The Home Depot, Inc. and Lowe’s Companies, Inc.
A Case Study in Home Improvement Leaders

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Introduction

Home Depot and Lowe’s are both well-known home improvement retailers that were recently forced to regain their footing after experiencing a two-year slump due to the U.S. housing crisis and recession. The purpose of this paper is to explore the way in these two similar companies through identifying and comparing them in the following topic areas: their approach and effectiveness at perception management; their human resources practices; their finances; their approach to social responsibility; and their ability to articulate an effective strategic plan.

Both Home Depot and Lowe’s stores sell lumber, paint, plumbing, electrical supplies, tools, gardening products, appliances, lighting and furniture to do-it-yourself customers, “do-it-for-me” customers, and commercial customers. Customers can purchase merchandise at each store or through their company websites. The companies both offer delivery of materials and, in some cases, installation. Additionally, each company is associated with an online service. In the case of Home Depot, a service that connects customers with local contractors, and in the case of Lowe’s, a service for their commercial customers. Both companies are currently experiencing stable sales and each company has experienced financial gains through the past five quarters, Home Depot in each of the past five quarters and Lowe’s in three of the five. In order to successfully regain their footing in the marketplace, each company significantly revamped their business strategy and has focused on improving customer perception, widening their
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

customer base, strengthening their employment practices, streamlining their finances, and aggressively marketing their social responsibility and sustainability practices.

These two companies compete for customers, for employees, and for suppliers of brand-name merchandise. Home Depot is currently ranked number 30th on the Fortune 500 List and Lowe’s is ranked 50th. The Fortune 500 list is created using companies’ gross revenue as the metric for assessing rank. In the course of this paper you will read evidence that undeniably supports this financial ranking, but I will also present additional criteria that call into question whether Home Depot is actually superior to Lowe’s as an organization and will demonstrate that the companies are actually quite similar.

The Home Depot, Inc., incorporated in 1978, has headquarters located in Atlanta, GA, and 2,248 stores across the United States, Mexico, and China and employs 331,000 people according to Hoover’s, Inc. 2012 overview of the company. In the 2012 Fiscal year, The Home Depot, Inc. experienced a small sales growth, with $70,395 million in sales and a reported $3,883 million in net income. Home Depot is a home improvement store for do-it-yourself customers, do-it-for-me customers and for professionals, such as contractors and builders. Additionally, The Home Depot, Inc. acquired RedBeacon, a home services web site that connects homeowners with local contractors, in early 2012.

Lowe’s Companies, Inc., which entered the industry in 1952, operates 1,745 stores in fifty U.S. States, Canada, and Mexico and employs 248,000 people. The company’s headquarters is located in Mooresville, NC and reported $50,208 million in sales and a net income of $1,839 million during the 2012 fiscal year. Lowe’s Companies, Inc. has evolved over the years from a regional hardware store into a nationwide home improvement chain that serves do-it-yourselfer customers, do-it-for-me customers, and
commercial customers. Lowe’s recently formed a partnership with web service provider Deluxe to improve the Lowe’s for Pros website used by its commercial customers.

To many consumers, Home Depot and Lowe’s seem like interchangeable stores with different colored signs—orange and blue respectively—but there are nuanced differences in the way each company sees itself and in regard to the customers to whom they attempt to appeal. The Home Depot, Inc. and Lowe’s Companies, Inc. internal perceptions of their companies and their stores (also called their self-perception) are different, which affects the way in which they manage their organizations. Though there are many parallels in the companies’ hiring practices, management policies, economic performance, and their take on social responsibility, though there do exist minor differences in the companies’ practices. Likewise, there are differences in the strategic plans for each company. In this paper, I will outline these similarities and describe these differences. I will also examine why these similarities and differences are important to each company and how market and business analysts predict these differences will affect each organization as they continue to recover from the recent economic downturn.

