

Mktg 3000



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Write-up The research was about the impact of opening of new Wal-Mart store in Chicago on urban business located in a distance of 4 miles in all directions. Indeed, the store was inaugurated in late 2006; therefore, the researchers also started data collection in December 2006, which had been continued till 2008 to study business closures and employment losses. The researchers used surveys as the most appropriate approach for data collection followed by interviews. Indeed, the contact they used was telephone calls; however, on-site visits to certain businesses were also conducted when they did not respond to telephone calls. This research contributes to marketing in a way that it reveals the competition and challenges that small and medium scale businesses would face if they are located nearby any supermarket like Wal-Mart that use innovative techniques for branding and product differentiation and that purchases a large variety of goods in bulk but sells them into smaller quantities. One of the major findings from the research is that the businesses that were located quite closer to the Wal-Mart store have greater vulnerability of going out of business due to intense competition and higher probability of financial losses. Second, the Wal-Mart store did not contribute significantly in market expansion because the economic losses from closures of firms was almost equivalent to economic benefits after opening of Wal-Mart. Next, the employment losses from closures were nearly 300 – 350 workers, whereas Wal-Mart added just around 400 new jobs (including part-time employees. Reference Davis, Julie, David Merriman, Lucia Samayoa, Brian Flanagan, Ron Baiman and Joe Persky “ The Impact of an Urban Wal-Mart Store on Area Businesses: An Evaluation of One Chicago Neighborhood’s Experience” Center for Urban Research and Learning Loyola University Chicago,

December 2009 [Online] Available at <http://www.charlesvillage.net/walmart-loyola.pdf>