Sears: An Analysis of Problems and Proposition of Solutions

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Sears was once entitled to be the largest retailer in the United States, which grew from a small enterprise, i.e., just a watch selling job, to the giant retailer across the country. Sears Roebuck & Co. established in the mid of the 1880s (1886) at the train junction of North Redwood, Minnesota, which was started by a 23-year-old station representative (Richard Sears). Richard Sears used to sell the watches at that time for the escalated rates, i.e., $14, and books the profit of over $5,000 within six months of his business (History.com, 2018).

Along with the hectic trials and disputes the 20th century passed and commenced a new millennium; however, Sears was facing an amalgamation of problems. Struggling with such crises Sears' management started to make inappropriate decisions and steps, such as shutting down most of its stores. However, a few people blamed the Internet for such turbulent consequences. To understand the subject of high turmoil, the paper addresses the reason behind the failure of Sears, alongside providing some solution. In due course the prominence of customers, evaluation of probable marketing plans, along with numerous methods to increase the conversion rate of Sears are determined and proposed throughout the essay.

Reasons Of Sears' Demise

Sears cannot single out one or a few problems of its current fiasco; there is an array of inappropriate practices which ultimately led the enterprise toward such a devastating situation. The persistent challenges for many years have made it difficult for Sears to get back its position as there are various aspects from production to advertisement, and with all the financial encumbrances, Sears is least capable of making its available resources and products worthy to consumers in light of aggressive competition. Consequently, the entire state of affairs is impacted by certain factors, and a few of them are as follows.

Faltering Imagination

Every enterprise has a different nature and in the light of such elements, it is utterly difficult for any business to sustain in the competition without imagination. A failed imagination, in due course, leads a business into an invincible defeat, as can be observed in the case of Sears. At first, Sears inaugurated a constructive idea of doing business with an extensive level of innovation and enhanced practicability, the initial concept of constructing a catalog progressed into the integration of brick and mortar, along with an assortment of other variety and distribution mechanisms. (Colvin, 2018)

The term *Innovative Environment* is not merely the subject of a workplace but is associated with the beliefs, perceptions, values and diversity based on creativity, proactive resolutions and implementations of the strategy. However, Sears' potential progress somehow commenced to deteriorate its innovative environment. Sears at the start was always looking forward to providing the necessities to its consumers at the very least cost and, therefore, was seeking new and surprising products from time to time (Colvin, 2018).

Moreover, the marketing and operational strategies of Sears used to adhere the facilitations for consumers, and therefore, Sears was focused on establishing a relationship with customers. However, because of its expeditious development and accomplishment of subtypes of Sears, i.e., Dean Witter, Coldwell Banker and Allstate, Sears overlooked to sustain its innovative environment which developed an absolute space for rising competitors to take over the market. Consequently, Sears gradually and ultimately lost its connection and share of its most customers.

The innovation factor becomes the most crucial aspect for Sears to contribute to its failure. Sears' unresponsiveness to trends and inability to procure fast-paced facets dwindled down Sears, because of the self-proclaimed perception of operational innovation and a lack of understanding of consumers' point of view. Sears failed to keep a check and balance on new trends and sources to build and strengthen its interactions with consumers (Colvin, 2018).

Lack of Investment

The problem under discussion exacerbated for Sears and immensely deteriorated its functionality because of the particular and insufficient investment level, which it required to address the blurred innovative environment and capacity. Several financial insecurities encircled the Sears adversely and, in due course, can be entitled to the downfall of Sears. Sears was confronted with an extensive package of unnecessary losses, which accordingly alleviated its financial strength and vitality. (Lodge, 2018)

Sears tried to improve its obscured financial conditions by laying off thousands of employees, which eventually undermined the overall performance and services of the corporation. Subsequently, in reaction to declining sales, Sears continued to downsize its workforce that, in turn, declined the consumer response rate. It became easier for consumers to purchase from other retailers or the internet, instead of spending time to buy from Sears. Such risky management behavior from Sears with fragile activities and decision propositions continued to worsen its condition. Sears adopted the strategy to sell its top-performing business factions and improved overall financial returns to pay off its debts. The sales of the Sears assets and business components generated more cash, but that was enough to take the company on the verge of a dead end. (Lodge, 2018)

