

---

# Let's Do Larger Lives in Half the Size

## AN INTEGRATED MARKETING COMMUNICATIONS PLAN

*for*

**THE HOME DEPOT**



Torie Michelle Anderson  
IMC 610: Introduction to IMC  
West Virginia University

October 18, 2015

---

## **Executive Summary**

---

For millennials, settling into a first home has proven more difficult than for previous generations (Birnbaum, 2015). Economic crisis in the 2000s led to employment troubles, an abundance of financial caution, and a tough to overcome trickledown effect in various areas of their lives. As circumstances have improved recently, these young people—often with the assistance or influence of their Baby Boomer parents—are just now seeking cost-effective housing in the form of apartments and small, or tiny, homes. And as the largest generation in the workforce (Fry, 2015) and retail’s number one target audience, millennials currently drive many of companies’ business decisions. The home improvement industry cannot ignore this fact.

In the case of The Home Depot, this means getting into the game of attracting young consumers who are looking for affordable, sustainable style for small spaces. The company also can tap into the sway provided by this group’s parents—empty nesters who fit the same psychographic as their children as they are looking to find and design small living spaces.

Fellow home improvement retailers, as well as competitors that are more well-known for décor, furniture, storage, paint, and more pose a threat to The Home Depot’s ability to be a top choice for design and style. However, success can be better ensured by joining the growing tiny house movement that more readily lends itself to what The Home Depot is known for, emphasizing sustainability, and using the resulting crossover appeal to reach other small space residents. By implementing the following integrated marketing communications plan, The Home Depot will emerge as a leader in providing major style and sustainable supplies for those who are now ready to live large in homes of their own.

## Table of Contents

---

Executive Summary.....	2
Table of Contents.....	3
Background Information	
History.....	4
Mission & Core Values.....	5
Financial Status.....	7
Products, Services & Prices.....	8
Current Marketing Communications Strategies.....	10
Competitors.....	12
Target Audience	
Summary.....	14
Profile.....	15
Profile Summary.....	17
SWOT Analysis.....	18
Campaign Objectives.....	19
Campaign Strategies.....	20
Creative Strategy	
Integrated Creative Strategy Statement.....	21
Creative Brief.....	22
Sample Creative Execution.....	23
Paid Media	
Objectives, Strategies & Tactics.....	24
Media Flowchart.....	27
Public Relations	
Objectives, Strategies & Tactics.....	28
Direct Marketing	
Objectives & Tactics.....	32
Sales Promotion	
Objectives & Tactics.....	34
Measurement & Evaluation.....	36
Conclusion.....	38
References.....	39

## History

---

Established in 1978 by Bernie Marcus and Arthur Blank, The Home Depot began with two stores in Atlanta, Georgia, in the year after its founding. Now as the largest home improvement retailer in the world, The Home Depot has stores in the United States—including the nation’s territories—Mexico and Canada, with more than 2,200 total (Our History, n.d.).



(First Home Depot Opened, n.d.)

With the assistance of merchandiser Pat Farrah and investment banker Ken Lagrone, Blank and Marcus began with the vision of creating a one-stop shop for homeowners who enjoy the do-it-yourself (DIY) challenge. It was quite the goal, particularly for a pair whose employment with the now-defunct Handy Dan Improvement Centers had just been terminated. However, with years of experience at the executive level in the hardware industry and a dual focus on exceptional customer service and low prices, Marcus and Blank set the foundation for a company that currently sits at 37 on the *Forbes* list of the World’s Most Valuable Brands (2015).

## **Mission & Core Values**

---

The Home Depot's objective is to "provide the highest level of service, the broadest selection of products and the most competitive prices" (Investor FAQ, n.d.) in the business of home improvement. The Home Depot operates around eight core values that "guide the beliefs and actions of all associates on a daily basis" (The Home Depot values, n.d.). Those values, as outlined on the company's website, are as follows:

### ***Taking care of our people***

The key to our success is treating people well. We do this by encouraging associates to speak up and take risks, by recognizing and rewarding good performance and by leading and developing people so they may grow.

### ***Giving back to our communities***

An important part of the fabric of The Home Depot is giving our time, talents, energy and resources to worthwhile causes in our communities and society.

### ***Doing the right thing***

We exercise good judgment by "doing the right thing" instead of just "doing things right." We strive to understand the impact of our decisions, and we accept responsibility for our actions.

### ***Excellent customer service***

Along with our quality products, service, price and selection, we must go the extra mile to give customers knowledgeable advice about merchandise and to help them use those products to their maximum benefit.

### ***Creating shareholder value***

The investors who provide the capital necessary to allow our company to grow need and expect a return on their investment. We are committed to providing it.

### ***Building strong relationships***

Strong relationships are built on trust, honesty and integrity. We listen and respond to the needs of customers, associates, communities and vendors, treating them as partners.

### ***Entrepreneurial spirit***

The Home Depot associates are encouraged to initiate creative and innovative ways of serving our customers and improving the business and to spread best practices throughout the company.

### ***Respect for all people***

In order to remain successful, our associates must work in an environment of mutual respect, free of discrimination and harassment where each associate is regarded as a part of The Home Depot team.

In keeping with these values, every associate at The Home Depot receives extensive, ongoing customer service and product training (Bailey, 2014). The company operates “in the people business” with a philosophy of “whatever it takes” (Our History, n.d.).



## Financial Status

---

After going public three years after its founding, The Home Depot experienced significant growth. The company acquired Aikenhead's home improvement centers in Canada in 1994 as well as Mexico's Total HOME in 2001 (Our History, n.d.). The 2006 acquisition of The Home Way in China extended The Home Depot's global reach; however, the company closed its last standard retail stores in the market in 2012 (The Home Depot, 2012). In spite of the charges related to the closings, the company's earnings-per-share for that year met expectations. The Home Depot was also resilient during the recent U.S. housing crisis; the company improved efficiency and increased sales as the stock value doubled (Banjo, 2014).

The 2014 data breach of The Home Depot's payment terminals "left approximately 56 million credit and debit card numbers exposed" ("Will the Impact," 2015). Though the company did not record a decline in sales in the quarters following its revelation of the cyber-attack, the MIT engineer and Wall Street analyst-led Trefis Team estimates that The Home Depot will incur approximately \$10 billion in costs associated with the breach by December 2019. However, the company is not expected to lose much in profits.

The Home Depot recorded \$24.8 billion in revenue in the second quarter of 2015—a 4.3% increase from the same period in 2014—and \$2.2 billion in earnings, up from \$2.1 billion last year ("Corporate and Financial Overview," 2015). According to the National Retail Foundation, the company is the number four retailer in the U.S. (2015) and the number nine retailer in the world (2013), earning \$74,203,000 in sales in 2014.

