

RETAIL

## Saks sales grow in Q3 thanks to omnichannel strategy

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*Exterior of Saks Fifth Avenue. Image credit: Saks Fifth Avenue*

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By STAFF REPORTS

Department store chain Saks Fifth Avenue's comparable sales rose 7.3 percent in the third quarter, helped by its investments in omnichannel selling.

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This marks Saks' sixth consecutive quarter of growth, as its luxury mainline stores outperformed its Saks Off 5th outlets, which saw comparable sales decline 2.3 percent. Saks' parent Hudson's Bay Company saw group-wide sales grow, but reported a net loss for the quarter.

### Retail results

Saks has been making moves both in-store and online that have helped drive its growth.

Its flagship store on Fifth Avenue in New York is undergoing renovations, including the relocation of its beauty and jewelry departments off the ground floor to allow for a more private shopping atmosphere. In their place will be accessories ([see story](#)).

The renovations to the first floor began during the quarter, and are expected to be complete by February. HBC notes that sales at this store have fallen during the quarter due to the renovations, and it expects to also see a dip in the fourth quarter.



Saks' new beauty concept is one of the many ways beauty retailers and brands leveraging new trends. Image credit: Saks

Saks has also opened up cross-channel selling to its store associates, allowing them to complete transactions both in bricks-and-mortar and online.

HBC's total revenues for the quarter were \$1.634 billion, a rise of 5.6 percent year-over-year.

The company is looking to raise its profitability by joining forces with German retailer Karstadt.

HBC is partnering with retail real estate firm Signa Retail Holdings, signing a 50-50 joint venture for HBC's German real estate holdings, including Galeria Kaufhof and other banners. HBC's sales were up slightly in the first quarter of the year, but it continues to make strategic moves to boost its financial growth ([see story](#)).

"While we are optimistic about the progress and opportunities that lie ahead for HBC, we recognize there is more work to be done to further generate growth and greater profitability," said Helena Foulkes, CEO of HBC, in a statement. "We are driving our retail performance with a firm emphasis on fixing the fundamentals and improving our omnichannel customer experience."

The company is planning to use its earnings to pay off debts. However, some investors are still pushing for more progress.

HBC is facing pressure from its investor Land & Buildings to sell the luxury retailer to boost its share price.

In a letter signed by Land & Buildings' founder and CIO Jonathan Litt sent to shareholders, the investor argues that HBC's shares are undervalued, calling for measures to create shareholder value. Land & Buildings has previously taken on HBC over its real estate holdings, and it has renewed its push to sell Saks' flagship in New York as part of its latest statement ([see story](#)).