

KOHL'S DEPARTMENT STORE

Student's Name

Institutional Affiliation



KOHL'S DEPARTMENT STORE

Vision

Kohl's corporation vision ensures that it offers the best merchandise in the industry, gives its customers the best price deals, and makes shopping an enjoyable experience for their customers (Kohl's corporation, n.d.). With such a vision, the corporation aims at offering the widest variety of high quality products as well as providing the best customer-oriented services. The company works on improving their brand with the aim of achieving its vision. Thus, it retains a big number of customers by satisfying their needs and constantly attracts new customers.

Mission

The mission of Kohl's corporation is to dominate in the industry by creating brands that are family-oriented; adding value to consumers; and having a friendly, exciting, and convenient environment (Kohl's corporation, n.d.). To achieve this, Kohl's has ensured that it embraces some core values. These values have, over time, helped in defining the mission that the company aims to achieve in the industry. One of these values is a focus on results. In all its endeavors, Kohl's corporation ensures that it achieves positive results. It employs people who are reliable, hard-working, and responsible to deliver the best products to its customers. It has enabled the company to achieve great success in the market due to the customers' satisfaction.

Stakeholders

The stakeholders of the Kohl's corporation strive for the achievement of the mission and vision of the company. The corporation cooperates only with those stakeholders that are results-oriented in order to ensure the continuous success. Its production, marketing, sales, and management teams effectively conduct their affairs with much respect to each other (Kohl's corporation, n.d.). It has enabled Kohl's to attain good results.

Five Forces of Competition

According to Michael E. Porter's Five Forces Model, the Kohl's corporation has the following competition forces.

RIVALRY

Rivalry is a competition between companies that are already in the market. Kohl's corporation faces considerably intense competition in the market. Therefore, it has to implement effective marketing strategies to ensure that it is relevant in the market. In 2012, the company was the second biggest departmental store chain based on the number of stores. Moreover, it surpassed JCPenney in the top position in 2013. It proves that there is a tough competition in the market.

SUBSTITUTES

In the market, there are several substitutes for Kohl's products. However, Kohl's corporation has been able to eliminate the threat of substitutes by ensuring that it has high quality products, so that the customers are not likely to be attracted by other companies' substitutes.

CONSUMERS

As it has a variety of products, Kohl's has been able to cater for the needs of most of their customers. It has niche products suiting people of different age and gender groups at affordable prices. It greatly contributes to the overall customer's satisfaction.

SUPPLIERS

Kohl's has ensured that its suppliers provide the corporation only with the best quality raw materials, so that its customers receive the best products. Therefore, company's suppliers greatly contribute to the achievement of its organizational goals.

THREAT OF NEW ENTRANTS

Entrants are the new companies that enter into the market. Even though there is significantly big number of new companies that enter the clothing and household goods market, Kohl's corporation still manage to stay highly competitive in this industry through increasing the number of its branches worldwide.

SWOT Analysis

STRENGTHS

The Kohl's corporation's main strength is designing brands that differ from those of other companies. Most of the brands that it offers are exclusive, which means that customers who seek these goods will not find them anywhere else. The goods are of high quality; thus, customers have no need

for substitutes. The company uses strong marketing strategies that ensure that their customers have a reason to purchase their products (Kohl's Corporation SWOT Analysis, 2012). It has effective inventory management that enables its online shoppers to easily search for the products they want to purchase. It has also established a strong e-commerce basis for making transactions.

WEAKNESSES

The Kohl's faces considerably tough competition in the clothing and household goods market. Besides, it has a limited number of brands that limits most customers. Even though the variety of clothes types is satisfactory, the styles and brands of clothing the company produces are quite a few.

OPPORTUNITIES

The Kohl's corporation will increase its potential and appeal to customers in the American market if it increases the number of its stores. Through online trading, it is able to tap into the vast international markets. Investing in Internet technology will ensure the continuous success of the company through gaining a larger market share in the online market.

THREATS

In the United States, the costs on labor are increasing. Most people are seeking high wages, which, in turn, becomes uneconomical to the most employers. In addition, the competition in the market also increases as more companies open their stores in different cities where Kohl's operates. Online competition increases, as well. Most people are marketing their products online and offering delivery services. It negatively affects big corporations such as Kohl's.

