

AdAge

A Macy's story: Takeaways from chain's purchase of concept shop Story

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Credit: Macy's

Macy's is spicing up its 160-year-old brand with the acquisition of Story, a New York City-based concept shop that features a rotating cast of brands. Rachel Shechtman, a retail veteran who founded Story seven years ago, is joining the venerable department store as brand experience officer.

"We are committed to growth in 2018 and this is one important step along the way," Jeff Gennette, chief executive and chairman of Macy's, said in a statement. He also said he expects to leverage Story's learnings to help further the Macy's brand. Indeed, Story, which pioneered a retail sponsorship model—brands including Target and Coty sponsored stores lasting several weeks each—is an innovator in tracking customer data and providing a differentiated brick-and-mortar experience.

Retail experts applaud the move; many think it will help Macy's drive repeat visits from customers. While Story will continue to operate in Manhattan's Chelsea neighborhood, a small Story shop-in-shop is expected to exist within Macy's locations.

"This gives Macy's a testing ground for new products and brands they might be able to bring into their store," says Denise Lee Yohn, a branding consultant and author of "What Great Brands Do." "It gives them a way to see how people respond to a new brand and, if they like it, maybe it will become part of the permanent merchandise."



Shechtman will report to Macy's President Hal Lawton, working alongside Chief Marketing Officer Rich Lennox. She's tasked with evolving the store experience for shoppers—no small task, given Macy's nearly 700 store fleet.

She says she'll be "looking at retail as a media channel," while doing more campaigns and partnerships "to bring in new brand relationships that can translate well at scale."

Credit: Rachel Shechtman

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Macy's and Shechtman declined to provide financial specifics of the deal. Competitors such as Nordstrom have homed in on similar pop-up type models in order to become a regular stop for shoppers.

Oliver Chen, a retail analyst with Cowen & Co., says the purchase should help Macy's reach young shoppers in a digital age.