**A Dive Into HomeGoods**

Layla Cline

West Virginia University

FDM 461

Dr. Das

29 September 2022

**Introduction/History**

HomeGoods is a home and furniture discount store owned by the TJMaxx Corporation; the store opened in 1992. According to House Digest, “in 1976, Zayre Corporation tasked Bernard Cammarata with creating a new off-price chain that specialized in home decor and clothing, which would appeal to shoppers who loved the quality decor and fashion items at more affordable prices (Ridgway, M).” The idea behind HomeGoods was to create a store that still had the quality of expensive home stores like Furniture Barn but had more reasonable prices for a less wealthy demographic. Throughout the years, HomeGoods has created its target market, merchandise assortment, customer service, return policies, payment methods, and competitive advantages.

**Target Market**

The demographic for HomeGoods is females with families in the working middle or upper middle class (Team MBAS). These women are looking to style their homes more affordably. An essential value to these women is their family and having a stylish home to create memories with their families. In addition, these women are around 27-50 years old, allowing them to spend more money on their homes.

**Merchandise Assortment**

HomeGoods assortment includes seasonal items, furniture, lighting, rugs, decor, pillows, beds, bath, kitchen, dining, kids, pets, and gifts. HomeGoods covers all portions of the home when it comes to the internal decoration portion. With HomeGoods, you can find anything to decorate your home with, ranging from different price points. HomeGoods discounts all of their prices from the original retailer's price point, allowing their customers to get discounted. Within the different assortment categories within their store, there are smaller subcategories for other rooms of the item. For example, within the rugs category, there are room subcategories like bedroom, bathroom, kitchen, kids, living room, and outdoor. Also, within the rugs category, there is a type of subcategory like area, ancient, runners, and doormats.

**Customer Service**

Within the brick-and-mortar store, there is no customer service area like there is in Walmart. Instead, all the customer services come from the sales associates within the store. The sales associates are trained individuals who know the ins and outs of the merchandise and the company's policies. If there is an issue within the store, it is the job of the sales associate to take care of it; it can range from customer complaints to helping customers find items. Also, there is an online platform where customers can receive service by using the company's phone number or customer service email address.

**Returns Policy and Warranties**

Through purchasing an item through the brick-and-mortar store, all returns are eligible. According to the return policy section of the HomeGoods website states, “ you may return merchandise purchased in-store to any open HomeGoods store within thirty days of purchase (Easy Returns).” Therefore, when returning with HomeGoods, you can visit any store and make the return; it does not have to be at the store of purchase. The policy of making a return at any store allows customers to buy products without fear of purchasing it if they are away from their home store. On the other hand, since HomeGoods is a discount store, there are no warranties on any of the inventory sold within the store. An opportunity for the store to grow is creating warranties for furniture products like couches, tables, and rugs, allowing customers to fix or replace their products.

**Type of Payment and Financing Availability**

 Within in-store purchases, HomeGoods takes debit cards, credit cards, cash, and gift cards to pay for merchandise. In addition, HomeGoods has a rewards program for opening a store credit card. By opening a credit card with the store, you can receive an instant 10% off coupon on the current purchase and 5% back on rewards when shopping at a TJX store. However, since the store does not offer a rewards program outside of the store credit card, it can prevent regular consumers from wanting to shop because they are receiving deals or discounts on their past purchases.

**Competitive Advantage**

HomeGoods's most significant competitive advantage over its competitors is its low designer prices, weekly shipments of new inventory, extensive network, substantial brand equity, and strong history (Team MBAS). HomeGoods is one of the only stores with designer houseware at a fraction of the original price. Low prices are a considerable advantage over competitors because you can not find the same prices anywhere else. Next, since the store sells old inventory from other stores or suppliers, they receive weekly shipments of products that didn’t sell, allowing their customers to have variety within the store consistently. Since they gain this large supply of product weekly, they have an extensive network of companies they purchase inventory from and have over 400 stores which create substantial brand equity (Team MBAS). Finally, the strong legacy and performance of HomeGoods allow its consumers to know it is a reliable place to shop, creating consumer loyalty.

**Reflection** Overall, brick-and-mortar stores have changed within society due to people shopping online. The store’s inventory is smaller, only having the products selling the highest within them. When it comes to HomeGoods, the variety of merchandise is higher than most stores, allowing them to have a higher advantage in in-store shopping. My perception of brick-and-mortar stores has changed through understanding how prevalent having an online presence has. Before researching HomeGoods, I thought they only had brick-and-mortar stores and not online stores, but they have both. When shopping at HomeGoods, I would not change anything because they organize the store by category, making it easier to find products, but since they have a lot of inventory, the store can seem cluttered. Finally, I have always enjoyed shopping at HomeGoods because of the prices and the variety of items.

**Conclusion**

In conclusion, HomeGoods has a significant brick-and-mortar presence and is the top leader in its discounted home decor and furniture category. The brand has created a substantial presence through its history, marketing, pricing, and networking, so consumers are obligated to return to the store. The company can grow by making warranties on its products and having a better rewards system for non-credit-card holders. The biggest weakness of the store is not carrying their brand-made inventory, which allows them to rely on vendors and their non-selling inventory consistently. Overall, HomeGoods is a fantastic way to find items for the home at a discounted price; it allows everyone to have the home of their dreams.

**References**

*Easy returns | homegoods*. (n.d.). Retrieved September 30, 2022, from

 https://www.homegoods.com/us/store/jump/topic/easy-returns/2400097

Ridgway, M. (2022, August 16). *The untold truth of homegoods - house digest*.

HouseDigest.com. Retrieved September 29, 2022, from https://www.housedigest.com/967593/the-untold-truth-of-homegoods/

Team MBAS. (2020, April 26). *HomeGoods SWOT analysis, competitors & USP*. MBA

Skool. Retrieved September 29, 2022, from https://www.mbaskool.com/brandguide/lifestyle-and-retail/9329-homegoods.html