

The values of wal- mart

Business, Marketing



1. Wal-Mart is successful in the United States because of its capability to create value for its customers. Wal-Mart is capable of giving low prices for its customers, good services for them, and creating good strategy such as expansion in small town locations, excellent cost control, partnership with suppliers, good distribution and logistics management, reduction of agency cost, and its unprecedented effort on an international expansion. In other words, Wal-Mart was able to achieve what is essential in the retailing business by ensuring what exactly the customers would want. It was able to successfully differentiate its product and service offerings in such a way it would essentially create its competitive advantage. Its competitive advantages are not only its low-cost products, but including its high-value quality products, and sophisticated strategic management and control. These are what made Wal-Mart successful in the United States. After all, where do an individual can find products with substantially low prices, yet with high quality as well? The ultimate answer is at Wal-Mart itself.

2. Wal-Mart should replicate its original business model in China for the following reasons. China is a highly-dense and populated country. There is a great opportunity for Wal-Mart to serve more than 50,000 people in a certain location. Wal-Mart can eventually reach out to those people outside the center of a certain town or those not readily reach by advanced basic services. In this way, Wal-Mart could try to penetrate its services by reaching out customers who could not afford to go to the center of the town. Secondly, the low-cost strategy for its products is suitable in China where there are many competitors trying to be a cut above the other on the basis of price. Not only that, in China the labor cost is substantially low compared

in the United States, so there is another great opportunity for Wal-Mart to replicate more than just what it had started into its other international counterpart. Finally, what it had already started in the international setting and applying into China is possible because the said country is home to various investors who could create what is essential for the business, exposing customers to a different level of understanding business.

3. In order for Wal-Mart to go forward is to improve its way of handling its human resource. Especially in its international expansion, what is essential is the thought that it could create a unified cultural approach within the entire organization so as to create meaningful centralize approach. In line with this, it is important to create important core values in line with the business model of Wal-Mart. It would be impossible to apply its business model in China knowing the fact that there is a different culture in this country and the rest of other countries. However, by starting within its human resource, there is a good chance that the ability of Wal-Mart to impose its business model would be successful at some point because it relies heavily on its human resource. Improving further the skills and knowledge in business of its personnel would also be an edge towards Wal-Mart's expansion strategy.