

Case analysis

[Business](#), [Management](#)



Case Study: Wal-Mart Stores 1. Situational assessment 2. Wal-Mart is a very competitive company. The company is a retail store that provides general merchandise. Its primary competitors are Kmart, Costco, Soriana, commercial Mexicana, and giant tiger. Wal-Mart participates in a fair competition with other retail stores. Its management ensures the business abides by the government regulations. Though lack of government regulation would be advantageous to Wal-Mart, the store follows all the government conditions. They do not want to form monopolies and suppress other small competitors in the markets.

3. The store felt the effect of slow economic growth. For example, in 2010 the company recorded low profits for the holiday quarter. The management blamed the sluggish global economy for the decrease in profits. Additionally, the Wal-Mart's management argued that the cuts in food stamps would have a negative impact on the profits. They further singled out high taxation, reduce in government benefits, and tighter credit as threats to the store's profits.

4. The store evolves around with social trends. For instance, Wal-Mart's top management has embraced online shopping. Additionally, the business goes in line with the customers' demand for healthier foods. However, Wal-Mart did not embrace the use of technology early. The store's founder, Sam Walton, did not care about technology. Currently, the store's website is behind its competitors. Their marketing in the social media did not yield much success.

5. The store has plans to cover any potential risk factors. The factors include the natural disasters that may happen in the future. Natural disasters include

earthquakes and floods.

SWOT analysis

STRENGTHS

Good in information systems

Low cost of operations

Wide range of goods and services

International business

Large scale of operations

WEAKNESSES

Lawsuits related to labor

High employee turnover

Poor public image

Little differentiation

OPPORTUNITIES

Growing retail markets in emerging economies

Rise in acceptance of own label products

Trends towards healthy living

Growth in online shopping

THREATS

Increase in competition especially from brick and mortar competitors.

Increasing resistance from local communities

Rising commodity prices

Deteriorating global economy

6. Problem statement

The statement of the problem is how will Wal-Mart increase more sales with

improvement the management did on operations?

7. Alternatives

The alternative is for the store to give the best customer experience to its customers and hire employees that would give better service to the customers. Additionally, they have to make their business more attractive by making classy colors inside the store. Furthermore, the store has to give low prices to their goods.

8. Evaluation

An improvement in the store's public image will be a sign that they have improved the customer experience. If there will be an increase in the number of customers, it will be evident the store has reduced its prices and the goods are more affordable to all. A general rise in the profits will indicate the store has implemented all its alternatives.

9. Analysis of alternatives

The company will be in the right direction if it improves the customer experience. However, no one can fulfill human wants because they are insatiable. Additionally, a reduction in price in order to attract more customers would hurt the store's profits.

10. Recommendations

The paper recommends the store to open more branches. It will make the store become more popular globally. The management should consider more convenient places to open branches to attract additional customers. An increase in branches will increase the sales.

11. Action plan

For the plan of action, the store has to look for investors. The investors will

bring in capital that will open new branches. Additionally, it is important for the management to choose a convenient place to open branches. The store should hire more employees who would work in these stores.

12. Contingency plan

In case the action plan does not work; the store should form business collaborations with its competitors. It will help maximize the customer base and increase the number of sales. (Joy, 2013)

References

Joy, M. (2013). Extreme Makeovers Wal-mart Edition. Wal-mart case study, 1-20.