

House of Fraser

Brief summary of company history

The Early Years

The company was founded in 1849, when partners Hugh Fraser and James Arthur opened a small drapery shop on the corner of Argyle Street/Buchanan Street, Glasgow. The business premises required extensive alteration to create a new access point from Buchanan Street.

Hugh Fraser was born in 1815, the son of a Dunbartonshire farmer. He was apprenticed to Stewart & McDonald Ltd, a well-known and respected Glasgow drapery warehouse, where he rose to the position of warehouse manager before deciding to go into business with Arthur. Fraser was a popular figure at Stewart & McDonalds and many of his customers followed him when Arthur & Fraser began trading.

The background of James Arthur was slightly different to Fraser in that he had previously owned a retail drapery business in Paisley, near Glasgow. However after the opening of Arthur & Fraser he appointed a manager to oversee the Paisley business in order to concentrate his attention fully on the Arthur & Fraser store.

Arthur & Fraser quickly expanded the business and established a wholesale trade in adjoining premises in Argyle Street. In 1856 the wholesale business moved to a larger site in Miller Street, Glasgow and it became a separate part of the company, being given the name Arthur & Co. Meanwhile the retail side of the business expanded into the vacant buildings left by the movement of the wholesale side.

At this time the partners chose to devote their attention to the development of the wholesale trade, appointing Thomas Kirkpatrick to manage the retail side. Kirkpatrick left after a few years in charge, to be replaced by Alexander McLaren. In 1865 tensions began to surface between Fraser and Arthur and the partnership was dissolved. Fraser assumed control of the retail business while Arthur took control of the wholesale business. From 1865 Fraser managed the store in partnership with Alexander McLaren, and the business was renamed Fraser & McLaren.

Fraser & Sons

Hugh Fraser (the first) died in 1873 and under the terms of his will each of his five sons was given the chance to purchase a share in the business for the sum of 8,000 GBP. The three eldest sons, James, John and Hugh, eventually did so, although all were minors when their father died, so the trustees watched after their interests until they came of age. When old enough, James and John Fraser, initially with Alexander McLaren and later with John Towers as managing partners, directed the business, which was now called Fraser & Sons. In 1891 Hugh also joined the partnership.

By the turn of the century Hugh had assumed effective control, forming a private company, Fraser & Sons Ltd in 1909. The new company saw the introduction of the now famous stag's head emblem which was to represent the Fraser name for nearly eighty years.

Growth and Expansion

Hugh Fraser II was an excellent businessman and he consolidated the company's position. His son Hugh Fraser III, who took over the company after the death of his father in 1927, wanted to build on the strong base his father had left and undertake ambitious expansion for the company.

Hugh Fraser III was born in 1903 and initially started to train as an accountant after leaving school. He was though, eager to enter the family business and joined Fraser & Sons at the age of eighteen. He soon began to open new departments and he also enlarged the tearoom and opened a restaurant to try and increase business. In 1924 he was appointed managing director and on the death of his father he became chairman of the company. The next few years were a difficult time in Britain as an economic recession took a grip on the country. At a time when most companies were reducing staff and expenses, Fraser recognised the need to invest for the future. He extended and improved the store in Buchanan Street and then began to look at the possible acquisition of other retail businesses.

In 1936 Fraser purchased Arnott & Co Ltd and its neighbour Robert Simpson & Sons Ltd in nearby Argyle Street, merging the companies to help improve trade. The start of expansion in 1936 was to develop to such an extent that between 1936 and 1985 over seventy companies, not including their subsidiaries would come under the Fraser umbrella.

1950's Until 1970's

When the company, now named House of Fraser, went public in 1948, it already comprised sixteen different Scottish branches. It was not until 1951, when the company purchased McDonalds Ltd, ironically where Hugh Fraser I had completed his apprenticeship, that they had an outlet in England. Although McDonalds Ltd was a Scottish company it also had a branch in Harrogate. Fraser then purchased the Scottish Drapery Corporation in 1952, shortly followed by the acquisition of the Sunderland based Binns group of stores.

The financial tactics of Fraser were astute. He appreciated that a store's major assets lay in stock and goodwill, so he sold the property sites to insurance companies, leasing them back for long terms at advantageous rates. This enabled the release of capital for the purchase of new premises and the modernisation of existing stores. In 1957 the Kensington store group of John Barker & Co Ltd was acquired and two years later the prestigious Harrods Group also joined the company. Fraser was granted the title Lord Fraser of Allander in 1963, for his generous philanthropy and services to Scottish tourism. Lord Fraser passed away three years later in 1966. Sir Hugh Fraser, who succeeded his father as head of the company, resumed the expansion of the company in 1969 with the takeover of J J Allen Ltd, a Bournemouth based group.

During the 1970's the House of Fraser Group acquired more companies including: T Baird & Sons Ltd of Scotland, Switzer & Co. Ltd, Dublin, Erie and E Dingle & Co. Ltd, Chiesmans Ltd, Hide & Co and the Army & Navy Stores in South England, as well as a number of independent stores with good trading prospects. During the decade over fifty stores joined the group and in 1975 seven regional divisions were formed; Scottish, Binns, Midland, Dingles, Army & Navy, Harrods and Chiesmans. Although each division had its own head office, management services and buyers, overall direction was still provided from Glasgow.

1980's

The early 1980's were difficult years with an economic recession and fierce competition in the high street, compounded by the LONRHO Group's attempt to intervene in the running of the company's affairs. In 1981 Professor Roland Smith replaced Sir Hugh Fraser as chairman. A takeover bid by LONRHO was referred to the Monopolies and Mergers Commission and declared to be contrary to the public interest. The growth of the company continued through this time of uncertainty with four brand new stores opening between 1980 and 1984.

In 1984, in compliance with new company law the group became, House of Fraser plc. The company had strengthened its involvement in other areas other than department stores and fashion retailing with the growth of Astral sports and Wylie & Lochhead(Funerals), also the launch of YOU cosmetics and jewellery shops and the purchase in 1985, of Turnbull & Asser Holdings Ltd, shirt makers of Jermyn Street, London and Kurt Geiger Holdings Ltd, shoe retailers.

Developments during the 1980s included the introduction of 'Lifestyle' merchandise ranges to attract younger customers and a huge investment in store refurbishment nationwide. In 1983 the Frasercard, valid at all stores and administered from 10 Buchanan Street, Glasgow, was introduced to replace the existing charge accounts for customers.

Late 1980's and 1990's

In March 1985, House of Fraser was purchased by the Al Fayed family in a 615 million GBP deal. The Al Fayed family owned important international shipping, oil, banking and property businesses and supported the continuing expansion of the company and the introduction of a new corporate identity. In 1985 the stag's head logo of the company was replaced by a stag leaping from a triangle. Harder times were to come in the 1990's as some stores were closed, with a substantial loss of staff.

In 1994 House of Fraser went public, but Harrods was kept under the private ownership of the Al Fayed family. John Coleman was appointed as chief executive of the House of Fraser Group in 1996. In difficult times the company closed more stores and cut nearly 1,000 staff. The company started to move direction into high-margin private label brands aimed at 'fashion lovers, smart career movers, and quality classics'. House of Fraser launched its Linea brand in 1997 and Platinum and Fraser the following year.

The new change in direction by the company worked with profitability being achieved by 1998. House of Fraser set up BL Fraser, a 50-50 joint venture with the British Land Company, in 1999 to buy 15 House of Fraser stores that would continue to be operated by House of Fraser. The company added to its private-label brands in 2000 with House of Fraser womenswear, The Collection menswear, and a Linea Home line.

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