

Wal-mart stores

Business



**ASSIGN
BUSTER**

Wall-Mart keeps its promise of everyday low prices, by having a smooth business cycle maintained by unbeatable distribution center supported by trucking networks, and excellent store locations. Wall-Mart maintains its slogan of “ Everyday low prices”, by keeping its merchandise’s prices low.

Through my analogy, Wall-Mart has a competitive advantage of having constantly low prices is through having a solid distribution center that keeps its storage fee low, cuts down items time to remain on shelves, and since the distribution centers are always within a 48 hours reachable area resurveying the goods for two or three stores within one truck load is not a problem.

This business cycle enables Wall-Mart to get its goods on time, and cuts down on storage expenses and gets higher product discounts from suppliers and also minimizes backorder by buying its goods in large quantities and store in huge distribution centers.

All these cuts down from expenses allows Wall- Mart to gain greater bargaining power with its supplies which allow it to have a higher sales margin to play with against its discounters who rarely is able to catch up with Wall-Mart’s low pricing and strategy. This fact makes Wall-Mart’s pricing of its items and distribution center as a truly sustainable competitive advantage. Another competitive advantage is Wall-Mart’s excellent store locations. Most of Wall-Mart’s stores are located in rural areas where populations are hardly enough to allow huge discounter firms to gain a profit.

However again through Wall-Mart’s already solid inundation of able to set low pricing on their products and support from their giant distribution centers, Wall-Mart was able to still gain a profit in rural metropolitan areas

where not many discounter stores have set foot yet, this allows Wall-Mart to be able to monopolize in many towns in most metropolitan areas within united States.

Wall-Mart's seems it will be able to sustain these advantages. Senior management understood early that while hot products come and go, a good delivery system is lasting.

At its computerized warehouses, many goods enter at one loading dock and leave from another without ever resting on a shelf. By collecting and analyzing sales data from stores on a daily basis, Wall-Mart can immediately learn what merchandise is moving slowly and thus avoid over stocking and deep discounting. Wall-Mart's 3, 800 vendors also get daily sales data directly from stores. And 1, 500 have the same decision and analysis software that Wall-Mart's own buyers use to check how a product performs in various markets.

This will allow Wall-Mart to be able to sustain its competitive advantages.

One of Wall-Mart's new goals has been to move into the international retail market and open stores in other countries. Currently, Wall-Mart has stores in China, Korea, the United Kingdom, Brazil, Argentina, Germany, Canada and Mexico. Wall-Mart must work closely with Public Relations firms in those countries in order to make sure careful to follow the laws of each of those countries when they open new stores. Wall-Mart has been careful in moving into the international markets. They have acquired companies already well established in those countries and have made sure that 90 percent of their international products are locally sourced.