

# When Strategy Pales: Lessons from the Department Store Industry

## Dillard's Retail Strategies

BY:  
**ABBY BATTE**  
**ELIZABETH WRIGHT**  
**KALICIA McCOY**  
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### SWOT Analysis

#### Company Overview

- Direct Competitors: JC Penney's, Koh's, Nordstrom
- Strategy: moving up market to position themselves above Macy's and below Nordstrom, dominating stores to have more of an exclusive, boutique feel
- Target Market: middle and upper class women
- Positioning: department store chain
- Retail Mix:
  - Merchandise Variety: clothes, shoes, accessories, home goods for men, women and children
  - Assortment: products of all sorts from Adidas and Columbia to Dior and Chanel
  - Pricing: mid to upper price range; high end items at a discounted price
  - Locations: 270 locations in some 30 states across the US; nearly 36 clearance stores

#### growth opportunities

- Strengthening E Commerce
- Upgrading their website; online expansion
- Reaching out to states with no Dillard's stores; expanding

#### Financial Analysis

- stock value of April 1st, 2016 at \$84.12
- March 2016: adjusted per-share profit of \$2.25 to \$2.55
- revenue fell 2.5% to 2.07%, and comparable sales also dropped 2%
- Prospective increase in earnings per share alongside a 2.6% decline in revenue

#### Future

**Down Side**

- Not an attracting investment compared to competitors with better growth aspects
- general trend for store growth is on decline

**Plus Side**

- Dillard's.com is in a constant state of evolution and always testing new ideas to not only optimize sales, but focus on improving the customer's experience.
- omnichannel efforts (all channels- desktop, mobile, and brick and mortar) as positive sign for company's future

#### Strengths

- Employees are 58,000
- Present in many different categories other than just clothing
- 270 locations
- competitive advantage pricing
- can trade online
- exclusive brands
- customer loyalty

#### Opportunities

- younger demographic
- expand from malls
- international
- social media
  - mobile app
  - facebook, instagram, etc.

#### Weaknesses

- little to no international presence
- mall-based locations
- decline in department store popularity
- lacking in social media

#### Threats

- competition
  - JC Penney
  - Macy's
  - etc.
- economic slow down
- weak sales trend in department store sector

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#### Company Overview

- Direct Competitors: JC Penney's, Kohl's, Nordstrom
- Strategy: moving up market to position themselves above Macy's and below Nordstrom, downsizing stores to have more of an exclusive, boutique feel
- Target Market: middle and upper class women
- Positioning: department store chain
- Retail Mix:
  - Merchandise Variety: clothes, shoes, accessories, home goods for men, women and children
  - Assortment: products of all sorts from Adkiss and Columbia to Dior and Chanel
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- omnichannel efforts (all channels- desktop, mobile, and brick and mortar) as positive sign for company's future

### SWOT Analysis

#### Strengths

- Employees are 28,000
- Present in many different categories rather than just clothing
- 270 locations
- competitive advantage pricing
- can trade online
- exclusive brands
- customer loyalty

#### Opportunities

- younger demographic
- expand from malls
- international
- social media
  - mobile app
  - facebook, instagram, etc.

#### Weaknesses

- little to no international presence
- mall based locations
- declining in department store popularity
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#### Threats

- competition
  - JC Penney
  - Macy's
  - etc.
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Department Store

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Financial Analysis

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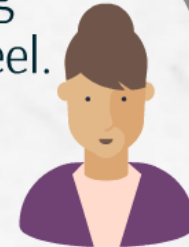
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# growth opportunities

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# SWOT Analysis

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# Strengths




- Employees are 38,900
- Present in many different categories other than just clothing
- 270 locations
- competitive, advantage pricing
- can order online
- exclusive brands
- customer loyalty



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# Weaknesses

- little to no international presence 
- mall-based locations
- decline in department store popularity 
- lacking in social media 

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