

Wal-mart (bus 644)

[Business](#), [Company](#)



Wal-Mart BUS 644 Operations Management November 6, 2011 Introduction

Wal-Mart is the largest corporation in the world, and it has obviously enjoyed tremendous success. But while many welcome its location in their communities, others do not. Some complain that its presence has too many negative effects on a community, ranging from traffic congestion to anti-union sentiment to unfair competition. “ According to a recent study from Dartmouth's Tuck School of Business, the entry of a Wal-Mart does significantly impact sales at other local establishments (McDevitt, 2009).

In regards to Wal-Mart impacting small businesses and town residents, it varies. There are both pros and cons of having Wal-Mart in local communities despite biases or beliefs of critics. Owners of small businesses located nearby. After observing the effects of seven Wal-Mart openings, researchers saw a 40 percent sales drop at nearby mass merchandise chains and 17 percent sales drop at supermarkets” (McDevitt, 2009, P. 1). Those small businesses within the same area of Wal-Mart often lose out on a lot of money or go out of business due to Wal-Mart’s everyday low prices and convenient shopping.

With gas prices being at \$4 a gallon, people wonder if customers will stay closer to home to shop, causing Wal-Mart to lose out on customers (Barett, 2008). There are those that think Wal-Mart is bad for local small business owners and those that oppose this viewpoint. Andrea Dean of West Virginia University argues that Wal-Mart has not had a negative effect on small businesses as critics think. Instead, the company has unleashed forces that have changed the nature of small businesses in this country in unexpected ways (Bandyk, 2008, P.). Town residents and residents of nearby towns

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Town residents may have concerns ranging from an increase in noise pollution to a decrease in property values and those residents in favor of having Wal-Mart in local communities argue that Wal-Mart could be beneficial to residents; bringing in new jobs and tax revenue. Many Seekonk residents are not pleased about the soon to be Wal-Mart supercenter that is to be built at 150, 000 square feet and located on 2 acres. “ Another concern is the possible increase in crime in the area.

Mello says that police officers have come to her house in the past to search the property for alleged shoplifters that fled through the woods from one of the retail stores” (Calverley, 2011 P. 1). Another Seekonk resident is concerned that the pollution and dust will affect her husband’s health that is suffering from a respiratory illness and requires oxygen 24 hours a day (Calverley, 2011). Decrease in property value is likely to occur with there being a decrease of 10 to 18 percent in property value.

Wal-Mart handling criticism I think that despite the criticisms Wal-Mart face, their success speaks for itself and customers always come back. Businesses worldwide will always face criticism, its how these businesses decide to follow up on these criticisms that truly matters. Wal-Mart needs to be careful when deciding where to station Wal-Mart centers; making certain that people in the local community are affected a minimal amount.

People will ultimately be affected by location no matter where; however, the level in which they are affected should be strategically thought up so that few people are affected. So, instead of remaining silent on the sidelines as critics and watchdogs continue to tear it down, Wal-Mart is recruiting its own

positive watchdogs as a combative measure (White, 2008, P. 1). It's important for customers to feel valued and the network that Wal-Mart has collectively created will help to achieve this. Conclusion

While there are downfalls of Wal-Mart supercenters being placed in local communities, there is without a doubt positives and Wal-Mart seems to be taking measures to reach out customers, for example, the efforts to establish the Customer Action Network, they are giving their customers a voice in hopes of helping them feel valued. There are several problem areas to be worked out on the behalf of Wal-Mart, however, with Wal-Mart being the largest Corporation in the world, critics will always pay careful and have negative feedback.

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