

# [Wal-mart control mechanism](https://assignbuster.com/wal-mart-control-mechanism/)

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Wal-Mart relies on current consumer opinions and market trends in planning expansion. Due to increased public awareness of environmental issues and market saturation, the US market for
the retailer is beginning to slow in growth. “ Wal-Mart International is growing much faster than
its U. S. stores; according to its Feb. 17 sales report” (Stanley, 2006). The retail giant shows
flexibility in planning for growth. Wal-Mart carefully studies new markets to determine which
will be the most financially lucrative. This research allows for better organization of supply
chain activities.
Wal-Mart already relies on suppliers that keep prices low, to pass on the savings to its
consumers. The price controls keep customers who enjoy the savings coming back to its stores.
Through automated and streamlined supply chain processes, costs for delivering products to the
store shelves are minimized. Such organizational strategy allows Wal-Mart to more easily
introduce new locations globally. Wal-Mart leads many other organizations into the direction it
wishes them to take. This is done by requiring suppliers to meet pricing and packaging demands.
“ Wal-Mart accounts for 28% of Dials sales, 24% of Del Monte Foods sales, and 23% of
Cloroxs sales” (Hwang, 2003).
Along with demanding low prices from manufacturers, the retailer also helps video game and
software developers determine the content for products. Such control measures not only allow
Wal-Mart to sell products at the lowest possible prices, but also allows for control of content
and subject matter. More controversial is Wal-Mart’s control of wages and benefits to its
employees. Wal-Mart is openly anti-union, which allows for more control in many employment
practices. It routinely hires many older and second income workers, to avoid providing benefits.
While such practices help to keep prices low for consumers, they create income disparities and
a reliance on government social programs for many of its employees.
References
Hwang, J. (2003). A Wal-Mart Monopoly? Business Week. Oct. 10th ed.
Stanley, K. (2006). Wal-Mart Controls Tico Supermarkets. Retrieved August 17 2007 from http://www. ticotimes. net/topstory. htm