

# Wal-mart case study



Business social responsibility is a virtue that dictates how a business relates with the stakeholders in the society. It is to the interest of everyone for large discount stores to give small traders opportunities to sell their wares.

Sometimes large discount stores act inhumanly by opening up stores even in small neighborhoods.

This move is obviously seen as a selfish move that deprives the small merchants the opportunity to thrive. Wal-Mart is considered one such discount stores. Kaiser (as cited in Toney 2007) says 56% of Americans consider Wal-Mart bad for America.

Although the retail giant has been successful with its ‘ always low prices’ slogan, looking from the critical perspective of the general impacts on local merchants, there is more than meets the eye. In this case, the customer probably is the end beneficiary while the local merchandisers are squeezed out of business.

Wal-Mart and claims of struggling small retailers Wal-Mart, the world’s biggest retailer is indicted of wiping out small retailers. The retail chain is suffering image challenges due to these accusations. Wal-Mart is under siege on purported unfair treatment of small retailers by unnecessarily opening up numerous branches.

For instance, in Mississippi, the retail chain in August 2002 opened new supercenters in Oxford and Batesville.

These are traditionally small retailer towns. In other Mississippi towns like Corinth, Columbus and Senatobia, Wal-Mart has set up have Supercenter

stores. Towns like Tupelo have two supercenters (Gillette, 2002). The main bone of contention is the populous Wal-Mart and its low prices marketing drives. Hence the question of how ethical low pricing is in consideration to other merchants? (Toney, 2007) The negative contributions of Wal-Mart's entry into a town are enormous.

First, the retail store normally significantly reduces the possibility of small retailers making big time success in business (Gillette, 2002).

Wal-Mart offers unfair competition to small retailers. By mid 2005, Wal-Mart had opened a record 5, 401 branches (Coates, 2005). This is a huge number of stores that ideally are wiping out small retailers. This is especially so in places where the retail chain has opened up branches to the disadvantage of small retailers.

Secondly, entry of Wal-Mart into a town normally sees an increase in retail tax in the short term (Gillette, 2002).

Wal-Mart is a powerhouse that averages sales of \$250 billion. Despite this, it is termed as an employer which pays employees poorly, has poor working conditions as well as practices of sexual discrimination on its employees (Toney, 2007). The above allegations have made the retail giant to come under public outrage for a number of years. The firm is yet to come out of this public relations crisis. However, proponents of Wal-Mart say that it is one of the private employers in America and thus needs to be appreciated.