

# Hourly Insights Report:

## October 2014

This report is primarily focused on the hourly employment market in North America, giving an overview of key trends, insights and news articles surrounding this sector. Numerous Canadian retailers are expanding their operations while other large counterparts are having to downsize and close under performing stores. Some of Canada's largest names such as Best Buy, Toys "R" Us, Staples, Indigo, Lowes, Sears and Walmart are closing their locations and transitioning to omni-channel initiatives due to their operating losses. On the contrary, the Canadian luxury market is expanding to capture a segment of the cross-border shoppers. According to a recent TD Economics report, Canadians have lower disposable income in comparison which raises the question of sustainability in this segment within Canada. The transition to e-commerce has seen a spike in spending and this is predicted to rise almost 17% this holiday season. Companies such as FedEx and UPS are preparing by hiring as many as 95,000 and 50,000 seasonal employees respectively. Holiday e-commerce sales account for 8.4% of all holiday retail sales.

## Expansion



Muji, a minimalistic Japanese stationary retailer, is expanding into Canada and opening new stores in Vancouver and Toronto by the end of 2015. It currently has 270 stores, with 9 U.S. locations.



Nordstrom recently opened its first location in Calgary's Chinook Centre with 530 new hires. Over the next 3 years, Nordstrom plans to open stores in Ottawa, Vancouver and Toronto.



Target Canada is planning to expand their departments and product offerings. In addition, they will be opening 3 locations in Mississauga, Winnipeg and Ottawa this fall.



Saje, a natural wellness and accessories retailer, is looking to open 8-10 stores by 2015 and 50 new locations by 2018, with their first in Ontario.



Iviva, Lululemon's daughter brand, plans on opening 10 new Canadian stores and 20 additional showrooms by the end of 2014.



Kin's Farm Market plans on opening 3 additional locations in B.C. within the next few months - Kerrisdale, Coquitlam and the West End.



Patagonia plans on opening their first store in Vancouver on West 4th. They specialize in sustainable outdoors apparel and accessories.



Forever 21 has created a sub-brand F21 Red which sells apparel items at a discounted price. F21 Red is coming to Canada with 4 stores by the end of 2015.



Montreal-based clothing retailer, Dynamite, plans to open 41 additional locations within the U.S.



Whole Foods aggressive expansion plan includes adding another 40 new stores and updating 200 existing stores by the end of next year.



Rocky Mountain Soap Company sells toxin-free soaps and personal care products. Currently operating 8 stores, they plan on opening 2 new locations in Metro Vancouver.



Polo Park in Winnipeg has invested in a \$49m expansion, with 23 new retailers opening this month.

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The U.K. shoe company, Clarks, plans to open 37 additional locations in Canada by the end of 2015.



Amazon is opening up 2 pop-up stores in California for the holiday season. 80,000 seasonal hires will be stationed at Amazon's 50 U.S. warehouses and 8 sortation centers.

## Retraction



Holt Renfrew will close their Ottawa and Quebec City locations by early 2015. Their plan is to focus efforts on operating fewer but larger locations.



Guess, the apparel retailer, has closed 50 of their 488 stores in North America.



Canada's XS Cargo was unable to restructure their business and is now liquidating all assets from their 50 locations and have filed for creditor protection.



U.S. parent Staples Inc. to shut down as much as 12% of roughly 1,800 North American stores, closing 15 Canadian locations with plans to downsize others.

## Acquisition



Burger King is in the process of acquiring Tim Hortons for approximately \$11 Billion and moving their headquarters from Miami to Toronto.



Dollar Tree reaffirms commitment to acquire Family Dollar at \$9.7 billion with a potential divesture of as many as 700 stores.

## Downturn



Sears Canada has filed for bankruptcy and has changed CEOs. Sears plans to close 80 stores this fiscal year and potentially retract from the Canadian market.



RadioShack is near filing for bankruptcy, but received a \$590M refinancing deal to help them shuffle their debt and acquire inventory to meet potential demands for the holiday season.



Jacob Inc., a women's clothing retailer, is restructuring to close certain stores and function as a smaller chain to avoid bankruptcy.