

An analysis of home depot and lowes

Business



Both companies compete for the same target market – do-it-yourself home improvers and private building and home improvement contractors.

Both companies offer a diverse array of products. Both companies are listed on the New York Stock Exchange (NYSE), and have prepared and submitted reports to the Securities & Exchange Commission (SEC). This analysis will discuss the history of the two companies, explore their differences and similarities (both operational and financial), and assess the risk of owning stock in both companies, as well as derive some predictions about the future of both companies based on the analysis.

II. Company Selection – Overview of Home Depot and Lowe's A.

Company's Product or Service Both Lowe's and Home Depot offer a wide variety of items for do-it-yourself-ers and professional builders and contractors. In addition, they offer remodeling services, contracting with independent skilled crafts persons to complete work for their customers. Lowe's 40, 000 product offerings in 2002 included plumbing and electrical supplies, tools, lumber, millwork, home fashion items, gardening products, major appliances, and consumer electronics.

Lowe's has an exclusive contract with Snap-on Tool's Kobalt-brand professional mechanics' tools, and allows commercial customers to special order items not stocked in the stores (Hoover's, 2003). Home Depot also carries more than 40, 000 kinds of building materials, home improvement supplies, lawn and garden equipment, and appliances. To remain competitive with Lowe's, Home Depot plans to add rugs, appliances, and bathroom hardware.

The company has also opened a few pilot Home Depot Supply stores for contractors and rents out heavy equipment.

In addition, the company is purchasing three flooring companies whose products are used by 17 out of the top 20 homebuilders in the United States: Floors, Inc. , Arvada Hardwood Floor Company, and Floorworks, Inc. Also, Home Depot features more than 40 EXPO Design Center stores that contain large design showrooms featuring bath, kitchen, flooring, and lighting products (Hoover's, 2003). Future plans include expanding the company's Design Place, targeted at female customers through its focus on home decor categories.