

HOURLY NEWS
WUOT

Things Considered

PLAYLIST



wuot 91.9 | 102.7

DONATE



BUSINESS

Retailers Scrambling To Adjust To Changing Consumer Habits

May 2, 2017 · 4:17 PM ET

Heard on All Things Considered



YUKI NOGUCHI

3-Minute Listen

PLAYLIST [Download](#)
[Transcript](#)



J.C. Penney is among several chains that have announced plans to close stores this year.

Mark Lennihan/AP

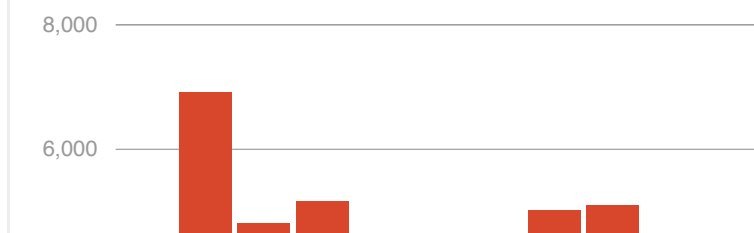
With unemployment low and economic growth expected to bounce back from a slow first quarter, consumers are not in bad shape. But it has been an especially terrible year so far for retailers.

Nine U.S. chains have filed for Chapter 11 bankruptcy protection. Store closures are accelerating, and almost 90,000 retail workers have lost their jobs since October.

RETAIL EMPLOYMENT (GENERAL MERCHANDISE)



RETAIL STORE CLOSINGS



Experts say the industry's troubles are just beginning.

"The disruption is just unfolding," says Mark Cohen, a former CEO of Sears Canada who now directs retail studies at Columbia Business School. "I think the number of store closings will continue at an accelerated pace right through this year into next year."

It's not that consumers are being more cautious. Spending is up, but most of that growth is online. Traditional brick-and-mortar stores are grappling with intense transformation of their business to be more Web-based and trying to reconcile their old business model with one in which profit margins are thinner.

Cohen says retailers typically reassess their businesses after the holiday shopping numbers come in and adjust by closing or reallocating resources. For some big national chains this year, that process is resulting in a bloodbath.

The Limited, BCBG Max Azria and Radio Shack filed for bankruptcy. Retailers have announced plans to close 3,100 stores so far in 2017 — more than all of last year combined. J.C. Penney said it would close an additional 138 stores this year, Sears and its Kmart brand intend to close 150 stores, and Macy's will shut down 100 stores.

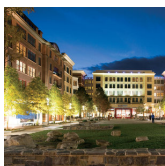
Article continues below

Sign Up For The Planet Money Newsletter

Just the right amount of economics, sent weekly.

SUBSCRIBE

By subscribing, you agree to NPR's terms of use and privacy policy. NPR may share your name and email address with your NPR station. See Details. This site is protected by reCAPTCHA and the Google Privacy Policy and Terms of Service apply.



AMERICA'S CHANGING MALL CULTURE

Here's What's Becoming Of America's Dead Shopping Malls



BUSINESS

Its Survival In Doubt, Sears Struggles To Transform Once Again

There are 1,200 malls in the U.S. — the most ever, according to the International Council of Shopping Centers. Experts agree there is simply too much real estate devoted to retail. Cohen says all but the best-performing malls — which make up roughly a third of those enclosed malls — will have to close or find a new identity. In fact, many are being redeveloped to include office space, apartments, gyms or smaller retail space.

"It's not clear what we're going to look like on the other side when this is all over, if it in fact is ever all over," Cohen says.

BUSINESS

As U.S. Retailers Struggle, The End Is Near For Malls

LISTEN ·
3:59

PLAYLIST

Download

Transcript

Retail is transforming to an "experience economy" featuring stores where customers try things and then order them online, Christopher Leinberger, chair of the Center for Real Estate and Urban Analysis at George Washington University, tells NPR's Robert Siegel.

"It's certainly not the end of retail. Retail always transforms," Leinberger says. "This is a much bigger transformation than we've had in 50, 60 years. The previous big transformation ... was from walkable urban in the early 20th century — the Main Streets — to regional malls. Well, we're going

Matthew Shay, CEO of the National Retail Federation, says historically, changes in retail have happened slowly. Not so today. "The velocity of change is unlike anything we've ever seen," he says. "Before, things happened over a generation; now they're happening overnight."

Shay says retail's workforce needs are shifting, which is why the trade group launched a program offering certification to laid-off workers in January, hoping to retrain them with higher-level skills that are in demand. "They'll be in operations; they'll be in warehousing; they'll be in store management; they'll be in digital," he says.

(The Bureau of Labor Statistics says 89,000 general merchandising workers have been laid off since October, a number that excludes gas, grocery and online sales.)

Marshal Cohen (no relation to Mark Cohen), chief retail analyst for The NPD Group, says brick-and-mortar stores aren't just competing with rivals; their sales are being cannibalized by their own

back now to the 21st century
version of Main Street... ."

online operations, where profit margins are
thinner.

Some retailers, like Bonobos and Warby Parker, that started online are opening stores as showrooms, places where consumers can test their products and then order online. Marshal Cohen says those types of showrooms require a lot less space than a conventional store.

“

The velocity of change is unlike anything we've ever seen. Before, things happened over a generation; now they're happening overnight.

Matthew Shay, CEO of the National Retail Federation

Another big change, he says, is that social media have usurped the mall as the gathering place of choice. Malls are trying to counteract that by building more restaurants and movie theaters, to create places where people want to come to interact.

