When Strategy Fails: Lessons from the Department Store Industry

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Company Overview
- Strengths
  - Strong company size
  - Significant sales
- Weaknesses
  - Poor financial health
  - High expenses
- Opportunities
  - Expansion into new markets
  - Diversification of products
  - Threats
    - Economic downturn
    - Increased competition

SWOT Analysis

Financial Analysis
- Stock value of April 1st, 2016 at $84.12
- March 2015: adjusted per-share profit of $2.25 to $2.55
- Revenue fell 2.5% to 2.67%, and comparable sales also dropped 2%
- Prospective increase in earnings per share through a 2.6% decline in revenue

Future
- Challenges
  - Not an attractive investment compared to competitors
  - Growth gaps
- Lessons
  - General trend for store sales is declining
  - Dillard's core is in a constant state of evolution and change
- Recommendations
  - Improve sales
  - Increase customer loyalty
  - Launch new products
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Dillard's Retail Strategies

Financial Analysis
- Stock value of April 1st, 2016 at $18.12
- 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

SWOT Analysis

Strengths
- Strong financial position
- Large and diverse product assortment
- Quality brands

Weaknesses
- Dependence on apparel
- High operating costs

Opportunities
- Emergence of online sales
- Expansion into new markets

Threats
- Competition from discount stores
- Economic downturn

Future

Dillard's Core
- Not attracting high-value customers
- Decline in sales
- Need to restructure
- Focus on online sales

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Works Cited

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Dillard's
Retail Strategies
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Department Store
Financial Analysis
Company Overview

- Direct Competitors: JC Penny'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 Adidias and Columbia to Dior and Chanel
  - Pricing: mid to upper price rage. high end items at a discounted price
  - Locations: 270 locations in some 30 states across the US. nearly 30 clearance stores

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growth opportunities

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