

# Swot analysis of wal mart and carrefour in china

Business



SWOT Analysis of Wal Mart and Carrefour in China SWOT Analysis of Wal Mart (China Wal Mart has been in the Chinese markets for over ten years. The company has been able to build a strong brand name and image in the markets. Wal Mart's major strengths is based on the company's brand image. Also, the ability of the company to use the local sourcing in China is a major strength for the company. Over the years the company has been able to also establish strong relationships with numerous suppliers in China which helps the company gain all the merchandise from the local suppliers itself. Also, the fact that all the Wal Mart stores in China are managed by the Chinese nationals hence makes the over sourcing much simpler. Also, the brand image and value for money that the company provides also form major strengths of the company. Also the adoption of information technology and to constantly improving culture of the company along with the string and focused human resources strategy also form major strengths of the organization.

In terms of the company's weaknesses, it is clear that Wal Mart has a few areas of weaknesses where the company lacks a strong span of control (WalMart China). China being a developing economy a number of times leave the company faced with lacking ability to utilize the information technology advantages to the fullest. Considering the numerous opportunities that company has in these markets, it is important to note that Wal Mart can merge with larger European of Great China Region retailers and aim at these markets as well. Also, the company has a major chance to spread across China as well as into India (WalMart China). The company can also exploit the market development and develop new stores across the country.

Finally, the threats, it is clear that the company is the biggest retailer and <https://assignbuster.com/swot-analysis-of-wal-mart-and-carrefour-in-china/>

hence the level of competition that it faces is also very high both locally as well as globally. Also, being a globally renowned company, the company can face a number of issues politically as well as other external factors. The company also faces high levels of cost competition across the country.

#### SWOT Analysis of Carrefour (China):

Carrefour is one of the worlds second largest and the largest retailer in Europe. The company has been in the Chinese markets for the past few years and has opened as many as ten stores in China at the end of 2010. The main strengths of the company here include its strong global brand name and brand image. Also, the company's strong experience and knowledge of the industry provides it with an upper hand. Also, since Carrefour has been in China since 1995, the company has strong suppliers and strong contacts within the country (Carrefour).

The weaknesses of the company however include, lack of strong and well integrated systems within the country. Carrefour uses the strategy of adopting the country as many small markets instead of one large market. This leads to a lack of strong integrated system for the company. In terms of the opportunities, Carrefour has a strong opportunity to enter into development of small stores across the country as well as to use their strong relations with the suppliers to expand its business and increase the number of stores, considering the size of the Chinese markets (Carrefour). Finally in terms of the threats, it is clear that the company also faces high levels of threats from other competitors like Wal Mart and also the small local retailers. Also, the company faces threats of high costs in these markets as well.

#### Works Cited

<https://assignbuster.com/swot-analysis-of-wal-mart-and-carrefour-in-china/>

Carrefour. China. 2011. 13 January 2011 .

WalMart China. Wla Mart China Factsheet. 2011. 16 January 2011 .