"We are entering an interesting phase of consumption," Marshal Cohen says. "We're not interested in buying products. What we are doing is building memories."

Some analysts believe some of those who lose their jobs at retail will be absorbed by a growing service sector, like restaurants. But one of the unions that represent some workers says that is not happening.

"That has not been our experience. That's not what we've seen," says Stuart Appelbaum, president of the Retail, Wholesale and Department Store Union.



THE TWO-WAY

RadioShack Files For Bankruptcy. Again

The retail jobs of the future might be in a distribution center, but he says those jobs are typically far away from metropolitan areas where more stores are located and

require different types of skills than those of, say, a cashier.

"There is a lot of stress in being a retail worker today," Appelbaum says. "You worry about e-commerce, you worry about automation, you worry about what's happening with all the retail jobs that are being lost as stores close."

Politicians speak about how to manage job dislocation in coal mining and manufacturing. Now, Appelbaum says, it's time to do the same for retail.

THE TWO-WAY

Macy's To Close Stores, Cut Jobs Amid Weak Holiday Sales

BUSINESS

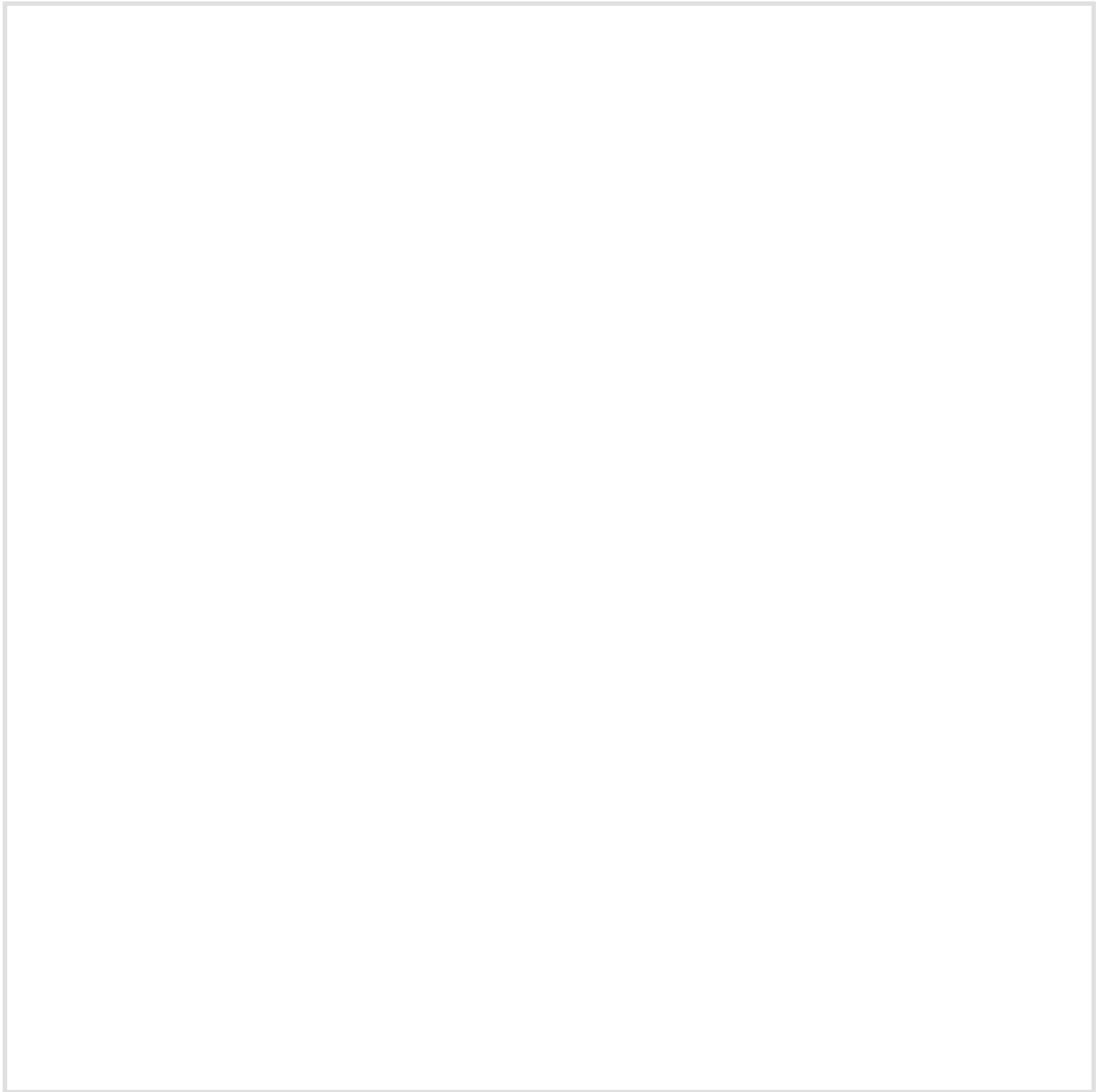
As Their Anchors Sink, Malls Try To Present Retail 'Experience'

