

RETAIL

## Saks comparable sales up 2.4pc in Q1

June 13, 2019



*Saks Fifth Avenue's innovative store design. Image credit: Saks*

By STAFF REPORTS

Department store chain Saks Fifth Avenue's flagship revamp and its elevation strategy helped the retailer achieve growth in the first quarter of its fiscal year.

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Saks' comparable sales were up 2.4 percent year-over-year in the quarter ended May 4, and its stacked two-year comp was 8.4 percent. The retailer's parent Hudson's Bay Company is currently undergoing a strategy to drive more growth through a plan that includes leveraging the group's real estate assets and the potential of Saks.

### Rethinking retail

Earlier this year, Saks opened its new ground floor at its Fifth Avenue flagship store. Originally occupied by the beauty department, the first level now centers on handbags ([see story](#)).

This summer, a new men's shoe department will open, and Saks will be unveiling a new jewelry shopping experience this fall.

This reconfiguration has helped to drive traffic to Saks' key store.

HBC reports that Saks' growth was strong across channels and categories, as a number of its peers saw declining sales.

Among the strategies that the retailer is implementing is high-touch service. In the digital era, this includes sales associates using social media to engage with clientele.



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

"Saks Fifth Avenue's commitment to the luxury customer continues to payoff with widespread sales increases across key merchandise categories and locations, as well as among our top customers," said Helena Foulkes, CEO of HBC, in a statement. "Our New York City clients have embraced the flagship's new main floor, which redefines the luxury shopping experience with a one-of-a-kind handbag assortment featuring exclusive products and brands only available through Saks."

Off-price retailer Saks Off 5th also saw comparable sales growth of 4.4 percent.

Across HBC, comparable sales were up 0.3 percent to 2.1 billion Canadian dollars, or \$1.6 billion.

For the quarter, HBC's gross profits were down by 48 million Canadian dollars, about \$36 million, but its operating expenses were reduced by 54 million Canadian dollars, helping to offset the decline.

Hudson's Bay Company is reorganizing its business structure, as it sells off a joint venture project and looks into the possibility of going private.

HBC has agreed to sell its remaining European real estate and divest its related joint venture for \$1.13 billion to focus on growth in North America. In addition, the group has formed a special committee of independent directors to review a proposal for privatization from a shareholder group ([see story](#)).

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