

THE
LOWE
DOWN



Brand Essence Document

ONE-STOP SHOP (brand as a category)

Overall, Lowe's is classified as a Home Center. Home Center is defined by NAICS as an industry comprised of establishments known as home centers primarily engaged in retailing a general line of new home repair and improvement materials and supplies, such as lumber, plumbing goods, electrical goods, tools, housewares, hardware, and lawn and garden supplies, with no one merchandise line predominating. The merchandise lines are normally arranged in separate departments.

NEVER STOP IMPROVING (brand as a company)

What began as a small local hardware store in North Carolina has expanded to become the second-largest home improvement retailer worldwide. With 1,750 stores in the United States, Mexico and Canada, roughly 245,000 employees provide top notch customer service to nearly 15 million customers every week. Lowe's core mission is to provide its customers with excellent service while providing them with high quality products at an easily attainable price. Their stores carry 14 product categories ranging from appliances and tools to gardening and landscaping products. MyLowe's, their customer loyalty program, allows customers to easily track and catalog their purchases in store, online, and with the mobil app. Lowe's brand is owned and managed by Lowe's Company Inc.

LET'S BUILD SOMETHING TOGETHER (product/service description)

At its most basic level, without the name, symbol or logo Lowe's service is a hardware retailer. Lowe's offers products for sale such as paint, lumber, plumbing supplies, and several other home improvement products. (Include Lowe's only brands in this*)

PROJECT PLANNING (brand description)

Lowe's brand conveys a helpful and welcoming approach to Home Improvement retail. Lowe's exists to help customers improve and maintain their biggest asset, which is their home. In more than 1,750 stores Lowe's has implemented multiple systems to improve the customer experience, including an upgraded store information technology infrastructure that allows customers and employees to access richer product information, enjoy an endless aisle of product choices and manage their products from inspiration to enjoyment.

BUILD ME UP (brand architecture)

Lowe's Companies Inc. is a Corporate Brand, which owns Lowe's, the consumer brand. We see Lowe's as a primary brand because they focus on one retail category.

MEASURING UP (competitive set)



The Home Depot was founded in 1978 by Bernie Marcus and Arthur Blank. Along with investment banker Ken Langone and merchandising guru Pat Farrah, the founders' vision of one-stop shopping for the do-it-yourselfer came to fruition when they opened the first two Home Depot stores on June 22, 1979, in Atlanta, Georgia. The Home Depot's values guide the beliefs and actions of all associates on a daily basis. Our values are the fabric of the Company's unique culture and are central to our success. In fact, they are our competitive advantage in the marketplace. Associate pride and our "orangeblooded" entrepreneurial spirit are distinctive hallmarks of our culture. At Home Depot there is a focus on 8 aspects: Taking care of our people, Giving back to our communities, Doing the right thing, Excellent customer service, Creating shareholder value, Building strong relationships, Entrepreneurial spirit, Respect for all people



A small group of Chicago hardware store owners started Ace Hardware in 1924. Today there are 4,400 Ace stores nationwide, each independently owned and operated by local entrepreneurs. Ace focuses on being "The Helpful Place" by providing reliable service, advice, and products to help their customers get their projects done right. Ace continues their help by giving back to local communities and those in need with The Ace Foundation, the Children's Miracle Network Hospitals and the American Red Cross. Unlike many hardware retailers, Ace has a line of exclusive Ace Private Label products ranging from hand tools to wheelbarrows, as well as other nationally-known brands.



With home improvement at the forefront of today's do-it-yourself market, Menards provides a valuable resource for the entire community. A family-owned company started in 1960, Menards is headquartered in Eau Claire, Wisconsin and has 270 home improvement stores. Menards is known throughout the home improvement industry as the low price leader. Menards is well-known throughout Midwest for its complete selection of high-quality, name brand merchandise with the tools, materials and supplies for all your home improvement needs. There is something for everyone at Menards from the beginning do-it-yourselfer to the more experienced contractor. As always, Menards is known for its excellent guest service and the place to "Save Big Money."



The origin of Sears, or Sears Roebuck and Co., dates back to 1886 when Richard W. Sears started it all as a small watch company in Minneapolis, Minnesota. Sears is a leading retailer providing products and services that range from home merchandise, apparel, automotive products and services, and hardware. Since the late 1800s, the company has obviously expanded tremendously and has become the world's 4th largest retailer. In the early 1990s Sears created freestanding specialty stores to expand their product lines. These stores include but are not limited to, Sears HomeLife, Sears franchise stores, and Sears Hardware. Today there are 1,338 of these specialty stores; 96 of them are Hardware stores.

