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Does Des Plaines' Kmart reopening offer hope for Sears Holdings?



The Kmart in Des Plaines will have a grand reopening on Saturday. While it's a chance to revitalize a store in the community, experts aren't reading a lot into what it means for struggling parent company Sears Holdings.

Jeff Knox | Staff Photographer



Anna Marie Kukec

The Kmart store (<http://www.kmart.com/stores/illinois/des-plaines/4214.html>) in Des Plaines will have a grand reopening on Saturday. That's something shoppers don't often hear in association with parent company [Sears Holdings Corp](https://searsholdings.com/) (<https://searsholdings.com/>), based in Hoffman Estates.

The long-struggling corporate retailer has been closing stores in recent years, including 78 Sears and Kmart stores this summer. Still, it was a glimmer of hope for the community to see this store get a makeover and schedule Chicago Bulls legend Scottie Pippin to make an appearance to attract more shoppers.

Such an event came as a surprise to some analysts. A store like Kmart and the declining department store industry usually don't get such resources, but instead, are either sold off or left to wither away, said David Aron of Naperville, a marketing professor at the Brennan School of Business at Dominican University in River Forest.

"If the Des Plaines marketplace is especially suited for what Kmart offers, then Sears Holdings might, at least in this case, see Kmart as a cash cow," said Aron. "If the Kmart in Des Plaines requires little input of resources but could still bring in an acceptable return on the investment, then maybe Sears Holdings is going to keep milking that cash cow until it runs dry. So why a grand reopening? Maybe to let people know that the place is still open for business."

The Des Plaines store's grand reopening is in the wake of the parent company closing 68 Kmart and 10 Sears stores by the end of this summer. None were in the suburbs. That brings the retailer's offerings to about 1,500 stores.

Sears spokesmen were unavailable for comment.

Sears had been trying to turn things around by investing in online operations, but letting brick-and-mortar operations slide, said George T. Haley, professor of marketing at the University of New Haven in Connecticut.

"If this signals a change to rebuilding brick and mortar, and at the same time continuing to maintain and enhance online operations, then there is significant hope for Sears Holdings," Haley said.

The only strategy that Sears Holdings had announced was in May, when it said it would launch a smaller appliance store concept in Fort Collins, Colorado. That concept store is about 10,000 square feet, much smaller than a typical Sears store at about 138,000 square feet. The company hopes the idea will help it return to profitability. The smaller format is an experiment and a chance to attract and engage more shoppers, Sears Holdings Chairman and CEO Edward Lampert said in May at the company's annual meeting in Hoffman Estates.

While it means a lot to the community to keep a store vibrant, another expert didn't think the Des Plaines grand reopening is much of a trend.

"I would not read too much into the reopening of one Kmart store without some indication from the company that this specific store implies something broader," said Philip Emma, head of North American Research at Debtwire (<http://www.debtwire.com/info/>), which tracks debt situations at companies before they're reported to credit agencies. "Sears has been testing a Sears branded smaller appliance store, but to assume something broader about the Des Plaines Kmart store would be a stretch that I wouldn't make."

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