Marketing Doctor

Marketing Check-up

Zellers

As of January 28, 2025

Condition: Revived

Nostalgia without a front door

For decades Zellers was a Canadian discount favourite, famous for the line that the lowest price is the law. It closed its last stores in January 2020. In March 2023 Hudson's Bay brought the name back as shops inside its own department stores, with food trucks, a throwback logo and a new private label. This check-up looks at whether a well-loved discounter can live on nostalgia and borrowed floor space.

Key takeaways

- Zellers was built on price, and lost when Walmart and other discounters did price better.
- The 2023 revival leaned on memory, with a throwback logo and food trucks serving dishes from the old Zellers restaurants. Awareness was high: 56% of Canadians knew about the new shops.
- Trial was low: only 9% had shopped or browsed them, and just 19% agreed Zellers offered better value than Walmart, Marshalls, HomeSense or Dollarama.
- A discounter tucked inside a department store, sometimes on an upper floor, makes value shoppers walk through the wrong store to find it.

Marketing health check

Area	Finding
Awareness	High. 56% of Canadians know about the new shops.
Trial	Low. Only 9% have shopped or browsed.
Value claim	Not yet believed against Walmart and Dollarama.
Placement	Weak. Inside department stores, sometimes upstairs.
Host	Strained. Hudson's Bay struggled to pay suppliers.

Timeline

When	What happened
1988	Zellers advertising says the lowest price is the law.
1994	Walmart enters Canada by buying 122 Woolco stores.
2011	Hudson's Bay agrees to sell leases for up to 220 Zellers stores to Target.
Jan 2020	The last two Zellers stores close.
Sep 2020	The Zellers trademark lapses.
Mar 2023	The first 12 Zellers shops open inside Hudson's Bay stores.
Sep 2023	Zellers expands to 78 Hudson's Bay stores with pop-ups.
Apr 2024	A Leger poll finds 9% of Canadians have shopped the new Zellers.
Dec 2024	Hudson's Bay is recapitalized separately from Saks Global.

What happened: a price brand that lost on price

From 1988 Zellers advertising said the lowest price is the law. By the 1990s it had more than 350 stores. Then Walmart entered Canada in 1994, and the Financial Post listed Walmart, Giant Tiger, Costco, Dollarama and Amazon as the competitors that pushed Zellers out. In 2011 Hudson's Bay agreed to sell leases for up to 220 Zellers stores to Target, and the last two stores closed in January 2020.

On March 23, 2023, the first 12 Zellers shops opened inside Hudson's Bay stores, and by September Zellers was in 78 Hudson's Bay stores. The launch leaned hard on memory: a throwback logo, food trucks serving dishes from the old Zellers restaurants and whole-dollar prices. The product side was smarter: Zellers secured exclusive Canadian rights to Anko, a private label developed by Kmart Australia.

The diagnosis: memory buys one visit

- **Nostalgia without a reason to return.** Memory earned news coverage and a first look. A discount store needs a reason to come back every week, and that reason is price and range. Zellers has not yet built the sales activation that turns a visit into a habit.
- **The wrong front door.** 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." In some malls Zellers sits on an upper floor. A value shopper has to walk through a department store to find it, which weakens its positioning before the first price tag.
- **A value claim not yet believed.** Zellers was a price brand, and shoppers now compare it with Walmart and Dollarama, not with their memories.
- **A brand left unguarded.** The Zellers trademark was expunged in September 2020 after it reportedly wasn't renewed, and a Quebec family opened Zellers-branded stores.

The treatment we would prescribe

- Choose one job to be done, 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.
- Use nostalgia to earn the first visit, then lead with Anko design and everyday low prices.
- Track trial, repeat visits and sales per square foot by location, and close pop-ups that don't earn their space.

The result so far: known, not chosen

In an April 2024 Leger poll of 1,605 Canadians, 56% knew about the new Zellers shops, but only 9% had shopped or browsed them. 19% agreed Zellers offered better value than Walmart, Marshalls, HomeSense or Dollarama, and 19% disagreed.

The brand also depends on its host. Retail Insider reported in 2023 that Hudson's Bay had fallen behind on supplier payments, and the Bay was recapitalized in December 2024. A revival that lives inside another struggling store shares its problems.

Lessons for your marketing

1. An old brand memory is an asset, but it is not a plan.
2. Before you revive a name, check that the old job still needs doing and that you can do it better than the rivals who filled the gap.
3. Put the brand where its customers already shop, with its own front door.
4. Measure trial and repeat visits, not just awareness. Awareness is the easy part.
5. Keep renewing the trademarks for any brand you might want back.

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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