# **Sears:**

Sears is the 130-year-old mass merchandiser that was once the largest retailer in the United States. This is the company that pursued both catalogue operations and retail sales as line of business. Sears continuously exploited their strengths by thinking in the lines of their business when they want to innovate/add new offering to customers. They were pretty successful when they introduced Allstate to customers which indirectly made customers to purchase goods at Sears to get some guarantee on goods and help in wear & tear activities. They also built great relationship between suppliers by taking part in their vertical line of work resulting in optimization. Sears were able to penetrate underserved rural areas by leaning on new infrastructure, such as the railroads that linked far-flung regions of the country. They dominated the rural retail market through its huge catalog, an amazing work of product advertising, consumer education, and corporate branding. Cutting costs and tightly controlling distribution fueled its rise to power. **Sears taught Americans how to shop.**

In terms of Exploration, Sears had very good history at exploring new things, starting with watch company although despite knowing very little about them. Sears played a very good role as salesperson for customers and improved offerings later on with catalog mail-in service and many more. Besides, they also had bad experience at exploring new things which happened in 1980 after taking up new offering in financial services. Sears has mirrored the ups and downs of the American economy.

As part of their journey they explored various new markets which in-lined with their base operations like Allstate and further branched out into many financial products like credit cards, loans etc. Under the leadership of Wood’s, Sears succeeded with their new innovations and handled rigorous competition from other players. Whereas after 1970 there were new innovations in technology and the way retail industry works got changed drastically. Competitors like Walmart introduced many new styles of operating stores like tracking sales at product level, utilizing shelf space effectively by introducing warehouse locations to collect goods from vendors/suppliers instead of directly unloading to store, maintaining vertical integrations with suppliers to optimize the cost and make it as low as possible. Walmart also started interacting with customers to know more about them like what they are looking for and issues they are facing with current products. Another innovative technology implemented by companies like Gap that resulted in great profits was performing regression analysis on current information available and forecasting the demand, this helps store managers to know about what to order and when to order so that the shelf space is utilized efficiently.

In a time when the competition has become increasingly difficult, it's more important than ever to develop a competitive edge. Something Sears, the former retail giant, has struggled to do. Sears was one of the first companies to embrace ecommerce. Yet, management allowed the Fallacy of Division to fool them into thinking being online was enough. Those in charge of marketing strategy for Sears allowed complacency to lure them into thinking they had covered all the ecommerce bases simply by being online. In addition, Sears instead of following its trend of business by providing new lines of offering to attract customers, it chose to combine with business that already have demand in market such that customers will be redirected to Sears for its popularity and that would help in improving retail sales. Sears is good at exploring but they failed to cope up with the new changes. Sears had disadvantages growing out of its prior success. Its very size was in some respects an impediment. It needed an information system that would be able to handle national-scale transactions and inventory tracking for the very large product line that Sears offered. It even needed, on a more mundane level, some way to track its catalogue and retail operations separately so that it can gain more insights out of them.

Another reason contributed to Sears failure was its sales, it failed to compete with its competitors due to reduction in no of households who were earlier customers of Sears and known the value of its service. Sears doesn’t have inventory that spoke to new generations and failed to update its offering that matches current trends. We can say that older the customer is the more it is meant to them. In addition, Sears was located in outskirts and availability of goods with low cost in near proximity attracted people and had negative impact on Sears sales. Besides, Sears had one successful theme of “one-stop” shopping which was effectively in synergy with Allstate offering in 1920 whereas new financial offering was not. Along with these changes, management failures also contributed to Sears failure.

Sears was unable to tackle technology and demographic changes because of its style of managing business. Sears was successful at its retail industry in 1920 due to it’s an innovate step of offering Allstate and it made customers to buy products at Sears and elevated its business. This is a win-win solution for customers and business. Whereas in 1980 Sears added new financial services to its offerings which is unsuccessful because new offering is not presenting retail business to customers instead it’s just an offering to satisfy customer. The synergy between financial and retail services didn’t work out. Skyrocketing inflation meant low-price retailers such as Target, Kmart and Walmart, all founded in 1962, lured new customers. In 1991, Walmart overtook Sears as the nation’s largest retailer.