

Aaron Montgomery Ward Biography

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Biography

American merchant Aaron Montgomery Ward (1843-1913) helped create mail-order merchandising and built the large mail-order house which bears his name.

Born in Chatham, N.Y., A. Montgomery Ward moved to Niles, Mich., with his parents. He went to work at 14 in a barrel factory and later in a brickyard. He worked in the Chicago store that became Marshall Field; then he was a travelling salesman for a wholesale dry-goods house.

Aware of farmers' criticism of the high prices at country stores and their condemnation of what they considered exorbitant middlemen's profits, Ward conceived the idea of founding a mail-order house that would cut the cost of sales by purchasing direct from manufacturers and selling direct to retail purchasers. All transactions would be for cash, thereby eliminating the costs country storekeepers incurred by selling on credit. Ward also inaugurated the policy of allowing purchasers to return, without cost, goods they considered unacceptable.

Ward and his partner started their business with only a \$2,400 stock of goods housed in a loft and displayed in a one-page catalog, but the enterprise was immediately successful. The 1876 catalog had 150 pages, and annual sales reached \$1 million by 1888. At the time of Ward's death, annual sales were \$40 million. There were several reasons for his great success, including his intimate knowledge of farmers' desires and the prices they would pay, his ability to get lower prices from manufacturers by volume purchasing, and the confidence customers gained by the return guaranty. He was fortunate in obtaining the support of the Farmers' National Grange, so he could advertise as "The Original Grange Supply House."

But Ward's career had its stormy aspects. Competition with Sears, Roebuck was brisk, and Sears passed the Ward company in annual volume of sales in 1902. Also, conflict with country storekeepers was continuous and bitter. Storekeepers, regarding mail-order houses as a grave threat, tried a variety of expedients to curtail their operations, including holding large ceremonies where mail-order catalogs were burned. Ward fought back by sending displays throughout the Midwest and by trumpeting his conviction that mail order had saved farmers millions by forcing country stores to lower prices.

Retiring from active management in 1901, Ward undertook much expensive litigation to preserve Chicago's lake front as a park and guard it against commercial encroachment. After his death his wife gave about \$8.5 million to Northwestern University.