Between all these dramatic and fancy yet impractical approaches, Sears never heeded the placement, repair, and maintenance of its stores and made these sites shabby, which eradicated the least possibilities of consumer retention. Everything available in Sears is also available everywhere else as well, but with quality, in fact. Why would people bother to purchase from Sears while they can shop at any other competitor of Sears with additional quality of products as well as an enhanced level of services? One of the strategic mishaps as Sears was the impossibility of change, whereas the entire consumer behavioral pattern was changing at a fast pace. According to reports, most businesses invest about $9 on a 1 square foot location, contrary to Sears, which is spending only $1.90 for the same 1 square foot space. Sears not only neglects the refurbishing of its stores, but also ignores the utmost urgent implementation of modern-day marketing infrastructure.

Lack of Management

If we look at the instance of today's business tycoons, there is the array of competitors who hired the most appropriate professionals and conducted every possible endeavour to sustain a competitive edge. For instance, the primary competitors of Sears hired an expert team of marketing professionals, i.e., Amazon appointed Brian Olsavsky, on the other hand, Wal-Mart hired Sir Richard Walton to obtain the expertise for application of innovative marketing and business strategy. On the contrary, Sears, after the merger with K-Mart, assigned the core management job to Edward S. Lampert, who is evidently a very successful businessman, but has no retail experience. And eventually, the difference in Sears's mentality which operated an absence of retailing experience, was a major cause of Sears failure in the high-end competition.

According to an elementary management implication, Edward S. Lampert has made critical errors throughout the last years. Edward not only lacks experience in retailing, but also does not have the aptitude to differentiate the priority levels of different operational issues. For instance, instead of investing in products and revamping the overall structure of the stores, the management of Sears was stressing the development of a smartphone application. Unfortunately, the subject application did not show any significant productive output. (Lodge, 2018)

Ineffectiveness to Attract Target Consumers

Sears opened the possibility to go further into deterioration by their ignorance of the value of youth. For instance, they are targeting the consumers of an age group of middle-aged mothers who are seeking appliances. Such practices undermine the importance of teenagers to their business and their target audiences. Sears considers it sufficient if young adults occasionally search and buy a few tools, but there was the fashion boom in the segment of young people, the fashion and innovation standards continuously transform, and the teenage population does not want to buy standard white tee shirts, but they want unique outfits and an extraordinary level of fashion appeal. But in all this competitive tug of war, Sears missed out on the chance to attract this potential segment and handed it over to their competitors on a silver platter. At the very least Sears should have endeavoured to incorporate all the concerns of its every consumer segment, but it did not even consider the issue, not even yet.

Irresponsiveness to Consumers

As elucidated above, Sears made a big mistake by assuming its authority, and as a result, it forgot the significance of consumers and their perspectives. The subjective behaviour is not an apt technique for handling and stabilizing retailing business because consumers are the most basic and fundamental unit of it, and without bringing consumers into the business through marketing or whatever appropriate means, the business of a retailer is nothing. The demise of an effective innovation system is evidence of irrational behaviour of Sears. Sears had made a grave mistake by disregarding the potential of Amazon and Wal-Mart at the beginning, instead of adopting any fruitful competitive advantage for Sears, which underrated its competitors and assumed that they were safe in their bubble. (Isidore, 2018)

Sears did not contemplate the attraction and retention of consumers and turned its eye away from the shift of the modern business environment. On the other hand, Sears made its stores an unpleasant experience to visit with frayed floors, random mixed-up clothes, and sections of mattresses that are not even considered to be arranged. All in all, the Sears depicts an expeditiously declining dying animal who has the stench of death about it. The interiors of stores are shabby, and in light of today’s shopping notion, it is not equipped with maximum facilities. Despite everything, the services are also affected due to the large ratio of layoffs, which makes the situation worse. There is no valid reason why the consumer should stick to an inferior company with this kind of pathetic service. Inevitably, if Sears management doesn’t do anything for its consumers, there are lots of competitors that will reciprocate the benefits and advantages for them, and ultimately consumers will go where they will find a better experience, product and services at least cost.