## Products, Services & Pricing

---

The Home Depot's first warehouse stores contained 25,000 units of stock, and empty boxes were stacked on the shelves to give "the illusion of even more product" ("Store, Products," n.d.). At an average of 105,000 square feet, the company's stores are now roughly 45,000 square feet larger than the original two stores. They now include approximately 23,000 additional square feet outside for garden and lawn products. Currently, the inventory is categorized into 18 major departments:

Appliances, Bath, Building Materials, Décor, Doors & Windows, Electrical, Flooring, Heating & Cooling, Kitchen, Lawn & Garden, Lighting & Fans, Lumber & Composites, Outdoor Living, Paint, Plumbing, Storage & Organization, Tools & Hardware, and a seasonal holiday category. Product varieties number up to 40,000, including proprietary items and national



brands, and each store's stock is customized to local markets. The Home Depot also offers customers the option of shopping online or making special orders for products that are unavailable in stores.

In addition to the vast number of products, The Home Depot offers in-home assistance, support to contractors, and how-to clinics for adults as well as children. Customers can elect to have their renovations completed by professionals from the company's pre-screened pool of contractors rather than trying the DIY approach. Repair professionals have access to bulk pricing, special sales, loyalty programs, and services that improve their performance on job sites. In free Kids Workshops available in all of The Home Depot's stores, children receive hands-on experience in building projects.

Complimentary DIY programs for adults, including Do-It-Herself workshops geared specifically toward women, are available on weekends. Rentals for tools and trucks (in partnership with Penske) as well as resources for moving and DIY ideas are also among the company's offerings. Additionally, "same-day shipping for all online orders placed before 5 p.m." launched last year ("Four Factors to Watch," 2015).

Aligned with its mission and values, The Home Depot prices its products and services competitively.

More than 1,000 items are marked at a “new lower price,” and competitors’ prices are guaranteed to be beat by 10% (The Home Depot Guaranteed Low Price, n.d.).



## **Current Marketing Communications Strategies**

---

In addition to its low price guarantee and exclusive product offerings, The Home Depot employs various marketing communications strategies to attract, retain, and engage customers. Of note is the company's approach to digital and social media. Last year, The Home Depot focused on building an "interconnected retail model that uses the Web and mobile apps to extend the store aisle to consumers wherever they happen to be" ("Home Depot's New Strategy," 2014). The company's app, which allows consumers to select from over 900,000 products, boasts more than one million downloads in the Google Play Store alone. The app also offers a live chat and a message center.

The Home Depot has an audience of more than two million on Facebook, a platform on which the company strives to engage with customers. For more than 290,000 followers on Twitter, The Home Depot engages in conversations about current events, thereby highlighting its role in not only improving homes but society at large. With presences on Pinterest, Instagram, Google+, YouTube, and Vine, The Home Depot has multiple outlets to create relationships with an additional 1.5 million consumers (not accounting for any overlap) by sharing DIY tutorials, photo submissions from customers, and more. The company also maintains The Home Depot Blog and The Garden Club for in-depth content. Across all platforms, The Home Depot's look and voice is consistent, in keeping with IMC best practices.

The Home Depot reports that its approach has caused "double-digit growth in customer engagement and sales driven by social" ("Trish Mueller," n.d.). This year the company experienced a 30% first-quarter online sales increase from 2014, with consumers picking up 40% of those sales in store—where they go on to make in-person purchases 20% of the time (Kell, 2015). However, non-digital methods are still a part of its strategy. The Home Depot offers a loyalty program to its professional consumers ("Pro Xtra," n.d.) and continues to produce circular ads. The company maintained a 15-year sponsorship with NASCAR (Pennell, 2014), partnered with Duke University to



create The Home Depot Smart Home (“Our Smart Dorm,” n.d.), and joins ESPN to present College GameDay during each year’s football season (“ESPN College GameDay,” n.d.).

The Home Depot’s current slogan is "More saving. More doing." It has been in use since 2009 (The Richards Group, n.d.), and recent television commercials including the phrase have been family-oriented, featuring products such as paint and carpeting. The ads also direct consumers to download the company’s app and highlight The Home Depot hashtag #LetsDoThis.

## **Competitors**

---

Yahoo Finance has identified Lowe's, Menard, and True Value Company as The Home Depot's direct competitors, with \$57.7, \$7.6 (as of 2012), and \$1.86 (as of 2011) billion in revenue, respectively (Yahoo Finance, n.d.) The latter two are privately held. Other competitors include Ace Hardware and Sears Appliance & Hardware Stores. Additional retailers that offer products similar to those sold by The Home Depot also present some competition. These sellers include The Sherwin-Williams Company, Lumber Liquidators, Shaw Floors, Walmart, IKEA, Target, Pier 1, and others. However, Lowe's remains as The Home Depot's strongest financial competitor (Van Doorn, 2014).

According to customer survey-based research conducted by J.D. Power, Ace Hardware has ranked highest in customer satisfaction among home improvement retailers for eight consecutive years (2014). The stores are ranked on merchandise, price, sales and promotions, staff and service, and store facility. In 2014, The Home Depot ranked below three competitors and the study average.

# J.D. Power 2014 Home Improvement Retailer Satisfaction Study<sup>SM</sup>

## Overall Customer Satisfaction Index Rankings

(Based on a 1,000-point scale)

JDPower.com  
Power Circle Ratings<sup>TM</sup>  
for consumers:



**Power Circle Ratings Legend**

- Among the best
- Better than most
- About average
- The rest

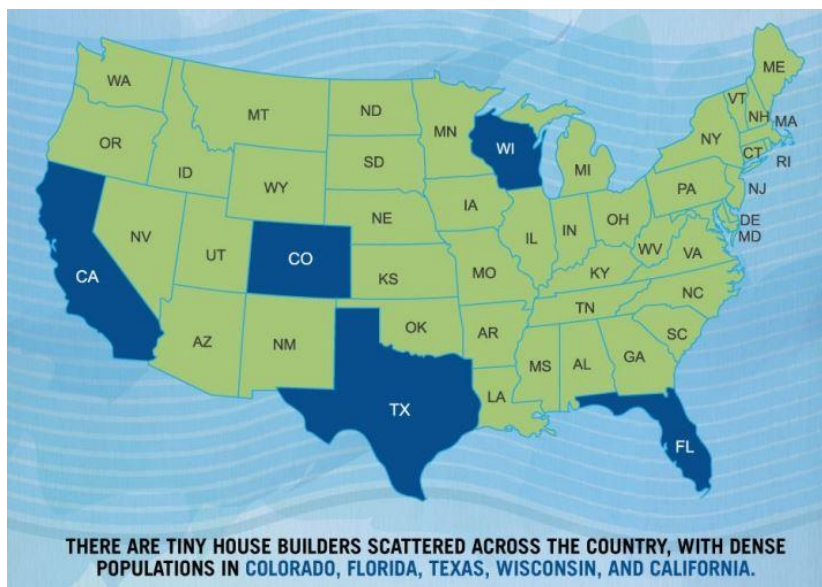
Source: J.D. Power 2014 Home Improvement Retailer Satisfaction Study<sup>SM</sup>

Charts and graphs extracted from this press release for use by the media must be accompanied by a statement identifying J.D. Power as the publisher and the study from which it originated as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power.

