

# Free research paper on wal-mart company' global trade strategy

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## Question 1

Globalization is the international integration of different cultures of the world and thus, have a great impact on business in the world since it fosters the development of a common culture which influences the demand of goods and services.

Wal-Mart Company being one of the prestigious discount retailers in the world has achieved its goal due to global trade. This has been achieved through increased number of customers due to large market share enhanced by global trade. Wal-Mart Company is located in areas with adequate raw materials leading to low cost of production due to reduced transport cost. Moreover, globalization has led to increase in output due to increased market share. This has led to a variety of products in the market, enhancing competition. The competition level is greatly influenced by the swift flow of products and information across the globe due to globalization. Globalization has also facilitated the Wal-Mart Company to gain high profits since it enables the company to expand across the world. In addition, the company is credited for cheap prices of the products; this is achieved through price discrimination depending on the economic status of the region. Price discrimination applies diligently in globalization scenarios due to welfare disparities across regions in the world (Hicks, 2007).

The highly advancing technology of communication has improved within the business enabling the communication to be efficient. This has promoted international marketing, which is coordinated from a specific point enhancing the management of the company. The internet and intranet have facilitated the efficient flow of information across the various regions in the world. This

has facilitated the flow of information in regard to the products offered by the Walmart company enhancing its performance in the industry.

Through this means of communication, the delivery of information across various branches of the company has been effective. The information flow has enabled the coordination of activities and assessment of customers' needs and wants. This is a benefit of globalization. The achievement of customer needs is the main aim of Wal-mart company, an attribute which has enabled the company to retain its customers.

## **Question 2**

Industrial organization models are built in theory of the firm in order to examine the firm and the market. This model is used to analyze the competition, information access, and act as a barrier to entry by other firms, into the market. The industrial model determines the market structure within which the firms operate. The conduct and performance of the firms in the industry greatly influences the nature of the industrial model. Firms adopt various strategies of maintaining their industrial model. The resource based model is a model which influences the industry mode of the operation. This is in terms of resource ownership or access. The resource based model influences the market power of an organization.

Wal-mart company has gained market power through quality products and diversification of its services. If the company is able to locate regions of low cost resources, then the production cost will be greatly reduced. The impact of this is an increased return above the average. Similarly, if the company maintains and trains its human resource, then it acquires human asset,

which is an essential resource required to gain high returns through increased efficiency. The nature of the resources the company will uphold will influence its market concentration ratio in the industry. This influences its performance and profitability.

On the other hand, the resource based model, have led to improvement of the average returns since each organization is made of unique resources and capabilities, in this case, the type of the resources that the company uses will help in its growth. However, a firm is made up of evolving capabilities that are managed dynamically. Resources should be put into the firm production process such as capital, the skill of people employed and managers. Resources considered are either tangible or intangible in nature. The business manager should be creative and be able to develop sustainable competition in the market. In this case, strategies, which relate to the advancement of the business and improvement of its stability in the market should be developed.

### **Question 3**

Wal-Mart mission is to save people's money so as they can live better. This is mainly in the context of pricing their products at an optimal price which is efficient and cater the welfare being of its customers. It is everyone's responsibility to work towards the achievement of the mission To attain the mission the corporation has created good relation between the customers and the workers which have resulted to an increased sale of its product. Moreover, the kind of the employees at Wal-Mart depends on skills and specialization leading to the production of quality of the products. This has

attainment of the mission goal through the provision of quality products (Sadler, 2003.).

Wal-Mart vision is saving money to live a better life. To achieve this vision, it has to focus on its goals while adhering to the highest standard of business conduct. Vision provides the target of the business thus setting the foundation and commitment to the stakeholders.

The vision of a company is also very important in the success of the business the vision of the company has a specific scope. Adhering to the vision of the business facilitate the increase of business profit. The overall success of the company is achieved effectively through the policy of conducting business in accordance with the vision and mission statements. The mission and vision statements form the framework over which the company activities are carried based on.

#### **Question 4**

The stakeholders of the company are made by all the parties who are affected by the company activities. Within Wal-Mart company, each stakeholder has a crucial role in the business. The most important stakeholder within the company is the employee since the production of the business depends on employees. Employee's services influence the nature of the products produced thus customer's retention capacity.

Suppliers in a business work closely with the business to enhance production. Availability of adequate supplies enhances the continuous performance of the business. In this case, the business ensures availability of products in the market. In addition, the availability of products in the market

enhances equilibrium of prices.

Government intervention affects the business either positively or negatively. For instance, maintenance of security promotes the growth of business due to confidence it instills to the investors. In addition, it encourages the business through subsidies and price controls that is, price floor and ceilings (Sadler, 2003.).

The management forms the crucial stakeholders since play the role of ensuring a business success. They set strategies and oversee the overall operation of the company. The Wal-Mart managers forms the key stakeholders who have enabled the company to be successive.

## **References**

- Hicks, M. J. (2007). *The Local Economic Impact of Wal-Mart*. Youngstown: Cambria Press, .
- Sadler, P. (2003.). *Strategic Management*. Sterling: Kogan Page.