

RETAIL

Learning from the other side: Branding lessons from the top 5 retailers in the US

May 24, 2019



Katie Lundin is a marketing and branding specialist at Chicago-based crowdspring

By **Katie Lundin**

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

The top five retailers in the United States made \$228.4 billion in earnings last year. They must be doing something right.

Walmart, Amazon, Costco, Walgreens and Home Depot have each built strong [brand identities](#) and all benefit from powerful household recognition and strong brand equity.

A brand is the sum total of the experience your customers and customer prospects have with your company.

A strong brand communicates what your company does, how it does it, and at the same time, establishes trust and credibility with your prospects and customers.

Your company's brand is, in many ways, its personality.

Your brand lives in everyday interactions your company has with its prospects and customers, including the images you share, the messages you post on your Web site, the content of your marketing materials, your presentations and booths at conferences, and your posts on social networks.

These top retail businesses know that their brand is invaluable. These are the businesses from whom we should be learning.

So, we have studied what these mega-brands are doing right and wrong.

We have cultivated a list of five actionable lessons that apply to retail businesses of any size not just mega-retailers.

And, now, we are here to share the results of our research with you. Let us get started.

Walmart

Build a better brand through meaningful change.

Walmart has long been a top name in U.S. retail. But the biggest box store has not always had a flawless reputation.

For a time, Walmart was making headlines that reported its less-than-stellar treatment of employees and the negative impact its mega-brand's presence created for small businesses across the country.

Walmart's leadership team realized that the brand was suffering and chose to make a change. In the years since, Walmart has made real efforts to chart a new course.

In a 2017 *Harvard Business Review* interview, Walmart CEO Doug McMillon [said](#), "*We start with reality and try to focus on what we can do to make Walmart an even better company.*"

Over the past 12 years, Walmart has made environmental and social sustainability a priority. It has also revisited its wage structure increasing overall wages by \$2.7 billion in 2017 as well as employee training and advancement structure.

While Walmart may still have flaws, it has improved its brand considerably by acknowledging flaws and working to fix them.

Simon Mainwaring, branding expert and entrepreneur, [shares](#) in his Walmart case study: "The key takeaway is that purpose is essential to the way stakeholders view your brand. Investing in positive impact within the communities you touch is an excellent way to strengthen brand image."

What you can do:

Get real about the ways in which your business is failing to meet expectations. It is only through self-awareness and brutal honesty that you can really see how your brand is perceived.

- Ask customers where you are falling short in serving your community and being a brand people want to support.
- Poll your customer support team what are the most common complaints they receive?
- Ask your employees for their observations they may have insights you do not have
- Then make plans to do better and follow through.

Do not sugarcoat any failing. Every single problem that you identify is an opportunity to improve your business and brand in a meaningful way.

This is especially true for new businesses. In our guide on [how to start a business](#), we emphasize that a strong brand is more important than ever.

As Mr. Mainwaring [puts it](#): "businesses that invest in and share stories about their measurable social contributions increase brand value and carve out a competitive advantage."

So, look for ways that you can give back to your community. Embrace integrity and socially ethical practices. As a side effect, your brand will get a boost, too.

Amazon

Develop a consistent, reliable multichannel brand.

Today, it is hard to imagine a world without Amazon.

Amazon first issued its mission statement in 1995: "[Amazon wants] to be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers the lowest possible prices."

No one then could have foreseen the colossal ecommerce giant it would become.

You can see the key to Amazon's success in that mission statement. The brand has delivered on its promises and in unexpected and innovative ways.

Twenty-four years later, Amazon is still working to find new ways to be customer-centric and deliver anything anyone might want to buy online.

In addition to the core Amazon Web site, Amazon has a reliable mobile application and an army of AI home assistants I am looking at you, Alexa as well as the Amazon Prime subscription service and Amazon drop-off lockers all across the country. And those are just the services that most people know.

This versatile brand has made it easy for customers to interact with it virtually anywhere.

Amazon has mastered the art of meeting its customers wherever they are. And that multichannel approach has defined their brand.

What you can do:

While you may not have the resources to launch your own household AI assistant, there is still plenty you can do.

- Survey your customers to gain their invaluable insight. And be sure to reward them for their time with a discount or gift certificate toward a future purchase.
- Build a user-friendly and reliable mobile app if you offer ecommerce.
- Create strong social media relationships with customers. Treat your social media profiles as extensions of your support and sales teams. If a customer reaches out to you there, be sure to respond in kind.
- Make it easy to communicate with your business through various channels. Provide prompt customer support via phone, email and chat as well as in store whenever possible.
- Maintain a [consistent brand](#) voice and user experience across all channels. Customers should experience your brand consistently whether they are on social media, a mobile app, your Web site or in your store.