THE TWO-WAY

Only 98,000 New Jobs Were Created In March, Labor Department Says

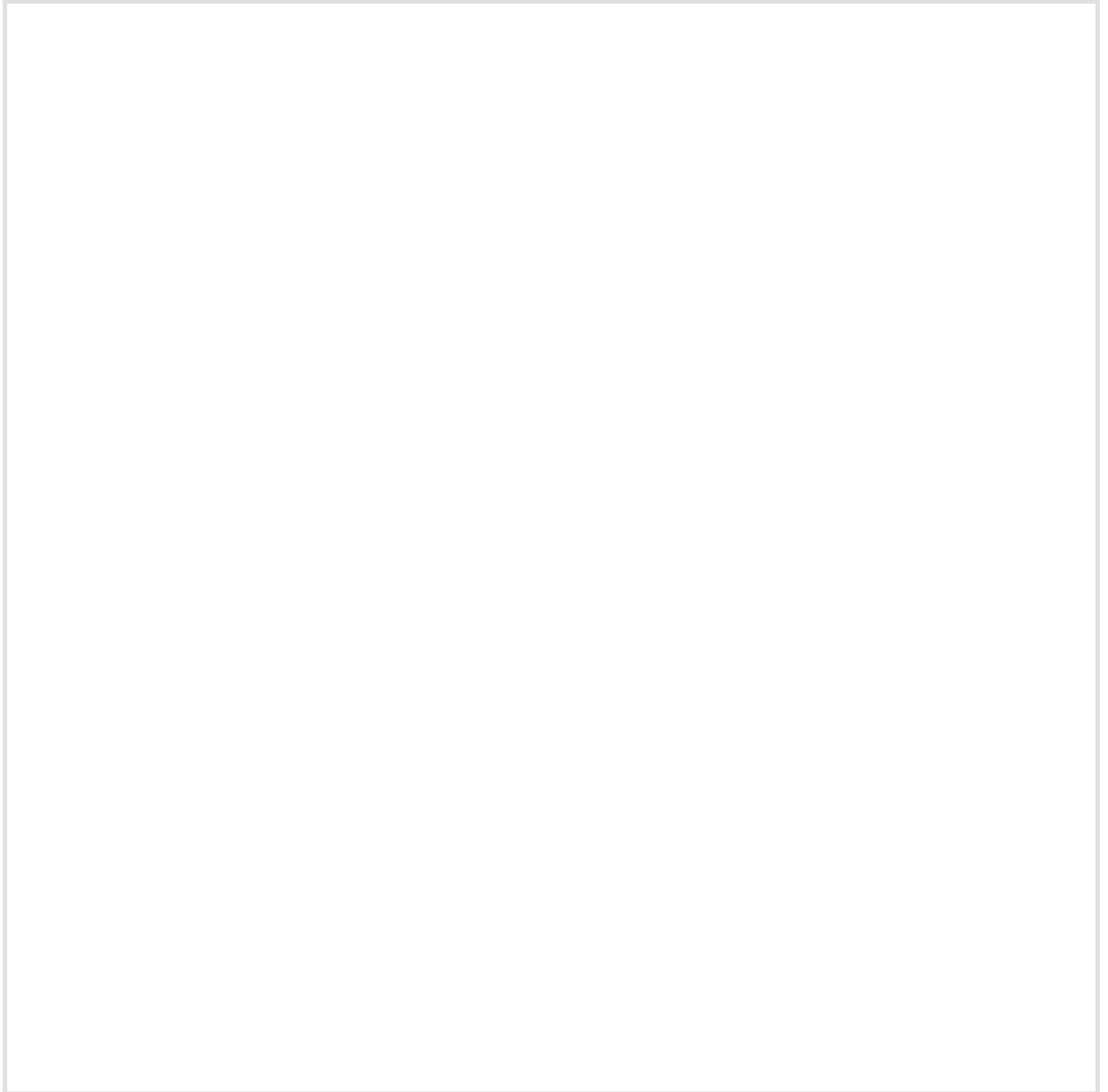
shopping malls retailing

More Stories From NPR



BUSINESS

Coronavirus, Farmworkers And America's Food Supply



TECHNOLOGY

Uber Woos Grubhub, In A Move Lawmaker Calls 'Pandemic Profiteering'



TECHNOLOGY

Apple, Google Coronavirus Tech Won't Track Your Location. That Worries Some States.

ECONOMY

Fed Chief Says More Relief Spending May Be 'Costly, But Worth It'

