

Wal-mart, target and kmart



WALMART VERSUS TARGET AND KMART In the present marketing world aggressive marketing is the new mantra. Due to the changing trends and tastes of customers the retailers are exploring new ways of marketing. Advertising, considerably slashing the prices of the commodities, increasing the discount rates, etc., are the methods used by the companies to stay in the extremely competitive market.

Wal-Mart, Target and Kmart are the top retailers in the present American market. Each of them is having more than 1000 stores. Wal-Mart is the king of the ring. It's the number one retailer in United States of America. Target is slowly moving closer to Wal-Mart and has become a tough competitor to Wal-Mart. Kmart has a long history; recently it is trying to emerge from bankruptcy reorganization. Kmart is slowly losing its customers to Wal-Mart. Before being bankrupted Kmart was the second best retailer after Wal-Mart. Both companies used different strategies to outsmart each other. They tried different strategies to woo the customers. After coming out from bankruptcy Kmart found that it has lost most of the customers to Wal-Mart and other retailers like Target. Its total net profit also declined considerably. Target took this opportunity to its full advantage and started aggressive campaigning. Though the think tank of Target knew that most of Kmart's customers would go to Wal-Mart rather than coming to Target's stores, they started slashing the prices of the products and announced heavy discounts on them. They used innovative ideas to woo the customers.

To maintain its top position Wal-Mart used to slash the rates so that when customers come to purchase the items would buy other products also. These items were termed as loss leaders. Most of the middle class families are Wal-Mart's customers. Target aimed at upper middle class. Because of this stiff

competition between Wal-Mart, Kmart, Target, Costco, etc., customer has wide range of choices to choose. Customer can buy products at discount rates. The companies are employing every possible method to woo the customers to their stores.

Due to the bankruptcy Kmart lost its most of the investors to other retailing companies. The company that largely profited by this was Wal-Mart that was so much preoccupied of defeating Kmart. Most of the investors purchase bonds. A bond is nothing but a promissory note that the company would repay the sum over a certain period at a certain interest rate. Bonds are also called as debentures. If the company is in trouble and has to be dissolved, bondholders must be paid in full before paying the stockholders.

Experts advise the investors to buy both Wal-Mart and Target stock. Both the companies had seen upswing of their net profit in the recent past.

Reference

Hunter G. Target versus Wal-Mart, Wal-Mart Competitive Analysis.

31 Jul. 2005. echeat. com. 15 Mar. 2006

<http://www.echeat.com/essay.php?e=27488>.

Mathew Emmert. Reinventing Kmart. 16 June. 2003. The Motley Fool.

15 Mar. 2006 <http://www.fool.com/mft03061604.htm>

Daniel C. Leonard. KMART CORPORATION COMPANY FORECAST.

20 May 2003. Ctopc. 15 Mar. 2006

<http://www.ctopc.com/Kmartpage.htm> --> Serge Halimi. Wal-Mart, The New Southern Plantation. 5 Jan. 2006

Le Monde diplomatique. 15 Mar. 2006.

<http://mondediplo.com/2006/01/05walmart>

Brad Boa. Kmart - Running Out of Time. 4 Jan. 2006. About Inc.

<https://assignbuster.com/wal-mart-target-and-kmart/>

15 Mar. 2006 [http://retailindustry. about. com/library/uc/02/uc_wiat12. htm](http://retailindustry.about.com/library/uc/02/uc_wiat12.htm)

Rick Aristotle Munarriz. Duel: Wal-Mart vs. Target. 9 May 2003

The Motley Fool. 15 Mar. 2006 [http://www. fool.](http://www.fool.com/news/commentary/2003/commentary030509ram.htm)

[com/news/commentary/2003/commentary030509ram. htm](http://www.fool.com/news/commentary/2003/commentary030509ram.htm)