**Perception Management**

It is important for any organization to determine whether customer, public, and employee perceptions of the organization are in line with the organization’s goals and the way the leaders of an organization intend to be perceived. In order to gauge whether these perceptions and intentions are in sync, organizations must employ communication strategies both formal and informal. Effective organizations communicate clearly with customers, employees, shareholders, and stakeholders and by encouraging meaningful feedback that they incorporate into assessment and planning (Williams, 2012, pp. 290-
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

294). It is evident on both the Home Depot and Lowe’s customer web sites, through their direct mailing campaigns, and through their print and broadcast advertising campaigns that each company is attempting to assertively communicate their values of customer focused service, teamwork, and commitment to community. Both companies use these multiple platforms to inform customers and potential customers of their commitment to providing quality goods at reasonable prices and their educational and charitable programs as well as their partnerships with community organizations.

Home Depot’s current slogan “More saving. More doing.” was developed in order to appeal to a wider and more diverse market of consumers, especially the Hispanic market, and other demographics Home Depot found were previously not targeted in their marketing strategy (Racine, 2011). Home Depot’s marketing is aimed most heavily at the do-it-yourself customer. Home Depot highlights their local sports sponsorships and their involvement in national Red Cross initiatives as well as community building initiatives on their customer web site to encourage and reinforce the actions their company undertakes to benefit all members of the community. Home Depot advertises their local workshops and educational clinics for children and adults in an effort to connect with customers on a community level and encourage the perception that although they are a big box store, Home Depot plays a part in a community much like smaller, regional stores. In addition to communicating their community involvement and value to consumers, Home Depot also features their commitment to diversity and their investment in supporting U.S. military veterans. If Home Depot’s healthy financial performance and current sales figures are an indication of customer perception, customers perceive Home Depot as a company they want to do business with.
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

Lowe’s marketing through their website, direct mail, print and broadcast media is intended to communicate a shopping experience that is personal, helpful, and easy. Their web site prominently features a “myLowe’s” tab which consumers can use to create project reminders and to track their purchases. The slogan “Never stop improving.” is featured near the company logo on the customer web site and reflects Lowe’s strategy to appeal to female customers and baby boomers, who are more likely to fall into the do-it-for-me category of customer. Lowe’s features the company’s charitable and educational projects on their web site as well, especially focusing on their involvement with the Home Safety Council, Habitat for Humanity, Homes for Heroes, and community rebuilding programs. Lowe’s stable financial picture also points to customer willingness to shop at and return to the store.

The two companies’ web sites communicate similar core values of customer service, teamwork, and supporting community; and consumers often view the two companies similarly. Along with customer feedback that indicates satisfaction with service, two important feedback indicators regarding the ability of stores to satisfy customers are continued patronage and share of wallet (Yavas, 2009). While Home Depot seems to have an edge when it comes to wallet share, the performance of Lowe’s stores when considered in proportion to their company size indicates continued patronage and wallet share are strong and stable in both companies’ stores. According to Yavas, in-store experience is most “powerful in the cases of customer satisfaction and continued patronage” (2009). In-store experience refers to customer’s interaction with staff that is perceived as friendly, helpful, and knowledgeable, as well as an easy-to-navigate store layout and the availability of merchandise. Many blogs, discussion boards, and articles,
most notably in Steve Broido’s “Lowe’s: Time for a Renovated Business Strategy?” article in the investment column The Motley Fool, regarding customer perception point out that in spite of Home Depot’s customer service based company policy and their higher sales numbers, Lowe’s edges out Home Depot in offering great customer service (2010). Broido goes on to suggest that Lowe’s should employ strategies that better leverage their customer service strengths in order to grow their overall business and improve their bottom line. According to Broido, Lowe’s offers an already superior customer experience through “more organized departments, superior customer service, cleaner stores, more cutting edge products, and a floor staff that knows exactly where those pesky rubber washers are hiding.”

In addition to the importance of understanding the perceptual filters through which customers view an organization, is understanding the perceptions of people within an organization (Williams, 2012, p.284). Employee perceptions are often a direct result of an organization’s human resources practices and it is important that companies like The Home Depot, Inc. and Lowe’s Companies, Inc. maintain perceptions of fairness in their employees through fair employment practices (Williams, 2012, p. 197).