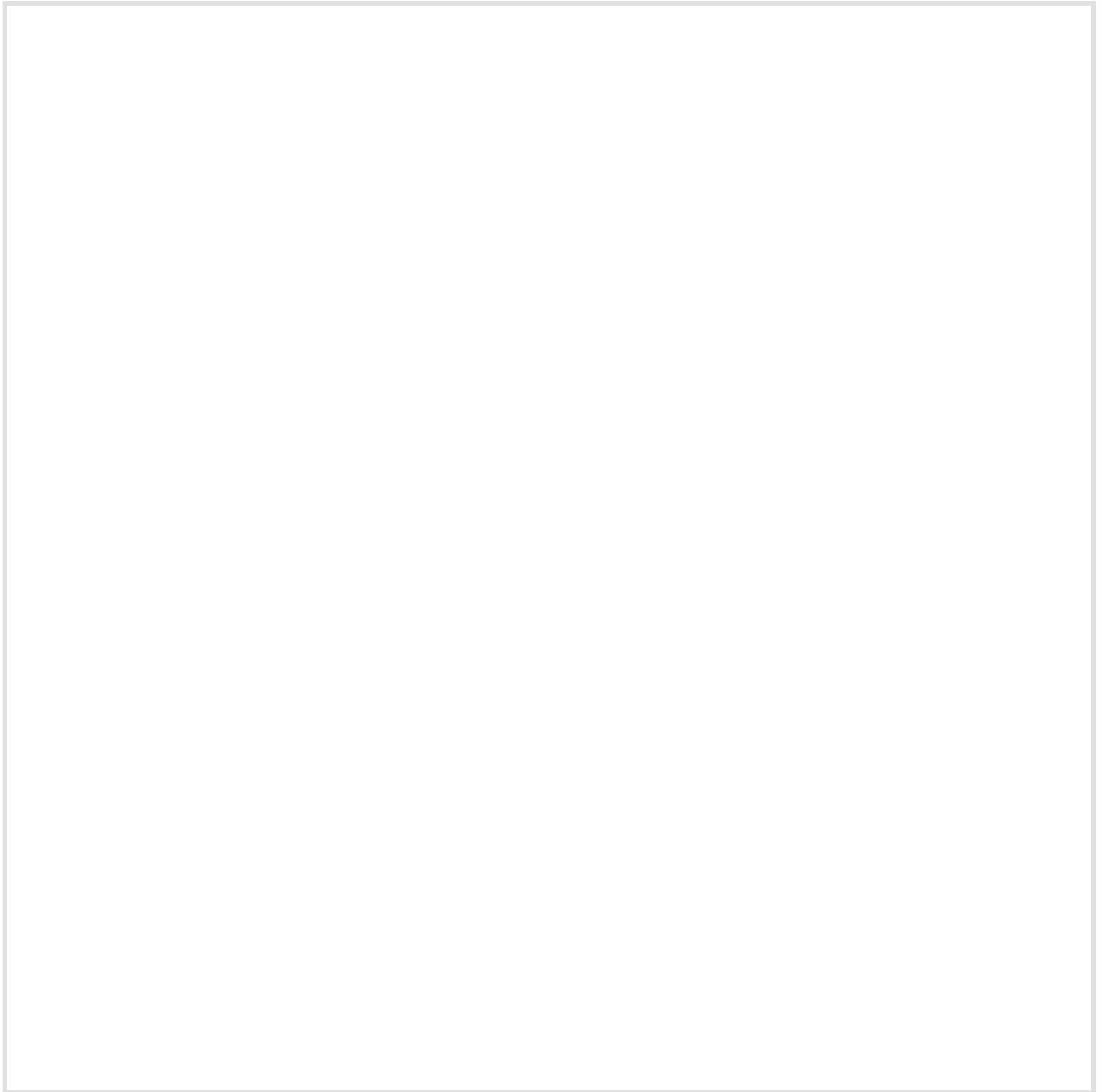
NATIONAL

'Mamá, I'm Still Hungry': In Puerto Rico, Child Hunger Becomes A Flashpoint

TECHNOLOGY

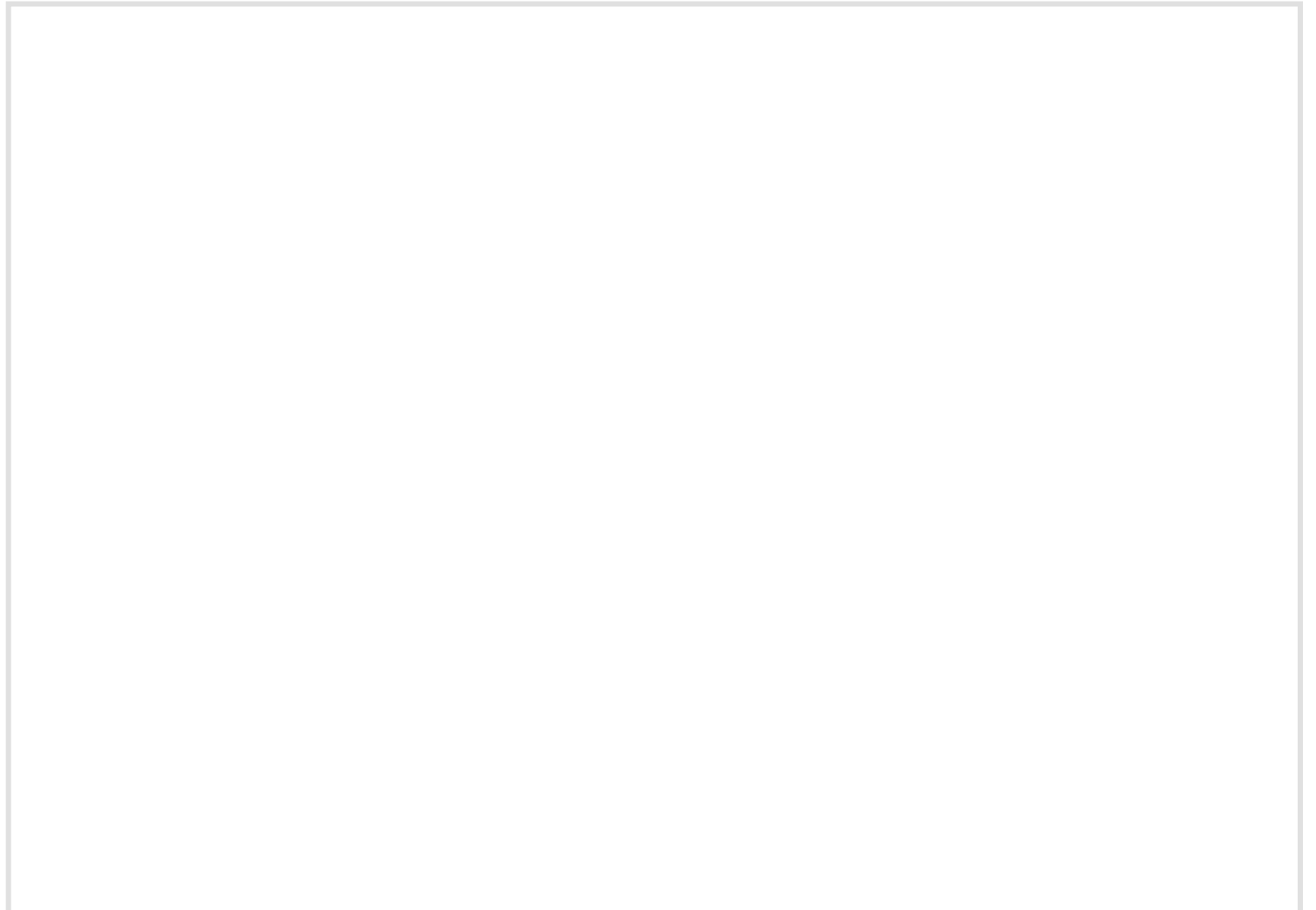
Your Boss Is Watching You: Work-From-Home Boom Leads To More Surveillance

