Research paper on hudsons bay company: the competitive landscape

Business, Company

Introduction

The major competitors of Hudson's Bay Company are the Nordstrom and the La Maison in the present but in the past, the closest competitor was the North West Company. The Nordstrom is a new company from the US, which opened a branch in Calgary (Monteyne, 2009). La Maison is an established store that has been operational for a while. The third company, the Sears Canada Inc. t however, is not considered as potential competitors. The major competitors are therefore the la Maison and the prospected Nordstrom.

Their major marketing strategies that they employ to compete with the Hudson' s is through doing market research to identify the consumers' needs and implementing the results (Monteyne, 2009). They have employed many employees in their stores to serve the customers and even introduced after sales services. The notable reaction is the constant advertisements and promotions that are always activated to attract customers.

However, their level of competition compared to the Hudson's is wanting. Despite their increased investment in customer service related activities, Hudson's still dominate the market. The competitors focus in locating their stores where the Hudson's already exist is not paying. The buying of Sears leases to help Nordstrom compete effectively with Hudson's is not and is not likely to yield any major positive returns (Monteyne, 2009). This is because the Hudson's have been in the market for the longest time in store operation and has the best policies that not only attract customers but also able to provide enough revenue to cater for all the operation costs and other expenses.

The Hudson's have the largest share of the market; in fact, the coming in of other companies only increases its sales ratio. Hudson’s sales increased by 4% in the first quarter year, when Simons set its store outside Quebec. Statistically, Hudson’s has a large market share of 38%, La Maison 20%, Bloomingdales8%, Sears 15%and Nordstrom 16% while the remaining percentage shared among the others.

Although Hudson’s Bay Company has been able to operate in a highly competitive industry, the company has really done a lot to counter the effects or action of its close competitors. Its close competitors have been able to effectively compete with it by diversifying the departmental stores that they own. Hudson’s Bay Company chain of Zellers stores has been countered by its competitors by creating other more effective chains that are diverse to attract more customers. The competitors open stores at innumerable places to ensure that essentially every person who needs their services can conveniently access those (Pierce & Newstrom, 2005). They also create good customer relations that build a strong brand name and company image.

Its close competitors try to offer quick services at a substantially low price. Sometimes, they even go to the magnitude of operating at a loss with the main intent of attracting more customers. They likewise extend their credit facilities to almost every customer by fixing the rations that one must meet to be considered credit worthy at a very stumpy level. Outspreading the credit facility to clients allows more customers to afford the stores services (Chatterjee, 2012).

Nordstrom a close competitor establishes its stores just adjacent to those owned by HBC. They also decorate their stores to look more appealing than those of HBC. This plus massive advertisement decoys additional customers to purchase services from HBC’s competitors (Chatterjee, 2012). Nordstrom merges with small less competitive companies as to increase their competitiveness and reduce the number of competitors in the market. Some customers buy from HBC’s competitors since their staff is highly experienced and they offer high quality and unique services that meet the customers’ needs, preferences and expectation (Chatterjee, 2012). Most of its competitors employ modern technology and systems that improves efficiency, productivity and ease of handling the customers’ needs and criticisms. They similarly offer exclusive aftersales services that certainly fascinate customers.

Hudson’s Bay Company is under the governance of a highly experienced and abled management team. Apparently, this makes the company gain competitive advantage in the industry as the team coordinates all the activities and operations towards the achievement of the company’s goal and objective while at the same time trying to meet the needs of the present-day society; a strategy that most of its competitors have failed to realize its connotation (Pierce &Newstrom, 2005). The management team is quick in acting to any grievances raised by customers since the company perceives the customers to be at the heart of the business (Chatterjee, 2012).

The management team has a well-organized strategy in marketing and most outstanding is the company’s cooperation of promotion to boost its sales (Shaw, 2013). Speaking after a retailer’s annual general meeting, Mr. Baker the company C. E. O said that the driving force of the business is the neverending promotions.

The management team aims at raising the company online sales by predicting an increase of $500 million in four to five years (Shaw, 2013). This would be a rise from $31 million in the previous quarter year sales. Other strategies include expanding other retail such as Topshop within Hudson’s stores and focus on high-growth categories.

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