**Human Resources**

The methods and policies through which Home Depot and Lowe’s attract, develop, and keep employees point to both companies adherence to strategies aimed at fair hiring practices, employee development, and retention. The recruitment and selection policies of each company demonstrate their commitment to equal opportunity employment and hiring diverse people who will fit in with company culture and who have a good chance of remaining with the company. The training, performance, and
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

appraisal processes outlined on each of their corporate web sites reflects each
organization’s emphasis on teamwork, customer service and employee education and
personal development. Each company site outlines and describes the method through
which employees are compensated and the opportunities and processes through which
employees can grow, develop, and advance within the organization.

Home Depot, Inc. employs people in corporate positions; as associates and
managers in their stores; in their distribution centers; and through paid internships. Home
Depot highlights their commitment to creating a lifestyle for their employees that
involves being part of a committed, fast-paced team. The career site includes information
about employee benefits, training and tuition reimbursement opportunities, and their
commitment to diversity.

Lowe’s Companies, Inc. similarly employs people in corporate positions, in stores
and distribution centers, and through paid internships. Lowe’s also highlights their
benefits, learning and development opportunities, and commitment to diversity on their
website in addition to emphasizing their overall commitment to teamwork to involvement
in their communities.

The recruiting and selection processes of each of these home improvement giants
involves different recruiting strategies which specifically target each of the types of
employees the companies are looking for. The companies each also utilize assessments,
surveys, and tracking of employee success to continually redefine and pinpoint indicators
of employees who succeed in performance and retention (Hansen, 2007). Lowe’s and
Home Depot both have a large number of applicants from which to choose, so they utilize
personality profiles to indicate a “good fit;” general abilities test to indicate the
“learnability and trainability” of candidates; and advanced resume scanning technology to narrow large applicant pools are all important tools in their selection tool kits (Kotlyar and Ades, 2002). Each of these tools are important to identifying job candidates who have the best chance of fitting in to each company’s culture in such a way to encourage retention.

Lowe’s and Home Depot both provide various stages of training for employees, as well as further enrichment and educational opportunities. Both companies survey and track successful job applicants through training and work-along-side programs in an effort to retain quality employees as well as to identify the qualities of employees who are most likely to succeed (Hansen, 2007). In a December 2006 article in Inc., Home Depot co-founder Bernie Marcus emphasized that time spent on properly training employees was well invested. He stated that his devotion to training translated into spending 10% of his time focused on training and that he was confident that by the time incoming employees finished their initial training “they had the Home Depot culture secure between their ears and in their hearts” (Marcus, 2006).

While good recruitment and selection processes provide a company with the best available prospects for employment, it is necessary for those prospective employees to see value in the compensation a company offers in order for the relationship to be mutually beneficial. The Home Depot, Inc. and Lowe’s Companies, Inc. offer similar benefits and compensation packages across the board, with some minor differences.

The compensation and benefits offered by the companies to their part-time employees are nearly identical. Both companies list their benefits for part-time employees as potentially including medical, dental, vision, and life insurance coverage as well as the
opportunity for part-time employees to purchase short-term disability insurance. Each company also list time off and employee discounts as additional benefits of part-time employment. Lowe’s careers web site explicitly lists stock purchase options and 401(k) opportunities as potential benefits for their part-time employees.

Likewise, the benefits offered to full-time employees of each company are similar, with a few exceptions. Both Home Depot, Inc. and Lowe’s Companies, Inc. offer health insurance, life and income preservation insurance, financial benefits, time off, work and life benefits, and educational benefits to their full time employees. Both companies offer medical, dental, vision, disability, long-term care, and accident insurance for full-time employees and their partners and/or families, and relocation assistance. Home Depot additionally offers veterinary pet insurance to their full-time employees. Lowe’s offers immunization clinics, weight management, and smoking cessation programs in addition to insurance. Life Insurance, employee stock purchase plans, and 401(k) plans are also offered by each company as well as the opportunity to accrue paid time off in the form of sick or personal days. Both companies highlight their cooperation and compliance with time off in regard to military leave of absences, the Family and Medical Leave Act, and civic responsibilities such as Jury Duty. Both companies also have tuition reimbursement programs and offer legal services to their employees. Home Depot offers a unique work and life benefit in the form of an Adoption Assistance program, Lowe’s in offering their employees tax preparation assistance. While some details of the companies’ benefits programs may vary, there is no clear front runner in terms of value to employees.
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