Proposition for Saving Sears

In light of the above-elaborated reasons for Sears’s downward trajectory, solutions need to be proposed and integrated by Sears management. One of the basic rules of marketing and business management asserts the role of consumers, and in the solution scenario as well. Sears is required to heed the voice of its target audiences because no enterprise can succeed in the industry without tackling this basic notion. (Ratchford, 2018)

Analyze and Target Consumers

Before discussing other advanced strategies or approaches toward the salvation of Sears, it is the most pivotal factor to keep in view the recent customer shopping activity Sears will be catering to. In the old days, the word of mouth was the most fundamental unit of increased sales and profitability, but in the modern business, the environment Sears must focus on the consumers in a broader sense. It is observed and described above that Sears omits certain strategies to retain young age consumers and doesn’t have any specific appeal for them.

To target potential consumers, such as teenagers and other young-age customers, Sears should expand and specialize in its product offering, and as a foremost endeavour, it requires to reconstruct its business, primarily the older stores. Sears needs to equip its stores with an escalated level of consumer experience with entertainment sectors, which will undeniably increase the age of a myriad of consumers. Consumers are an imperative factor for any marketing plan, and Sears needs to understand their financial behaviors on urgent basis.

Sears' analysis of consumer data and databases should include the consumer's current profile and a proper understanding of their behaviours (Peterson, 2018). From evaluation and analysis to implementation, the marketing effort focuses on consumers, and Sears needs to determine its current and potential consumers' perceptions in this regard. In due course, the information and assortment of data on consumer demographics, such as education and disposable income, will facilitate Sears in implementing strategies according to their needs (Floyd, 2018).

Information regarding consumer spending is also crucial because it will assist Sears in allocating and defining the budget elements for a marketing plan. Sears must know how much a consumer spends on the products it is offering, as a small consumer spending sector can dwindle the entire marketing endeavor. Sears should define a targeted consumer segment at first, and then, in due course, focus on these appropriate segments through a narrowed-down strategy. The narrow strategy would be more productive than a big plan that will demand more resources with lesser output. The young population of the United States is one of the strongest existing segments, and they are more attracted toward products with exquisite technologically apt appearances; therefore, Sears can offer these customers innovative offerings.

Establishment of An Innovative Environment

Innovation is something that can never be acquired through rules and regulations; therefore, it cannot be created in a book of Standard Operating Procedures. Sears needs to provide its employees with a flexible environment where they can represent and suggest innovative ideas and strategies. Sears required to eliminate the communication gap between the management levels so innovative strategies and ideas can flow without any external or internal influence. The organizational and management level should encourage employees to come up with a set of creativity and provide comprehensive criteria to measure their ideas and to allow the involved parties to understand the entire process without intricacies. Through the implementation of a suitable innovative environment, Sears will be able to gain competitive advantage and participate in the market with a solid edge (Dennis, 2018).

Strengthen Its Presence on the Internet

Sears needs to strengthen its presence on the internet and, in due course has to incorporate all social media platforms. The Social Media landscape is greatly lucrative for any present-day business, but it needs to be handled through a systematic approach. However, Sears has its social media pages, i.e. on Facebook it has an overall rating of 2.2 stars based on 19,867 audiences whereas Macy's Social media page has a ratio of 4.4 stars on the basis of 24,903 reviews.

The analysis of reviews shows that people are giving negative comments to Sears because they are not satisfied with its customer services. Sears should utilize several tactics to achieve the most from social media. Following are some techniques that might assist Sears in enhancing its internet and social media existence.

Interactive Community of Sears

Social media communities are a great source to promote products and to make direct connections with consumers. Sears's social media communities will allow different audiences to collaborate and share product-related information. Sears should utilize the highest applicable social media channels, i.e., Facebook, Twitter, Instagram, Pinterest, YouTube, LinkedIn, as well as WhatsApp and Snapchat.

