

Other retailers' struggles are TJX's gain

Article

The news: TJX reported Q2 revenues and profit above expectations, reinforcing the strength of the off-price sector as consumers across all income levels seek out deals wherever possible.

- Comparable store sales rose 6% year-over-year (YoY), driven entirely by an increase in customer traffic.
- The retailer saw gains across its **Marmaxx** division (which includes **TJ Maxx** and **Marshalls**) as well as its home goods business, which had previously struggled with softening demand.

Zoom in: Other retailers' struggles are proving to be TJX's gain, enabling the company to benefit from the wide array of inventory available in the marketplace as well as shoppers' price-consciousness.

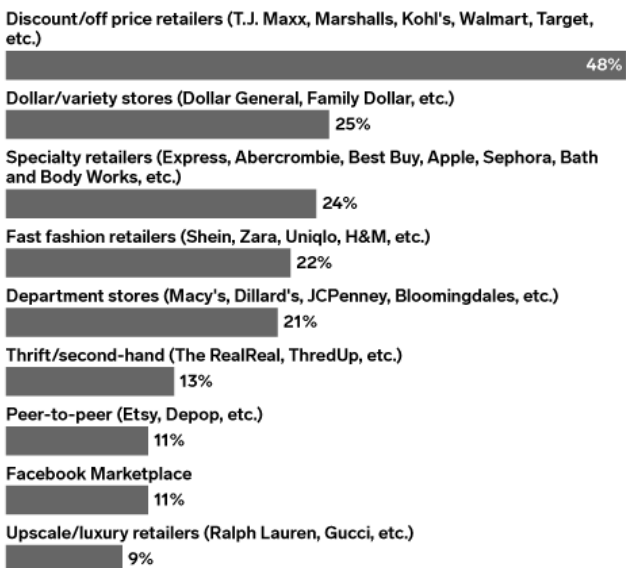
- The retailer's "treasure hunt" shopping experience is winning it more Gen Z and millennial consumers, as well as encouraging more frequent visits and impulse purchases from shoppers excited by the opportunity to find significant savings on name-brand goods.
- TJX's HomeGoods banner also has a prime opportunity to grab share after **Bed Bath & Beyond's** bankruptcy created an opening in the market, which should help it continue to grow even as overall demand for furniture and home goods remains soft.

The bigger picture: Off-price retail is thriving as consumers look for ways to indulge without breaking the bank.

- Traffic to off-price retailers like TJ Maxx, **Ross Dress for Less**, and **Burlington** consistently outpaced visits to other apparel retailers from April to July, per Placer.ai.
- Those gains are likely to hold steady as shoppers search for deals during the back-to-school and holiday seasons.

Types of Retailers US Gen Z Consumers Shop Most Frequently, March 2023

% of respondents



Note: ages 16-26; online or in-store
 Source: ICSC, "The Rise of the Gen Z Consumer: Career-Driven, Credit-Averse and Tempted by Immersive Retail," June 7, 2023

282345 Insider Intelligence | eMarketer

