

Wal-mart marketing perspective

[Business](#), [Marketing](#)



When I am walking in the Wal-Mart stores, I rarely see \$ 2. 99 or \$ 5. 95 price which are so close to an integer; but more to see is \$ 2. 73 or \$ 5. 22 as the price of cards. Why is this? Since 1962, the first Wal-Mart Discount City was opened in Rogers, Arkansas, (Carbaugh, 2010) nearly half a century, Wal-Mart's founder Sam Walton, has been to provide the maximum possible lowest cost to consumers of goods as a fertile Mart's business objectives. Wal-Mart's success is also due to the simple and ordinary sense.

Sam Walton believed the combination of great service and everyday low prices would attract customers just like bees to honey, and he was right. (Bergdahl & Walton, 2007, p 271) As Bergdahl & Walton described (2007) that the products, selection, merchandising and low prices are so attractive to customers that they simply stop shopping anywhere else. The result for competitors can be devastating as their previously loyal customers switch their loyalties to shop for Wal-Mart's every day low priced products.

How Wal-Mart can have made the low price every day? In the 80's, Wal-Mart adopted a policy to require manufacturers to exclude from the transaction of sales agents, direct orders to the manufacturer, and it would reduce the purchase price of a 2% to 6% off, roughly equivalent to the amount of commission sales agents. Sometimes, in the buyer arduous negotiations, maybe the exchange for the results of the price that was less than the competition only a few cents less.

But for consumers, every penny of the difference determines the consumer shopping in Wal-Mart but not to other shops. Wal-Mart will "everyday low" sales philosophy through the shop introduced to Europe, Asia, Latin America,

has been widely accepted. " Always low prices" philosophy is for the retail sale of the overwhelming majority of consumers, that middle-income and low-income stratum. (Erenber, 2010)

In a marketing perspective way to read Wal-Mart, the price is the always measurement criteria within most customers, which brings Wal-Mart profit and success. The Product In Michael Bergdahl and Rob Walton's (2007) said that as Sam Walton wanted to exceed his customer's expectations of an ever changing mix of products and prevented customers from the thinking of the bargains were too good to be true, he tried to keep all merchandise in humongous quantities so as to ensure they were never out of stock. What's more, Wal-Mart does have its own product and Wal-Mart began making its own brands in 1999. (Pharaba Witt, 2011)

People who have been to Wal-Mart, Wal-Mart's Sam domestic products selected, hardware tools, field sports hunting, Wal-Mart household paints, paper supplies, etc. Wal-Mart's own brand, there is a new experience, that is a cheap Wal-Mart brand and high quality in a commodity. Wal-Mart's own brands in the creation of special attention to well-known companies with the marriage. June 1999, Wal-Mart entered into an exclusive with the General Electric Company General Electric Home Appliance brand agreement. As Wal-Mart and General Electric customers the high level of trust, quality and value of the brand that other brands cannot be compared. The marriages to the Wal-Mart and General Electric have brought great intangible effects.

Wal-Mart always attached importance to the development and use of its own brand, mainly in shopping malls and Wal-Mart's Sam's Club brand, which has

established trust customers. Wal-Mart's own brands are made in the development of all are based on customer needs, and focus on the following aspects of the brand values: reliability, consistency, low price, excellent quality (greater than or equal to the domestic brand), and uniqueness. The own brand is established, it will become the Wal-Mart customer's favorite products, and Wal-Mart stores only in these commodities to buy and only to the equivalent of other well-known half the price of the brand sold by the customer favorite.

Though a marketing perspective way to read Wal-Mart, profit and success are based on the products as a retailer. Michael Bergdahl (2004, p 237) suggested that marketing your business through local advertising can be one good to increase customer traffic and build you brand. Wal-Mart's store managers are very careful of the strict planning their advertising costs, and everything from the pro-competitive point of view. According to official statistics, Wal-Mart's advertising investment, the proportion is 0. 5% of the turnover. In 1999, Wal-Mart's annual advertising costs 1. 69 billion. At a time when Wal-Mart is the industry's sales has been ranked first. (Wal-Mart's advertising ideas, 2002)

However, Wal-Mart advertisements usually focus on public relations, community relations, recruiting, and everyday low price, but not talking about sales which is what other retails do. As everyday low price strategy came out by Sam Walton works on the philosophy, Wal-Mart's does not need to put its products on sale. (Bergdahl & Walton, 2007) Wal-Mart concentrates on its brand and the concept in advertising, which would like to tell you that

you can have a good day in Wal-Mart and with Wal-Mart. For example, in an advertisement, Wal-Mart shows you a happy customer walking through the store or a "smiley face" slashing prices down the action alley. Wal-Mart concentrating on the brand and the concept brings it a marketing perspective profit and success.