Responsive Social Media Team

Sears also needs to hire a team of professionals who can respond to the consumer queries and problems in real time. In this way, most consumers will feel satisfied, and this will develop a secure relationship with consumers. Besides, at the moment Sears is missing its presence from Instagram, which is a great platform to get connected with a huge amount of potential customers. Sears should eliminate the linear sales process and make it an overall circular process that will improve the entire strategy with reviews and suggestions. It is evident that customers significantly make their buying decisions on the basis of past users' experience and reviews, and Sears should understand the implication of the process.

SEO

SEO (Search Engine Optimization) is the largest concept for a digital marketing strategy, and Sears should incorporate this technique to increase the audience traffic at its page. By adjusting and aligning the digital marketing content, search engine ranking can escalate, which in due course allows more people to reach the online existence of Sears. SEO professionals develop customer-friendly campaigns and determine the appropriate keywords for a consumer-focused strategy. Currently, Sears has a moderate SEO strength with a 45 score; on the other hand, Amazon has a 98 score, which reflects the strength and requirement of SEO for any business. There is an array of professional consultancies that are offering online audits for SEO and social media optimization, and Sears can utilize their services in this regard.

Blogging

Most businesses at present have integrated a business blog with their website that generally provides information, articles, infographics, and videos about different products. Sears can also introduce its interactive and informative blogging platform, which will add an effective competitive advantage. Consumers can go through the blog and learn new things about products and how to utilize them differently. Moreover, Sears' blog will be helpful for both consumers as well as for Sears because it will generate a progressive information chain for customers, and Sears can use the consumers' feedback to develop products and services in compliance with consumer preferences.

The blog is evidently an interactive source and can be applied within the context of modern-day marketing and communication. For the effective implementation of Sears' digital marketing strategy, it can appoint a team of in-house professional SEO and content writers. The proposed team will manage all the digital content for social media and blogging. Sears also utilizes all social media junctions to promote its offerings and to expand its consumer following. Moreover, it has to develop a few programs to lure consumers through discount and referral offers. Most of all Sears has to integrate all these strategies toward a single objective that is sustaining the falling Sears.

Annotated Bibliography

Dennis, Steve. Sears: Dead Brand Walking. Nov 14, 2017. Forbes.

https://www.forbes.com/sites/stevendennis/2017/11/14/sears-dead-brand-walking/.

Apr 13, 2018

Last year Sears Holding made several announcements regarding the future of Sears. The number of stores closing is discussed, as well as the plan for where the store is heading with the closures. Details were also released on how it plans to improve its financial struggle not only with its Sears Stores but with Kmart as well. This article provides a profound insight into how blind cooperation is in understanding their financial situation as well as how to fix it properly. The ideas are good and are the right steps in the right direction, but the paths they are following are all ineffective. And by executing "the world's slowest liquidation sale" they are doing a great job of masking the true issues they have, but I can see easy steps to begin that could take the store in the direction that is needed.

Peterson, Hayley. Sears has a bigger problem than plunging sales. May 16, 2017. Business

Insider.https://www.businessinsider.com/sears-supplier-concerns-about-possible-bankruptcy-2017-5. Apr 13, 2018

It is long known that Sears has bigger issues and problems than the apparent loss of sales. More time and focus needed to be put into looking at dwindling inventory. Companies that supply the retail store have become more concerned with the store's inability to pay and have in turn, cut down on shipments to the stores. It means that Sears and Kmart are receiving far less merchandise than before, which means less choice for the consumers. Fewer choices, in turn, mean fewer customers. Changes need to be made when it comes to carrying a good variety of products that consumers are looking for. Providing a wider variety of products offered for the products that are in demand, may increase the number of customers that may come in to visit the store. More customers mean a possible increase in profit and the ability to the possibility of saving the store.

