

A Water Heater Saga

Forbes magazine reported on the Home Depot chain and the reasons behind its success. One example: Home Depot surveyed its customers, asking them, among other things, which brand of water heater they had in their homes.

General Electric rated as the third most popular brand. There was only one problem with this response. GE doesn't make water heaters.



Home Depot management could have spent pickup-loads of advertising dollars re-educating its customers about who produces water heaters. But they had a better idea. They decided to make their customers right.

Home Depot struck an agreement with Rheem, a large company that does make water heaters, and GE. Home Depot purchased quantities of Rheem heaters, then placed GE stickers on them. Everybody won. Rheem got greater product exposure in a giant chain of stores. GE earned a licensing fee for the use of its name on a product – not to mention follow-up business

in parts and service. Home Depot became exclusive distributors of GE/Rheem water heaters.

And customers gained an opportunity to purchase one of their favorite brands of water heaters – even though that favorite was non-existent before.

Many of us limit our achievements because we focus on what exists (or how things have always been done). Those who achieve success are willing to stretch their necks out to see beyond the norm.

A man is praised according to his wisdom (Proverbs 12:8).

– Beecher Hunter

