

Titanic Sinking Saga: Will It Never End?

Sears... get a strategy, please!! Continually moving those deck chairs will not work. A test here, a test there, but with no big-picture vision about where or how the brand needs to position itself. Sears Grand sounds like a grocery store. If it's to compete with Wal-Mart, Lowe's or Home Depot, or maybe all three, I don't think so. Once again Sears seems unable to climb out of the trap of being "all things to all people." And, do I remember correctly that Sears sold their credit business, which contributed 60% of operating profit, to focus on their core retailing business? Focus? What focus? And, of course, it's cost-cutting time again. It's also been reported that there's talk of expanding free-standing Land's End stores, with someone commenting that there is one "wildly" successful store. And, where might that be? Well, it's in the Minneapolis Airport. Oh, my!

A JC Penney Lesson?

While Sears "fiddles," JC Penney is moving successfully forward on all fronts, with clear big-picture strategies. Why do I compare Sears to JC Penney? Because, I recall about a quarter century ago that Sears and JC Penney were in almost identical situations? Sears was flailing about, looking for clear strategic direction, however not abandoning its "everything for everybody" position. JC Penney focused on apparel, eliminating a number of product categories, essentially responding to changing market conditions with a clear value proposition.

Well, market conditions have been changing again, and again they are responding while Sears is still flailing about.

Penney's has up-graded and expanded its private and national brands, also adding contemporary sportswear. They've centralized the structure and increased productivity. They developed a powerful synergy between their "clicks, bricks and catalogues." And, most importantly in my view, they are embarking on a major distribution strategy of opening smaller free-standing stores, closer to their consumers (read: more convenient), and maybe signaling the exit from under-performing malls.

These strategies have been evolving over the past four years, "retro-fitting" a powerful brand and matching its evolved value proposition to the changing consumer.

Forget "Stealth," It's Revolution Time

I recently read about another "deck chair" movement. Sears is catching on to the concept of "stealth" marketing. Well, bravo for that. However, striking a deal with a slick Hollywood product placement agent to integrate Sears and its products into TV shows or movies, is likely to work in reverse for Sears.

In fact, without even paying an agent, Sears got a negative spin from the movie "Mean Girls." One of the movie's stars, while trying to squeeze into her usual size 5 at her favorite boutique, was caustically recommended by the saleswoman to "...try Sears."

Seriously, many consumer products, such as Heineken's beer, Pepsi and Coke, and even USA Today, have taken advantage of such subtle, and non-commercial environments to appeal to the commercial-weary and wary consumers. However, unlike Sears, these brand examples stand for something specific, not "everything." And, they promise specific consumer benefits that they also deliver.

Unfortunately for Sears, while the "stealth" effort might be spectacular in its message, intrusive, invasive, and ultimately compelling, what happens at delivery time?

One of two things happens. If the marketing was compelling enough to get them to pursue Sears, it's likely that one of the current numerous, more focused and specialized competitors will intercept them on their way to Sears. Or, if they do get to Sears, the "blur" of stuff will frustrate them, certainly not providing a pleasant shopping experience. Now, even if they get beyond the blur, and get to the item that was compelling them to the store, they will most likely discover that, with the exception of a few iconic brands, better value can be found elsewhere.

It's too bad. Sears is an icon. It should be a solid and successful brand with a clear and focused value proposition. Can it be? I have said in past Reports that it's too late. Maybe I'm wrong. I said that in the late 1980's there was a "window of opportunity" to bite the bullet, get rid of apparel, and organize their entire branded value proposition around the "home." Today, they would be among the top three, if not the leader.

Maybe they could still do that. But, it will surely require a revolution.

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