Get on the same page as your customers. Find out how, where and when they want to do business with you. Then figure out how to deliver those conditions with as little friction as possible.

Costco

Invest in your signature brand.

Many retailers offer a signature private label brand.

Walmart has Mainstays, Safeway grocery stores have Safeway Select, and CVS pharmacies have CVS Health. But most of us do not head to the store specifically to find those brands.

However, Costco's Kirkland Signature brand is breaking that mold.

In 1995 Costco consolidated all of its private label products under the Kirkland Signature brand. And, in the years since, it has carefully curated the brand's offerings to ensure quality and customer appeal.

This careful handling has paid off. Today, customers trust Kirkland Signature as a quality brand at a competitive price. It has become a motivating factor that drives consumers to Costco.

And, as a result, the Kirkland Signature brand accounts for [nearly a third of Costco's revenues](#).

What you can do:

If you offer a signature brand, invest the time and effort to make it a draw in and of itself. We recommend that you follow Costco's lead and curate your store's signature brand carefully.

- Make sure every item you offer under your signature brand is a strong match for your customers and your existing brand.
- Focus on quality as well as price today's consumers expect a balance of both.
- Find a differentiating factor for your signature brand. Make sure you offer products with unique value and create distinct [packaging design](#) and [package graphics](#) for that signature brand.
- Market your signature brand. Customers cannot care about your brand if they do not know about it.

Cultivating a unique, high quality and exclusive signature brand will give your retail store a hook too good for your customers to pass up.

Walgreens

Branding is more than a tagline.

In December 2017, Walgreens [revealed](#) a new direction for its brand.

Taking a sharp turn at the corner of happy and healthy, the chain revealed its new tagline: "Walgreens. Trusted since

1901."

This change came shortly after Walgreen's competitor CVS made a major acquisition of a health insurance provider. This led some to wonder if the rebrand was a response to this perceived threat.

Jim Fosina, founder/CEO of Fosina Marketing Group, [observed](#) at the time: "If Walgreens thought that a rebranding effort focusing on longevity was going to be competitive with the CVS moves, they are sadly mistaken, and really missing an understanding of what motivates today's consumer."

It is possible that Mr. Fosina is right nostalgia may be the wrong fit for a major pharmacy brand.

On the other hand, Walgreens made it into the top 5 U.S. retailers for 2018 while its larger competitor CVS did not. I would hazard a guess that this is because Walgreens' new tagline did not have much of an impact on their brand. In the year since Walgreens announced that its brand has changed, I have visited its establishments a number of times. My experience as a consumer has been exactly the same regardless of a change in tagline.

A brand is more than its business tagline or a [company logo](#). A retail brand is a sum of what your business claims it is, what your business actually does, and how your customers perceive your business.

Walgreens brand has already earned enough goodwill to weather any minor blips such as a weak tagline as long as those blips do not impact customers' actual experiences.

What you can do:

Do not assume that telling your customers what your brand is will actually make it so.

If changes are to be made, be sure to make them where the rubber meets the road not in a company memo. Real branding change must come from action.

- Get employee buy-in on your brand. If your employees do not buy it neither will your customers.
- Execute new company policies that will support the branding choices you have made.
- Plan your customer's experience to reflect the changes in your brand.

Attack any changes in your retail brand at all levels of your business. Take a holistic view of your brand and make holistic actions to affect real change.

Home Depot

Do not let what you think you know lead your brand astray.

Home Depot knew that the majority of its customers were men.

Except, it was wrong.

When Trish Mueller, former chief marketing officer, signed on with Home Depot in August 2009, the accepted wisdom was that women just did not shop at Home Depot. And, as a result, Home Depot's brand was very male-centric.

However, Ms. Mueller offered insights that allowed Home Depot to correct what they thought they knew and adjust course accordingly.

Home Depot's willingness to take a second look revealed that its consumer base was more of an even split between genders. Knowing this, it became apparent that its brand was misaligned it was time for their brand to embrace female shoppers.

Do not let what you think you know get in the way of your business's growth.

Accepting its new reality allowed the brand to intentionally recalibrate and begin to create a more welcoming environment for the customers they had had all along.

What you can do:

Take regular stock of your brand and, do not trust any assumptions.

- Conduct a [SWOT analysis](#) to get a high-level view of your brand health.
- Question even your most basic assumptions about your audience, what they want, and how you can best

deliver it.

- Seek outside opinions and pay particular attention to the answers that surprise you or do not fit in with your perception of the situation.

It is vitally important to keep an open mind and welcome fresh perspectives. This is how you can keep your brand aligned with your audience as you both evolve.

Katie Lundin is a marketing and branding specialist at Chicago-based [crowdspring](#). Reach her at katie@crowdspring.com.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.