Sears Holdings is the corporation that controls and owns its subsidiaries Sears and Kmart. Sears Holdings describes itself on the company website by saying, "Sears Holdings is committed to improving the lives of our customers by providing quality services, products and solutions that earn their trust and build lifetime relationships. In our associates we value teamwork, integrity and positive energy. Our culture is defined by a clear vision, mission, pace and values."



"Save money. Live better." This is the motto that Walmart lives by to provide its customers with the lowest prices on quality goods and services. With roughly 10,700 stores in 27 countries worldwide, Walmart satisfies more than 200 million customers every week. In 1962, Sam Walton opened the first Walmart in Rogers, Arkansas with the hope of bringing great value and great customer service to his loyal customers. "Rollbacks" and "Ad Match Guarantee" are two of the most notable ways that Walmart ensures that its customers are able to save money on their everyday necessities. The company's mission is to help people live better, and they do so by giving back to the communities in which they serve. Through service projects, grants, and volunteer efforts, Walmart is giving people access to a better life one community at a time.

BLUEPRINT FOR SUCCESS (SWOT analysis)

STRENGTHS

- Through the “My Lowe’s Card,” customers can conveniently store and track their purchases with their online profile.
- Through the sale of private brands Lowe’s differentiates themselves from their competitors. These private brands include several different product categories.
- Lowe’s employees are always ready and willing to help. Whether it is in stores, online, or over the phone, a representative is always available to answer any questions you may have.
- Lowe’s offers, “Everyday Low Prices, Guaranteed.” They match lower priced competitors and beat their price by 10%.

WEAKNESSES

- In size and geographical reach, Lowe’s is the second largest home improvement retailer in the World, below Home Depot.
- Lowe’s recently reported a decline in profits.
- Increasing debt could potentially have a negative effect on the company’s operations.

THREATS

- The weak housing markets will cause a decline in consumer base.
- With a wide range of competitors coming into the market there is an increase in competition.
- Increases in labor wages could result in fewer employees leading to decline in customer service.

OPPORTUNITIES

- Lowe’s could broaden their technological reach with the use of online customer service and mobile applications.
- The growing consumer preference for private label goods benefits Lowe’s because they already offer them in several product categories.
- Working with charities gives them the opportunity to better their relationship with the community.

SOMETHING FOR EVERYBODY (positioning statement)

Lowe's is the brand for people of all ages, genders, and experience levels who prefer completing home improvement projects on their own. Focusing on their customers and their needs, Lowe's provides all necessary home improvement services, including everything from tools and supplies to inspiration and workshops. Competing with other home improvement retailers, Lowe's is the only store that provides a wide selection of private brands and offers excellent customer service and knowledgeable advice making them the brand that DIYers desire.

IT'S IN THE DETAILS (positioning matrix)

Compared to its competitors, Lowe's offers customers the most options for exclusive brands and services. Its top competitor, Home Depot comes in a close second, though. With prices, Lowe's is neither most or least expensive. Their prices align very closely with Home Depot's. (see next page for matrix)

HIGH PRICE



MORE EXCLUSIVE BRANDS AND SERVICES

LESS EXCLUSIVE BRANDS AND SERVICES



LOW PRICE

PROVIDING STRUCTURE (brand archetype)

Lowe's primary brand archetype is "The Creator." The goal of a creator brand is to inspire people to follow through with their creative visions. Lowe's encourages its customers to express themselves through various projects ranging from home improvements to interior design. The general motto of a creator brand is, "If it can be imagined, it can be created." Lowe's motto is, "Never stop improving." These two mottos fall in line very nicely together in the sense that once a Lowe's customer imagines an idea and decides to execute it, Lowe's is there to ensure that the final product is the best it can be.

Lowe's could also be described as a "Regular Guy/Gal" brand. This type of brand archetype creates a sense of community and belonging between the company and its customers. Before Lowe's adopted its current motto, "Let's build something together" was the campaign used to reach its customer base. A "Regular Guy/Gal" brand can also be known as a nice guy or a good neighbor. Both of these characteristics are apparent in Lowe's marketing campaigns.

RAGS TO RICHES (brand narrative)

Lowe's brand narrative is a true story of rags to riches. With home improvement projects, people are usually either starting with nothing and creating something useful and enjoyable for their homes, or they are completely revamping something broken, useless or outdated. Even the original founding of Lowe's is a rags to riches story.

