

# next tuesday afternoon

september 25, 2007

Here's your test question for the day. Who do you think is WalMart's core customer? I don't know how you answered, but here's why I asked... WalMart grouped its 200 million customers in these three core groups. There are "brand aspirationalists" (people with low incomes who are obsessed with names like KitchenAid), "price-sensitive affluents" (wealthier shoppers who love deals), and "value-price shoppers" (who like low prices and cannot afford much more). To bring in the "affluent," WalMart made an effort to stock brand names in high ticket categories such as electronics and small appliances. Still, this tactic didn't quite take off. It was more than a little disconcerting to get jazzed up about buying a branded luxury item, only to meet by low cost environs by merely walking in the front door. Many were skeptical too, as in, "Is this live or Memorex?" So, WalMart has scaled back to concentrate on customers who already shop there.

The bottom line is that WalMart, who (cough) already enjoys a \$350 billion dollar position which landed it in the number one spot in this year's Fortune 500 ranking, wanted more. Eyeing Target's success as a fashionably chic discount retailer, WalMart set out to achieve the same results. Without merchandising, marketing and advertising in place, the effort failed during a year when they have seen flat sales in existing stores. They did too much too fast.

Target spent years developing their brand and their culture while creating strong bonds with their customers. WalMart spent years doing the same with theirs. So let this be a lesson for all of us – don't try to reinvent yourself at the expense of your core customers. Just be yourself. Let's face it, if it can happen to WalMart, it can happen to anybody.

I'm Lisa Davis. Let me know if I can help you in any way, please feel free to visit at [OneAlliance.com](http://OneAlliance.com) and I'll be back next Tuesday afternoon.

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