

Building Brand Architecture Assignment: Target vs Walmart

Introduction

This report will build comparative brand architectures for Target and Walmart, two strong competitors in the discount retail space. These companies were chosen due to their relevance to everyday life in the USA. Although the two companies sell many of the same (and/or similar) products, their marketing approach is quite different. The objective of this report is to show how the two companies use their different brand architectures to pursue “value seeking” customers in different ways.

Brand Architecture - Target



Brand Architecture - Walmart



Brand Comparison¹

Although both brands opened their first stores in 1962, Walmart's has grown exponentially over the last 50+ years compared to Target. Target has 1797 stores located only in the USA. An attempted expansion into the Canadian market failed and Target was forced to close these stores in 2015. Conversely, Walmart has more than 11,500 stores in 28 countries allowing it to have a more dominant share of customers' minds and wallets worldwide.

Target tends to differentiate itself by focusing on customers who want both style and value. Their stores feature a bold red color, bright white lights, wide aisles, strong visual imagery, and innovative partnerships – some of which have limited inventory for a limited period (ex: Philip Lim, Missoni, Marimekko, Nate Berkus, Gwen Stefani, etc.). They also have created a unique brand ambassador with "Bullseye" (the target dog).

Walmart differentiates itself by focusing on customers for whom price is the primary concern. Walmart has effectively branded their "rollback" pricing to highlight sale items for customers. Walmart stores

¹ Specific stats regarding Target and Walmart were found on their corporate websites and/or annual reports
<https://corporate.target.com/about/history>
<http://stock.walmart.com/investors/financial-information/annual-reports-and-proxies/default.aspx>

tend to be more functional in nature primarily offering basic items. Walmart didn't appear to have a mascot for some time; however, they have recently started using their smiley face icon again.

For basic items, pricing tends to be somewhat comparable with the two retailers; however, one can assume that Target's designer partnerships and stylish product offerings allow it to drive more revenue at a higher margin to support the company's goals. Walmart's business depends more heavily on high inventory turnover and an extremely competitive supply chain to be able to support its company goals.

Brand Value

According to Forbes' 2016 listing of "The World's Most Valuable Brands,"² Walmart was ranked #22 with a brand value of \$25.4 billion. Target was ranked #81 with a brand value of \$7.2 billion.

Sources

Cited in footnotes

² <http://forbes.com/powerful-brands/list/2/#tab:rank>