In the mid 1940s, Jim Lowe inherited his family's hardware store in North Wilkesboro, North Carolina. He took his brother-in-law, Carl Buchan, on as partner but the two had differing opinions about how to expand the small local business. After they dissolved their partnership in 1952, Buchan became the sole owner of Lowe's Hardware store, while Lowe moved on to own and operate other joint ventures.

With Buchan's expansion plan set in motion, the company had opened over 20 new stores by 1962. As the years passed, the company continued to grow and currently operates stores in the United States, Canada and Mexico. Today, Lowe's is the second largest hardware chain both nationally and globally.

By providing extensive customer service and workshops, Lowe's shares its "rags to riches" experience with its customers every day. Employees are always available to provide advice and inspiration to people looking to create something from scratch.

THE GOOD NEIGHBOR (brand voice)

The voice of Lowe's is a friendly one. It is always inviting and brings a sense of comfort and guidance to the Lowe's customers. Its masculinity and strength exemplify the helpful handyman next door.

LEAN ON ME (brand character)

Lowe's is your next door neighbor who is always there to lend a helping hand. He is reliable, supportive, encouraging, enthusiastic, and knowledgeable about a wide variety of topics.

BLUE SUPPORTING YOU (brand color)

The primary color of Lowe's is navy blue. Lowe's chose this color because it represents their core values of support, confidence and integrity. Blue is also known to be the color of inspiration which is a key aspect of the company and their mission.

INSPIRATION STATION (brand song)

"Best Day of My Life" sung by American Authors creates a positive and upbeat vibe. The optimistic lyrics reflect Lowe's dedication to inspire customers.

TIME FOR A CHANGE (benefit ladder: emotional)

EMOTIONAL

Lowe's creates a sense of comfort through their friendly and knowledgeable employees. The layout of the store puts customers at ease throughout their shopping experience. Customers leave feeling confident in their abilities to successfully complete home improvement projects.

BEING PRACTICAL (benefit ladder: functional)

FUNCTIONAL

Lowe's offers a variety of supplies for their customers including private brands. Their workshops give customers the experience they need as well as inspiration for projects of their own. Easy navigation through the store allows customers to quickly find the products they need.

STAYING SAFE (ethical issues)

Taking on home improvement projects can be dangerous without the proper training or instruction. By doing DIY projects, customers are exposed to harm. This becomes an ethical issue for Lowe's because customers could very likely blame Lowe's products for their injuries and accidents. The effects could range anywhere from negative word of mouth and publicity, to lawsuits against Lowe's.

