

OUTLET STORE



52-b-9

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- An outlet store or factory outlet is a brick and mortar or online store in which manufacturers sell their stock directly to the public, cutting out the middle-men. Traditionally, a factory outlet was a store attached to a factory or warehouse, sometimes allowing customers to watch the production process such as in the original L.L. Bean store.



- In modern usage, outlet stores are typically manufacturer-branded stores such as Gap or Bon Worth grouped together in outlet malls. The invention of the factory outlet store is often credited to Harold Alfond, founder of the Dexter Shoe Company.



- Outlets first appeared in the Eastern United States in the 1930s. Factory stores started to offer damaged or excess goods to employees at a low price. In 1936, Anderson-Little (a men's clothing brand) opened an outlet store independent of its existing factories. Until the 1970s, the primary purpose of outlet stores was to dispose of excess or damaged goods.



In 1974, Vanity Fair opened up the first multi-store outlet center in Reading, Pennsylvania. Throughout the 1980s and 1990s, outlet malls grew rapidly in the USA.



- The average outlet mall has an area of 216,000 feet.[1] In 2003, outlet malls in the USA generated \$15 billion in revenue from 260 stores.



- The number of US malls increased from 113 in 1988 to 276 in 1991 and to 325 in 1997 and 472 in 2013.



- Outlet malls are not an exclusively American phenomenon. In Europe, retailer BAA McArthurGlen has opened 13 malls with over 1,200 stores and 3 million square feet (about 30 hectares) of retail space. Stores have also been emerging in Japan since the mid to late 1990s.



- At factory outlets, the products sold are from one brand only. Manufacturers who sell only their own products at a reduced price run factory outlets. On the other hand, retailers run outlet stores, and various brands are sold there.



- Factory outlets have been around longer than outlet stores and were typically built next to the factories where the products were manufactured.