Land’s End
Case Study Analysis

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Introduction

In 1995 the World Wide Web was introduced to a large amount of people nationwide. A lot of big and small companies saw this as an opportunity to minimize or eliminate the intermediaries between the customer and the producer or manufacturer. Basically a new and better way of doing business and a lot more room for growth because there is a never ending market out in the internet; especially in selling clothing apparel. Many new companies appeared on the market with completely new and different marketing strategies. Some of them moved part of their business online; while others didn’t even have a brick-and-mortar distribution channels anymore. A lot of companies were excited about this new and upcoming idea but at the same time they found it to be very risky and possibly expensive for all the technological equipment needed. Back in 1995 the dollar was worth a lot less for people weren’t buying computers back then like they are today. Some companies did great but about 50% of the all companies fail after their first 5 years of doing business. In this case, my company has been going strong for over 40 years and just continues to keep getting larger. My company uses the internet as well as outlets and catalogs as ways of selling their products. Land’s End was one of the
first companies to hop on the internet 10 years ago back in 1995. At first the site only offered 100 products however now the site offer’s every Land’s End products.

Company Overview

Land’s End is a nationally known company. It’s a global direct merchant of nice, well made, and durable clothing for men, women, and children. They also sell soft luggage and products for the house. The company started back in 1963 in a basement along a river in Chicago, Illinois by a couple guys who were sailors. Before they started this, their business they were selling racing sailboat equipment as well as duffle bags, rain suits, sweaters, and other various pieces of clothing’s. Once they had learned enough about the business and got on their feet, they decided to move the business to Dodgeville, Wisconsin. They had found this place to be a lot better for various different reasons. The chairman Gary Comer quoted “The main reason we are here is that I fell in love with the gently rolling hills and woods and cornfields and being able to see the changing seasons. That along with all that nature had to offer us, we came to know what a remarkable group of people we were joining with in the community.” (Comer, 1) Land’s End has become a lot popular today. Land’s End has about 15 outlet stores throughout the US, UK and Japan however most of their sales come from within their products being sold at 1 of the 870 Sears Roebuck stores. Land’s End is increasingly becoming larger every year as
well as making itself known a lot more on the internet as well. However, catalogs do and probably will for the rest of their lives continue to be their number one way of marketing. Sears Roebuck bought Land’s End in 2002 then they were bought by Kmart Holdings which is currently Sears Holdings.
After looking at these charts, we begin to notice a little bit about Land’s End financial situation. The first graph shows us their revenue in millions from 2002 to 2003. There is a big jump of about 200 million dollars from 2002 to 2003 in the company. Each year they will continue to make a little more money mainly from increasing cliental and offering a wider span of products.

E-Business Marketing Goal and Strategy

*New Product Development and Distribution Channel Process*
Land’s End is a strong global direct merchant with many years in the business.
2. Continue to expand stores nation wide as well as globally
3. Continue to offer all products over the internet
4. Decrease expenditure costs for overall small margin of profit increased.

**New Product Introduction**

The latest example of Land’s End New Product development process would be an introduction of the first online clothing store that enables a specialized chat room specifically for Lands End employees and customers to chat about anything dealing with products that Lands End is selling. Lands End has special agents that you can talk to either over the phone with or in a chat on the web. However, one thing that I didn’t like was that after 11:00 pm central time they are unable to take voice calls. I understand that they probably don’t want people working round the clock answering phone calls when it’s a separate service that they are offering and not making any money off of really, but sometimes you have to spend a little money to make a lot more money. People will always be having questions about the clothing. Most likely the questions are going to be very simple and easy to answer but still nowadays there are people shopping round the clock; especially on the internet. They even have 24 hour grocery stores. If people are shopping at 4am for groceries these days, then they will definitely be shopping for clothes on the internet at all hours of the night. This service is very easy to use. All you do is put your first and last name in and during the calling hours they will have a representative call you and for the chat they will make a screen name for you and just
start talking with you. I found this to be extremely interesting and I think this is an excellent way for them to offer such a service like this; especially when most other clothing companies would never do something like this. Another unique feature they offer is a service called My Virtual Model. Lands End was the first apparel company to offer this shopping tool as well. Basically it’s a program that allows the shopper to create a 3-D model of themselves by providing exact measurements including waste, inseam, shoulder, neck, etc and once down it will show a figure of what you would look like with those clothes on. Also helps a great deal with sizing.

**Apparel Growth**

- Land’s End now offers maternity wear that allows you to dress in comfortable but nice clothing
- As of right now Lands End is the largest apparel web site
- Focusing strongly on developing new ways to enhance the shopping experience
- Try to build stronger one on one relationships with the customers allowing them to feel more comfortable and more at home when they are on the web site
- Continue to practice meeting high quality standards

**Key Growth Drivers**

- Maintaining being the largest apparel website
• Continue to differentiate yourself from your major competitors
• Continue to offer free services like Lands End Live and My Virtual Model
• Leading clothing line at affordable prices
• Company owner retail store and there is a lot of room for growth in the clothing apparel industry
• Continue to update clothing lines as well as have everything that is new on display as soon as possible

Primary Stake Holders

There are two main stakeholder groups that deal with Lands End. The customers and the investors. The customers are the people who drive all the sales from buying the apparel. They also leave feedback on the store as well as the web site. Without the internet, there wouldn’t be nearly as many stake holders mainly because the internet acts as a major advertisement because it contains all their financial information and since the company is so successful, why not invest in it?

