

Possibilities and limits for the growth of walmart



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How could Wal-Mart continue its extraordinary growth?

When Wal-Mart entered in the year 2005, it became one of the biggest rather the biggest company in the world with an annual sale going up to \$260 Million and opened more than 5000 store in more than 10 countries all over the world. With the increase competition in the direct market, there was continuity in the extraordinary growth of Wal-Mart. There are various reasons because of which there is still continuity in the extraordinary growth of the company. It followed some executive decisions on how to manage the stores so that they can get the maximum profit along with highest possible satisfaction to the customers.

There are several strategies implemented by the company in order to enhance its business. One of the leading strategies used by Wal-Mart was its value chain strategy. The company believed to provide more and more stores to the customers in almost all over the world. The main motive of the company is to reach to each and every part of this world and serve the customers with their quality standards and excellent services.

Company always had a view about reaching a specific amount of sale. Reaching target for Wal-Mart was very important, for example there were some executive decisions being made on reaching up to sale of \$ 300 billion year and this sales target always was very important for the company which led this improves and reaches the extraordinary level. Wal-Mart is still continuing its extraordinary services with different economic and environmental conditions but with same zeal.

What would be the limits to that growth?

Limits to the extraordinary growth has always been put by various conditions which have come in the path of success of Wal-Mart. There were various factors which led to the compressing the extraordinary growth of the company. One of the leading factors was the direct competition in the factor. Wal-Mart is a company which is more than 45 years old in the industry but still increase in the number of companies in the same field put some limits on the Wal-Mart as there remained no open rule of the company in the market.

Various factors like technological deployment, human perception and format of the stores indulged in the putting constraint to the growth and development of Wal-Mart. Expansion of Wal-Mart in the foreign market was big but local market in the early times and global stores like MORE in the recent times is giving huge competition to Wal-Mart

PESTLE Strategies of the company was indulged in coming out of these limits put by various constraints to the company. The older and most popular image in the market gave political and social support to the company to remain as the leading brand in the market. Wal-Mart is serving for the past 45 years with a growth strategy of increase in the sales every year, hence this gives economical edge to Wal-Mart over the other direct competitors in the market. big human capital and technological edge over the other companies give it a technological and , environmental support. Wal-Mart has such a brand image in the market that there are almost no legal problems with the company.

Did Asia and Europe offer Wal-Mart real opportunities for international market dominance?

Wal-Mart's initial efforts to enter into the Asian market was a shut down in Indonesia because of the financial crisis in 1990s but Wal-Mart found a very big opportunity in Asia a discount market for its business. The selling strategy in Asia was quite a different from the other region's stores of Wal-Mart. More and more stores were dependent on the discount retailing sale.

Though there was an initial failure in Asia but in the year 1998, Wal-Mart entered Korea with the acquisition of four main stores and till the end of 2004, it reached up to a level of 3000 associates which was a great indication of its growth strategy in the market. There was a tremendous opportunities for the company to expand its business in Asia and it did it as well.

In case of Europe, there was a different type of opportunity for the company to expand. Mark and Spenser was one of the leading brands of the region but after the merger of Wal-Mart with ASDA, one of the leading food chain in Britain, the company entered into Europe with a boom and acquired Mar and Spencer after few years of its business. This was a big achievement for the company.

There was a different prospect of rival or competition used by Wal-Mart. The company always understood the level of the power of the supplier and buyer and it also knew about the threat to the substitute, hence it believed in merger and acquisition more so as to remove the other companies totally from the market.

How could the company take advantage of its global reach to propel itself through the years to come?

Company took advantages of its global reach to propel itself through the years to come through the strategies it implemented in order to obtain success in the market. For example, it implemented grand strategy in order to expand its business and make it a big brand whose stores are available in each and every part of the world.

Growth strategy and value chain strategies of Wal-Mart were again an important aspect which helped the company for its global reach. Company always believed in the political and environmental factors which helped the company grow at a very fast pace.

Wal-Mart in the earlier times took an advantage of single ruler in the market as there was very less competition and along with that services provided by this company were very good. In there recent time, company took advantage of its famous brand in the market as this brand has become very popular all over the world and people prefer to visit Wal-Mart rather than anyone else.