

The Detroit News

Woodward retail gains amid big box pains

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Under Armour opens in Detroit



Todd McInturf, The Detroit News

Athletic apparel and shoe maker Under Armour opened an artsy, high-tech store in downtown along Woodward on Wednesday, the latest effort to revitalize the street's retail scene that was snuffed out partly by the suburban mall.

Now, as many suburban shopping malls and national retailers are struggling for survival, Under Armour joins the handful of retailers trying to stem that tide by opening outlets downtown on Woodward and its neighboring streets.

Just across the street, the local organic Avalon International Breads opens its Woodward bakery and café on Friday. Earlier this year, the men's clothier Bonobos opened a "guideshop" at 1417

Woodward, where customers come in to try on clothes they must purchase online. Last year, Nike opened a "community store" at 1261 Woodward.

All of those stores are on the stretch of Woodward — essentially from Campus Martius to Grand Circus Park — that was the hub of Detroit retail for decades. But starting in the mid-20th century, the stores began to vanish as city population declined and suburban malls reigned.

Now, Woodward's nascent retail revival comes at a time when malls and big chains are closing at an alarming rate that analysts attribute mainly to the shift to online shopping. Local retail analyst Kenneth Dalto forecasts 8,500 store closings nationwide this year.

"What you are seeing on downtown Woodward Avenue is a response to that overall retail scene. It's niche, it's unique, it's not just shopping, but office workers, residents, visitors — a city," Dalto said, who runs Kenneth J. Dalto & Associates in Bingham Farms.

The 17,000-square-foot Under Armour "Brand House" at 1201 Woodward exhibits plenty of Detroit love in the two-story building. There are shoes with Detroit-themed designs, including one that pays tribute to Hitsville, USA, the former Motown recording studio, and one in the pattern of the city's flag. There's a mural that features an image of the Joe Louis fist statue.

The store's high-tech features include a virtual reality area that customers can tap into with their phones.

The building originally housed a Kresge store that opened in 1917. It's been closed for years and is now owned by billionaire Dan Gilbert's Bedrock Detroit, which controls many downtown Woodward buildings.

Under Armour is a Baltimore-based company that plays up its underdog image that takes on much bigger rivals such as Nike and Adidas.

"Detroit from a city perspective has so many connections to the Under Armour brand; from a grit perspective, from an up-and-coming perspective," said Susie McCabe, Under Armour's senior vice president of global marketing. "This city seems rooted in sport and grit and they have an incredible loyalty. We wanted to tap into that."

Downtown Detroit also gets about 11 million visitors a year, McCabe pointed out.

"Brands need to make a connection and a store like this is about connecting with Detroit," McCabe said.

The Woodward store is the 19th Under Armour "Brand House" in North America, which are meant to be "complementary" to the company's website, and wholesale and factory outlet stores.

It's a stark time for suburban malls and big retailers. There have been nine retail bankruptcies so far this year, equal to the number bankruptcies for all of 2016. J.C. Penney, Macy's, Sears and RadioShack have each announced more than 100 store closures. Last week, American Eagle and Urban Outfitter were among the apparel companies whose stocks hit new multi-year lows. Ralph Lauren announced last week the closing of its flagship Polo store on New York's Fifth Avenue.

Under Armour hasn't been immune to pain. The company's stock has fallen almost 55 percent over the past year. Analysts say the closure of The Sports Authority last year, and subsequent liquidation sales that flooded the market with discounted items, took a toll. Prior to the fourth quarter, Under Armour had 26 consecutive quarters of at least 20 percent revenue growth. In the fourth quarter of 2016, the latest figures available, its growth was 12 percent.

It's a bit early to tell if downtown Woodward will be full of retail again or whether any of the new stores will have legs. Many of the retailers, including the John Varvatos store, opened in the past two years. There also remains plenty of empty ground floor storefronts on the strip.

But big plans are in the works. On May 12, the QLine streetcar system opens to the public, connecting Midtown and downtown Detroit. The upcoming Shinola Hotel is under construction, , along with an alleyway full of retail, which will likely be more food and drink.

And on the former Hudson site, a \$775 million development is being proposed that would include the city's tallest building. The proposal would also house retail, office, technology and arts and culture space.