

Department Stores

Key Takeaways

- Consumers remained discerning with spending and focused on value.
- Traditional operators continued to largely cede market share to off-price and online.
- Higher tariffs add to headwinds already facing the sector.

	Comps	Sales (millions)	YOY Sales % Change	E-Comm % Growth	E-Comm % of Sales	Quarter-End Date
U.S.						
Burlington Stores	0.0%	\$2,500.1	6.1%	N/A	N/A	5/3/2025
Dillard's	-1.0%	\$1,528.9	-1.3%	N/A	N/A	5/3/2025
Kohl's	-3.9%	\$3,049.0	-4.1%	-7.7%	24.0%	5/3/2025
Macy's	-1.2%	\$4,599.0	-5.1%	N/A	32.0%	5/3/2025
Ross Stores	0.0%	\$4,985.0	2.6%	N/A	N/A	5/3/2025
TJX Companies	3.0%	\$13,111.0	5.1%	N/A	N/A	5/3/2025
Average	-0.5%		0.6%	-7.7%	28.0%	

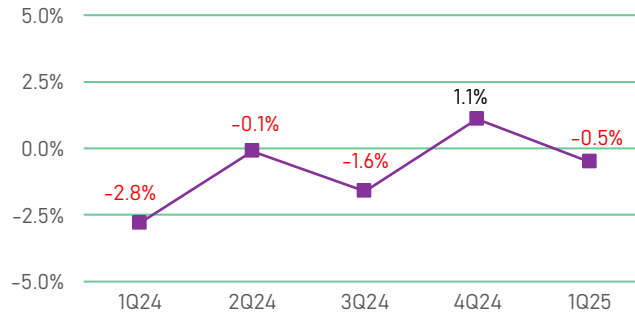
Department store retailers posted mixed results in 1Q25, as off-price formats continued to outperform traditional operators, driven by sustained preference from value-conscious consumers. TJX and Burlington reported strong sales growth of 5.1% and 6.1%, respectively, while Ross posted a more modest 2.6% increase. Sales gains were primarily driven by new store openings, as all three retailers continue to expand rapidly, with comps flat for Burlington and Ross, and up 3% for TJX. With shoppers prioritizing price and pulling back on discretionary spending, the off-price model remains well-positioned, benefiting from lean inventories and a flexible sourcing strategy that helps mitigate tariff exposure.

Macy's reported a 5.1% decline in sales, driven by lower comparable sales and planned store closures at the Macy's banner. In contrast, its upscale Bloomingdale's and beauty Bluemercury banners posted positive comps of 3.8% and 1.5%, respectively.

Kohl's, still navigating a protracted turnaround and ongoing executive turnover, delivered another quarter of declining sales and comps. Its FY25 outlook points to continued sales and margin erosion, as the Company begins its search for a fourth CEO in as many years. JCPenney also reported lower sales, though profitability improved due to cost-cutting efforts, which is clearly not a long-term strategy for sustained profitability. Both Kohl's and JCPenney have closed underperforming stores, with further reductions likely.

The sector continues to grapple with a range of pressures, including shifting consumer behavior, the rise of digital and off-price competitors, and strategic restructurings. Tariff-related uncertainty remains a key overhang, especially as the latest August 1 deadline looms. With little progress since "Liberation Day," the risk of tariffs rising above the current 10% universal rate persists.

Department Stores Average Quarterly Comps



For questions or analytical support, please call:

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2025 Seasonally Adjusted Retail Sales (Monthly % Change Year-Over-Year) Source: U.S. Census				Upcoming Comparative Periods		
	Apr'25	May'25	Jun'25	Jul'24	Aug'24	Sep'24
Total Retail Sales	4.8%	3.5%	3.9%	3.0%	1.9%	2.0%
Retail Sales Ex Auto	4.0%	3.7%	3.3%	3.4%	2.2%	2.5%
Retail Sales Ex Auto and Gas	5.2%	4.7%	4.1%	3.6%	3.2%	4.1%
By Category:						
Furniture & home furnishings	7.7%	5.9%	4.5%	-0.7%	-1.0%	2.5%
Electronics & appliance	-0.2%	-2.1%	-0.2%	3.7%	-0.6%	-4.9%
Building materials, garden equip. & supplies	1.9%	-0.3%	-1.1%	0.3%	-0.3%	1.4%
Food & beverage stores	2.6%	2.3%	2.5%	2.8%	1.6%	2.6%
Grocery stores	2.8%	2.5%	2.7%	2.8%	1.5%	2.5%
Health & personal care	8.6%	7.9%	8.3%	6.3%	4.5%	7.1%
Gasoline stations	-7.0%	-5.8%	-4.4%	1.3%	-6.7%	-10.7%
Clothing & clothing accessories	4.3%	3.4%	3.9%	2.8%	0.3%	2.3%
Sporting goods, hobby, musical instrument & book stores	1.3%	0.7%	1.6%	-7.1%	-3.7%	-2.2%
Footwear	-0.9%	0.4%	TBD	1.2%	-6.5%	-7.6%
General merchandise	2.6%	2.6%	3.2%	2.8%	1.4%	2.6%
Department stores	-3.9%	-2.7%	-3.6%	-4.8%	-6.1%	-3.4%
Nonstore retailers	7.9%	7.6%	4.5%	5.8%	6.6%	7.2%
Food services & drinking places	6.9%	6.2%	6.6%	4.3%	4.2%	4.3%

*Sporting goods figures are not seasonally adjusted

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