

Swot analysis of walmart

Business



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Are you a fan of Walmart?

It's always in the news or the butt of online jokes. People go for the low prices, but they rather not stay. Despite Walmart being a household name, regarded all over the world, mentioned in movies, and discussed openly online, it has its fair share of strengths and weaknesses.

This SWOT analysis of Walmart discusses the company's strengths, lesser known weaknesses, growth opportunities, and unyielding threats. Dive on in with us.

Strengths: Brand recognition across the globe

Walmart is well-known around the globe. It's the largest retailer in the world with millions of loyal customers. It's even expanded overseas, recently purchasing the United Kingdom retailer, ASDA.

It became a household name because of their low product prices. Customers pay less at Walmart than other stores, like Target, because Walmart is able to purchase their products in large quantities. The larger the quantity, the bigger the discount.

The selection of products is expansive. You can pick up camping gear but also hair dye all just a few aisles over. Many people pop in to pick up jeans but leave with a cart full of groceries. It's basically a mini-mall offering the convenience to get everything you need in one place.

Now, they're putting in the big dollars to expand their online catalogue. Not only can you order to the shop (to pick up yourself) but you can also ship products directly to your home. Many products are only available online as a

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way to encourage shopping. This appears to be a strategic move to enhance customer experience, but it's also to battle against Amazon, an online-retail giant. Whether this will be a smart financial decision is still up in the air.

Weaknesses: Major issues for customers and employees

Despite purchasing the United Kingdom's massive retailer, Walmart has only expanded to few countries worldwide. Even though people know the name, they don't know the products firsthand.

Another problem is their brand. Again, it's recognizable, but so much of it is negative. They're regarded as a company who doesn't treat their employees right. They're more likely to hire part-timers over full-time employees. If their questionable ethical guidelines weren't enough, they're known to put smaller stores out of business, building hostility among the townspeople it affects.

Additionally, the stores themselves have issues. Often, it's bursting with customers but not enough employees. It's common to only have a few cash registers open, but an endless line of people waiting, especially during busy seasons like back-to-school.

Some products are cheaper than others because the quality itself is cheap. That's why companies like Target are sometimes referred to as "the higher-end Walmart" and similar variations. Walmart is the butt of many jokes, especially online, for having a colorful selection of customers who tend to fall into categories like "redneck", "obese", and "trashy" — as said by the internet hecklers.

Unless you've worked there yourself, you might not know that their Point of Sales (POS) system is archaic. Accidentally scanning a product twice can be an entire ordeal, involving the manager, just to remove it. Cashiers can't do it themselves because they don't have the authority (depending on the price of the item). But this makes the whole transaction process much longer and frustrating than it needs to be.

It's clear that for customer and employees alike, Walmart needs to step up their performance, offerings, and selections.

Opportunities: Branching out in various ways

Walmart could focus more on expanding to markets not yet ventured such as Latin America and China. So far, they've been extremely limited in physical locations, but that could change with their online offerings. By expanding on the store, the offerings, and shipping, they could spread their wings worldwide, similarly to Amazon.

They can also jump on the health-conscious bandwagon. They could offer more healthy-food alternatives in their grocery section, further encouraging the growing wellness trends. Certain diets, like keto, are growing in popularity. They could capitalize on offering foods perfect for people on these popular diets — aiming to offer something other stores don't.

There's also the opportunity to partner with larger companies to branch into other services such as health insurance, coffee stores, and travel agencies. It's another way to dominate the worldwide market without having to drop stores in new locations. Most big name companies branch out, like Pepsi and Doritos or IBM providing analytics for The Weather Company.

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Threats: A doomed brand image and beloved competition

Employees want to make a livable wage. They complain about not getting enough hours or made to work overtime without pay. Walmart's brand image is hit harder and harder the longer they ignore the growing cries of their workers. Not to mention they've increased the amount of self-checkout machines. It appears to be a positive way to improve the transaction process, but it also a way to cut back on hiring more employees.

The competition is always biting on their heels too. There's Target, similar to Walmart but known for "higher quality" items. And Costco, where you can buy massive amounts of food in bulk. They're also known to treat their employees well. Both companies are happily supported by the public, less so for Walmart.

And even though Walmart is putting more funding into their online shop, it might not yield expected results. It requires a mental shift for customers. They're used to coming in and buying their stuff, but now Walmart is asking them to buy from home. It doesn't help that their website was always slow, hard to organize, and often unhelpful.

Amazon, on the other hand, is known for its online shopping, quick deliveries, and a huge selection of items. No mental shift required.

People are looking for an alternative to the long lines, the lack of employee help, and crammed stores. Walmart wants it to be their e-commerce site, but we already have it Target and Costco. Not to mention people are likely to support smaller grocery store chains over Walmart.

If Walmart put more effort into clearing their name, treating employees and customers better, rather than throwing funds into website redesigns, they could turn much of their threats into strengths.

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