

Wal mart analysis

Business



Part I: Wal-Mart is promoting a new price cut, which promises even larger price cut than the usual from the world's largest retailer.

Wal-Mart said Friday it is stepping up price cuts, although it wouldn't specify how much it is amping up its typical weekly discounts designed to lure customers. The company will decrease their prices on about 10, 000 items in stages, which took place April 1st. Examples online include an Acer 10. 1-inch netbook from \$348 to \$328, a pair of Miley Cyrus ; Max Azria denim shorts priced at from \$14 to \$10. Wal-Mart has been advertising all of these discounts with a TV, print and online campaign with the theme " It's Rollback Time atWalmart.

" Although the discounts presented are more than the discounts offered by other retailers, Wal-Mart is known for their low prices, which makes theses chances not so noticeable for consumers. But analysts said the latest cuts – coming after a fourth-quarter report that showed traffic decreased for the first time in three quarters – are a response to toughened competition and partly an aggressive media campaign. Edward Jones analyst Matt Arnold said the price cuts are something Wal-Mart does often to improve their business, and the new wave of them is not much different. Wal-Mart is such strong competitor, that even without much advertisement their customers are loyal because of their low prices. Part II: In this article by Mae Anderson shows the discounts that Wal-Mart is known for, and their ability to obtain the lowest prices in the market.

This characteristic is known as core competency, which is special ability of a company that competitors find extremely difficult or impossible to equal

(304). Most of Wal-Mart competitors focus their advertisement in quality service and products, not so much in low prices. Although low prices is the main attention getter for low income customers, Wal-Mart is able to maintain a great reputation, which consequently preserves its loyal customers and obtain new customer that once hesitated to shop at Wal-Mart. Wal-Mart's strategy is to maintain the lowest prices in the market, which is the best strategy for a retail store since most consumers have not recovered from the economy crisis.