Popular on NPR.org



HEALTH

How To Make Sense of All The COVID-19 Projections? A New Model Combines Them





HEALTH

Tracking The Pandemic: How Quickly Is The Coronavirus Spreading State By State?



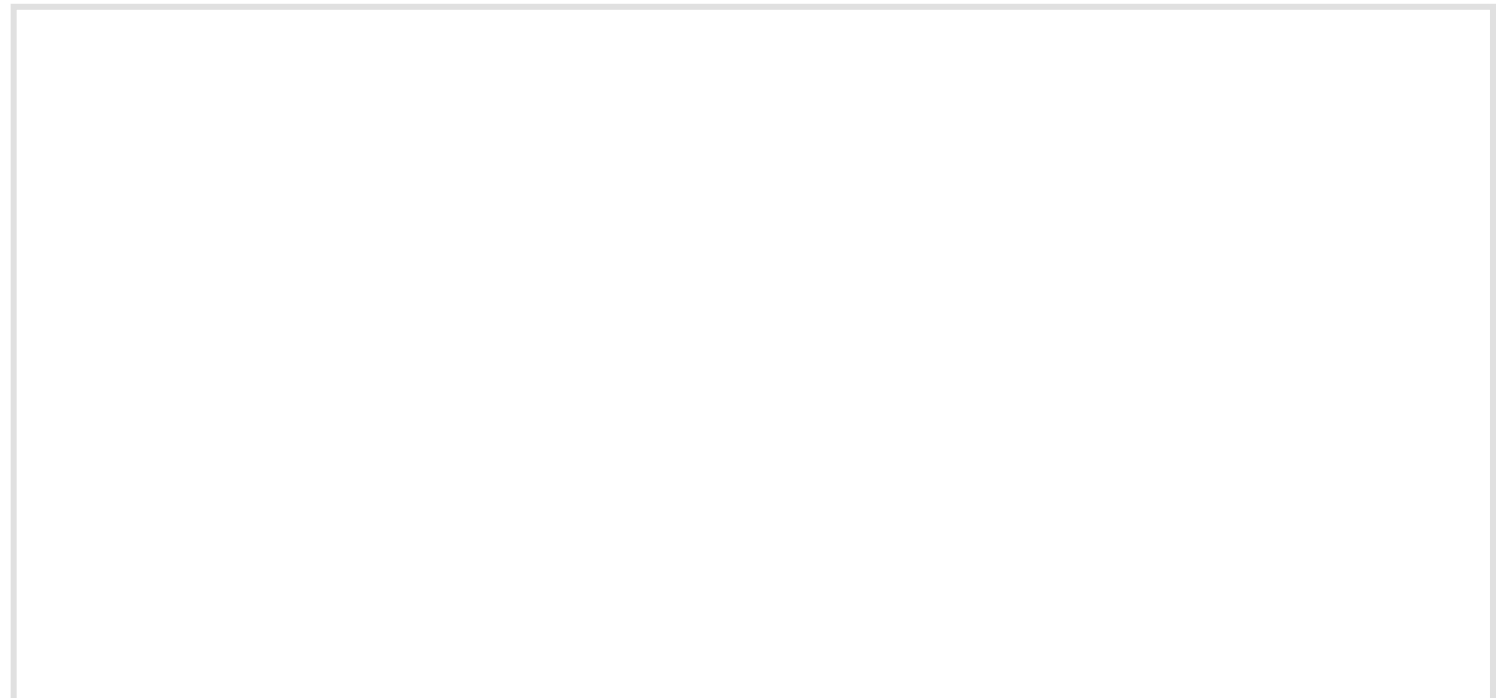
LAW

