

# Home depot case study

Business



Since its foundation, Home Depot executed aggressive market strategy and constantly increased the number of its stores except for the rare years. It is also remarkable that the company was founded in the period of the economic crisis and still managed to survive. General overviewThe company is devoted to the full customer satisfaction and through its entire history improved its service and provided customers with new opportunities. The company positions itself as a “ good corporate citizen” and takes active part in social life. It has the stable image and uses its advertising resources efficiently allowing some departments to have their own creativity departments that allow to maintain the interest of the customers in the regions where special advertising policy and product lines are required. The part of the company’s policy in the field is the so-called “ feel good” store. That means the store is supposed to be designed the way that the customer should feel good about entering the store, consulting to the assistants, paying the low price and visiting the store again in a while. This part of the company’s marketing strategy is essential and contributes to the company’s success greatly. The corporate culture of the company is based on the idea of non-conformism and great opportunities for everyone. Currently the annual personal flow is around 30% and the company’s goal is to reduce it to less than 20%. It is the goal of the company to create the relaxed atmosphere among its workers and keep the rate of their satisfaction with the work as high as possible.

Home Depot also implements long term market strategy that allows the company to prevent competitors from entering the market and reduce single store sales. This strategy also contributes to the customer satisfaction. As it

was mentioned before, the company also successfully entered the Canadian market through the purchase of one of the local retailers. The company implies cost effective policies and does its best in the stores improvement. For instance, it implies the energy saving solutions that allow to save millions of dollars on the energy bills. It also redesigns its stores so that they would occupy less square meters of space and contain larger variety of products.

The company is managed by the team of highly qualified specialists. It should be noted that despite the group of 60+ managers if widely represented, the younger generation of people around 40 is also present. This fact partly explains the company's ability to keep in pace with the market changes and remain successful for many years. It is interesting to note that the contracting sector in the company's economy constitutes only 15% so the company is rather insensitive to the crisis occurrences in that sector. The praising strategy can be described with the motto " Every day lower prices".

This strategy determines the success of the company to the large extent since the sales remain high even during the crisis in the country's economy. It is also important even though during those crisis people won't by new houses they still would concentrate on the house improvement meaning that they still would buy at Home Depot. Informational system is also well developed in within the Home Depot network. The system allow to widespread the new strategy, solutions for the problems and perform trainings within the store using the Home Depot own television network. The company also provides resources for training. This allows to provide stores

with highly trained employees that contribute to the success of the store through consultations and help for the customer.

The company has 7 divisions:

1. Southeast division
2. Western division
3. Northeast division
4. Midwest division
5. Home Depot Canada division
6. Southwest division
7. EXPO Design Centers

This division is made for the company to be able to keep the strategy in different segments of market as efficient as possible. Thanks to that division it is easier to achieve customers satisfaction and be able to keep strong position in the market. Conclusion Generally speaking, Home Depot is a great example of the small business turning into a large company in a matter of several years. Their marketing strategy is very customer oriented and well planned both in the long and in the short run. The staff policy is also committed to the formation of the team of professionals that are sure to make a major contribution to the success of the company.

However, the company has chosen the strategy of aggressive and rapid growth that allowed it to be highly competitive from one hand and put the additional pressure from the other. That fast growth requires the ability to respond to the changes promptly and the company should be able to do it. One of the most efficient ways to achieve this goal is to apply new

technologies wider. It occurs to me that the company could benefit greatly from moving part of its sales to the Internet and investing in the high-tech sector. Those investments would contribute to all spheres of company's activity and especially to the internal informational system increasing the efficiency of the information spread through the entire network.