Finance

Both The Home Depot, Inc. and Lowe’s Companies, Inc. are currently enjoying strong sales and stable to slightly rising stocks thanks to a recent stabilization in the home building market. Home Depot has experienced gains in the last five financial quarters and Lowe’s three of the last five quarters.

According to James Detar’s March 8th, 2012 article titled “Home Depot, Lowe’s Benefit from Spring Bloom” in Investor’s Business Daily, Home Depot “has posted nine straight quarters of double digit per-share profit growth.” In fact, Home Depot is so hopeful that this positive trend would continue, Detar points out that they plan to hire additional workers for the spring and summer season. Detar also points out that the mild winter weather and recent relative stabilization of home prices had a positive affect on Home Depot’s bottom line. With a reported $70,395 million in sales and $3,883 million in net income, Home Depot increased both in the most recent fiscal year and is expected to continue to see gains.

Home Depot’s trend toward financial upswing after a challenging few years was also noted in a May 2011 article called “Home Improvement Chains Recover, Despite Housing Slump,” written by Marilyn Much, and also published in Investors Business Daily. Much credits Home Depot with anticipating the challenging market and taking steps to become more efficient to face those challenges. Among the steps Home Depot took to stay financially sound were closing underperforming stores, cutting jobs, and streamlining distribution.

Lowe’s sales likewise benefited from the recent stabilization of homebuilding prices and mild weather, which enabled builders and do-it-yourself customers to start
their construction and renovation projects earlier in the season (Detar, 2012). Lowe’s employed many of the same cost-cutting strategies that Home Depot did to meet challenges during the economic downturn. Much points out that Lowe’s also implemented a “go local” strategy in an effort to customize store offerings to target the local community and to connect commercial customers and key vendors to boost sales (Much, 2012). Lowe’s also closed underperforming stores and cut jobs. With $50,208 million in sales and a net income of $1,839 million during the 2012 fiscal year, Lowe’s enjoyed increased sales, but experienced negative net income growth. In spite of this, Lowe’s finances are considered stable and investment strategists like Steve Broido, contributor to the financial column The Motley Fool, are still pointing to both Lowe’s and Home Depot as solid investment options (2012).

Home Depot and Lowe’s employed similar strategies to meet the financial challenges of a nationwide economic downturn in the United States, the country where the majority of both companies’ stores lie. By identifying underperforming stores, streamlining their workforces, and considering the most efficient ways to provide customers with the precisely the products that they want, both companies employed control strategies that allowed them to survive what could have been a financially devastating time for home improvement retailers.

Balance sheets and investment potential are of obvious importance to a company’s survival, but they alone do not assure success or longevity. The manner in which an organization does business, and its subsequent effect on society, is important to business longevity, too. A visit to Home Depot and Lowe’s web sites reveals policy statements and media releases that are evidence othat both companies understand the
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

positive relationship between social responsibility and economic performance (Williams, 2012, p. 78).

Social Responsibility

The Home Depot, Inc. and Lowe’s Companies, Inc. each have published policies outlining their stance that social responsibility, especially in regard to sustainability, community, and diversity, is an important cornerstone of their organizational cultures and their business strategies. While some companies subscribe to the same theory as economist and Nobel-prize winner Milton Friedman’s that an organization’s sole responsibility is to maximize profits for shareholders, both Home Depot and Lowes operate under the more community-driven stakeholder model, in which an organization considers their responsibility not just to maximize profits, but to achieve the long-term survival of an organization through socially responsible business practices (Williams, 2012, p. 74). Both Home Depot and Lowe’s demonstrate examples of the proactive approach to social responsibility by anticipating and solving problems, engaging with their communities on large and small scales, and leading the industry in their commitment to the environment and to workplace diversity (Williams, 2012, p. 78).