Supreme Court Considers Pivotal Electoral College Case



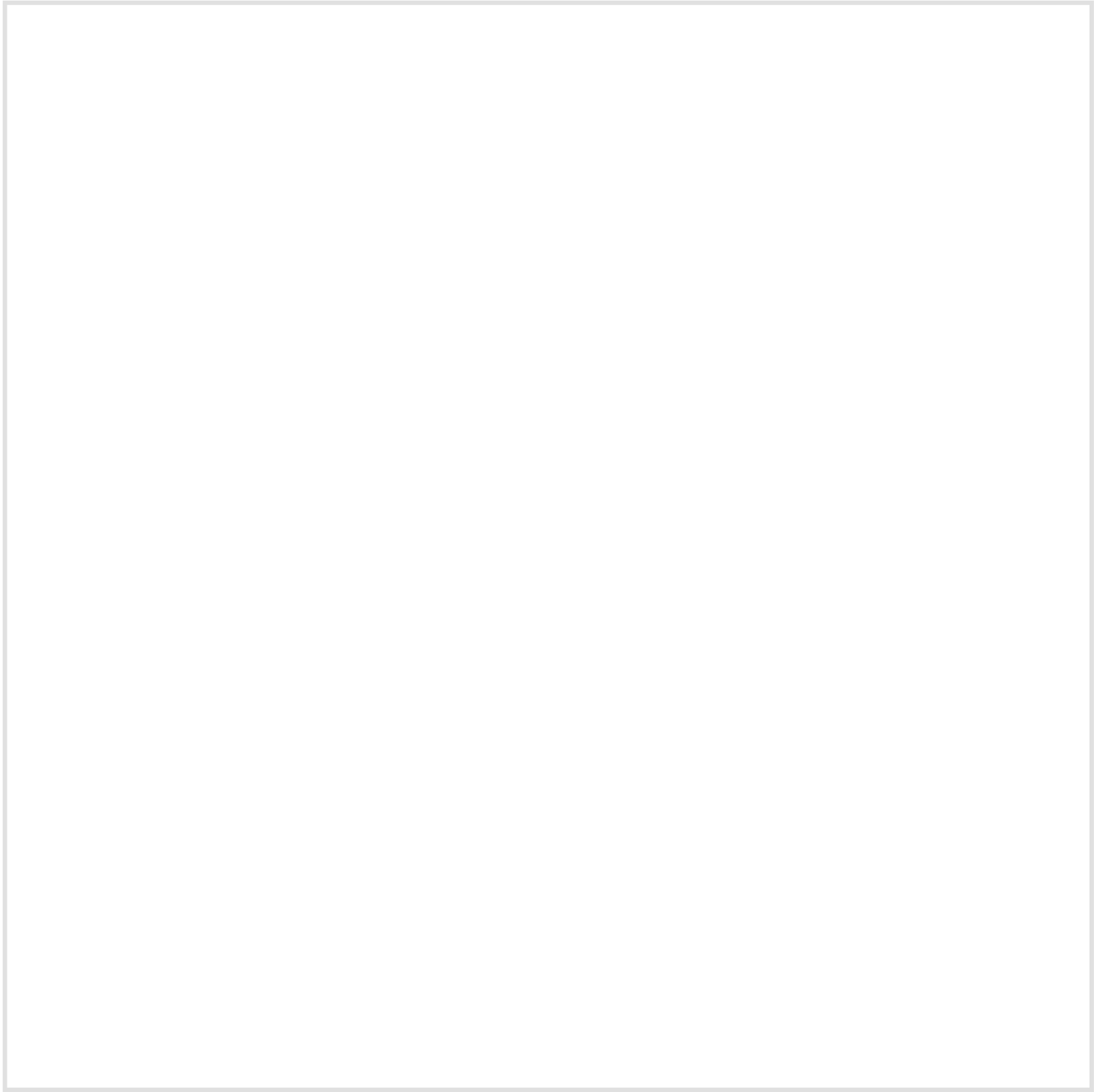
POLITICS

Sen. Rand Paul To Dr. Fauci: 'I Don't Think You're The End-All'



GLOBAL HEALTH

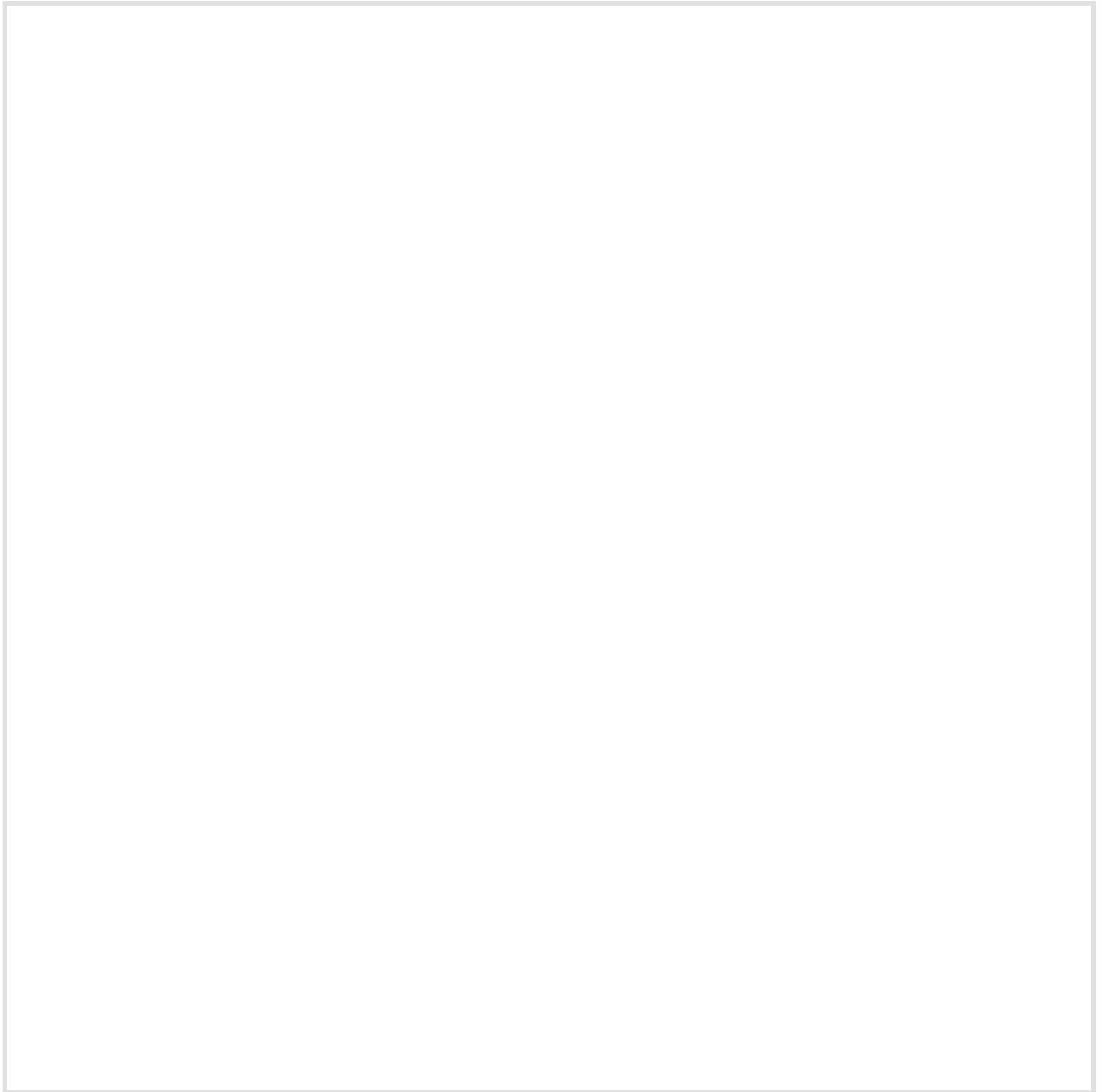
When Can We Expect A Coronavirus Vaccine?