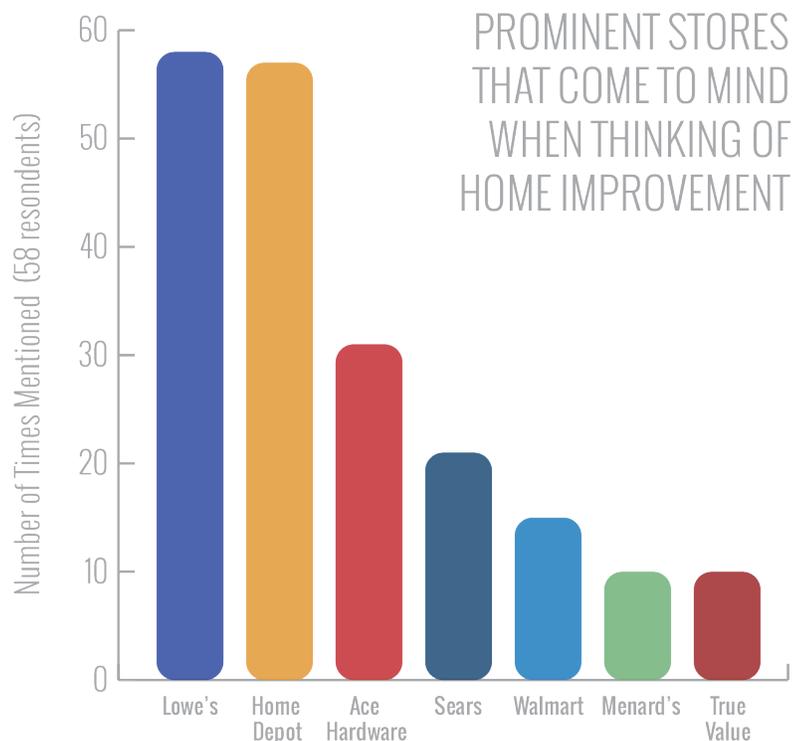
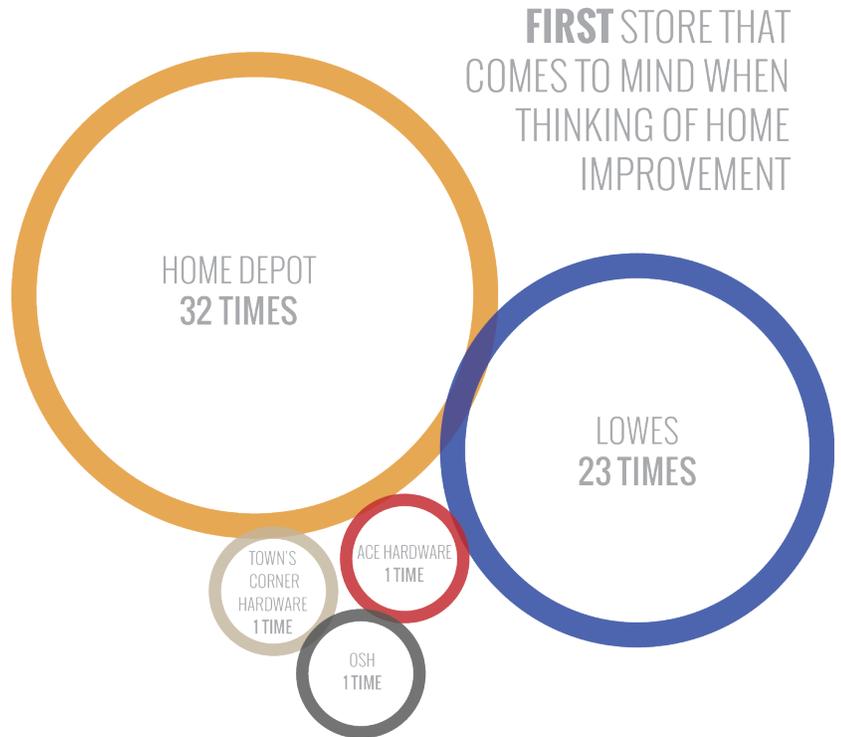
ASSESSING AWARENESS (brand measurement variable)

We completed an online survey to measure the public's awareness of Lowe's in comparison to their competitors. The question asked...

"When you think of home improvement retailers, what are the first five stores that come to mind?"

We received 58 responses to our quantitative questions. Of those 58 responses, Lowe's was mentioned in all of them. While Lowe's biggest competitor, Home Depot, was not mentioned in every response, it was ranked first more often. The stores that came to consumers' minds first are compared in the graph to the right.

We found that there were seven stores that were most prominent in survey-takers' minds. This information is displayed in the graph to the right.



ROOTS IN THE COMMUNITY (sponsorship opportunities)

Lowe's has had a long-term partnership in the sports industry. The home improvement store has recently signed a two-year contract to sponsor no. 48 car driven by Jimmie Johnson. The contract goes through the 2015 racing season which consists of 36 races. The contract guarantees Lowe's logo to appear on the hood of the car and with the driver throughout the season. With Johnson winning five Sprint Cup titles, two Daytona 500s, and never finishing past sixth place, it is a guarantee that the Lowe's logo will be seen. The contract was signed officially through Hendrick Motorsports. This deal seems to be costing Lowe's less than it has in the past at about \$30-\$35 million a year.



Lowe's is a partner with NCAA, making its mark on the Final Four. Though the amount spent is undisclosed information, it is noted that the contract was signed for three years. With commercials throughout March Madness and the many mentions of Lowe's through the television network, Lowe's played a major role in the NCAA tournament. However, Lowe's biggest competitor, The Home Depot, was fighting for the spotlight with their partnership with NCAA as well.



Lowe's is also a big sponsor for Habitat for Humanity. They have contributed millions of dollars as well showing their support through hours of volunteering. Lowe's has contributed approximately \$40 million to Habitat. In sponsoring Habitat for Humanity Lowe's also helps with Women Build and ReStore which are organizations that go hand-in-hand with Habitat. In their stores, Lowe's donates products to be used in Habitat projects as well ReStore. They also provide clinics as a "how-to" for women to help them be more comfortable in their volunteering with Habitat.