Floyd, David. Who Killed Sears? 50 Years on the Road to Ruin. Jan 4, 2018. Investopedia. https://www.investopedia.com/news/downfall-of-sears. Apr 13, 2018

Throughout the last few years, Sears Holding Corp has announced the closing of many of their Sears and Kmart stores. Sears had 90 years of profitable gain, offering a huge variety of products that gave consumers the ability to do one-stop shopping for everything from clothes to tools to even home and electric appliances and many more items for the family and home. However, Sears began its downfall roughly around 1969, and since then, it's been a slow decline in profit. Many things can be done to change and turn the direction that Sears is heading toward, but it is advised that Corps needs to reevaluate its roots and identify the success factors extracted from commencement strategies. Sears has not failed, but it is time for a substantial change, and change is good.

History.com Staff. "Sears." , 2017, *History.com*, A&E Television Networks www.history.com/topics/history-of-sears.

Sears has a marvellous history from its commencement, and regardless of its current unstable position, no one can deny its glorious years. The subject website elucidates a brief history of Sears from its inauguration and also describes other factors, including the development of the initial catalogue, the wish book of Sears and lots more. Throughout the section of Sears, History.com recalls all the major events and happenings at Sears. It also highlighted the Sears Homes, different stores and their locations and the products Sears offered. The most prominent dealers at Sears are Kenmore Appliances, Allstate Insurance, and Craftsmen. The site also briefs about the Discover card launched by Sears in the 1980s to 1985.

Colvin, G. Why Sears Failed |2018, Fortune. https://fortune.com/2016/12/09/why-sears-failed/

In his article, Colvin discussed the recent Sears downfall and recalled the previous phenomenon in this regard. Colvin presents a detailed account of a few errors which were conducted by Sears and eventually became the reason for its decline. Step by step, he asserts that firstly it was denial which led Sears to the blur and made it oblivion to the mistakes it was making. Secondly, it was the factor of the insulator which impeded the urge of Sears to invest with other corporations and suppliers. Last but not least reason for the demise of Sears, according to Colvin, is the paralysis which stopped Sears from implementing the change to its operational and business practices.

Ratchford, D. Sears Store, Auto Center at Wyoming Valley Mall to Close. 2018. https://wnep.com/2018/04/19/sears-store-auto-center-at-wyoming-valley-mall-to-close/

The site declares the news of the Sears auto centre closure in Wyoming Valley Mall. It tells that employees of the recently closed store got the news from the store manager on the morning of a Thursday. Moreover, it is also cleared that the liquidation sale is expected by 27 April 2018. Sears administration officials informed that Sears Auto Center would be shut down in the middle of May; meanwhile, Sears store will be shut by the middle of July. According to these closures, all eligible employees are offered severance and allowed to apply for suitable jobs in other Sears stores. The site says that Sears's officials explained that the subject is shutting down of the auto centre and stores were fragments of a companywide tactic to restructure the business.

Isidore, C. Here's what's killing Sears. 2018 CNN Money https://money.cnn.com/2018/02/12/news/companies/sears-downfall/index.html

CNN Money is a site which provides its audiences with up-to-date information from all around the business world. For the same reason, it elaborates on the inception and downfall of Sears and explicates that Sears was once known as a monarch among other retailers. However, in light of recent conditions and problems, it is facing it not hard to say that Sears's survival is difficult. According to the experts of CNN Money, Sears confronted a slow death. Throughout the article, Isidore retells a brief account of the major achievements and success stories of Sears and then gradually moves toward the hurtful issues. For this purpose, he describes the dealers of Sears, such as Kenmore, Craftsmen, and Whirlpool. The article asserts that Sears was the preeminent leader in the sales of appliances market in the United States. However, the unsupportive and devastating states of business made Sears drop the shares of Whirlpool's international sales, and consequently, the rate of global Whirlpool sales became only 3%. According to a profound observation, the lack of strategic outlook is the underlying cause of all this hullaballoo. Sean Maharaj, the consultant, explains that Sears implementing absurd strategies such as store closings, sales of brands, and other endeavours are not going to turn the table for Sears. Sears is just passing its time by doing such pointless activities and trying to delay the actual time of its loss which is inevitable.