## Target Audience Summary

---

According to the National Association of Realtors, millennials primarily value home affordability and are more likely than other generations to cut back on the square footage of their homes than prior generations (Birnbaum, 2015). Capitalizing on Generation Y's growing demand for smaller houses and apartments as well as their interest in tiny homes, The Home Depot will target consumers fitting this psychographic, approximately aged 20 – 30. The company should plan for flexibility on either side of the age range, appealing to college-aged millennials living in dormitories and those in their early 30s who are settling into self-sufficiency. The company should plan to create two-way crossover appeal to this demographic's parents to take advantage of their influence on their children (Galsky & Shotick, 2012)



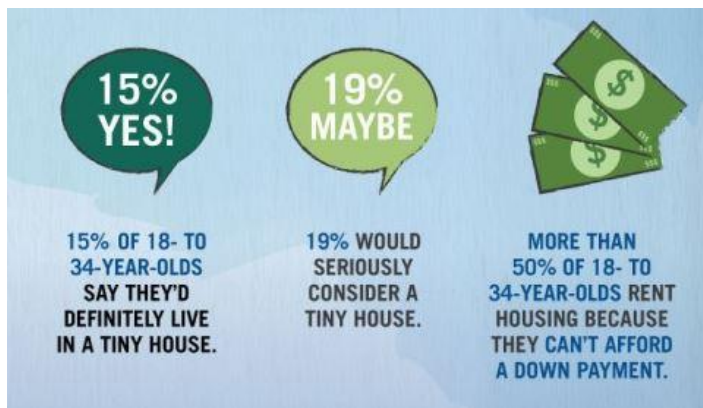
who currently dominate the market and have been shown to frequent The Home Depot like their parents (O'Connor, 2015). Efforts will focus on intended consumers—primarily women—earning \$30,000 or more annually and residing in The Home Depot store markets in

states where the small living psychographic is expanding or cities where apartment living is the norm, including Texas, California, Oregon, New York City, Atlanta, and elsewhere.

## Target Audience Profile

---

Meet Penelope and Julene. The millennial and Baby Boomer mother-daughter duo currently lives near Dallas, Texas, and both are in transitional phases of their lives. Pen, a Great Recession-era college graduate, returned home after receiving a degree in visual arts. After working in a bookstore and in elementary schools as a substitute, she has secured a staff designer position at an independent publisher. With a \$56,000 salary and most of her student loan debt eliminated, Pen feels comfortable to move out on her own—with a little input from mom, of course.



Salguero, 2014

Now in her early 60s, Julene is planning to leave the traditional workforce soon. She has accrued more than \$40,000 in savings and intends to run a small crafting business in her semi-retirement. With Pen's exit from the family home, Julene is excited not to take on the role of

“empty nester” but to find an entirely new nest just for one.

Home ownership in the traditional sense has been declining steadily for more than a decade (“Home Depot Key Trends,” 2015). With the more frugal millennial generation, the trend is not expected to reverse. Instead more people are expected to choose rental properties that are far less likely to offer the possibility of major remodeling projects. According to the Trefis Team, “a surge in the number of rentals is expected to weigh on [the] growth” in the home improvement industry (“Key Trends,” 2015). Furthermore, energy efficient and mortgage-free tiny homes that require little maintenance are

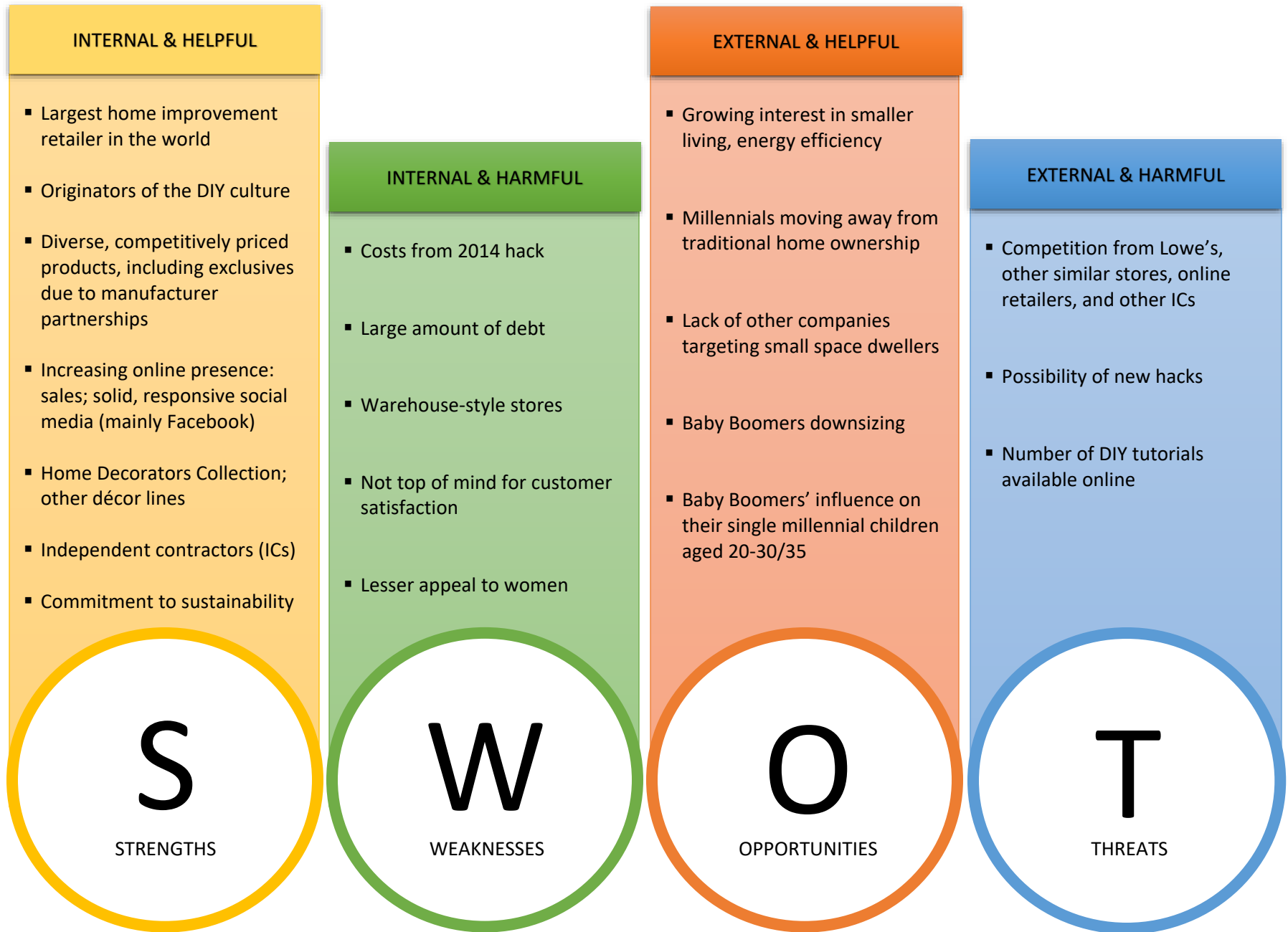
becoming increasingly popular with college graduates and retirees alike (Salguero, 2014). Similar to returns to old trends in fashion, the Tiny House Movement represents a step back to the smaller homes of 40 years ago. For many Baby Boomers who will work longer than anticipated and for millennials who have struggled to enter the workforce in the face of economic downturn, the shift is unsurprising.

