

# Trends of the market

[Finance](#), [Market](#)



We have provided an annual cash dividend, paid quarterly, to shareholders since first declaring a dividend in 1974 ("Walter", 2013). Elasticity of Demand and Market Structure As the economy weakens, the demand for discounted goods rises as consumers have less expendable income but still have the need for grocery and general researched in their households as well as ideas from culinary professionals in store to help maximize the use of their Walter purchased products.

Walter offers discounted items in these areas that are affordable and useful in households across America. So, as demand for these types of products rises when a weakened economy results in consumers need to spend less. This also results in a decline in supply when the economy weakens. As the need for discounted goods such as what Walter offers, the supply is slowly depleted. Walter's goods are considered inelastic as well. Even if the economy is in good repair, consumers will still buy inferior goods because they are a good value. Walter goods are inelastic and are unaffected by price fluctuations \* Walter goods are in high demand despite their inferior structure \* Walter goods become more and more inelastic as the prices rise The market structure that Walter operates in is not a market that will dissipate if the economy collapses. Creating a new culinary experience will also withhold over time because most Americans cook at home and will always use the goods and services Walter offers.

As the economy weakens, the grocery and retailing market strengthens because most households across America still demand the discounted products that Walter offers instead of going to larger more expensive stores in the market. \* The retail market strengthens as demand rises \* The retail

market rarely weakens because the goods offered are always in demand

Strategies to Increase Revenue Walter Is increasing revenue year over year using their positions of leadership of Walter will add incremental revenue as it becomes more and more popular with Walter customers.

The ways Walter are increasing their revenue is by use of the following business strategies: \* Momentum towards core business increasing top line and bottom line sales \* Discipline around operating expenses and capital spending \* Investments in building Walter and setting up for future success \*

Making investments in shared services, systems and global processes

Remarks prepared for President and CEO of Walter Stores Mike Duke stated:

" As far as we've come, I believe we still have a lot of upside.

Our strategies are creating an anytime anywhere relationship with our customers that will allow us to serve them better than any other retailer. In this changing landscape of commerce around the world, I truly believe that we will continue to be the healthiest and best-positioned global retailer" (" Momentum, Discipline And Investment Are Driving Growth, Leverage And Returns", 2013).

Economic Theory The basics of the economic theory are the broad concepts of the movement of goods in a market and how economic structure and statuses affect supply and demand of goods and services. Calculating the quantity that will maximize profits requires that you understand the economic concept of marginal analysis. Marginal analysis is the study of incremental changes in profit. The quantity that maximizes profit is where marginal profit shifts from positive to negative (" How To Calculate The

Profit-Maximizing Quantity", 2013). Maximizing profits based on the concepts of marginal cost and marginal revenue can be reached using the following: \*

- \* Increase profits by decreasing the cost of input and increasing amount of output
- \* Decrease profits by increasing the cost of input and decreasing amount of output
- \* Increase marginal revenue by increasing product sales by one or more unit or reverse
- \* The additional revenue is equal to the amount the consumer is charged for the additional good or service

To determine marginal cost and marginal revenue, the company needs to determine the cost of input and how that will affect the amount the output can be sold for.

How will the implementation of a new culinary program affect the revenue the company is able to acquire from the position. Walter can increase marginal revenue by determining how to sell one or more units more to the consumer than they have in the past. Calculating the amount a unit can be sold for is how the additional revenue will be determined. Without the information stated above, Walter leaders will need to base their decisions of unit history and pricing history and make projections for future sales and pricing.

Knowing the trends of the market they are operating in is key to success when little information is available. Pricing and Non-pricing Strategies Mike Duke stated: "Walter is poised to deliver on Sam Wallow's vision of giving "the world an opportunity to see what it's like to save and have a better life." The strategies are: \*

- \* Become a truly global company
- Understand the business challenges that retailers will face and solve them
- \* Keep our culture strong everywhere "

Our results demonstrate the underlying

strength of our business and our strategies of growth, leverage and returns," said Duke. But as proud as we are of our recent performance, future success is never guaranteed. I want all of you to be able to say that at this moment Walter committed to being a truly global company and began building the Next Generation Walter" ("Walter CEO Mike Duke Outlines Strategies For Building The "next Generation Walter" ", 2013). **Barriers for Product Entry** There are numerous barriers to the entry of a new culinary experience for Walter customers in to the current culture of their stores.