Sears And Roebuck Company Essay, Research Paper

Business Marketing Term Paper

Sears and Roebuck Company

For this paper I will be looking at an old established company, that has re-addressed its target market. To increase penetration in the market and expand in new markets, Sears has refocused its market concept. In the past Sears was where your grandparents shopped for quality product. As they sat back and enjoyed the comfort of their brand name and reaped the benefits, other companies sliced away at the market with new concepts in advertising until about five years ago when Sears woke up to a lagging profit margin.

Sears began a recovery to regain market shares lost through complacency. To do this they gathered their staff and commenced to focus on new innovative techniques to cater to the needs of their consumers. First they looked at the production which was well established but could be streamlined. Some items could be eliminated or replaced by other brand name products to give the consumer a broader choice of items. For example they sold the Advantis computer branch to IBM when the projected competition would limit revenues in this area. They also negotiated lucrative contracts with brand name companies for the exclusive retailing rights for their product, an example of this is the Nordic Track home fitness equipment in January of this year. They targeted school age children with the new styles, which they refer to as the ?Relaxed Uniformity? which increased sales in July of 1998. This helped bring in the younger and health conscious consumers who did not feel that the Sears brand name was right for them. This stream lining effort would include shutting down some of the lagging catalog sales offices. This allowed them to establish more competitive prices in the market and better returns for their shareholders. This led to an increase in domestic revenues by 4.2 percent in 1998.

The next areas they looked at were the location of their stores and the placement of the products in their stores. Some of the older stores which did not have a profit margin that warranted the expense of their upkeep where eliminated to cut overhead expenses. In addition, using trend analysis focusing on consumer habits, they took a hard look at the layout of the stores to see if they could improve sales through a better display or more efficient floor plans. Sears decided to set up displays, which bring the consumer walking by into the store and the product that has the return buyer?s interest in the back of store. With this in mind they revamped the floor plans and placed the items they knew the patron would search out to the back of the stores which forced the customer to pass by other product they did not realize was stocked by Sears. The placement of other products, which had lagged in the past, in high traffic areas, increased the sales of those items.

Last but not least, once Sears had the company market strategy drawn out; they needed to inform the public of the changes they had made and figure out how they could meet the consumers needs. Sears re-launched its successful “Softer Side of Sears” advertising campaign that helped the company’s turnaround by highlighting its renewed focus on women’s apparel. The new version of the Softer Side campaign, which included print and broadcast ads, invited customers to “Take Another Look” at the fashions available at Sears.

“The Softer Side of Sears? campaign achieves the key marketing objectives. It changes customers’ perception of Sears, drives traffic into the stores, and demonstrates Sears? commitment to offering customers stylish and relevant women?s apparel,” said Arthur C. Martinez, chairman and chief executive officer of Sears. “Now the challenge is to build greater loyalty with our customer and reinforce Sears position as a destination place for apparel that fits her lifestyle.”

Reinforcing Sears? commitment to serving its primary customer, a woman age 25 to 54 with a moderate household income, family and home. This campaign builds upon and personalizes Sears? invitation to “Come See the Softer Side of Sears” by illustrating that Sears has more than fashionable apparel; it has the right apparel for her.

The original Softer Side campaign, Developed by Young & Rubicam New York, created new ads, three 30 second spots, that premiered during the Emmy Awards on Sunday, September 13. The first print ads appeared in October issues of women’s general interest publications and fashion magazines to increase public awareness. This very successful campaign was the turning point for Sears as publicly stated. “Our customers have told us they identify with ‘The Softer Side of Sears? as a brand in itself, one they trust for quality and strong values,” said John H. Costello, senior executive vice president of marketing at Sears. “By enticing customers to take another look, we’re re-energizing the message that Sears is constantly changing, always updating, and continuing to surprise the customer.”

The new advertising enables Sears to maximize the impact of the Softer Side success and demonstrate the company’s ongoing efforts to reinvent and transform its apparel program to stay relevant with the customer. During the last five years, Sears has aggressively pursued strong national brands and has also developed private apparel brands that differentiate Sears from its competitors. Since turning its focus to apparel, Sears has signed on national brands such as Vanity Fair, Trifari, Sag Harbor, and Leslie Fay. New private brands that have driven significant incremental sales for the company includes Classic Elements casual wear, Apostrophe and Laura Scott career wear and Crossroads casual apparel. In addition, Sears began offering several national brands sold exclusively at Sears, including First Issue, a Liz Claiborne company, a line of updated career wear for women, and Circle of Beauty cosmetics.

Sears has continued to advance into new target groups by recruiting celebrities that represent those groups to advertise for them. One of these is Gloria Estefan to open up the growing Hispanic market. It also launched the Internet web site, which is in English and Spanish for their products. This innovative style of advertising is why Sears, Roebuck and Co. are a leading U.S. retailer of apparel, home and automotive products and related services.

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