Value Bubble

Attracting

The attracting phase of this company was probably one of the most important features of how they became so successful. The web site is extremely useful and easy to
use. It makes a shopping experience like no other. I really couldn’t find any significant flaw as towards the web site. Everything was loading extremely quickly without any problems. The web site was very colorful. Everything was organized well. This is a good example of a good company’s position and strategic methods. The web site allows you to know everything there is to know about Lands End from start to finish. The website also has a “Find a Store” option which attracts people who are interested in Lands End products. The web site also has order tracking and an option to request a catalog at no charge. I know some companies like Abercrombie & Fitch charge you almost $10 just for a catalog of their products. That is ridiculous. I think catalogs should be free because you are just offering information about your store and product and making the customer more knowledgeable. You aren’t selling any products or services yet so there should be no exchange of any monies.

**Engaging**

Lands End knows how to attract customers as well as keep them on the site. With its easy to use features and quick response time, it takes no time to make a purchase. Everything is completely organized so you literally have everything right in front of you. It starts off with gender of sex. After this it will divide it up in pieces of clothing whether its pants, shirts, shoes, etc. Another awesome tool they offer that I liked was they have sections where you click on how much money you are willing to spend and it will pop everything up in that certain price range. I think this is an excellent tool especially for college kids who have no money and are shopping for Christmas presents on a very tight
budget. Most college kids would prefer just to buy everything over the internet because it saves a lot of time and money sometimes as well. I think the web site basically gives you a quick inside online store of what a normal outlet store would look like in person. The home page has a categories section that is extremely easy for product access as well as the most popular items recently sold so you know what’s popular and what’s not.

Retaining

An easy to use easy accessible web site is one of the key elements when dealing with the retaining phase in the value bubble. You want to keep the customer there as long as possible or as long as possible it takes him/her to make a transaction. If the web site is unorganized or running slow, that is going to turn customers away from the web site. Another unique section of the web site that I found interesting was their privacy and security policies. This shows that they care a lot about the customers because they are basically trying to cushion the customers more dealing with billing like credit cards because a lot of people these days hesitate to do any business over the phone or over the computer due to credit card fraud and identity theft. Customer service is also another key factor that gives Lands End a great advantage. Most of the times when you call customer service you have to go through a series of answering machines before you actually get to talk to someone. In this situation, it’s very limited as to how many different people you will actually talk to so it makes things go a lot quicker and smoother. Included in the
customer service section are sub-links that will link off to each section of the customer service area whether its men, woman, children, etc.

**Learning**

The most effective way Lands End collects information about its current and future customers are through newsletters. They also have a section where you can sign up for their email updates so they can send you information whenever they have sales going on. Included in these mailings could be possibly coupons to use for the sales. Using the internet also helps the company collect data. When this data is collected, it is basically increasing the level of knowledge for the company about the customers and it allows them to know a lot more about each individual customer. It’s basically as if they have a profile of their customers. The Lands End Live also is another key feature that they offer that allows the customer to obtain a lot more information than normal. Basically it’s a program designed for people who have questions or are stuck with certain products. During the day before 11 PM central time you can talk to a live representative over the phone and when you can’t talk to a live representative over the phone you can always go on the website and go into a chat room where there are always Lands End representatives in there and they can basically answer any possible questions you have relating with the company and its products they offer. I think this is one of their most unique features because when dealing with clothing apparel over the internet, a lot of people like to try on clothes before they buy them and that’s where the major problem of buying clothing over the internet comes in. There sizing chart is key because without it they would actually be
losing a lot of money in shipping charges because people would constantly be returning items because they wouldn’t fit. Every time an item is returned somewhere along the line it’s going to back things up and cause a problem whether it’s screwing up the inventory or increasing the shipping charges. No company ever likes it when customers are returning products; especially over the internet.

**Conclusion**

In my personal opinion, I think Lands End will be a successful company for a while. They started back in 1963 in the bottom of a basement and look what they have accomplished. They just keep expanding and growing larger and larger throughout the nation and world wide. Obviously they are doing something right if they were leading the industry in clothing apparel. I feel that they are solid all around and everything they do in the future is only going to have a positive impact on the company; not a negative one. Overall, I think they offer a good product at a fair price. I think they are going to stay in the market for a while. L.L. Bean does have a chance to push them out of the business but I don’t see it happening anytime in the near future. Lands End became too big to go under so quickly. Their clientele is too big for them to go under right now. All they keep doing is expanding. If a company continues to expand as much as Lands End then they are definitely going to be successful for a while.
Questions?

1. What ways on the internet does Land’s End provide the customers with a unique and unforgettable shopping experience?

2. What ways can Land’s End increase revenue without increasing prices items being sold at?

3. How did Land’s End become so successful?

4. How did Lands End effectively use the technology to successfully build their website?

5. Were there any negative aspects about this company? If so, what were they?

6. Do you feel that this company has any potential to go bankrupt or be bought out?
Resources

1. www.landsend.com
3. http://digitalenterprise.org/cases/landsend