



Business

Which Sears, Kmart stores will close? Michigan likely to be hit

12:22 AM, Dec. 29, 2011



A couple walks into a Sears store on Tuesday in Milford, Connecticut. Sears Holdings Corp has announced that it plans to close between 100 and 120 Sears and Kmart stores following poor sales during the holidays. / Spencer Platt/Getty Images

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Speculation about which Sears and Kmart stores might close in Michigan has begun, a day after the retailer's parent company announced disappointing holiday sales would result in the closure of up to 120 stores.

Top on the list? The Sears store at Summit Place Mall in Waterford. The mall itself, once anchored by Macy's, is closed.

Sears Holdings said Tuesday it would close the stores after a 5.2% drop in sales at stores open at least a year during the critical fourth quarter. It said it had not yet decided which poor-performing stores would close.

Daniel Stern, a partner in Bloomfield Township-based Lormax Stern, a shopping center developer and manager, said he had heard that a Grand Rapids store might end up on the list but doesn't know about other locations.

"We could all make some conjectures," said Joan Primo, principal of Sylvan Lake-based Strategic Edge and retail real estate consultant, who mentioned the Summit Place location.

"It is very interesting, the timing of the announcement so soon after the holidays," Primo said. "But their sales have been slow and not bouncing back."

She notes that while 100 to 120 store closures may seem like a lot, it represents less than 5% of the retailer's total 4,000 locations. It has 147 stores in Michigan: 67 Sears stores and 80 Kmart locations.

Ken Dalto, a Farmington Hills-based turnaround expert, said he expects that Michigan could see a number of closures since Kmart had been based in Troy.

Sears Holdings moved the corporate headquarters to Hoffman Estates, Ill., in 2005.

"They built a lot of stores in this area. You have some of the oldest and underperforming stores here and some with the least staff," he said.

Having reported 18 quarters of losses, the retailer won't likely stop with up to 120 closures, Dalto said.

"They are going to learn they are 750 to 1,000 stores too big," he said. "They are not a market leader in any area except maybe Lands' End or Craftsman. They are lagging in every area and are being out-retailed."

Key competitors include Costco, JCPenney, Walmart, Kohl's and even dollar stores, he said. And while some Kmart and Sears stores have been left dingy and understaffed, the competition has been upgrading.

Still, loyal Sears shoppers don't want to see their neighborhood store close. Patricia Jones, 58, a retired cook from Waterford, said she was sad when the Summit Place Macy's closed last year.

She shops at the Sears store for some items. She bought a Kenmore refrigerator there last year, but she prefers Kohl's or JCPenney for clothing.

"We have all been really surprised that the Sears has kept going," she said. "They have very little help. If you want to buy a hammer, you have to hunt someone down to pay for it."