

## **Franchising the Home Warehouse brand into the international market**

Home Warehouse is a discount department retailer that offers various products within the following product categories: appliances, electronics, mobile devices, baby products, sport or leisure products, household, beauty and liquor products to consumers. Home Warehouse places much emphasis on its consumer promise; if the consumer can get the product cheaper somewhere else, they will beat the price. This strategy has attested to the success of the retailer therefore Home Warehouse has been operating in Africa for 15 years and has 150 stores throughout the African continent.

Home Warehouse is predominantly situated in retail complexes and malls. This location has been ideal as it is easily accessible to consumers within local towns in major cities of each country. The Home Warehouse brand prides itself in offering consumers the lowest prices in a wide variety of products as well as exceptional customer service. With this success in mind, the group holding that owns the brand has now decided to franchise the Home Warehouse brand into the United States of America (USA). Venturing into the US market may be beneficial to the brand however; major competitors such as Walmart may hinder the success of the organisation. In order to successfully portray the Home Warehouse mantra of excellent customer service; the brand needs to have a clear understanding of the various cultures within the US market and the role of culture in how consumers use and accept products. Religion is one of the most influential variables that universally help guide or model consumer behaviour. For instance, in some religions, the man may be seen as the head of the household who should financially provide for the family. This may result in the man being the key individual who makes all the decisions regarding the household expenditure. Culture is universally seen as a variable that has a huge impact on consumer behaviour and decision-making. Home Warehouse's research, for example, has revealed that 'The American dream' is a perfect example of how cultural beliefs impact on the consumer regardless of where one was born, you can achieve anything through hard work (the focus is on the individual being successful regardless of their background).

Home Warehouse makes use of various communication channels to reach their consumers. When the retailer runs sales promotion campaigns, they usually make use of radio and print advertising to communicate their promotions to potential consumers. Home Warehouse also has a website whereby consumers can view products and also shop online. Figure 1 provides an illustration of the Home Warehouse's website that communicates deals. Through this website, Home Warehouse can implement their various pricing strategies and meet pricing objectives.

Although the internet has proved to be a very beneficial way to reach the global and national consumer there is still a digital divide that exists within certain countries; in some countries access to technology and the internet is still a problem. Additionally, the cost on access to the internet still proves to be a burden to many communities within rural areas of African countries.



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Figure 1: Home Warehouse website screenshot

*\*Please note that Home Warehouse within the context of this case study is a fictitious brand.*