MUSIC FEATURES

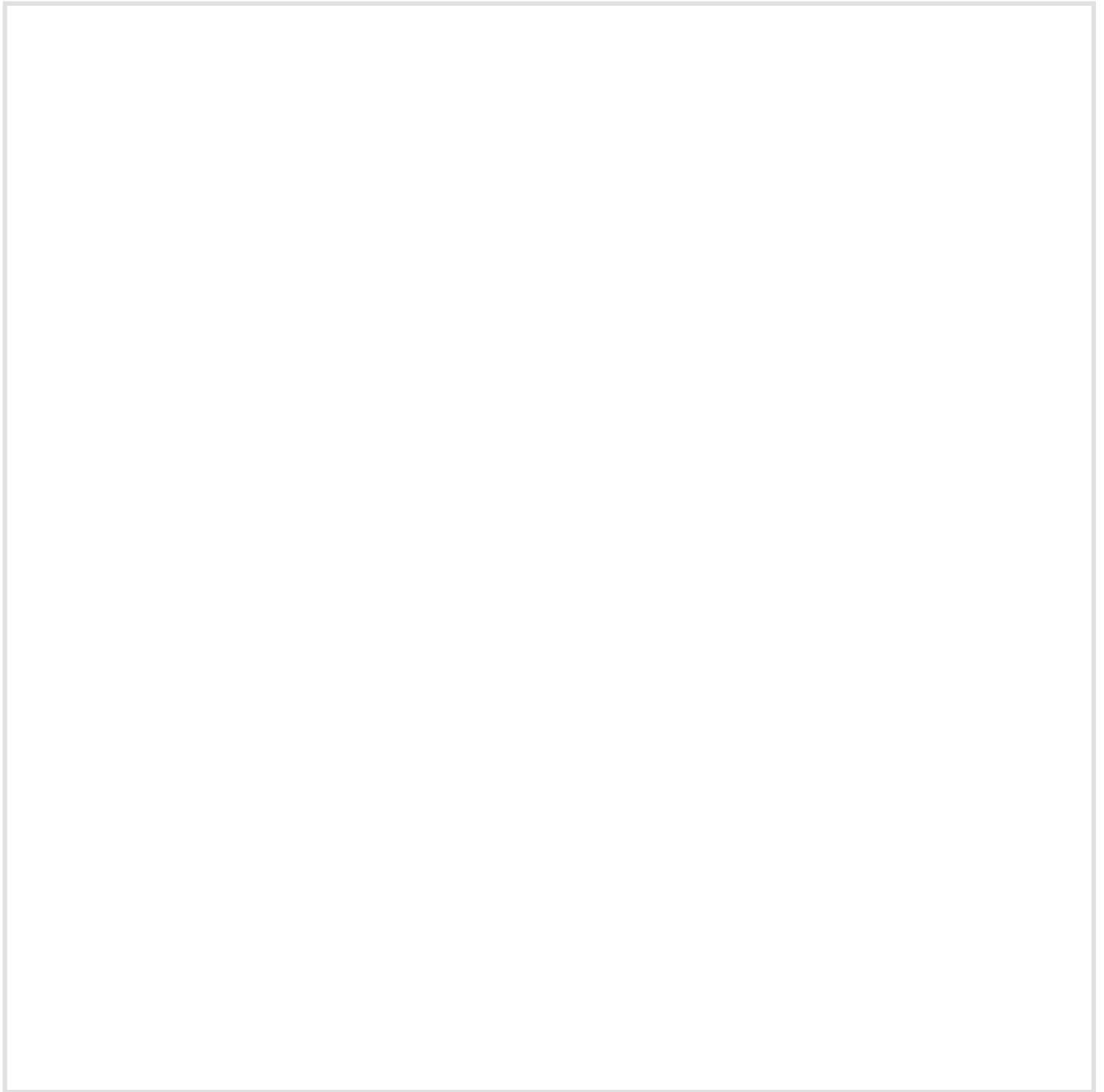
Trickster Treat: Bob Dylan's New Song Sounds Awfully Old ... And Familiar

