

The wal-mart way in germany

Business, Company



Wal - Mart stores were established in the Western Germany City many years ago, constituting of retail stores. They almost lost hope in the German business they provided very competitive prices in the market and they had quality foodstuff which they were supplying in the market but because the prices of the groceries were very cheap in the German discount chains. The most of the clients never managed to shop at the Wal - Mat grocery stores because it was located at the outskirts of the town which was out of reach for most customers especially those did not have cars. Also they faced others challenges like huge expenditures due to the site location something that did not please most of the customers.

It took Wal - Mart more that ten years to establish in the market and failed to become a good shopping destination for most Germans, the same thing they experienced in America. They also struggled in other countries like South Korea and Japan after they biggest trouble they faced was cheapness of groceries in the market and obsessive records control and a major collection of goods that did not meet their own budget and customers with differing ways of life. Particularly Wal - Mart had a very bad experience in Germany because of the loss they suffered, costing them millions of dollars thus blocking them from developing further in the country.

It was a crucial lesson they learnt in German, as even afterwards the company's spokes person commented saying due to their little experience they had to go through so many problems and afterwards they harvested fruits of success and honor. Today Wal - Mart has made huge profits, with over 70% of its income coming from out investments.

Wal - Mart today is attempting to join together acquisitions with more understanding which is a more challenging issue for their different companies all over the world and how they can civilize their non American workers. Today due to increased demands on their products in German the sales representatives no longer need to struggle when doing their job, a thing that is very uncommon with most Germans.

For Wal - Mart to fully establish in the German took them too long, a factor that came afterwards to their own favor and favored them to penetrate other regions like China. Today Wal - Mart has continued investing in the international markets and thus attaining a great success. Through their good strategies of investments, they have continued purchasing other companies outside the country and partnering with other companies a factor that has helped them increase their shops and creating employment something that has greatly favored them and acquiring great things. Although they still face many challenges including their competitors who have continued progressing in this business.

For the last few years has expanded their investments in terms of assets and is rapidly growing with recording an over 30% of growth in terms of sales, as compared with hard times especially when at times they have go through huge losses. This is a noticeable growth for any company facing all this kind of challenges.

Maintaining the good pace was important for Wal - Mart n the market, especially because of rising fuel prices that weakened the purchasing power for Germans thus reducing their profits and growth as their was a continued competition in other countries like India. Wal - Mart continued increasing

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their profits and sales but faced so many challenges like it could not relate well with German labor union due to failure to comprehend with the fact that in Germany most of the companies had good relations with the union as their top management team did not want to have anything to do with the union as they thought they were self centered. The two opposing sides later agreed and united, they continued working together and these gave them a concrete chance to build their business and organize their workers in all stores. They later found a better site which they bought and settled the company, this helped the company relocate away from its bad locations to a place where they reached their clients with easiness and secured an ideal environment for business.

Due to increased challenges the company was facing, Wal - Mart had to close one of their major branches, something that most of their employees were not happy with and most of them decided to stop working instead of shifting. This is something that further challenged the Wal - Mart especially in the markets where there was fully developed and investors who continued offering great discounts. Customers continued complaining every time they shopped at Wal - Mart stores saying things were always cheaper in other places they bought before. The company had also entered into different markets as a non food retailer and also planned to open major branches that will also be selling food stuffs but the analysts predicted that they would be facing major challenge in more established companies.

Wal - Mart had also other flourishing markets and in these areas the company was operating the most vibrant retail stores. Due to the knowledge they obtained in Germany, they were able to manage better their other

branches and they had to employ the staff members who had worked before in Germany as they were more experienced and adapted. They tried introducing new product but they were still challenged as most shoppers preferred buying at cheaper markets and some of these newer products were not familiar with their customers.

Other they faced challenges were like most of their customers could not fit their American style which they were attempting to introduce in the foreign markets. As I conclude Wal - Mart had tried to change their style but this was too late. Wal - Mart had nothing against the inter marriage in the company as most workers had done, the companies top management team assured the public that they were positive with love matters as long as they could not affect the business. Wal - Mart launched in Germany in the year 1997, and up to this day they supply only 2% of German food sales and thus they have not fully dominated in the market. The competition has continued growing stiffer and as their main rivals has continued upgrading their stores and because of this reason they also have to spend millions of dollars on renovations. But in the year 2004 they recorded noticeable profits and they continue pushing forward despite the numerous challenges they face. The Wal - Mart is far away from attaining itsgoals, in terms of profits and assets. The greatest needs they need to acquire today expand more in terms of profits and yield more from their customers. Partnering with other big companies of Germany which will help them multiply more easily and build more bigger stores thus reaching the shoppers all over the country with easiness.

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