Tucson News Now Staff. "Sears Store at Park Place Mall Closing Its Doors." *Home – Tucson News Now*, 20 Apr. 2018, www.tucsonnewsnow.com/story/38005427/sears-closing-park-place-tucson-sale.

Tuscon News, similar to CNN Money, highlights the recent news from all around the world as well as business insights. According to the news, it is evident that the Sears store, which is located in the Park Place Mall, is about to face the same destination of closure as many other Sears auto centres and stores. The subject store was launched in 1961, and its liquidation procedures are planned in the middle of July. The person of Sears states that they comprehend the disappointment of employees and involved parties after this closure, but he assured the audiences that Shop Your Way is a platform which keeps connected all the consumers (if there are left any). Howard Riefs: director of Sears's communication, further says that they are expecting to maintain a fragment of sales which was interconnected with the Sears store by sustaining the kinship with valuable members who utilized the facility of Shop Your Way.

Milke, Mike. Why Sears Failed: Lessons from Winston Churchill – Oct. 2017, https://www.theglobeandmail.com/report-on-business/rob-commentary/why-sears-failed-

lessons-from-Winston-churchill/article36547603/

In this news article, Milke highlights the closures of Sears's stores within the premises of Canada and in due course, he recalls the early years of his life when he used to visit the stores frequently. However, he admits that it was a decade ago when he visited the store last time and bought a vacuum cleaner and some disposable bags. According to Milke, the chief logic behind the failure of Sears is the lack of workable ideas, and he says that no one from the executive board has a suitable strategy or set of ideas to resolve the issue. He stresses the need to implement appropriate tactics to cope with the innovative retailing environment. In due course, he recommended empowering employees to work with the adverse situation and allow the implementation their ideas to the declining state of affairs. He blames the wrong decisions of the wrong people (evidently including Mr. Lampert). At the end of the article, Milke concludes the discussion by asserting his perception that the lack of skills of individuals and alignment of an idea becomes the cause of the decline of Sears Canada. Evidently, Sears Canada unsuccessfully handled the interests of the corporation as well as issues such as profitability and consumers and with such errors a substantial failure was unavoidable.

Evans, Pete. "All Remaining Sears Stores in Canada to Close after Court OK's Liquidation | CBC News." CBC news, CBC/Radio Canada, 14 Oct. 2017, www.cbc.ca/news/business/sears-closures-impact-small-communities-1.4353011.

Through this article, Evans delivers the approval highlights which were passed by the Ontario Superior Court's judge. Previously Sears filed a plea to the Canadian court to allow liquidation of the remaining stores of Sears in Canada. The permission is granted within a few days after the submission of the request. Evans explains that Sears was operating in Canada for six decades, and because of adverse financial and business crises, it was attempting to restructure its business position under the supervision of the Court. Evan also included insight from a marketing professor, David Soberman, on the issue, and he reflects that Sears was facing devastating problems for many years or, say, decades, but it was only a few years back when it started anything to save face. He further says that it is like securing the doors of the barn after escaping the horse.

Lodge, Michelle. "Top 4 Reasons Sears Could File for Bankruptcy in 2018." *TheStreet*, TheStreet, 25 Jan. 2018,

www.thestreet.com/story/14450394/1/sears-could-bankrupt-in-2018. html.

Throughout the subject article Lodge is trying to make the point to describe the four major reasons for the underlying failure of Sears. He accused Mr. Lambert of making a most crucial mistake which eventually led Sears to this hazardous condition. Lodge affirms that disinvestment is a major reason through which Sears lost its presence in the market, and now it has to close most of its stores to restructure the business. Lodge also underlines Sears' mistake, which it conducted by not gaining the advantages from an alliance with K-Mart because it was a golden chance to captivate a huge group of low-income consumers. Moreover, Lodge condemned the ideas of Lambert and says that once he was the cover man for the business magazines, but from now on he should be taken as a warning sign, and it is better to never heed his ideas or business propositions.