Both Julene and Pen are tiny living enthusiasts with DIY leanings. Pen is heavily engaged in social media and has converted her mother into a lover of Pinterest, Instagram, and other platforms that overflow with home improvement ideas. The pair also enjoys traditional media—whether analog or digital—including newspapers, magazines, and television. Despite absorbing many tips and tricks from these sources, they also welcome the knowledge and labor of home improvement professionals as they begin the search for smaller spaces to call home.

## **Target Audience Profile Summary**

---

As the nation continues to recover from the sting of the recession in the coming years, targeting individuals like Pen (and Julene, to a far lesser degree) who would like to live smaller and simpler is advised. Marketing toward this lifestyle choice rather than to specific generations or other status markers will allow for new concepts to promote building supplies, décor, garden supplies, and other products. Secondary to the tiny living psychographic, Pen also represents the female demographic, which The Home Depot has attempted to reach in the past with its family-oriented television commercials, workshops, and “women friendly” store enhancements (Belch & Belch, 2014). With a strategic plan to reach individuals seeking to downsize as well as women, The Home Depot can tap into a niche audience that would likely more often shop at retailers with more feminine appeal for home improvement items.



## **Campaign Objectives**

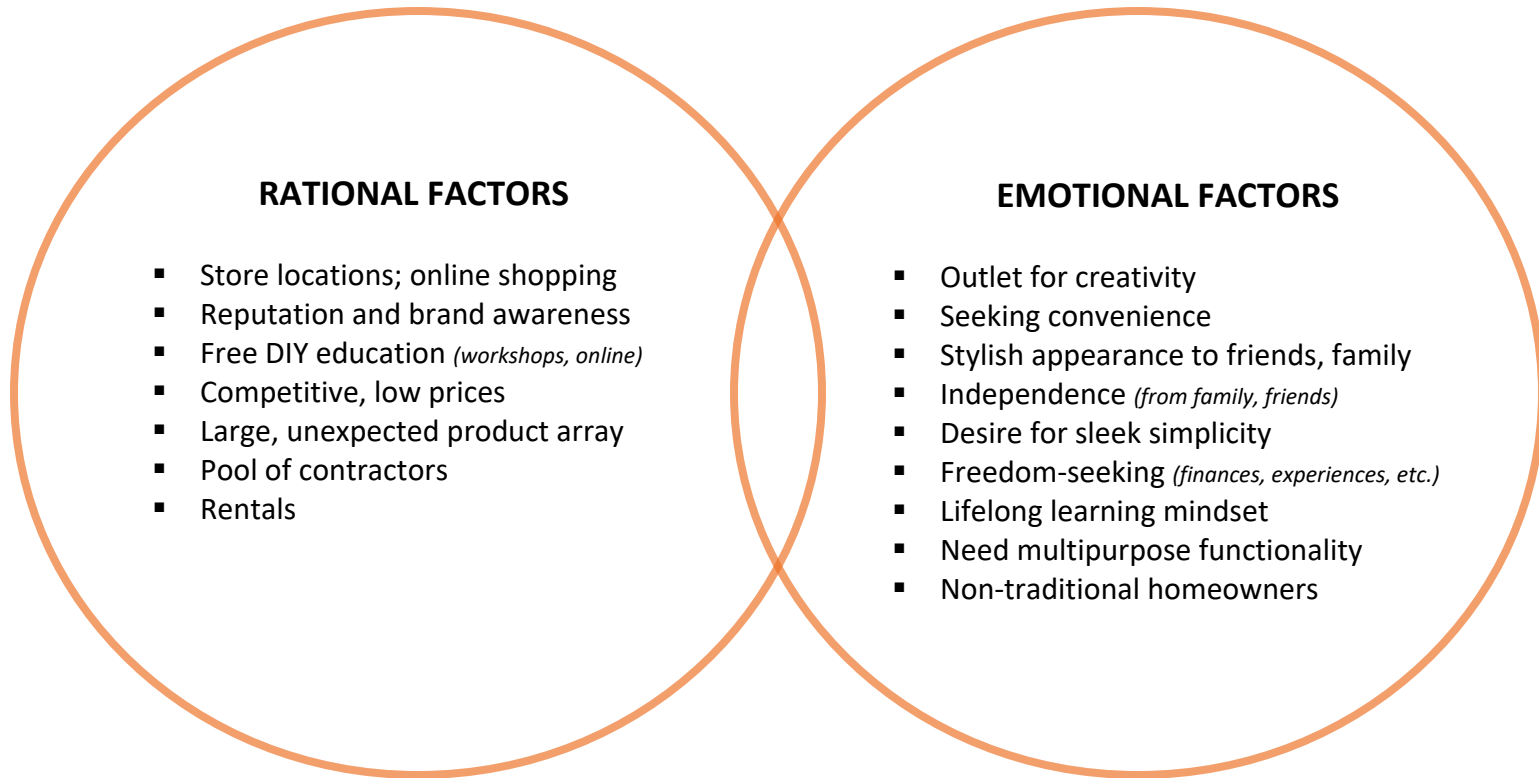
---

- By end of 12-month campaign year, create 20% increase in favorable impressions of The Home Depot for renters and other small space residents seeking construction, space conservation, organization, decoration, and energy efficiency solutions.
- Increase target audience awareness of space-saving, organization, decoration, and green DIY projects by 25% within 12 months.
- Increase store traffic and purchases by renters and other small space residents by 10% during sales periods for décor, storage items, and building materials.
- Boost in-store, online, and mobile sales of décor, furniture, and organization solutions each by 15% within campaign year.
- Increase use of mobile app within target audience by 10% in 12 months.
- Grow per transaction amounts of target customers to average minimum of \$350 within campaign year.
- Grow awareness of The Home Depot's sustainability and green initiatives by 30% within target audience.

## **Campaign Strategies**

---

- Develop paid media (social media, television, SEM, etc.) targeting small space residents primarily in the millennial demographic and secondarily in the Baby Boomer demographic for cross-influence.
- Develop social media campaign that aligns with paid media advertisements to increase brand engagement and to survey current and prospective customers regarding small space living and satisfaction with The Home Depot.
- Utilize direct marketing and sales promotion tactics to increase brand awareness, online and mobile engagement, in-store visits, and overall sales of small space living solutions.
- Run focus groups of current and prospective customers regarding small space living, sustainability, and satisfaction with The Home Depot.
- Provide associate and contractor training for smaller home building, organizing, decorating, and energy-saving—complete within 18 months.



