Marketing Doctor

Marketing Check-up

Sears

As of November 26, 2024

Condition: Critical

Harvested for cash, starved of stores

Sears began with a powerful promise: Richard Sears's first catalogue in 1887 brought goods to farms and villages that had no other easy way to shop. It became America's store. By 2024 just over a dozen Sears stores remained. This check-up looks at how a famous brand was harvested for cash, what customers saw as that happened and what was left of the name.

Key takeaways

- Sears gave up its general catalogue in 1993, the channel it was built on, shortly before shopping from home became the future.
- Its stores were renewed far more slowly than they wore out. Stores renewed that slowly look tired, and shoppers notice.
- It sold what gave the name its weight, including the Craftsman tools brand, without giving shoppers a new reason to walk in.
- Its own plan aimed at an "asset light" company. It was a financial plan, not a customer strategy. Sears filed for Chapter 11 in 2018.

Marketing health check

Area	Finding
Store experience	Neglected. Stores renewed far more slowly than they wore out.
Owned brands	Sold. Craftsman went to Stanley Black & Decker in 2017.
Heritage channel	Abandoned. The general catalogue ended in 1993.
Strategy	Financial, not customer-led.
Recognition	Fading without use.

Timeline

When	What happened
1887	Richard Sears offers his first catalogue.
1925	Sears opens its first retail store, in Chicago.
1993	Sears discontinues its general catalogue.
2005	Kmart completes its purchase of Sears.
2015	Sears sells properties to Seritage and leases many of them back.
2017	Sears sells the Craftsman brand and closes about 435 stores.
Oct 15, 2018	Sears Holdings files for Chapter 11.
Feb 2019	Transform Holdco buys the remaining stores and assets.
Sep 2021	The last Sears store in Illinois, its home state, closes.
Jan 2024	Just over a dozen Sears stores remain in the continental U.S.

What happened: the store everyone knew grew tired

Richard Sears offered his first catalogue in 1887, selling to farms and villages with no other convenient access to stores. Sears opened its first retail store in Chicago in 1925 and discontinued the general catalogue in 1993. In 2005 Kmart bought Sears in a deal that joined about 3,500 stores.

What followed looks to us like harvesting. Spending on stores ran well below the rate they wore out: $80 million against $332 million of depreciation in fiscal 2017. Stores renewed that slowly tend to look tired, and shoppers notice. Comparable sales at Sears fell 15.2% that year.

The diagnosis: a brand run for cash

- **The experience was starved.** When stores aren't renewed, every visit tells customers the brand has stopped caring.
- **It sold the reasons to visit.** In 2017 Sears agreed to sell Craftsman, one of the brands people came to Sears for, to Stanley Black & Decker for about $900 million. Each sale raised cash. None gave shoppers a new reason to walk in.
- **A financial plan in place of a customer strategy.** The 2017 annual report aimed to "right-size, redeploy and highlight the value of our assets" on the way to "a more asset light, integrated membership-focused company." That is a financial plan, not a customer strategy. Nothing in it tells a shopper why to choose Sears.
- **The heritage channel was dropped.** Sears built its name on shopping from home, then left that channel just before shopping from home took off online.

The treatment it needed

Sears needed a clear answer to who it served best, a few categories it could own and steady investment in the stores and service behind them. The balance between brand building and sales activation applies to what you keep investing in, not only to advertising. Sears kept the name and stopped investing in what the name promised.

The result: a known name with little behind it

The company closed about 435 stores in 2017 and filed for Chapter 11 on October 15, 2018. Transform Holdco bought the remaining stores and assets in February 2019. In September 2021 Sears closed its last store in Illinois, its home state. By January 2024, just over a dozen Sears stores remained in the continental U.S.

Its main asset is recognition, and recognition fades without use. Any revival would need a clear position in a few categories and steady investment behind it.

Lessons for your marketing

1. Brand value is earned slowly and spent quickly.
2. If cost cuts or asset sales are funding the business, set limits on how far store, product and service standards can fall.
3. Don't sell the products customers come to you for.
4. Track comparable sales and repeat purchase next to cash.
5. Keep your heritage channel alive in its modern form. Sears invented shopping from home, then left it.

The doctor will see you now.

Book a free marketing check-up at marketingdoctor.ca/contact. We'll examine your marketing, show you what's holding growth back and prescribe what to fix first.

Sources

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This check-up uses public information available on November 26, 2024. It is marketing analysis, not investment advice.
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