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Bloomingdales gears up for growth

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After a booming year at Bloomingdale's, Macy's Inc. is aggressively seeking new sites for the upscale department store chain and has promoted a key executive to oversee its growth. "Bloomingdale's had another great year in 2007," said CFO Karen Hoguet on the retailer's year-end earnings call. "And in addition to strong performance in our existing store base, Bloomingdale's performed very well in all of their new stores, which gives us added confidence in expanding this brand more aggressively."

Macy's named Tony Spring president of the New York-based division. Spring, who was Bloomingdale's senior executive vice president and director of stores, will be responsible for the division's stores, marketing, creative services, finance, operations and restaurants. He will continue to report to Bloomingdale's chairman and CEO Michael Gould, whose focus is merchandising and human resources. Bloomingdale's had been without a president since 2004.

In 2007, the company opened 10 new Macy's stores and two Bloomingdale's stores. In 2008, it plans to open five new Macy's stores and renovate some key Bloomingdale's stores, Hoguet said. "The reality of mall construction is such that more of our new stores will be in lifestyle centers as opposed to traditional malls," Hoguet said. "Not because we don't want to be in traditional malls, but because there aren't as many of those being built." The Bloomingdale's brand has room to expand into Texas, the pacific northwest and Hawaii, observers say. And international expansion of the iconic brand is not unheard of.

Macy's company-wide same-store sales fell 1.3% in 2007. Macy's Inc. expects company-wide same-store sales for 2008 could range from a 1% drop to a 1.5% gain.

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