### INTEGRATED CREATIVE STRATEGY STATEMENT

From lumber and lacquer to furniture and fine art, The Home Depot helps you build *and fill* your small space with style.

---

#### REJECTED STATEMENTS

The best for living with less	More saving. More doing. And a little more living.
Where you spend less to live more	We help you upgrade when you downsize.
Everything you need to live a little more	Let's do larger lives in half the size.

## **Creative Brief**

---

**Date:** 10/18/15    **Client:** The Home Depot    **Deliverable:** Digital Ad Set – 300 x 250 Medium Rectangle

---

### **Why are we advertising?**

To increase awareness and sales of décor, organization, and construction items as well as sustainability among the tiny living psychographic.

### **Whom are we talking to?**

Millennials (ages ≈20 – 30) living in and decorating apartments, tiny homes, or similar small spaces.

### **What do they currently think?**

The Home Depot is not the place for buying furniture and accessories. That is what Bed, Bath & Beyond; IKEA; Target; Walmart and so many other places are for. Also, I can't build my own house. That is not a DIY project.

### **What would we like them to think?**

The selection, quality, and prices at The Home Depot make it the best store to help you create and live up your small living space.

### **What is the single most persuasive idea we can convey?**

The Home Depot is more than a warehouse full of lumber and tools; it is a top choice for finding your style and the ideas to live life larger in a small space.

### **Why should they believe it?**

Combining The Home Depot's unexpected finds in the Home Decorators Collection with necessary building supplies results in apartments and small homes that wow.

### **Are there any creative guidelines?**

Digital ad set (300 x 250 medium rectangle) for online and mobile viewers who are targeted and retargeted on websites and apps related to home improvement, tiny houses, and apartment living.

## Sample Creative Execution: Digital Ad Set (300 x 250 Medium Rectangle)



Directed toward the ambitious young consumer who could use The Home Depot's traditional construction supplies to build an unconventional home, the first ad focuses on getting from start to finish in the building process. The language of the ad riffs on the integrated creative strategy statement. Overall, the ad taps into the broad tiny living psychographic and the propensity toward goal-setting found in millennials who have prioritized owning a home over several other life factors but have struggled under the weight of debt and recession aftereffects.

[View the animated ad.](#)



The second ad in the set duplicates the language of the first. However, the initial image has been replaced with a photo of a millennial woman working on her home. This adds the factors of humanity and relatability that suggest that the viewer also could be a successful DIYer.

[View the animated ad.](#)



Ad three—the only non-animated one in the set—moves from construction to decoration. The juxtaposition of home décor items including candleholders, throw pillows, and flooring with The Home Depot logo seeks to attract clicks by associating stylish furnishings to a retailer that is not top of mind for these purchases. This ad distills the message of the integrated creative strategy statement for more impact.

## **Paid Media**

---

### **Objectives**

- Reach 70% of the target market a minimum of 8 times within a 12-month period.
- Reach 20% of target audience in The Home Depot store markets (in states favored by targeted psychographic)  $\geq 15$  times per month during first half of campaign year, decreasing to an approximate of 8-10 times during second half of the campaign year to avoid oversaturation.
- Target 60% of efforts to prospective customers and 40% of efforts to current customers.
- Use broadcast and print placements to drive a  $\geq 10\%$  increase in the number of website visitors.

### **Strategies**

- **BROADCAST:** Secure television advertising to run during successful programs throughout the year, emphasizing efforts to reach intended audience during the late fall, late spring, and summer.
- **PRINT:** Purchase magazine advertising in publications relevant to the target audience and home improvement/design.
- **OUT-OF-HOME:** Place ads on modes of transportation in target areas.

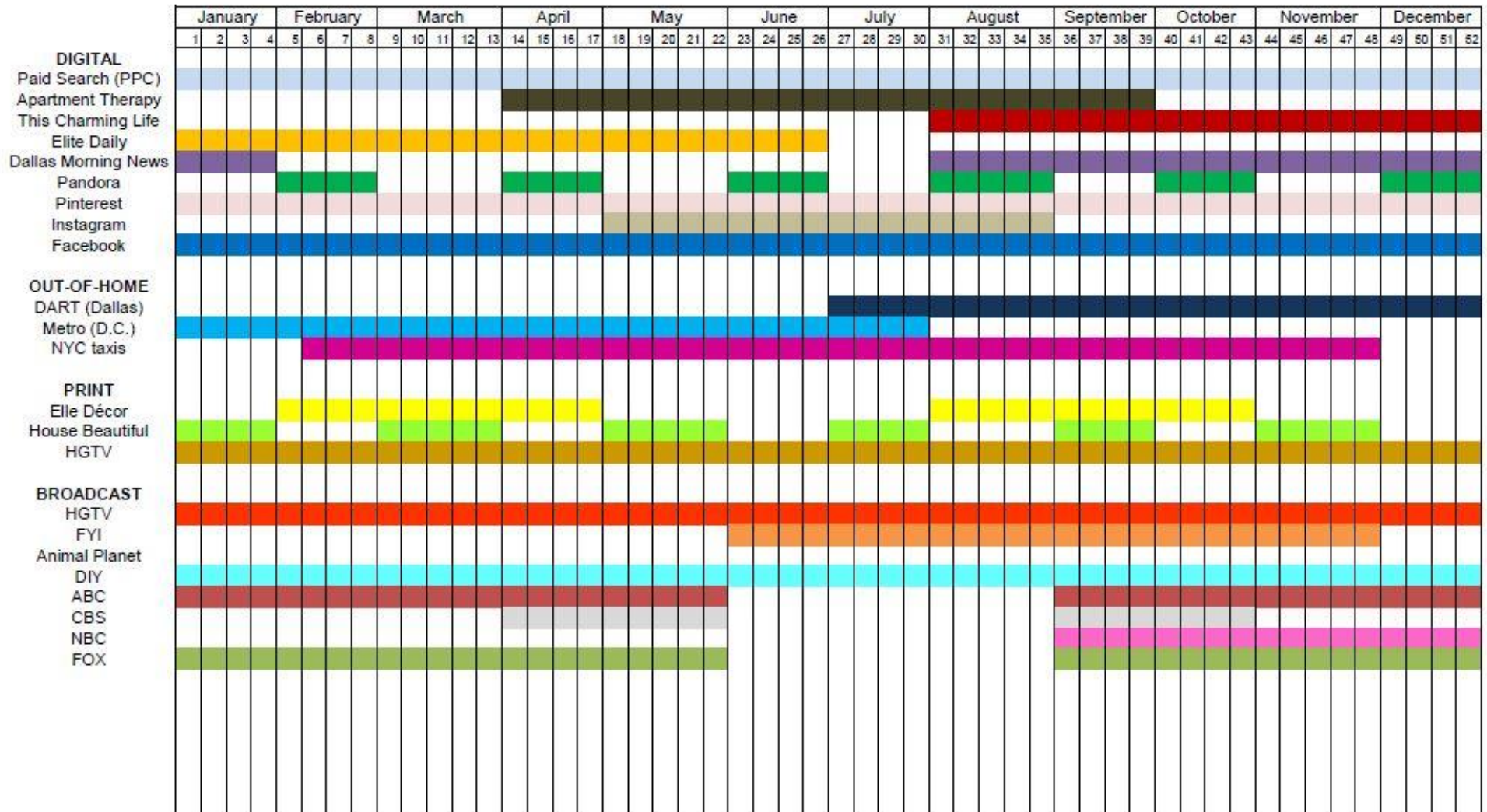
- **DIGITAL:** Run targeted and retargeted ads on social media, search, online magazines, news sites, blogs (sponsored posts), and streaming video and music based on demographic, psychographic, and geographic segments.

