Brand Doctor

Brand Check-up

Zellers

As of January 28, 2025

Status: Needs attention

Zellers still holds a warm place in Canadian memory, but its revival lives on borrowed floor space, with low trial and a value claim shoppers do not yet believe.

About this check-up

Brand Doctor reviews well-known brands the way we review a client's marketing: symptoms, diagnosis, treatment. This check-up uses public information available on January 28, 2025. It is brand and marketing analysis, not investment advice. Sources are listed at the end.

Vital signs

Share price

None (private)

Zellers is a division of Hudson's Bay; parent HBC went private at C$11 a share in a deal completed March 3, 2020 [4]

Standalone stores

0

Down from 298 in 1998 and a 1990s peak of over 350 (Retail Insider); the last two closed in January 2020 [15, 7, 3]

Target lease deal

C$1.825 billion

Leases for up to 220 Zellers stores, announced January 13, 2011 [1]

Revival footprint

78 Hudson's Bay stores

24 shop-in-shops (a 25th on the way) of 8,000 to 10,000 sq ft plus pop-ups mostly of 1,000 to 2,800 sq ft, as announced September 6, 2023 [11]

Canadians who shopped or browsed

9%

Leger poll of 1,605 Canadians for Retail Insider, April 2024; 56% were aware of the new shops [13]

Timeline

1978	Hudson's Bay Company takes control of Zellers. [2, 15]
1994	Walmart enters Canada by buying 122 Woolco stores. [15]
2011-01	HBC agrees to sell leases for up to 220 Zellers stores to Target for C$1.825 billion. [1]
2013	HBC closes the remaining Zellers stores, except three. [2, 15]
2020-01	The last two Zellers stores, in Etobicoke and Ottawa, close. [3, 15]
2022-08	HBC announces Zellers will return online and inside Hudson's Bay stores. [6]
2023-03	zellers.ca and the first 12 Zellers shops open inside Hudson's Bay stores in Ontario and Alberta. [9]
2023-09	HBC says pop-ups will bring a Zellers presence to 78 Hudson's Bay stores. [11]
2024-04	A Leger poll finds 9% of Canadians have shopped or browsed the new Zellers. [13]
2024-12	Hudson's Bay is recapitalized and financed separately from Saks Global as the Neiman Marcus deal closes. [14]

Symptoms

- No standalone Zellers store since January 2020.
- 56% of Canadians aware of the new shops, but only 9% had shopped or browsed them (April 2024).
- Value claim not yet believed: 19% agree and 19% disagree that Zellers beats Walmart, Marshalls, HomeSense or Dollarama.
- More than half of the 78 locations announced in 2023 were small pop-ups, most of 1,000 to 2,800 square feet.
- The host retailer was reported to have fallen behind on supplier payments in 2023.

Diagnosis

1 Lost the price war before it left

Walmart entered Canada in 1994 by buying 122 Woolco stores. The Financial Post listed Walmart, Giant Tiger, Costco, Dollarama and Amazon as the competitors that pushed Zellers out. HBC sold most Zellers leases to Target in 2011 and closed the last two stores in January 2020. [15, 6, 1, 3]

2 Nostalgia without a reason to return

The relaunch leaned on a throwback logo and diner food trucks, and one truck sold out within hours. In April 2024, 56% of Canadians knew about the new shops, but only 9% had shopped or browsed them. Only 19% agreed Zellers offered better value than Walmart, Marshalls, HomeSense or Dollarama. [9, 10, 13]

3 A discount brand inside a department store

Zellers lives inside Hudson's Bay stores, in some malls on an upper floor, and most locations are small pop-ups. A York University marketing professor contrasted Zellers' discount image with a Bay seen as “a confused retailer that doesn't know what it is anymore.” Retail Insider reported that the host fell behind on supplier payments in 2023. [8, 11, 9, 12]

4 Brand assets left unguarded

The Zellers trademark was expunged in September 2020 after HBC reportedly failed to renew it. A Quebec family registered Zellers companies and opened Zellers-branded stores, and HBC reportedly took the family to court. [5, 7, 15]

Prognosis

As of January 28, 2025, Zellers is a well-remembered name with a small footprint inside another retailer's stores. Its future is tied to Hudson's Bay, which was reported to have fallen behind on supplier payments in 2023 and was recapitalized and financed separately from Saks Global on December 23, 2024. We would watch four things: whether the Bay keeps shelves stocked and suppliers paid, whether trial rises above the 9% Leger found in April 2024, whether shoppers come to see Zellers as better value than Walmart or Dollarama, and whether HBC gives the brand space of its own outside the department store.

Treatment

- Choose one job, such as low-cost home and kids' basics, and make Zellers the obvious answer for it.
- Prove the value claim on a short list of everyday items, priced against the discounters shoppers already use.
- Move Zellers to ground-floor or mall-entrance space, or test small standalone stores, so value shoppers do not have to cross a department store to find it.
- Track trial, repeat visits and sales per square foot by location, and close pop-ups that do not earn their space.

Lessons for growing companies

Nostalgia buys a visit, not a habit

Zellers reached 56% awareness but only 9% trial. Memory gets people to look; price, range and convenience bring them back.

Know whose traffic you are borrowing

A shop-in-shop inherits its host's footfall, image and cash position. Check the host's health before you build your brand inside it.

Guard dormant brand assets

The Zellers trademark was expunged in 2020 and a Quebec family moved in. Keep renewing the marks for any brand you might want back.

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About Brand Doctor

Brand Doctor is a marketing strategy consultancy founded by Cliff K. F. Lin. He has spent 17 years in marketing and managed more than $30 million in spend for SaaS, tech and lead-generation companies.

A Brand Check-up applies the method we use with clients to a well-known brand: the symptoms you can see from outside, the root causes behind them, and the treatment we would prescribe. For your own company, we look at six areas (positioning, messaging, customer journey, channel mix, budget and spend, and measurement) and rank what to fix first.

$30M+	135+	8×	17
In marketing spend managed	Campaigns treated	Growth achieved	Years in marketing

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