

Shopping shake-up as Sears, Kmart and Payless Shoes reportedly in trouble

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It's one of the oldest retail stores in the country, and today, the company says it's in danger of going out of business. That announcement came from Sears, one of many retailers struggling to deal with more of us shopping online.

The company that owns Sears and Kmart said it faces "substantial doubt" it can stay in business unless it can borrow more, and get cash from more of its assets. It's the latest of gloomy financial news for other major retailers.

Sears, Kmart and now Payless are among the growing list of major retailers making major changes to deal with shifting shopping habits.

Payless may reportedly close as many as 500 stores and may file for bankruptcy and start focusing on bigger super stores.

In the case of Sears its revenue fell 12 percent last year, and sales have gone down 44 percent since 2012.

What's behind the decline? One of the biggest factor is the internet. Using Sears as an example, experts say it once had the appeal of being to provide everything shoppers needed under one roof. Now we can get everything from our phones.

So what does this all mean for us when we shop? We asked retail expert James Dion of Dionco Inc.

"We are over stored," Dion says. "We have twice as many stores as we realistically need. And so as those stores really rationalize their business I believe they are going to offer better service to the consumer they are going to offer just as much product there's no theres really going to be no downside to the American consumer."

Dion says prices are already low so they will likely not get lower. And even though more shoppers are going online, it's not the death of brick and mortar.

"Still when you look at clothing sporting goods all kinds of categories the vast majority even looking out five years optimistically 84 cents of every dollar is still going to be spent in a brick and mortar store," Dion says.

Dion says he expects thousands of brick and mortar stores to close in the next few years and the real losers will be the workers who will lose their jobs.

