

RETAIL

## Saks comparable sales down 4.6pc in Q3

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*Image courtesy of Saks Fifth Avenue*

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By STAFF REPORTS

Hudson's Bay Company, the parent of Saks Fifth Avenue, has revised its outlook for 2016 as sales have not improved as expected in the third quarter.

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In the quarter which ended Oct. 29, the retail group's consolidated sales measured at constant exchange rates were down 3.6 percent, whereas in 2015 they experienced growth of 2 percent. A bright spot, HBC's digital sales were up 5.4 percent at constant exchange rates.

### Uncertain environment

HBC is anticipating that its sales growth in 2016 will be flat or in the low single digits. The retail company noted the uncertainty and the fact that sales have not picked up so far in the second half of the fiscal year.

In addition to hitting HBC's mainline banner Saks, the company's off-price outlets Gilt and Saks Off 5th experienced a comparable sales decrease of 8.4 percent.



*Image courtesy of Saks*

"The apparel retail environment continued to be challenging through the third quarter," said Jerry Storch, CEO of HBC, in a statement. "We remain optimistic about this year's upcoming extended holiday season following last year's tough fourth quarter which was impacted by warm weather, and are focused on executing our all channel strategy for long term growth and increased profitability.

"We continue to invest in our operations both in-store and online and recently completed the installation of a highly innovative, best in class robotic fulfillment system in our Toronto Distribution Center, which will support our growing digital business in Canada," he said. "Our investments in technology are continuing to pay off, with digital sales up across all of our department store banners.

"We believe that HBC is well positioned heading into the holiday season and we are excited about the offerings we have for our customers across all our banners and geographies."

HBC has looked to innovate retail, both with the acquisition of pure-play ecommerce platform Gilt and key hires.

Last month, the retail group hired Ed Burstell as its new head of partnerships, tasking him with creating collaborations between its banners and brands. Mr. Burstell comes to HBC from Liberty of London, with a track record of exclusives that helped drive revenue growth for the British retailer ([see story](#)).