Home Depot includes their organization’s dedication to stakeholders on its corporate web sites “Corporate Responsibility” page. The page highlights The Home Depot Foundation, which was established to provide resources to assist non-profit organization in completing community building goals. The page also highlights Home Depot’s commitment to assisting U.S. Military veterans who face hardships as they return to civilian life through home repair and renovation as well as through hiring and
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

employment initiatives. Through The Home Depot Foundation, the company also awards numerous Community Impact Grants. Additionally, Home Depot sponsors Team Depot, which is a team of associate volunteers who contribute their time, expertise and money to disaster relief efforts and to support the Red Cross.

Lowe’s statement on social responsibility, which can be found on their corporate web site, includes expectations for behavior by employees, vendors, and suppliers that conforms to the company’s commitment to “maintaining an environment in which all of our employees can work together with respect.” Lowe’s social responsibility policies further emphasize diversity, corporate citizenship, communication, and ethical governance. The company offers opportunities for direct employee feedback through their Bright Ideas suggestion program and regular Opinion Surveys, which are intended to help managers identify trends and create new initiatives that are meaningful to employees locally and will, in turn, strengthen the company. On September 1st, 2011, Lowe’s was included on the list of the National Organization on Disability “Fine Nine,” confirming the value of their proactive approach to diversity. The Fine Nine is a list of nine national companies that make hiring employees with disabilities a corporate priority (National Organization on Disability, 2011). The Lowe’s Charitable and Educational foundation participates in a number of charitable and educational partnerships with organizations that have strategic goals similar to its own, such as Habitat for Humanity, Keep America Beautiful and the National Park Foundation.

There are differences in the specifics of each of these companies’ social responsibility strategies, their involvement in community, the way in which they express their commitment to diversity, and the specific charitable and educational programs they
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

support, but the companies appear evenly matched in their commitment to social responsibility. For each of these home improvement giants, social responsibility plays an important role in their goal toward responsible corporate citizenship and is an important element in their overall strategic plan.

Strategic Plan

In spite of the optimistic outlook for the home improvement business, it is vital for the survival of Home Depot and Lowes that they continue to be committed to, track the progress of, and maintain flexibility in their strategic plan. Good planning benefits a company in a number of ways. A good plan encourages managers and employees to put forth greater effort; leads to persistence while working toward planned goals; provides direction for manager and employee efforts, and encourages the development of strategies in support of accomplishing tasks to meet the goals of the plan (Williams, 2012, pp.81-82). Effective plans include goals, the development of commitment and effective action plans, the tracking of progress, and an element of flexibility (Williams, 2012, p. 83).

According to CEO Frank Blake, Home Depot’s “overall picture is one of a stabilizing business” (Much, 2011). Home Depot’s 2011 Annual Report refers to the organization’s strategic focus being based on a “three legged stool”—the three legs being customer service, home improvement product authority, and disciplined capital allocation. The company recognizes that it is dependent on maintaining a good customer service reputation and has steadily increased the percent of hourly payroll to reflect that. They have also implemented additional training programs that focus on customer service and solicited feedback regarding both the customer and sales associate experience. Home
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

Home Depot also includes in their strategic plan their desire to provide the best value in home improvement retail. In order to meet this goal, the company has focused on special order products and on digitized order management systems to make placing special orders easier and more expedient for their customers. Home Depot has also invested resources in improving their supply chain by centralizing distribution to encourage more efficient inventory turnover. Already experiencing success meeting these goals in the U.S., Home Depot is focusing on similar progress in Canada and Mexico. The third “leg” on the three legged stool is disciplined capital allocation, which translates to balancing meeting the needs of the business with solid dividend allocation and the prudent use of excess cash in order to create the best value for shareholders (Home Depot, 2012).

