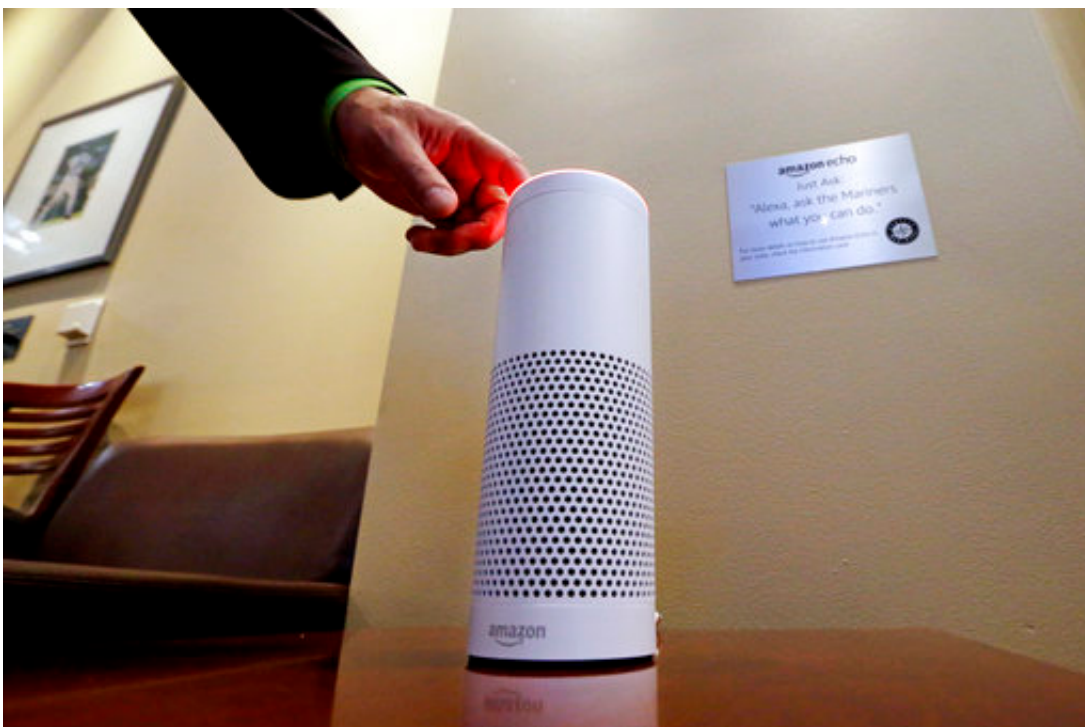


Alexa, turn up my Kenmore AC; Sears cuts a deal with Amazon

July 20 2017



In this May 17, 2017 file photo, an Amazon Alexa device is switched on for a demonstration of its use in a ballpark suite before a Seattle Mariners baseball game in Seattle. Struggling retailer Sears is looking to get a hand from Amazon, announcing that it will start offering its Kenmore products on the online powerhouse's website. Sears, which runs Kmart and its namesake stores, said that Kenmore Smart appliances will also be fully integrated with Amazon's Alexa. This will allow consumers to control products, like Kenmore Smart air conditioners, by making a request to Alexa. Shares of Sears Holdings, based in Hoffman Estates, Illinois, surged more than 8 percent in Thursday, July 20, premarket trading. (AP Photo/Elaine Thompson)

Sears will begin selling its appliances on Amazon.com, including smart appliances that can be synced with Amazon's voice assistant, Alexa.

The announcement Thursday sent shares of Sears soaring more than 13 percent in midday trading, after jumping 18 percent at the opening bell. The tie-up with the internet behemoth could give shares of the storied retailer one of its biggest one-day percentage gains ever.

Sears, which also owns Kmart, said that its Kenmore Smart appliances will be fully integrated with Amazon's Alexa, allowing users to control things like air conditioners through voice commands.

"The launch of Kenmore products on Amazon.com will significantly expand the distribution and availability of the Kenmore brand in the U.S.," Sears Chairman and CEO Edward Lampert said in a company release.

Sears has struggled with weak sales for years, and announced more store closings earlier this month, partly due to the emergence of Amazon.com and other internet operators. It said in March that there was "substantial doubt" it could continue as a business after years of bleeding money.

Neil Saunders, managing director of research firm GlobalData Retail, said it's a win for Sears, putting its products where customers are shopping.

Sales at existing Sears stores, a key measure of a retailer's health, have been in rapid retreat for years.



In this May 11, 2017, photo shows a Sears store in Hialeah, Fla. Sears is looking to get a hand from Amazon, announcing that it will start offering its Kenmore products on the online powerhouse's website. Sears, which runs Kmart and its namesake stores, said that Kenmore Smart appliances will also be fully integrated with Amazon's Alexa. This will allow consumers to control products, like Kenmore Smart air conditioners, by making a request to Alexa. Shares of Sears Holdings, based in Hoffman Estates, Illinois, surged more than 8 percent in Thursday, July 20, premarket trading. (AP Photo/Alan Diaz)

"Other channels and routes to market are needed," Saunders said.

Many saw the agreement with Amazon.com as a lifeline for Sears, with the volume of trading company shares enormous on Thursday.

And the law of action-reaction is almost always visible when Amazon.com is in the mix.

Shares of other major retailers that sell appliances, Best Buy, Home Depot and Lowe's, fell between 4 percent and 6 percent.

The agreement with Amazon goes beyond the point of sale for Sears. Also part of the deal is delivery, installation and the service work that comes with product warranties, which will be provided by Sears Home Services.

While Saunders doesn't think the deal represents a big shift for the retail sector, he said that it does illustrate how retailers must adapt and offer goods through multiple channels if they want to thrive. He believes others are already scrambling to do so.

Shares of Sears Holdings, based in Hoffman Estates, Illinois, just outside of Chicago, jumped \$1.13 to \$9.81.

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