

Wal-mart: penetrating cities

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Business opportunities do not necessarily come as fixed process transactions. Apparently, when an established company has already earned a good market reputation, the next step for it is to increase its business quality output in terms of maximizing its earning potential through various channels. The aspects of customer service, supplier partnership and logistics can greatly induce more earnings if delegated correctly. For Wal-Mart, the world's largest retailer according to Fishman's article, the best possible concept is penetrating into cities and establishes a 'grass root' foundation within segmented markets.

One of the main advantages of having this approach for Wal-Mart is that the company can easily manage its logistic procedures. In a compact city, it is much easier to transport merchandises within specified small locations. Good logistic systems can utilize the best resources inside and outside the company p (Brewer 12). This could easily save time and money resources for the business therefore improving inventory and tracking delivery transactions.

Another good benefit in this city-concentration approach is that if Wal-Mart can establish a mini counterpart of retail outlets within cities, it would be very difficult for the competitor to have a head-on collision with the company since the brand Wal-Mart speaks for itself in terms of advertising. Also people will have greater access to Wal-Mart's services and may at least feel they have a customized branch outlet of the company since the stores will comply with the laws accepted within the city parameters, thus increasing the company's sales. Just like what the company has done in Monona,

Wisconsin, a customized super center was established as shoppers get great benefits in terms of convenience and huge savings (Wal-Mart Facts 1).

Just like any business approaches, penetrating cities can also pose some disadvantages. For one, the establishment of new satellite stores in cities requires great investment allocations. This could impose a certain degree of Wal-Mart's capital calculation. Moreover, commodity allocation per store can become a problem since the company head administration will need to monitor each and every merchant units in all the cities it has established its branches.

Establishing a business presence in a local city can greatly increase customer satisfaction and convenience. However, there should always be a way to weigh the investment costs and profit accumulation before a company can initiate this kind of approach. For Wal-Mart, since it already has an established name with huge capitals, penetrating cities can be the best way to expand its specific market influence.

Works Cited

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