

Paraphrase the paper

Business



Case study on Wal-Mart in South Africa The different merits and demerits that can be derived from Wal-Mart in South Africa can be studied through the application of the Eclectic model. Apparently, the firm is of the opinion that the expansion of the firms is based on the internal factors, ownership, and location. In this context, Wal-Mart has inherent disadvantages thanks to its approach to licensing Massmart to do marketing for its products instead of the using the alternative approach of taking the advantage of ownership (Dunning, 2005). Consequently, the government of South Africa has embarked on a protectionist policy of safeguarding its home industries from unhealthy competition. The situation has left Wal-Mart with no other option rather than surrendering its ownership advantage. Wal-Mart has an advantage in South Africa as far as location is concerned. This is because the South African government is flexible as far as political, legal and financial systems are concerned. Another favorable condition is that South Africa is endowed with modern transport and communications infrastructure. In essence, the endeavors of Wal-Mart in South Africa are justified bearing in mind all the aforementioned advantages (Cantwell & Narula, 2011).

References

Cantwell, J., & Narula, R. (2011). *The eclectic paradigm in the global economy*. Maastricht: MERIT, Maastricht Economic Research Institute on Innovation and Technology ;.

Dunning, J. (2005). *Extending the eclectic paradigm in international business: Essays in honor of John Dunning*. Cheltenham, UK: Edward Elgar.