

Wal-mart case

Business



Wal-Mart Case Wal-Mart's sources of cost advantage Wal-Mart sells its products at relatively lower prices than its competitors since most of its products are produced cheaply in China and thus its suppliers supply the goods at lower prices. Moreover, it employs part of its staff on part time basis to reduce operational costs.

Wal-Mart charges the lowest prices as compared to other US retailers. In China however, local stores charge low prices thus making it among the many lowest priced stores.

2. Do those sources of cost advantage enable Wal-Mart to achieve a sustainable competitive advantage in the U. S.?

Sustainable competitive advantage of Wal-Mart in the USA has been partly due to cost advantages and other factors such as economies of scale. Cost leadership influences prices of goods thus attracting more customers thereby attaining a sustainable competitive advantage.

3. Do those sources of cost advantage enable Wal-Mart to achieve a sustainable competitive advantage in China?

Offering low prices makes Wal-Mart the biggest retailer in the world. China benefits heavily from this since almost all consumer goods sold at Wal-Mart stores are made in China. This increases employment in China. However, government deregulation of the retail industry has led to increased retail giants that charge lower prices just like Wal-Mart. This implies that its cost leadership assertion is neutralized.

4. Recommendations to Wal-Mart executives regarding their operations in China

China is a booming economy with a high potential courtesy of its high population. Wal-Mart can utilize the advantages by easing its struggle for
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cost leadership and adopt a more diverse mechanism of boosting its market. This can be done by cultivating good will from the community in which it operates by fair remuneration of workers and better working conditions in stores and also by its suppliers. This would boost its image thus increasing sales.

5. Aspects of organizational structure and control Wal-Mart rely upon to implement its cost leadership strategy

Wal-Mart uses a number of strategies to maintain low prices. First, Wal-Mart contracts suppliers from China who provides relatively cheap products.

Second, the retail giant employs some staff on part time basis to reduce costs of operations. Third, most stores in the US are located in smaller towns to boost its presence

Work cited

" Watch The Full Program Online | Is Wal-Mart Good For America? |

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