NPR Editors' Picks

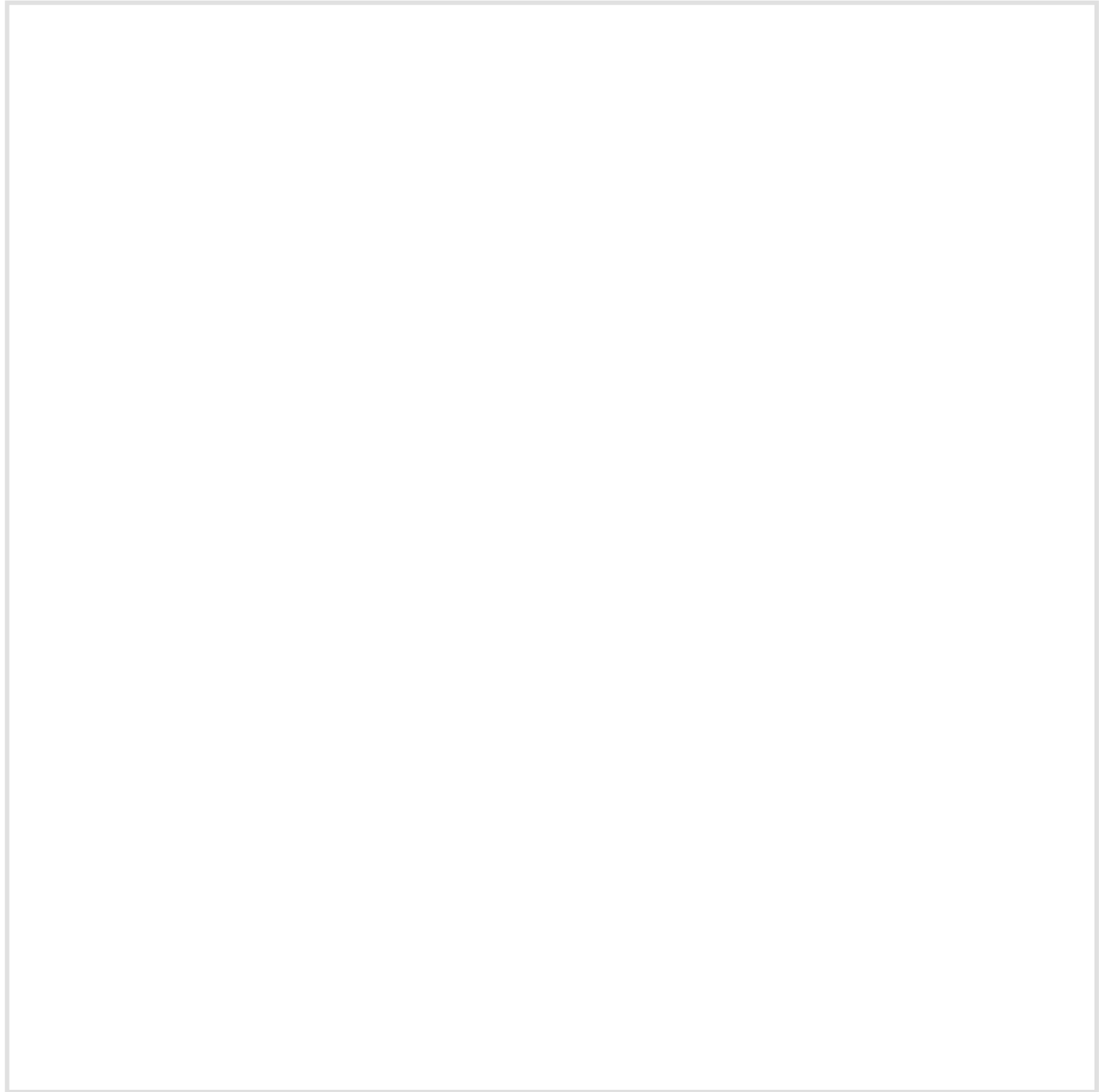


POLITICS

Biden Among Obama-Era Officials Who May Have Received Flynn Intel Material



GLOBAL HEALTH
COVID-19 Cases Double In Ill-Prepared Haiti



GAMES & HUMOR

Can't Leave The House? Try Playing Competitive Video Games

RACE

Ask Code Switch: The Coronavirus Edition



THE CORONAVIRUS CRISIS

Documenting Self-Isolation: 14 Days Through 14 Instant Photos





ELECTIONS

Biden And Sanders Announce Task Forces To Find Party Unity Over Policy

READ & LISTEN

Home

News

Arts & Life

Music

Podcasts

Programs

CONNECT

Newsletters

Facebook

Twitter

Instagram

Contact

Help

ABOUT NPR

GET INVOLVED

Overview

Support Public Radio

Finances

Sponsor NPR

People

NPR Careers

Press

NPR Shop

Public Editor

NPR Events

Corrections

Visit NPR

[terms of use](#)

[privacy](#)

[your privacy choices](#)

[text only](#)

© 2020 npr