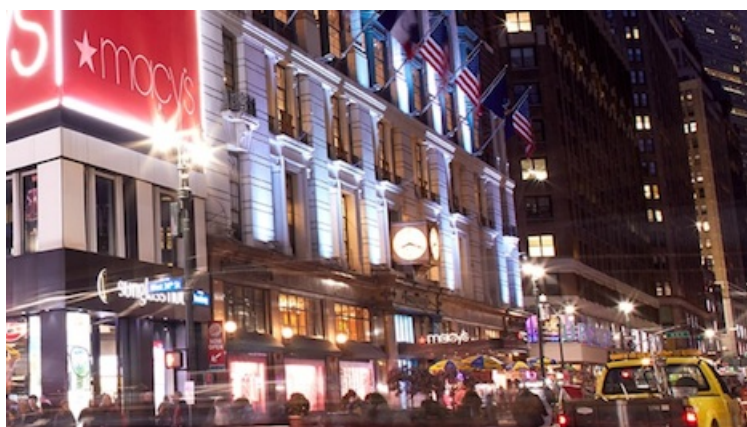


RETAIL

Macy's sees slowing sales activity in Q2, adjusts forecast

August 23, 2022



Macy's saw underwhelming sales activity, but remains positive with luxury performance. Image credit: Macy's

By LUXURY DAILY NEWS SERVICE

U.S. retail corporation Macy's Inc., owner of department store Bloomingdale's, is reporting a 1.6 percent decrease in sales year-over-year, from \$5.65 billion in 2021 to \$5.6 billion in 2022.

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Despite the overall dip in retail activity compared to 2021, the quarterly earnings reflect a 4.4 percent increase compared to the pre-pandemic period in 2019. In the luxury corner, Bloomingdale's saw some success with an 8.8 percent increase in sales compared to the same period in 2021 and 4 million active customers shopping the brand.

"During the second quarter, we delivered solid results, despite the challenging environment," said Jeff Gennette, chairman and CEO of Macy's, Inc., in a statement. "Our teams have consistently responded to the dynamic landscape with disciplined, data-driven actions to ensure the health and stability of our business.

"Despite inflationary pressures, consumers continued to shop Macy's as a style source and leading gifting destination," he said. "Bloomingdale's and Bluemercury captured demand for luxury brands, resulting in both nameplates outperforming in the quarter."

Quarter breakdown

Macy's digital sales decreased by 5 percent y-o-y but increased by 37 percent compared to the second quarter of 2019. Digital represented 30 percent of net sales, a 2 percent decline from the second quarter of 2021, but an 8 percent increase from 2019.

By brand, Macy's retail store saw a 2.9 percent decrease in sales, with 43.9 million active customers shopping the Macy's brand on a trailing 12-month basis a 7 percent increase compared to 2021.



Bloomingdale's launched a small-format store Bloomie's in summer 2021. Image credit: Bloomingdale's

The retailer's Star Rewards program members made up approximately 70 percent of the total Macy's brand-owned-plus-licensed sales on a trailing twelve-month basis, up about 5 percent compared to 2021.

Macy's saw strong activity in occasion-based categories, including career and tailored sportswear, fragrances, shoes, dresses and luggage.

Bloomingdale's increase in sales was primarily driven by strength across women's, men's and kid's contemporary and dressy apparel and luggage.

The retailer is also celebrating 150 years of business this year and revealed celebratory plans to kick off the anniversary campaign during New York Fashion Week this month, beginning with the annual Harper's Bazaar "Icons" party.

It will also host several special events with designers, celebrities, immersive activations and exclusive merchandise ([see story](#)).

Bluemercury saw a 7.6 percent increase in sales, with nearly 700,000 active customers shopping the brand.

The group's gross margin for the quarter was 38.9 percent, down from 40.6 percent in the second quarter of 2021. Its merchandise margin decline was driven by a year-over-year increase in permanent markdowns within the Macy's brand, primarily driven by pandemic-related categories, seasonal goods and private brand merchandise.