

J. c. penney – what is making them different and more preferred over other simila...

[Business](#), [Strategy](#)



Major Focus

It's no secret that over the last few years the retail store J. C. Penney has been in the decline phase of the industry life cycle. Staying relevant in a market as competitive as retail has proven quite difficult for the iconic store. Still, J. C. Penney has avoided exiting the market and is attempting a turnaround strategy in hoping to revitalize their business. J. C. Penney has enhanced partnerships with activewear icons such as, Nike, Puma and Adidas, and broadening its plus size clothing options. Besides supplying more plus size options and creating better partnerships with activewear icons, J. C. Penney has also expanded its beauty space. In 2017, J. C. Penney added 70 new Sephora locations inside their stores and this year added 27 more Sephora locations. J. C. Penney will also be remodeling their salons and salon product line hoping to bring business back to its beauty sector. While working on these strategies, J. C. Penney is also looking to become more aggressive with its plans for their fine jewelry space and is looking forward to their new partnership with Fitbit, which will be a nice companion for its activewear line.

Everything J. C. Penney has done was looking promising for the store's future until the President and CEO, Ellison resigned from his roll to take on the same position at Lowes Home Improvement stores. This action by Ellison made many people think he didn't truly believe in the turnaround program he had instituted and if the CEO and President of J. C. Penney doesn't believe the business can be saved, can it be?

Strategic Management Concepts

J. C. Penney has implemented a turnaround strategy, which is reversing performance decline and reinvigorating growth toward profitability. They are trying to bring in more sought out products, expand their market and revitalize their image in the eyes of the consumer. However, I don't see them being selective with their products, pruning the market or making productivity improvements and these are key stages in a turnaround strategy. J. C. Penney is adding costs, but not reducing cost in any way. They have added new products but have removed none of their less successful items to cut costs. J. C. Penney is offering new products so that their turnaround strategy might be a success, but they haven't differentiated themselves from their competition. A differentiation strategy comprises of creating differences in the firm's product or service offering by creating something that is perceived industrywide as unique and valued by customers.

J. C. Penney is offering products and services you can find at Macys, Dillard's and other similar stores. They aren't offering any different prestigious brands, quality, technology, features, innovation techniques or customer service to cause a customer loyalty switch from their competitors to them. J. C. Penney has no competitive advantage over their competition. So, what is making them different and more preferred over other similar retail stores?

Analysis

What J. C. Penney is trying to implement is good in theory. They're trying to re-brand themselves to compete with similar stores in their market, but I feel

they aren't going about it the right way from a strategic standpoint. If I were CEO of J. C. Penney I would want the business to compete with stores that are like our business, but I would want to differentiate our business in some way. Macys, Dillard's and Kohl's are J. C. Penney's direct competition, so I would want the business to find its niche. Macys is known for their line of prestigious products, Dillard's is known for their shoe department and Kohl's is known for their variety and prices lower than most of its competition. J. C. Penney should be known for something as well.

My ideas for J. C. Penney would be to look for clothing and makeup lines that aren't currently sold in large department stores and create a partnership with them. This way they would be offering more of what a department should be known for, while being able to differentiate themselves from other department stores. I would suggest looking at getting more dress shoes than activewear shoes. Nike, Puma and Adidas are good for exercising, but most of the time people need/want shoes to go to work and go out in. J. C. Penney also has a home goods department that really isn't known about because it's overpriced and underwhelming. Where Sear's has exited the market, I would suggest that J. C. Penney investigate expanding their home goods department with appliances and better-quality brands and fill the gap that Sear's has left.

Another way I see J. C. Penney differentiating themselves would be to expand their private label, which is responsible for over 50% of their revenue, with better designs that people will remember and want to purchase. In the earlier years of the decline J. C. Penney had another CEO,

Johnson who tried to cut costs in all the wrong ways. Johnson hired outsiders to fill critical senior level positions, terminated over 19, 000 employees and ended the use of discounts and coupons. J. C. Penney still needs to cut costs somewhere and my idea for this is to shut down all salons in their stores. With Sephora and possibly other cosmetics being offered in J. C. Penney, they don't need their salon. Sephora offers better quality hair products than what can be found in their salon, and most people prefer to go to a specific person, not a specific place to get their professional cosmetic needs met. And while J. C. Penney is trying to bring back their jewelry space, most people don't even consider J. C. Penney an option when shopping for fine jewelry.

So, I would suggest doing away with the fine jewelry section of the store and focus on less expensive options such as costume jewelry. J. C. Penney's turnaround strategy should be about cutting costs and focusing on not what they can sale, but what the consumer wants to buy. They shouldn't dive headfirst into expanding their business until the ideas have been tested and they are sure they can survive the extra costs.