Lowe’s also addressed their commitment to increasing shareholder value in their 2011 Annual Report, and to returning that value to shareholders in the tangible form of dividends and their share repurchase program. Robert Niblock, Chairman of the Board, President and Chief Executive Officer, outlines in his annual letter to shareholders Lowe’s strategic goal of “delivering better customer experiences to drive long-term sales growth, increases profitability and shareholder value.” In support of this goal, Niblock outlines the transformation of Lowe’s from a home improvement retailer to a home improvement company as one of reevaluating their investment strategy, store expansion, employee experience, and technology infrastructure. Lowe’s is scaling back expansion plans in an effort to revitalize the stores they already have and to focus on improving service, prices, employee satisfaction and training, and product offerings in those stores. Lowe’s has also revamped their information infrastructure in support of creating a better, and more flexible, customer experience (Lowe’s, 2012).
While both Home Depot and Lowe’s share two elements at the core of their strategic plans—customer service and improved capital allocation—the third element of their plans differ. Home Depot’s letter to shareholders emphasized product authority, while Lowe’s letter to shareholders focuses on empowering employees. While it seems that each company’s distal goals include becoming the best in customer service and to generate long-term value for their shareholders, their proximal goals reveal something about each organization’s culture. While Home Depot’s proximal goals focus on product, distribution, and expansion, Lowe’s goals center around creating a network of employees who can rely on each other in order to provide the quickest, best advice to customers. Interestingly, both of these approaches provide the respective companies effective methods through which to realize their strategic vision.

**Conclusion**

Home improvement retailers The Home Depot, Inc. and Lowe’s Companies, Inc. are competing companies operating in the same industry who share similarities in their approach to perception management, human resources, finances, social responsibility, and strategic planning. While the two companies approaches to successfully navigating the home improvement industry are overwhelmingly similar, there do exist some interesting differences in the details of how each company does business.

In their approach to managing the perceptions of both customers and employees, Home Depot and Lowe’s employee similar tactics for effective communication and feedback. While the companies do have unique slogans that exemplify their desire to emphasize their appeal to different market segments, both companies hold customer satisfaction as their cornerstone. Home Depot focuses on providing customer satisfaction
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

through product authority and information systems that enable streamlined distribution and product availability. Lowe’s, on the other hand, emphasizes customer satisfaction through employee development and training, and by focusing on the employee-customer relationship. Like Home Depot, Lowe’s is also making efforts to provide better distribution and availability of the products it offers. While the companies’ approaches may be different, they each seem to be working successfully toward a similar goal.

Human resources practices at Home Depot and Lowe’s also exemplify the similarities between the two organizations. Both companies engage in fair hiring practices, with an emphasis on diversity. Both companies utilize targeted recruitment strategies for various types of jobs, recognizing that job applicants for corporate, store, and distribution jobs are most effectively recruited in different manners. Home Depot and Lowe’s also both use skills and personality assessments, as well as assessments that indicate “teachability and learnability” of job applicants. These different assessments ensure that the companies are selecting employees that will fit in with the company culture and will therefore be the best choices for potential long-term retention. The compensation and benefits offered to employees by Home Depot and Lowes are strikingly similar with a few notable, and rather quirky, exceptions. These exceptions are things like Home Depot’s options for Veterinary Pet Insurance and the company’s Adoption Assistance program, and Lowe’s health clinics and tax preparation services. While neither company stands out overall from the other in terms of benefits, these unique benefit offerings could be attractive enough to sway an individual with specific needs to apply to work in one company over the other.
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

While both The Home Depot, Inc. and Lowe’s Companies, Inc. are currently enjoying financial stability, after a two-year slump brought on by a weak economy and poor housing market, the area of finance is where these two companies differ the most. With over $20,000 million more in sales and $2,000 million more in net income reported last year, Home Depot is the clear financial winner on the home improvement balance sheet. Smart decisions by both organizations at the beginning of the economic downturn helped them weather a trying financial time.

In spite of their different balance sheet figures, both Home Depot and Lowe’s employed similar strategies to weather the financial storm—both companies streamlined distribution, closed underperforming stores, and cut jobs.

