At Pillsbury, we always used to talk about entrepreneurs and entrepreneurial spirit. We never really knew what the hell that meant." So what does the term mean? It means having fun, Larson replies. "We've got a fun business here." ■

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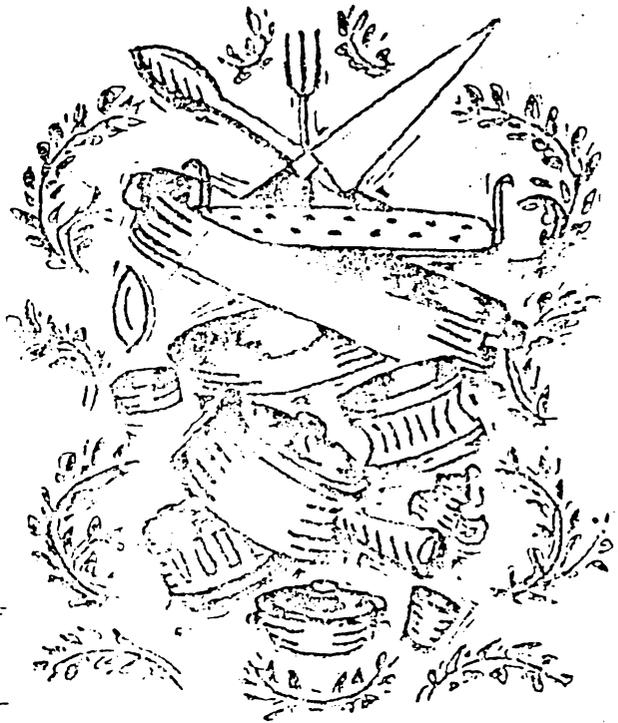
WILLIAMS - SONOMA
KITCHEN BAZAAR

576 SUTTER ST. • SAN FRANCISCO
YUKON 2-0295

PURVEYORS OF ARTICLES
for
THE PREPARATION AND SERVING
OF FINE FOODS

Williams-Sonoma's first ventures into the catalog business began in the 1960s with small mailers, such as this one (partial xerox), that listed cookware and other items available for sale. The company did not fully commit itself to mail order until 1971, when Jackie Mallorca wrote the first Catalog for Cooks. Illustrated with photographs of food and cookware, the catalog enticed readers with recipes and fuller product descriptions. The catalog was originally photographed in black and white, but quickly switched to color, ultimately garnering numerous design awards. Since its creation, the catalog has broadened its original focus on high-quality cookware into many new directions which have propelled trends in entertaining, outdoor grilling, the consumption of new foods, and the cooking of ethnic cuisines.

WILLIAMS
SONOMA
KITCHEN BAZAAR



PURVEYORS OF ARTICLES
FOR
THE PREPARATION
AND SERVING OF
FINE FOOD

576 SUTTER STREET
SAN FRANCISCO

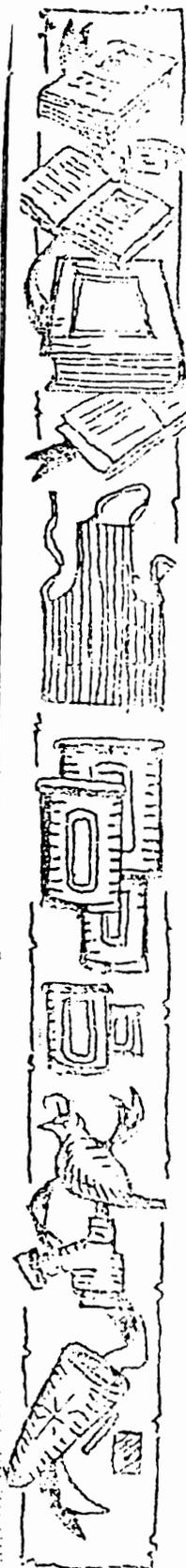
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 2"30
 2 1/2"35
 2 1/2"35
 3"40
 3"45
 3"65

Ocufs en Gelee or Oval Timbale.
 2 1/2"35
 3"40

Brioche
 Fluted Plain
 2"10
 2 1/4"10
 2 1/2"10
 3"15
 3 1/4"15
 3 1/2"15
 2"10
 2 1/4"10
 2 1/2"15
 3"25
 3 1/4"25
 3 1/2"30

Tart Tin, Round.
 Fluted Plain
 3 1/4"10
 3 1/2"15
 2 1/2"15
 2 3/4"20
 3"20
 3 1/4"25
 3 1/2"25
 3 3/4"30
 4"35
 4"40

Tart Tin, Square - Plain
 2"15
 2 1/4"20
 2 1/2"25
 2 3/4"30

Tart Tin, Barquette Shape.
 Fluted Plain
 4"10
 4 1/2"10
 4 3/4"15
 4"15
 4"15
 4 1/2"15
 4 3/4"20
 6"50

Savarin, Plain - Ring
 2 1/2"20
 3 1/4"25
 4"35
Cornet de Jambon35
Cornet a la Creme20

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Madeines
 20 forms on each. 1 1/2" 2.50
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 3" 2.50
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Walnuts.
 12 forms 1 1/2" 2.85

Langue de Chat.
 12 forms 2 3/4" 1.35
 10 forms 3 1/4" 1.25



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