Marketing Doctor

Marketing Check-up

Joann

As of February 25, 2025

Condition: Terminal

Fixing the debt, not the shelves

Joann, the Ohio fabric and craft chain founded in 1943, had a clear promise: everything your sewing, quilting or craft project needs, in one trip. In 2024 it restructured its debt and kept every store open. Less than a year later it was back in court and heading for liquidation. This check-up looks at why the first rescue did not hold and what it means for any specialist brand.

Key takeaways

- Customers hired Joann for one job: finding everything a project needs in one trip. That promise depends on full shelves.
- After its first bankruptcy, suppliers cut products and deliveries became unpredictable. In-stock levels fell by up to 10%, and an analyst said “a lot of stores were very shabby.”
- Joann lost share to Hobby Lobby, Michaels and online sellers. Without its depth of range, it had no clear position between them.
- The 2024 restructuring fixed the debt, not the shelves. In early 2025 Joann filed again and its roughly 800 stores were set to close.

Marketing health check

Area	Finding
Core promise	Broken. Shelves short of yarn and sewing staples.
Stores	Tired. Described as shabby by an analyst.
Supplier trust	Weak. Suppliers cut products and delivery became unreliable.
Competition	Squeezed by Hobby Lobby, Michaels and online sellers.
Brand value	Written down. A $95 million trade name impairment in fiscal 2023.

Timeline

When	What happened
1943	Joann is founded in Ohio.
Fiscal 2021	A crafting boom lifts sales 23% to $2.76 billion.
Fiscal 2023	Sales fall 8.3% and Joann writes down the value of its trade name.
May 2023	The chief executive leaves; an interim office of the CEO takes over.
Mar 2024	A first Chapter 11 cuts about $505 million of debt and keeps all 800-plus stores open.
Late 2024	Suppliers cut products and in-stock levels fall by up to 10%.
Jan 15, 2025	Joann files for Chapter 11 again.
Feb 2025	Closing sales are approved at more than 500 stores, and a liquidator wins the auction for its assets.

What happened: the shelves went thin

A crafting boom during the pandemic lifted Joann's sales 23% to $2.76 billion in fiscal 2021. The demand did not hold. In fiscal 2023 sales fell 8.3% and Joann took a $95 million impairment charge on its trade name. When a company writes down the value of its own name, the brand is already bleeding.

In March 2024 Joann restructured its debt and kept all of its more than 800 stores open. But suppliers grew wary. Its second filing said suppliers had eliminated some products and deliveries

of yarn and sewing items had become unpredictable. The interim CEO said in-stock levels eventually dropped by upwards of 10%.

The diagnosis: a specialist without its depth

- **The one-stop promise broke.** Customers hire a fabric and craft specialist for one job: finding everything a project needs in one trip. Missing items break that job, and a customer who has to go elsewhere for one thread may go elsewhere for all of it.
- **Tired stores.** Neil Saunders of GlobalData told NPR that out-of-stocks pushed customers elsewhere. "A lot of stores were very shabby," he said.
- **Squeezed between bigger rivals.** Joann lost share to online sellers and to Hobby Lobby, with about 1,000 stores, and Michaels, with more than 1,200. A specialist that loses its depth has no clear position left between them.
- **It knew its customers.** Its leaders said no other retailer could serve "sewists, quilters, crocheters, crafters and other creative enthusiasts" like Joann. That claim holds only while the stores are stocked and kept up.

The treatment it needed

The breathing room from the 2024 restructuring needed to go into the experience customers pay for: full shelves on core lines, refreshed stores and confidence for suppliers. Instead, sales kept sliding, to $2 billion in 2024. Joann knew which customers were its base. It needed to protect what they came for first.

The result: liquidation

Joann filed for Chapter 11 again on January 15, 2025. A judge approved closing sales at more than 500 stores in February, and a liquidator and Joann's lenders were named winning bidders for its assets, with plans to wind the business down. A brand founded in 1943 lasted less than a year after its first rescue.

Lessons for your marketing

1. For a specialist retailer, being in stock on core lines is part of the brand. Report in-stock rates next to sales.
2. Plan on demand you can keep. A boom year is not a baseline.
3. When you restructure, spend the breathing room on the experience customers pay for.
4. Supplier confidence is customer confidence one step removed. Keep suppliers on side.
5. Know which customers are your base and protect what they come for first.

The doctor will see you now.

Book a free marketing check-up at marketingdoctor.ca/contact. We'll examine your marketing, show you what's holding growth back and prescribe what to fix first.

Sources

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