

Year in Review

# Top Stories of 2024

With Covid and inflation in the rear-view mirror and a dock strike averted, 2024 was a year like any other. Businesses failed, retailers merged, doors closed, executives were replaced, tech ruled and, as in previous years, Kroger and Albertson's tried to get their merger approved.

By Steve Kaufman, Contributing Writer

## WELCOME BACK TO THE MALL, BUT NOT Y'ALL

Even as the retail cemetery is littered with companies who failed to veer from their mall identities, a mid-year report from *The New York Times* notes that "demand for retail outstrips supply." The article specifies that surviving properties have "signed up tenants that would draw more shoppers and give them more reason to linger. That meant more restaurants and venues that promote cultural and recreational experiences, less space for traditional retailers that weren't performing as well, like bookstores and apparel brands." A Cushman & Wakefield executive told the *Times*, "We are seeing some of the most productive occupancy recorded in the last 10 years."

## NO AYE FOR AI

Retail reels when revenue falls and stores close. But want to touch the industry's touchiest nerve? A mid-year survey from Retail Systems Research, "Why the Retail Store Won't Survive the Tech-Free Zone," says, "87 percent of customers surveyed said they're not getting the same access to product information in the store that they get in the digital world," and 50 percent of respondents said they'd abandoned a potential purchase because they couldn't find sufficient information about the product. With Gen Z demanding so much more and Alpha looming, it's disheartening to think retailers may not be keeping up.



Illustrations by Danielle Sy

## KICK IT, CHARLIE BROWN

The embattled arc of grocery giant Kroger's attempt to merge with grocery giant Albertson's seems like an endless loop of the Charlie Brown-Lucy place kick kerfuffle. Each time the companies thought their \$25 billion, 4400-store merger agreement was about to pass muster, somebody – the FTC, eight state attorneys general, Washington, D.C. – pulled back the football, crying, "Antitrust!" The retailers' most recent concession involved a third party, New Hampshire-based C&S Wholesale Grocers, which has agreed to purchase 579 stores involved in the deal. Does this satisfy regulators? A court in Colorado has yet to decide as of this issue's publication date.



## THE NEXT CHAPTER IS 11

Retailers in bankruptcy: It has become almost a rite of every new year. This year, it's been Red Lobster, which gave shrimp away endlessly – right to the end; Big Lots, closing stores all over the country; LL Flooring, the former Lumber Liquidators; Express, which never recovered from the mall devolution; Rue 21, one of many still hung over after Covid; JoAnn Fabrics, by the dreaded troika – mounting debt, declining sales and increased competition; and the Body Shop U.S., though this was a Chapter 7 filing.



Paul Pizzini 1949-2024

## IN MEMORIAM

Sadly, industry pioneers left their positions in quieter ways this year. Among those who passed away in 2024: Leonard Riggio, pioneering Founder of the Barnes & Noble empire; Bruce Nordstrom, influential co-leader of his family's retail kingdom; Mike Ullman, leader of both Macy's and JCPenney, and Chair of the Starbucks board; George Martin, Founder of Patina-V, the mannequin and visuals company; and Paul Pizzini, former Creative Director at Miller Zell and President/Chair of the Atlanta/Southeast Chapter of the Retail Design Institute.







JUST DO IT, AGAIN

The Nike board of directors announced the October return of Elliott Hill as President and CEO. Hill had spent 32 years at Nike before retiring in 2020. Hill's previous 12-year Nike leadership included the company's most explosive growth as a brand and as a retailer. Previous President and CEO John Donahoe hit a goal of \$50 billion in annual sales. So what's wrong? "Nike focused on reliably popular retro styles under Donahoe's tenure, alienating athletes and sneaker fans looking for something new," said the hometown Portland *Oregonian*. Not exactly the Nike running lane.

THANKS. YOU'RE FIRED.

The hottest seats in retail organizations became fiery cauldrons in 2024:

1. In February, Tony Spring was named Macy's newest CEO. He had been CEO at Bloomingdale's. Among his challenges was heading off investors seeking to take the company private.



2. In May, Banana Republic CEO Sandra Stangl was ousted. She had come from a home goods background, and critics say she chose the wrong time to divert the retailer's focus from apparel to home goods.

3. In August, Starbucks announced Chairman and CEO Laxman Narasimhan was out, and Brian Niccol of Chipotle was in. Among the coffee retailer's problems were slumping sales, closed stores, boycotts, collective bargaining issues and some impatient stockholder groups.



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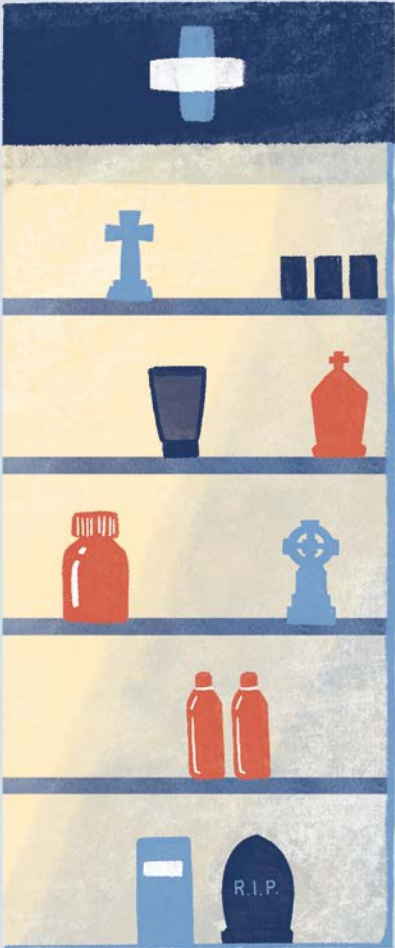


## SORRY, THIS SALE IS PRIVATE

In September, Nordstrom confirmed what had been a springtime rumor: The Nordstrom family offered \$3.8 billion to bring the store group back into its own hands. In 1971, after 70 years in business, the Seattle-based retailer took the company onto Nasdaq. To finance this new deal, CEO Erik and President Peter Nordstrom have pooled the family finances with Mexico-based retail and real estate conglomerate El Puerto de Liverpool. Once retail's golden child, Nordstrom's revenues have fallen off this year, and its stock price also fell recently.

## WHAT A GORGEOUS COUPLE

The windows. The fashion. Those cheekbones. After a century-old retail rivalry, Neiman Marcus and Saks Fifth Avenue settled their differences and announced a (\$2.65 billion) merger – under Saks Fifth Avenue's parent company, HBC. Golden merchandise is still displayed in the aisles, though the gilt is off the rows. But for those who still crave fashionable stores from the 1980s, the newly formed Saks Global Group will include Saks, Neiman's and Bergdorf Goodman. That's more than a rich portfolio. It's a 1950s *Look* magazine cover.



## DAYS OF THE LIVING DEAD

A corner drugstore on every corner? Ah, the memories. CVS is on a path to close around 900 stores, including dozens residing in Target stores. Walgreens will close 1200 locations over the next three years. Rite-Aid is in bankruptcy and rapidly closing what's left of its doors. In their wake: a plethora of empty big-box drugstore spaces. *The New York Times* called them "zombie pharmacies," which, in that metropolitan area, have also included nearly 200 shuttered Duane Reade stores. Big boxes with no tenants. Need an Excedrin after reading this? Try Amazon. ▶



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