Another similarity these companies share is their commitment to social responsibility and their adherence to the stakeholder model. Both companies take a proactive approach to social responsibility and both companies have programs that emphasize diversity, community, veterans programs, community building initiatives, charity, and education for both employees and other members of the community.

This proactive approach to social responsibility plays an important role in each company’s strategic plan. Both companies effectively articulate the achievable plans of stabilization and growth in their recent annual reports. The difference in the two plans lies in the details. The Home Depot, Inc. lists as their three strategic objectives the following: customer service, disciplined capital allocation, and product authority. By contrast, Lowe’s Companies, Inc. lists customer service, disciplined capital allocation, and employee development. Each company emphasized their commitment to increase their shareholder’s revenues as well as their desire to provide the best customer service,
but the third element of each company’s plan tells the story of how they intend to achieve those goals. Again, Home Depot focuses on accomplishing their goals of customer satisfaction through the products they offer and the way in which they offer them. Lowe’s, by contrast, envisions reaching their goal through employee development that will foster employee-customer relationships. Both approaches are realistic and each approach plays to what the companies see as their distinct strengths.

Both Home Depot and Lowe’s appear to have strong and stable prospects for the future. By creating clearly articulated strategic plans that incorporate both distal and proximal goals, each company has provided themselves with a roadmap to realize their vision. Additionally, the companies each utilize survey and feedback tools to ensure they are still on track and both companies proved they were able to incorporate that feedback to change their plans when necessary, as they did during the recent economic slump.

As a customer, both my wallet and my feeling of satisfaction when shopping drive me. While Home Depot holds a slight edge in product availability and pricing, Lowe’s comes out on top in consistently satisfactory customer experiences. As noted in the Yavas article, even the best of prices will not keep customers returning to a store which does not offer the most satisfactory customer experience (2009). While the differences between the companies are slight, Lowe’s comes out ahead in this area with their focus on customer relationships over products.

From the perspective of a job seeker, neither organization is significantly different from the other. With merely a few idiosyncratic differences in particular benefits, I would ultimately rely on word-of-mouth (the grapevine) and current employee feedback to decide which company would be preferable to work for.
CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.

If I were to take the place of either company’s CEO, I would continue to focus on maintaining and increasing customer satisfaction while keeping in mind the importance of shareholder return. I would further continue to emphasize local charitable initiatives and leverage our reputation for good customer service, employee development and knowledge, as well as continual evaluation of which stores, products, and services best meet customer needs. In the case of Home Depot, I would look for ways to leverage strengths in distribution, product knowledge, and finances while emphasizing improvements in the employee-customer relationship. In the case of Lowe’s, I would leverage the existing strong customer service and continue current strategies to stabilize the organization’s financial picture. I would look toward expansion and further improve associate training to ensure our friendly customer service representatives were also the most knowledgeable customer service representatives.

The weakness that I would address in both companies is the lack of clear communication and marketing regarding delivery, installation, and services that each company offers. While it is important to keep open and clear communication with commercial customers and do-it-yourself customers, I think more can be done to draw in do-it-for-me customers through programs, marketing, and planning services.

As the CEO of either The Home Depot, Inc. or Lowe’s Companies, Inc., I would want to see the company stronger in all respects in three years time, with a more clear customer perception of all of the services and products the company offers. I would continue to encourage meaningful diversity in the workplace and maintain the financial goal of balancing re-investment in the company with offering meaningful returns to shareholders. I would involve the community in our company charities on a more
personal, and therefore more personally meaningful, level in order to garner support for
those charities and loyalty to the company. Most importantly, I would keep the strategic
plan in focus, continuing to refine stores and services and pick up with expansion plans to
increase store numbers in amenable markets. Because of the great number of similarities
between The Home Depot, Inc. and Lowe’s Companies, Inc., I would employ similar
plans moving ahead with either company. Each company has a strategic plan well suited
to their strengths and has a good history of maintaining flexibility to assure success.
References


CASE STUDY: THE HOME DEPOT, INC. AND LOWE’S COMPANIES, INC.


