

RETAIL

HBC sales boosted by digital after Lord & Taylor sale

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Digital sales for HBC jumped almost 20 percent. Image credit: Saks Fifth Avenue

By STAFF REPORTS

Retail group Hudson's Bay Company is reporting a 19 percent year-over-year increase in digital sales for the second quarter of 2019 as it continues to focus on Saks Fifth Avenue and Hudson's Bay.

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For the quarter ended Aug. 3, HBC's revenues totaled 1.9 billion Canadian dollars, or \$1.4 billion. Since the retail group agreed to sell Lord & Taylor during the third quarter, its performance was not included in the published results.

"We continue to concentrate on controlling the controllables' serving our customers and lowering expenses and inventory while making strategic investments for our future," said Helena Foulkes, CEO at HBC, in a statement. "While we've progressed in simplifying the business and strengthening operations, the second quarter demonstrates that we are still in the early stages of what HBC can become.

"Our digital performance was a standout with a sharp increase in growth as our changes in strategy, people and infrastructure are paying off," she said. "With the Lord & Taylor sale agreement, our focus is now squarely on Saks Fifth Avenue and Hudson's Bay businesses that have the greatest potential for HBC amid the consolidating industry."

Digital boost

Last month, it was announced that rental company Le Tote is acquiring Lord & Taylor from Hudson's Bay Company.

With the deal, Le Tote is acquiring all of Lord & Taylor's intellectual property and will assume operation of all of the retailer's 38 stores, digital channels and inventory. HBC and its real estate joint venture HBS Global Properties will retain ownership of Lord & Taylor's owned properties ([see story](#)).



Exterior of Saks Fifth Avenue, owned by HBC. Image credit: Saks Fifth Avenue

Now free to concentrate on Saks and Hudson's Bay, the retail group's revenues were propelled by online growth as overall comparable sales dipped 0.4 percent.

For the ninth straight quarter, Saks Fifth Avenue's comparable sales grew. However, the rate of growth was a modest 0.6 percent, with men's, women's ready-to-wear, handbags and beauty as the strongest performing categories.

Off-price retailer Saks Off 5th also saw comparable sales growth at 3.4 percent as it closes stores and repositions itself to a buying, marketing and service model.

"Saks Fifth Avenue has been posting quarter-after-quarter of industry-leading sales growth by focusing on its New Luxury' strategy, which includes merchandise and experiences that can only be found through Saks," Ms. Foulkes said. "The second quarter was bolstered by strong sales through the Fifth Avenue Club, our personal shopping service available in every store, and an acceleration in digital growth."

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