## Tactics

- **BROADCAST:** Purchase air time for 30-second commercials to run during programs focused on small space living on home improvement channels: *Tiny House*, *Big Living* and *Tiny House Hunters* on HGTV, *Tiny House Nation* on FYI, and *Treehouse Masters* on Animal Planet.
- **BROADCAST:** Create 30-second spots to air during home improvement, house search, and design programs popular with the target demographic: *Property Virgins*, *Property Brothers*, *House Hunters*, *Fixer Upper*, and *Rehab Addict* on HGTV and the *Crashers* series of programs on DIY.
- **BROADCAST:** Produce 15-, 30-, and 60-second ads to run during popular fall primetime programs on the top basic cable networks: *Empire* (FOX), *The Big Bang Theory* (CBS), *Modern Family* (ABC), *Scandal* (ABC), and *The Voice* (NBC).
- **PRINT:** Half-page and full-page ads will be secured in widely circulated décor and small space living magazines: *Elle Décor*, *House Beautiful*, and *HGTV*.
- **OUT-OF-HOME:** Ads will be placed on public transportation and taxis in key cities for both millennials and tiny living enthusiasts such as Dallas (i.e., DART) and New York City.

- **DIGITAL:** Pay-per-click ads will be placed with Google to surface for searches related to small space living, decorating, and home improvement for a 12-month period. Keywords will include “tiny home,” “apartment living,” “decorating a small space,” “storage,” “getting a first house,” etc. Retargeted ads will follow users from The Home Depot website to competitors’ websites, other small space living websites, and social media (Facebook). Banner ads also will run on lifestyle and peer blogs/magazines such as Apartment Therapy, This Charming Life, and Elite Daily as well as news outlets (e.g., *Dallas Morning News*) and streaming services such as Pandora. Specific ad sets will be directed to particular states where either the Generation Y demographic or tiny living psychographic is popular or expanding such as Texas, Florida, California, and New York. Ads will also run on Pinterest (sponsored pins), Instagram (carousel and video), and Facebook (sponsored posts and right-hand banner).

# Media Flowchart



## **Public Relations**

---

### **Objectives**

- Attract positive attention for The Home Depot's efforts in becoming a retail leader for small space living (rentals, tiny homes, etc.), unconventional millennial homeownership, and sustainability as indicated by at least 50 media stories in the campaign year.
- Increase awareness of the Home Decorators Collection and Martha Stewart Living line at The Home Depot by  $\geq 35\%$ .
- Encourage millennials to build and/or live in small, sustainable homes decorated with The Home Depot materials, reaching  $\geq 25\%$  of existing customers belonging to target audience.
- Increase organic, non-media online mentions of The Home Depot and its small living efforts by 15%.
- Increase positive social media sentiment by 25% during campaign year.
- Grow awareness of The Home Depot's sustainability efforts and green initiatives by 15%.
- Increase mobile app downloads by 50% via events, workshops, and social media promotion.

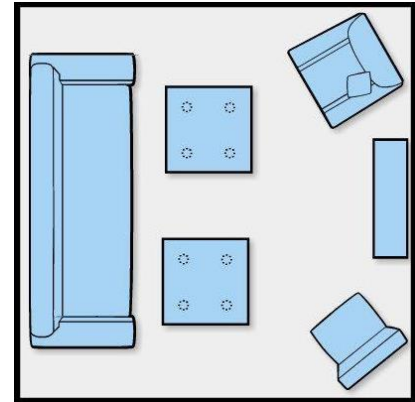
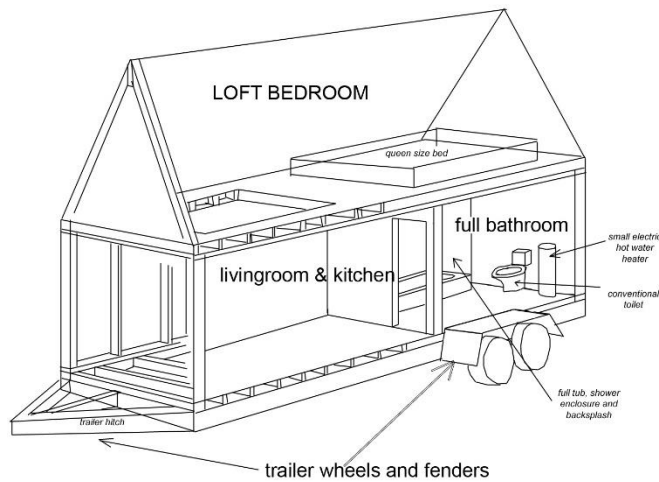
### **Strategies**

- Develop engaging social media content with a small space living focus and millennial appeal.

- Improve the company's ability to provide expert advice on small space living and decorating.
- Add new technology to The Home Depot stores, offering interactive opportunities for young consumers interested in smaller homes.
- Increase customer construction, design, and environmental education opportunities.
- Host events, learning experiences, and competitions to increase The Home Depot's visibility in the tiny living, rental, and green communities.

## **Tactics**

- Sponsor a booth at the 2016 Tiny House Conference in Asheville, North Carolina, to attract new target market consumers. App downloads will be encouraged and rewarded on site.
- Create small space-specific DIY tutorials for social media with at least four appearing on the company's major platforms each month, including a return to Vine.
- Solicit user-generated content using a cross-platform hashtag (e.g., #HDLivingLarge) to encourage engagement among target audience members.
- Create new staff and featured guest-authored blog content optimized with small living, DIY, and sustainability keywords.



- Expand mobile app to include an interactive and informative rental and tiny house section (including digital construction and design studios), more areas to submit feedback, and exclusive offers.
- Add in-store kiosks that mirror additions to the mobile app as part of small space living displays in half of The Home Depot stores in selected states to encourage visits by target audience shoppers.
- Develop partnerships with TV networks (HGTV, FYI, and/or DIY) for hosting official viewing parties and other events catered to target audience.
- Develop DIY consumer workshops for solutions for rentals and other small dwellings as well as sustainable living.
- Educate all employees on maximizing living space and sustainability in small homes (starting with target geographic areas) within campaign year.

- Launch a contest to give away a tiny home constructed and furnished with materials and décor from The Home Depot.
- Issue news releases ahead of the aforementioned tactics—combining them as appropriate—to make the media, and in turn the target audience, aware of The Home Depot’s campaign.



