

# Retail business analysis

[Business](#)



A retail business is the one involved in the purchase and sell of goods and services at a profit. It sells goods and services to the final consumers hence leading to the generation of profits.

Generic strategies refer to the key options that are available to a particular organization to achieve a competitive advantage. They include cost leadership, differentiation, and the niche strategy. Segmentation strategies are the approaches taken to subdivide the market or the population into effective characteristics that would help determine the buying power. These strategies include benefit segmentation, behavior segmentation, demographic segmentation, geographic segmentation, and psychographic segmentation. The retail business that would be utilized in this essay is Walmart Inc.

The organization has immensely invested in innovations. Innovations are the new ideas that improve the world around where an individual lives. They emanate from the improvement of existing ideas that are considered viable in the generation of profits. According to ABB (2012), the promotion of innovation leads to the achievement of the differentiation strategy. With innovations, different methods of packaging and the improvement of products are adhered to. This ensures that the products are more attractive compared to those of competitors and their marketability increases.

The niche strategy is implemented through intensive market researches. Market research is effective for the development of any particular business in the business environment. It gives the organization an overview of what to expect in the market and the manner in which to deal with the occurrences

at the market. Daft & Lane (2009) report that the observance of the changes in the market the business for both losses and profits. The organization is also able to identify its niche in the market and effectively capitalize on it.

The understanding of the niche boosts the opportunity for understanding markets and their different shortcomings. The geographic segmentation has been implemented through location of the Walmart stores in different places across various states. This is to ensure that different customers from different geographic areas are reached and their needs relating to the consumption of goods and services are satisfied. The dispersal of the stores across the states of the country is to ensure that it generates the maximum possible profits from all the geographic regions. Cravens & Piercy (2005), asserts that this strategy is implemented by determining the population and potential buying power of different geographic regions. It is implemented in regions that are perceived to bring in excessive profits to sustain the business.

Behavior segmentation is the categorization of customers according to their constant changes in their behavior patterns. The behavior patterns change due to the changes in income, changes in the price of the products, and the changes in the market forces of demand and supply. This strategy is implemented by effectively following up the changes relating to customers and the market. In cases of any change in the conditions of the market, a step is taken in order to save customers from shifting immediately. Doole & Lowe (2008) assert that the changes in the tastes and preferences of consumers are also identified keenly in order to ensure that they are adhered to.

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Benefit segmentation is the categorization of customers in the manner they contribute to the profits of the organization. Profits are vital resources for the running of different activities. Profits are either retained or used by the business for other vital uses. This strategy is implemented through putting in place major stores in areas perceived to carry beneficial consumers. In conclusion, it is vital for all business organizations to adhere to generic strategies and segmentation strategies.

Effective implementation of these strategies leads to maximum profits within the organization, which promote stability and survival of the business in the competitive world.