# Guess to close 20 North American stores by 2024 amid declining foot traffic



Guess, a brand historically associated with American mall culture and denim fashion, has recently announced the closure of 20 locations across North America by the end of 2024. This strategic decision comes as the company identifies 'underperforming' stores, although specific locations set to be shut have not yet been disclosed.

During a recent earnings call, CEO Carlos Alberini stated, "We expect to reduce our North American store fleet by roughly 20 stores by the end of the year." This announcement follows a concerning trend of declining customer traffic at retail outlets, with reports indicating continued decreases in store visits. Data from Placer.ai highlighted that New York state experienced a staggering 40 percent drop and New Jersey saw a 29 percent decline in foot traffic during February.

Conversely, some markets have shown resilience, with shops in states like California, Colorado, and Michigan reporting increased interest—7 percent, 9 percent, and 16 percent respectively. Despite these pockets of growth, Guess has noted a significant decline in overall sales. The company recorded earnings of $84 million during the 2024 sales season ending in March, which marks a substantial 30 percent decrease from the previous year.

The need for store closures aligns with Guess's discussions regarding a potential acquisition or partnership deal worth $663 million. The company received an offer from WHP Global, the parent company known for owning brands such as Toys R Us and Isaac Mizrahi. This proposal involves WHP Global purchasing public stocks from Guess at $13 a share, although Guess's stock was trading around $11 at the beginning of April.

Neil Saunders, managing director of retail at GlobalData, commented on the relationship between Guess and WHP Global, stating, "This is a typical play from WHP Global. They see Guess as a brand that they can grow and develop through their operating model and distribution network." He noted that both companies have previously collaborated successfully, as seen with their joint venture to acquire the designer bag retailer Rag & Bone, which resulted in a 13 percent revenue growth for the brands at the end of 2024.

While Guess navigates these challenges, it is not alone in its struggle. The broader retail landscape in the United States is witnessing significant volatility, with forecasts predicting that as many as 15,000 stores, including banks, pharmacies, and general retail outlets, are expected to close this year. This trend raises ongoing concerns about the future of brick-and-mortar shopping in an increasingly digital marketplace.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.merca20.com/guess-announces-store-closures-how-many-will-there-be-and-where-are-they/> - This article corroborates Guess's plan to close around 20 underperforming stores in North America and highlights the company's efforts to address declining foot traffic and explore strategic partnerships.
2. <https://www.retaildive.com/news/guess-close-underperforming-stores-north-america/744465/> - This source supports the announcement of Guess closing 20 underperforming stores in North America and provides context on CEO Carlos Alberini's comments on traffic declines and business restructuring.
3. <https://www.retaildive.com/news/5-retailers-closed-stores-2024/736232/> - This link provides broader context on the retail industry's challenges and store closures, aligning with Guess's decision to close stores amidst industry-wide shifts towards digital platforms.
4. <https://www.retaildive.com/> - Retail Dive offers comprehensive coverage of retail trends, including store closures and acquisitions, which helps understand Guess's strategic decisions in the current market.
5. <https://www.morningstar.com/> - Morningstar could provide financial insights into Guess's operations and the impact of store closures, though specific articles on Guess may not be listed here.
6. <https://www.bloomberg.com/> - Bloomberg provides extensive financial news coverage, including reports on retail companies like Guess and their strategies during economic shifts.
7. <https://www.dailymail.co.uk/yourmoney/article-14573321/guess-store-closures-underperforming.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data