## **DIRECT MARKETING**

---

### **Objectives**

- Educate target audience customers about The Home Depot's décor products, small space solutions, and energy efficiency initiatives with a goal of increasing their purchases of related items by 5%.
- Achieve 10% increase in sales initiated and completed digitally.
- Achieve 5% response rate for direct mail pieces as measured by online, mobile, and in-store offer redemptions.
- Increase registrations to receive correspondence from The Home Depot by 5% as a result of the circulation of direct marketing materials and subsequent word of mouth.
- Increase sales of storage, organization, and décor items by 10% among shoppers between the ages of 18 and 25.
- Accomplish a ≥30% sign-up rate for new DIY workshops on small space and green living.

### **Tactics**

- Create local ads (direct mail) to include more décor items and a focus shift to small space living and sustainability. The ads also will prominently promote the mobile app and workshops. Distribute in target geographic areas, replacing current local ads where appropriate. Ads will include specific

codes to enter via app or online to receive percentages off décor and furniture as well as discounts on storage and organization items in stores.

- Develop a small space living mailer that features The Home Depot décor, room layout ideas, recommended products, green ideas, and workshop details and deliver to current customers in target audience as well as those who register to receive materials via the corresponding mobile app, website, or an in-store touchpoint. Registrants will be surveyed on their knowledge of The Home Depot's small space solutions.
- Create partnerships with colleges and universities to distribute promotional materials as a part of perk packages and goodie bags offered at fairs and events. One set of materials will be designed to offer décor and storage options to freshmen and sophomores who are likely living on campus. A second set featuring furniture, DIY workshops on tiny living, and décor will be developed for juniors, seniors, and graduate students living in apartments or seeking post-grad housing. Consumers using promo codes will receive entries into regional contests. *(See sales promotion tactics.)*
- Distribute messages to mobile app users (via push notification) and email recipients fitting target audience, encouraging workshop sign-ups and recommending product purchases.
- Retarget display ads to homedepot.com visitors and users who search for terms related to small space living, DIY, first homes, and other campaign keywords, including competitors' names. Individuals who click will be rewarded with an offer to enter in regional contest. *(See sales promotion tactics.)*

## **SALES PROMOTION**

---

### **Objectives**

- Achieve 6% coupon redemptions by targeted mobile app users as well as those who engage with the app online or in-store.
- Increase average transaction amount to a minimum of \$400 among the target audience.
- Achieve a minimum of 50 contest entries (on average) per week during first three months of digital contest. Grow to  $\geq 125$  entries in subsequent three-month contest period.
- Increase purchases of décor, storage, building materials, etc., by 25% via the motivation of rewards—contest prizes and rebates—over last year’s sales for the same two periods: April – August and November – February, which tend to be increased hiring and relocation timeframes as well as intervals during which target audience members (such as college seniors and young professionals) have downtime to make arrangements for employment and housing.

### **Tactics**

- Offer 40% off coupons on décor items for new mobile app downloads during two one-week promotional periods at the beginning and end of the campaign year.
- Offer 25% off coupon on storage and organization items during four promotional weeks during campaign year.

- Provide mystery bonus and coupon offers to booth visitors at 2016 Tiny House Conference.
- Run weekly contests on Thursdays for consumers to submit the best tiny home and rental designs/layouts using products from The Home Depot via the app and self-promotion on social media (Facebook, Instagram, Twitter, and Vine). Entries must be tagged #HDLivingLargeContest. Prizes will include various coupons or item giveaways given to one winner per week.



- Issue \$100 rebate to consumers who complete a post-purchase survey after spending \$450 or more on décor, furniture, space solutions, or energy-saving products.
- Develop point-of-purchase displays for storage and organization items in stores within target geographic areas.
- Host regional contests offering \$2,500 toward the purchase of décor, furniture, storage/organization, or the energy-efficient materials fit for a tiny house. Each purchase of a related item guarantees an entry.

## Measurement & Evaluation

---

Evaluation and measurement conducted before, during, and after the IMC plan year will provide opportunities to make adjustments that will ensure the successful fulfillment of the goal to position The Home Depot as the go-to retailer for designing small living spaces—particularly for millennials.

Prior to launch, testing will be conducted to project potential pitfalls in the scope and messaging of the overall strategy and its creative implementations. Participants also will provide feedback on The Home Depot's present standing as an option for décor, furniture, storage solutions, and tiny home construction purchases.

- Target audience **focus groups** will be conducted to gauge current opinions of The Home Depot for small home needs.
- **Concept testing** and **copy testing** of the new creative direction will ensue with target groups to measure the possible effectiveness of the campaign in influencing brand awareness and engagement as well as sales.
- **Forced purchase theater tests** will be held to test target audience willingness to choose The Home Depot over competitors.

Throughout the year, several tools will be in use to measure the efficacy of the tactics. In addition to tallying coupon and rebate redemptions, workshop sign-ups, blog comments, store kiosk interactions, overall sales, the following also will be implemented:

- **Social media analytics** software will record mentions, sentiment, and contest entries (via hashtags) for The Home Depot as well as the successes and missteps of competitors in relation to the plan goals.



- Creative (copy and visuals) for display ads also will be assessed, allowing for modifications as necessary along the way to improve click-through rates.
- Post-purchase **surveys** evaluating the shopping experience and products will be available to all customers by way of their receipts and email. Results will be analyzed and divided by demographic, psychographic, items purchased, etc., based on the self-identification of patrons in their responses.

Measurement and evaluation at the conclusion of the plan year will include focus groups (A and B groups of previous and new members, respectively), additional surveys, and assessment of attention garnered via the plan's advertising, public relations, and promotional efforts. Overall success will be determined through the evaluation of the recorded measurements against the objectives set forth in the plan.

## **Conclusion**

---

Designed to engage the growing tiny living enthusiast segment of the Generation Y market, this integrated marketing communications plan employs paid media, public relations, direct marketing, and sales promotion strategies and tactics that will draw positive attention and increase business for The Home Depot. The Home Decorators Collection and Martha Stewart lines at the company are not presently top of mind for decorating home interiors (HGTV, n.d.), and further growth beyond 2% with young women DIYers over Lowe's and Menard's will require reaching those who are currently enamored with building small spaces (Goodfellow, 2015).

In adopting this IMC plan, The Home Depot will clarify that it is not a retailer only for owners of large houses and major renovators. The target consumers will understand the breadth of the company's offerings for their lifestyles and will be inspired to engage with the brand digitally. They will spend more time (and money) in The Home Depot stores participating in workshops, making purchases, and learning more about how to save energy and go big with style in their small homes.

Meeting the desired objectives necessitates prompt action to capitalize on increasing millennial financial stability and a psychographic trend that shows promise of longevity. Now is the time for The Home Depot to lead the charge in helping young adults build larger lives in half the size.

