

Wal-mart case study

Business



The company has increased its revenues and business areas for last 52 years, and it has become the global number one retailer in the world. There are a lot of behind stories for Walmart to become the strongest consumer retailer, so the company is most likely to be a great role model to marketing researcher. Short Description of Walmart's history is one of innovation, leadership and success. It started with a single store in Rogers, Arkansas in 1962 and has grown to what is now the world's largest - and arguably, the most emulated - retailer.

Some researchers refer to Walmart as the industry trendsetter. Today, this retailing pioneer has annual revenues of over \$100 billion, 3,000 stores and more than 750,000 employees worldwide. Walmart operates each store, from the products it stocks, to the front-end equipment that helps speed checkout, with the same philosophy: provide everyday low prices and superior customer service. Lower prices also eliminate the expense of frequent sales promotions and sales are more predictable. Walmart has invested heavily in its unique cross-docking inventory system.

Cross docking has enabled Walmart to achieve economies of scale and reduce its costs of sales.

With this system, goods are continuously delivered to stores within 48 hours and often without having to inventory them. This allows Walmart to replenish the shelves 4 times faster than its competition. Walmart's ability to replenish their shelves four times faster than its competition is just another advantage they have over competition. Walmart leverages its

buying power through purchasing in bulks and distributing the goods on it's own.

Wall-Mart guarantees everyday low prices and considers them the one stop shop. The role of marketing in Anomaly rhea Role of marketing in Walter is really important in several aspects.

First, they have made the company internationalization for last several decades. So they have had to care all the multicultural customers over the world. In fact, they increased their marketing budget for multicultural advertisement with twice in 2013 and it means the marketing role of the company has increased consistently. Second, they utilize all a-commercial and m-commercial channels to compete the on-line company through the internet.

Furthermore Walter has to compete off-line mall like K-Maker, Target and Cost as well. Third, the marketing part is in charge of customer research and riveter brands and customer communications.

It means they concentrate all their energy to get back of customers' feedback and making new strategies based on research result. They usually use short and strong slogan like " Every Day Low Price" to attract customers. Walter COM and Executive Vice President Stephen Quinn describes how Walter rebuilt its customer focus in a interview.

Key steps involved harnessing internal support, generating market insight, using customer-focused metrics, living the brand internally, and building

marketing talent. The results have been impressive for this world-class retailer.

The Segmentation and the target groups of Willamette company operates three segments – Walter U. S. , Walter International, and Cam’s Club.

WALTER U. S. As a mass merchandiser of consumer products, the Walter U. S. Segment manages retail stores in all 50 states. There are superstructures in 48 states, discount stores in 43 states and small stores in 31 states.

Customers are able to buy an assortment of goods and services through as well. The company runs in six strategic merchandise units: Grocery Entertainment, Health and Unless, Hardliner, Apparel, Homewards. The Walter U. S. Segment also offers financial services and related products.

The company also has supply some products under its private-label store brands. WALTER INTERNATIONAL The Walter International segment makes up the company’s wholly-owned subsidiaries operating in 7 countries, it’s majority-owned subsidiaries operating in 20 countries and its Joint dentures. There are three major categories for international operations as retail, Manhole’s and other. These categories consist of various formats, including discount stores, supermarkets, superstructures, hypermarkets, retail Websites, warehouse clubs, assistants, apparel stores, drug stores and convenience stores.

Its other category includes restaurants, drugstores and convenience stores operating. CAM’S CLUB The Cam’s Club segment has membership only operations.

Members include both business owners and individual consumers. Individual consumers can buy goods by constant discount price. As of January 31, 2014, the Cam's Club segment operations Nerve supported by 23 distribution facilities located strategically throughout the continental United States. Significant Events Target group : Female / 18-34 ages rhea use of marketing instrument in the company's Advertising Expenditure

Economies of scale advantages in distribution, advertising, and procurement.

Weaknesses A strategy that does not have proprietary protection and therefore can be copied by competing retailers who " wall-mortification" their supply chain. (Lack of sustainable competitive advantage.

) Weak presence in major metropolitan areas. Plagued with annual turnover rates of 45% Opportunities Expansion into new geographic area ; saturating the U. S. Market with Superstructures and globalization Wall-Mart operations. Acquisition of smaller retail chains to (1) increase market share; (2) take advantage of economies of scale: (3) reduce number of competitors.

Entering into alliances or Joint ventures that can expand the firm's market coverage and boost its competitive capabilities. Integrating backwards to further control cost in merchandise production. Threats Increasing intensity of competition that may squeeze profit margins. Federal lawsuit claiming discrimination against women in pay, promotions, training and Job assignments. Fierce local resistance to Wall-Mart entry into the community Combative labor unions pressuring Anal-Mart to raise its wages and benefits. Bad publicity.