STRATEGIES TO USE

One of the strategies the Kohl's can use to become more competitive is developing online marketing. It can be done by collaborating with the Internet advertising site such as Google Ads. It will enable the company to attain more customers online. It can also collaborate with a bigger number of courier service providers to facilitate more timely and safe delivery of products to the consumers who are in the US or abroad (Kohl's Corporation SWOT Analysis, 2011). Also, Kohl's can increase the number of branches it has as numerous states are not covered yet. The company's management may consider entering international markets, as well. Opening several branches in other countries will increase its market share.

Levels and Types of Strategies the Firm May Use to Maximize Its Competitiveness and Profitability

PRODUCT DIFFERENTIATION

Different companies are distinguished by the production of high quality goods and services. Such companies are able to set high prices in the market. With high prices, they are able to maximize their profits. Therefore, there is a need for the companies to have a target market where prices and quality are considered (Ireland, Hoskisson, & Hitt, 2008).

LOW PRICE STRATEGY

Customers are not homogeneous. If the goods or services in the market are present at the competitive prices, the customer is likely to choose the

product at the lowest price. The bottom-line requirement for such product is that it performs the intended basic function. In the case of the products that have a highly elastic demand, lower prices will result in increased demand (Ireland, Hoskisson, & Hitt, 2008). The general expectation is that companies earn less revenue while operating at low prices. However, the sales increase when the prices are lower, thus, resulting in an increase in the total profit. The low prices depend on the mass production and expansion in the distribution.

CONTROL OF COSTS

Losses arise because of cost overruns. The mere fact of a reduction in the sales revenue is not sufficient. Losses can be reduced by controlling companies' costs. If a company operates at low costs, it deals easier with price reduction when there is a low turn up of customers and retains a profit-making level. Lower costs result in a higher profit margin (Ireland, Hoskisson, & Hitt, 2008). On the other hand, if prices sharply increase, the profit margin reduces, and companies become vulnerable to any price fluctuations or reduction in sales.

MAINTAINING MARKET SHARE

If a company has the anemic type of sales, its chances of profitability are greatly reduced. The income from different units of produce may replace its variable cost and profit. However, the companies are more interested in having the profits of several units to meet the fixed costs. There is a need for sufficient sales to achieve the required market share. Otherwise, companies will not manage the fixed as well as overhead costs. Losses can be minimized by achieving an even sales volume. It, in turn, can be achieved by ensuring that the market share remains at a reasonable level (John, & Makhija, 2011).

Communications Plan of the Company

The Kohl's corporation should have effective communication to effectively advance its marketing plan and successfully implement its strategies. First, it has to determine the target consumers. In this case, the company should be aware of the demographic aspects of its target market. For example, the target market may be an online market. It means that the company will have to determine the demographics of the online market that they are seeking to increase (Smith, & Taylor, 2004).

Since the main aim of marketing is to ensure that the target customers are aware of the products being sold by the company, it has to consider different characteristics of these customers. They include their purchasing characteristics. It will enable the company to know which strategies it will use to market its products to them. For example, impulse buyers can easily be enticed to buy products from the website using pop-ups that have links appearing on other websites (Smith, & Taylor, 2004).

Lastly, the vehicle to be used in advertising or marketing the products should be selected. Some of them can be the pop-ups that were mentioned above as well as other websites such as blogs or advertising companies such as Google Ads.

Corporate Governance Mechanisms used by Kohl's

One of the mechanisms the Kohl's can use is the board of directors. It ensures that the interests of stakeholders are properly considered. For

example, it guarantees that the remuneration is adequate; positive results are attained; and the shareholders get returns on their investment. The board oversees the directors and the management of the organization. The management will be tasked with the role of managing the company on a daily basis. The other mechanism that Kohl's may implement is balancing power. The company has a number of departments, each of which plays a certain role in the corporation. Each department has its own management but is answerable to the executive management.

Evaluation of the Effectiveness of Leadership and Social Relations of Kohl's

The company has a strong and effective leadership structure. The employees are productive, which means that they can be highly motivated. They also are results-oriented. Since the company deals with different merchandises, it is divided into departments, which has made it easy for Kohl's to effectively manage most of its operations. The company may increase the number of its departments or, at least, add one more that will cater for online marketing (John, & Makhija, 2011).

The company focuses much on its customers ensuring that it offers the best to them. Kohl's corporation has developed most of its strategies to favor its customers. Moreover, it is involved in some community programs such as supporting human rights groups. It donated the United Nations \$150,000 to help Colorado.