## References

- Bailey, M. (2014). The Home Depot. In *New Georgia Encyclopedia online*. Retrieved from <http://www.georgiaencyclopedia.org/articles/business-economy/home-depot>
- Banjo, S. (2014). Home Depot names retail chief Craig Menear as CEO. *The Wall Street Journal*. Retrieved from <http://www.wsj.com/articles/home-depot-names-retail-chief-menear-as-ceo-1408653273>
- Belch, G., & Belch, M. (2014). *Advertising and promotion: An integrated marketing communications perspective* (10th ed.). New York, NY: McGraw-Hill.
- Birnbaum, L. (2015, September 21). Four sacrifices millennials can make to become homeowners. *The Washington Post*. Retrieved from <http://www.washingtonpost.com/blogs/where-we-live/wp/2015/09/21/four-sacrifices-millennials-can-make-to-become-homeowners>
- Corporate and financial overview* [PDF document]. (2015). Retrieved from [https://corporate.homedepot.com/MediaCenter/PressKit/Documents/Corp\\_Financial\\_Overview.pdf](https://corporate.homedepot.com/MediaCenter/PressKit/Documents/Corp_Financial_Overview.pdf)
- ESPN College GameDay built by The Home Depot*. (n.d.). Retrieved from <https://corporate.homedepot.com/CorporateResponsibility/SportsSponsorships/Pages/ESPNCollegeGameDay.aspx>
- First Home Depot opened*. (n.d.) Retrieved from <http://www.todayingeorgiahistory.org/content/first-home-depot-opened>

Fry, R. (2015, May 11). Millennials surpass Gen Xers as the largest generation in U.S. labor force.

Retrieved from Pew Research Center Fact Tank: <http://www.pewresearch.org/fact-tank/2015/05/11/millennials-surpass-gen-xers-as-the-largest-generation-in-u-s-labor-force>

Galsky, A., & Shotick, J. (2012, January). Managing millennial parents. *The Chronicle of Higher Education*.

Retrieved from <http://chronicle.com/article/Managing-Millennial-Parents/130146>

Goodfellow, P. (2015, May). Lowe's Fails To Man Up Against Home Depot, Underestimates Menards.

*Forbes*. Retrieved from <http://www.forbes.com/sites/forbesinsights/2015/05/26/lowes-fails-to-man-up-against-home-depot-underestimates-menards>

HGTV. (n.d.). The Best Online Shopping Sites for Your Home. Retrieved from

<http://www.hgtv.com/design/decorating/design-101/the-best-online-shopping-sites-for-your-home>

The Home Depot. (2012). The Home Depot closes seven big box stores in China [Press release].

Retrieved from <http://ir.homedepot.com/phoenix.zhtml?c=63646&p=irol-newsArticle&ID=1735130>

*The Home Depot guaranteed low price*. (n.d.). Retrieved from

[http://www.homedepot.com/c/PM\\_New\\_Lower\\_Price](http://www.homedepot.com/c/PM_New_Lower_Price)

Home Depot's new strategy tied to e-commerce growth. (2014). *Journal of Commerce*. Retrieved from

[http://www.joc.com/international-logistics/distribution-centers/home-depot%E2%80%99s-new-strategy-tied-e-commerce-growth\\_20140307.html](http://www.joc.com/international-logistics/distribution-centers/home-depot%E2%80%99s-new-strategy-tied-e-commerce-growth_20140307.html)

*The Home Depot values.* (n.d.). Retrieved from

<https://corporate.homedepot.com/OurCompany/Values/Pages/default.aspx>

*Investor FAQ.* (n.d.). Retrieved from <http://ir.homedepot.com/phoenix.zhtml?c=63646&p=irol-faq>

J.D. Power. (2014). Ace Hardware ranks highest in customer satisfaction among home improvement retailers for an eighth consecutive year [Press release]. Retrieved from

<http://www.jdpower.com/press-releases/2014-home-improvement-retailer-satisfaction-study>

Kell, J. (2015). Home Depot finds its footing in online shopping. *Fortune*. Retrieved from

<http://fortune.com/2015/05/19/home-depot-web-strategy>

National Retail Federation. (2015). Top 100 retailers chart 2015. Retrieved from

<https://nrf.com/2015/top100-table>

National Retail Federation. (2013). Top 250 global retailers, 2013. Retrieved from

<https://nrf.com/2015/global250-table>

O'Connor, C. (2015, June). Target, tools and tequila: Data shows what millennials are really buying.

*Forbes*. Retrieved from <http://www.forbes.com/sites/clareoconnor/2015/06/04/target-tools-and-tequila-data-shows-what-millennials-are-really-buying>

*Our history.* (n.d.). Retrieved from

<https://corporate.homedepot.com/OurCompany/History/Pages/default.aspx>

*Our smart dorm.* (n.d.) Retrieved from <http://smarthome.duke.edu/dorm>

Pennell, J. (2014). Report: Home Depot ending NASCAR sponsorship after 2014. Retrieved from <http://www.foxsports.com/nascar/story/report-home-depot-ending-nascar-sponsorship-after-2014-062314>

*Pro Xtra: The Home Depot pro loyalty program.* (n.d.). Retrieved from [http://www.homedepot.com/c/Pro\\_Xtra](http://www.homedepot.com/c/Pro_Xtra)

The Richards Group. (n.d.) Featured story: The Home Depot. Retrieved from <http://richards.com/work/featured-story/the-home-depot>

Salguero, M. (2014). The tiny house movement. *The Huffington Post*. Retrieved from [http://www.huffingtonpost.com/mike-salguero/the-tiny-house-movement\\_b\\_5811058.html](http://www.huffingtonpost.com/mike-salguero/the-tiny-house-movement_b_5811058.html)

*Stores, products, and services.* (n.d.). Retrieved from <https://corporate.homedepot.com/OurCompany/StoreProdServices/Pages/default.aspx>

Trefis Team. (2015). Home Depot: Four factors to watch out for in 2015. *Forbes*. Retrieved from <http://www.forbes.com/sites/greatspeculations/2015/02/20/home-depot-four-factors-to-watch-out-for-in-2015>

Trefis Team. (2015). Home Depot: Key trends in housing impacting the home improvement market. *Forbes*. Retrieved from <http://www.forbes.com/sites/greatspeculations/2015/01/23/home-depot-key-trends-in-housing-impacting-the-home-improvement-market>

Trefis Team. (2015). Home Depot: Will the impact of the data breach be significant? *Forbes*. Retrieved from <http://www.forbes.com/sites/greatspeculations/2015/03/30/home-depot-will-the-impact-of-the-data-breach-be-significant>

*Trish Mueller*. (n.d.). Retrieved from

<https://corporate.homedepot.com/OurCompany/Leadership/Pages/Bios/TrishMueller.aspx>

Van Doorn, P. (2014). In Home Depot vs. Lowe's, the winner is . . . Retrieved from

<http://www.marketwatch.com/story/in-home-depot-vs-lowes-the-winner-is-2014-08-20>

*The World's Most Valuable Brands*. (2015). *Forbes*. Retrieved from

<http://www.forbes.com/companies/home-depot/>

Yahoo Finance. (n.d.). The Home Depot, Inc. (HD). Retrieved from <https://finance.yahoo.com/q/co?s=HD>